

EXHIBIT A

LOAN AGREEMENT

Dated as of November 7, 2012

By and Between

THE CITY OF LEESBURG, FLORIDA
(the "City")

and

SUNTRUST BANK
(the "Bank")

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(The Table of Contents for this Loan Agreement is for convenience of reference only and is not intended to define, limit or describe the scope or intent of any provisions of this Loan Agreement.)

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LOAN AGREEMENT

THIS LOAN AGREEMENT (the "Agreement"), made and entered into this 7th day of November, 2012, by and between **THE CITY OF LEESBURG, FLORIDA** (the "City"), a municipal corporation of the State of Florida and its successors and assigns, and **SUNTRUST BANK**, a Georgia state banking corporation authorized to do business in Florida, and its successors and assigns (the "Bank").

WITNESSETH:

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

WHEREAS, the City, pursuant to the provisions of the Florida Constitution, Chapter 166, Florida Statutes and other applicable provisions of law (all of the foregoing, collectively, the "Act"), City Resolution No. 7141 adopted by the City Commission of the City on June 14, 2004 (the "Original Instrument") and Resolution No. _____, adopted by the City Commission of the City on October 22, 2012, is authorized to borrow money, and more particularly issue the Note described below for the City's public purpose including refunding all of the City's Outstanding Electric System Revenue Bond, Series 2004 maturing on October 1, 2015 through October 1, 2029 and the Amortization Installments of the October 1, 2034 maturity coming due October 1, 2030, October 1, 2031 and October 1, 2032 (the "Refunded Bonds"); and

WHEREAS, in response to a request for proposal by the City regarding an intended borrowing to refund all of the City's Refunded Bonds, and to pay related costs of issuance, the Bank submitted its commitment, dated October 3, 2012, to the City (the "Commitment"); and

WHEREAS, the City has accepted the Commitment and the Bank is willing to purchase the Note (as hereinafter defined), but only upon the terms and conditions of this Agreement;

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

DEFINITION OF TERMS

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

"Bond Counsel" shall mean, Akerman Senterfitt, 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 hired by the City to render an opinion on such matters with regard to the Note.

"Business Day" shall mean a day on which the Holder and the City are open for business and on which dealings in U.S. dollar deposits are carried on in the London Inter- Bank Market.

"Change in Law" means with respect to the Original Purchaser, so long as it is the holder of the Note, the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty applicable to the Original Purchaser, (b) any change in law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority applicable to the Original Purchaser or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by an Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated for the Bank by International Settlement, the Basel Committee on Banking Supervision (or any successor or similar authority) or, pursuant to the accord commonly referred to as "Basel III," or the United States or foreign regulatory authorities, shall in each case be deemed to be a "Change in Law," regardless of the date enacted, adopted or issued.

"City Clerk" shall mean the City Clerk of the City and such other person as may be duly authorized to act on his or her behalf.

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

"Debt Service" means principal and interest, and other debt-related costs, due in connection with the Note, as applicable.

"Default Rate" shall mean the Prime Rate plus 2% per annum provided such rate shall not exceed the highest rate of interest allowed by applicable law.

"Determination of Taxability" means a final decree or judgment of any Federal court or a final action of the Internal Revenue Service determining that interest paid or payable on the Note is or was includable in the gross income of a Noteholder for Federal income tax purposes; provided, that no such decree, judgment, or action will be considered final for this purpose, however, unless the City has been given written notice and, if it is so desired and is legally allowed, has been afforded the opportunity to contest the same, either directly or in the name of any Noteholder, and until the conclusion of any appellate review, if sought.

"Escrow Deposit Agreement" shall mean that certain agreement between the City and _____ as escrow agent pursuant to which amounts shall be deposited and invested in trust to provide for the payment of the Refunded Bonds as provided therein.

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

"Finance Director" shall mean the Finance Director of the City.

"Financial Advisor" shall mean Larson Consulting Services, LLC.

"Fiscal Year" shall mean the 12-month period commencing October 1 of each year and ending on the succeeding September 30, or such other 12-month period as the City may designate as its "fiscal year" as permitted by law.

"Governmental Authority" shall mean any government or political subdivision or any agency, board, commission, department or instrumentality of either, or any court, tribunal, central bank or arbitrator.

"Loan" shall refer to an amount equal to the outstanding principal of the Note, together with unpaid interest and penalties, if any, which have accrued.

"Margin Rate Factor" shall mean the fraction the numerator of which is equal to one (1) minus the Maximum Federal Corporate Tax Rate on the date of calculation and the denominator of which is 0.65. The Margin Rate Factor shall be 0.65/0.65 or 1.0 so long as the Maximum Federal Corporate Tax Rate shall be 35%, and thereafter shall increase from time to time effective as of the effective date of any decrease in the Maximum Federal Corporate Tax Rate.

"Maturity Date" shall mean the date on which all principal and all unpaid interest accrued on the Note shall be due and payable in full, which date shall be, if not sooner due to prepayment, October 1, 2032.

"Maximum Annual Debt Service" shall mean the largest amount of annual Debt Service for any Fiscal Year in which Note and any Parity Debt (as defined in Section 4.05 hereof) shall be outstanding, excluding all Fiscal Years which shall have ended prior to the Fiscal Year in which Maximum Annual Debt Service shall have occurred.

"Maximum Federal Corporate Tax Rate" shall mean the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, determined without regard to tax rate or tax benefit make-up provisions such as the last two sentences of Section 11(b)(1) of the Code, as in effect from time to time (or, if as a result of a change in the Code the rate of income taxation imposed on corporations shall not be applicable to the Noteholder, the maximum statutory rate of federal income taxation which could apply to the Noteholder). The Maximum Federal Corporate Tax Rate on the date of execution of this Agreement is 35%.

"Note" shall mean the City of Leesburg, Florida Electric System Refunding Revenue Note, Series 2012 issued by the City under the Agreement and the Resolution.

"Note Rate" shall mean a per annum rate equal to (a) 3.18%, multiplied by (b) the Margin Rate Factor. The Note Rate is subject to additional adjustments as provided in Section 3.03 and 4.07 hereof. Upon an Event of Default the per annum rate shall equal to the Default Rate.

"Noteholder" or "Holder" shall mean the Bank as the registered owner of the Note and any subsequent registered owner of the Note.

"Original Purchaser" shall mean the Bank.

"Parity Obligations" shall mean collectively the City's Electric System Revenue Bonds, Series 2004 not refunded in connection with the issuance of the Note, the City's outstanding

Electric System Revenue Bonds, Series 2007A and Taxable Electric System Revenue Bonds, Series 2007B and the City's outstanding Electric System Revenue Note, Series 2010.

"Payment Date" shall mean each April 1 and October 1, commencing April 1, 2013 until the Note has been paid in full.

"Pledged Revenues" shall mean the Net Revenues as defined in City Resolution No. 7141.

"Prime Rate" shall mean the per annum rate which the Original Purchaser announces from time to time to be its prime rate, as in effect from time to time. The Original Purchaser's prime rate is a reference or benchmark rate, is purely discretionary and does not necessarily represent the lowest or best rate charged to borrowing customers. The Original Purchaser may make commercial loans or other loans at rates of interest at, above or below the Original Purchaser's prime rate. Each change in the Original Purchaser's prime rate shall be effective from and including the date such change is announced as being effective.

"Taxable Period" shall mean the period of time between (a) the date that interest on the Note is deemed to be includable in the gross income of the owner thereof for federal income tax purposes as a result of a Determination of Taxability, and (b) the date of the Determination of Taxability.

"Taxable Rate" shall mean, upon a Determination of Taxability, the interest rate per annum that shall provide the Holder with the same after tax yield that the Holder would have otherwise received had the Determination of Taxability not occurred, taking into account the increased taxable income of the Holder as a result of such Determination of Taxability. The Holder shall provide the City with a written statement explaining the calculation of the Taxable Rate, which statement shall, in the absence of manifest error, be conclusive and binding on the City.

Section 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. This Agreement and all the terms and provisions hereof shall be construed to effectuate the purpose set forth herein and to sustain the validity hereof.

Section 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

Section 2.01. Representations and Warranties of City. The City represents and warrants to the Bank in addition to the City representations and warranties set forth in the Original Instrument as follows:

(a) Existence. The City is a municipal corporation 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 and the Escrow Deposit Agreement, to perform its obligations hereunder and thereunder and to issue and deliver the Note to the Bank. The making, execution and performance of this Agreement and the Escrow Deposit Agreement on the part of the City and the issuance and delivery of the Note have been duly authorized by all necessary action on the part of the City and will not violate or conflict with the Act, or any agreement, indenture or other instrument by which the City or any of its material properties is bound.

(b) Validity, Etc. This Agreement, the Escrow Deposit Agreement, the Note and the Resolution are or will be valid and binding obligations of the City enforceable against the City in accordance with their respective terms, except to the extent that enforceability may be subject to valid bankruptcy, insolvency, financial emergency, 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) No Financial Material Adverse Change. No material adverse change in the financial condition of the City or the Pledged Revenues has occurred since the audited financial statements of the City for its year ended September 30, 2011.

(d) Powers of City. The City has the legal power and authority to pledge on a first lien basis, on parity with the lien thereon of the Parity Obligations, the Pledged Revenues to the repayment of the Note as described herein.

(e) Authorizations, etc. No authorization, consent, approval, license, exemption of or registration or filing with any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, has been or will be necessary for the valid execution, delivery and performance by the City of this Agreement, the Note and the related documents, except such as have been obtained, given or accomplished.

Section 2.02. Covenants of the City. The City covenants as follows:

The City will furnish to the Bank (i) within 210 days following the end of each Fiscal Year, a comprehensive annual financial report of the City for such Fiscal Year, which shall include a balance sheet and income statement as of the end of such Fiscal Year, and an audit report of an independent CPA, (ii) within 30 days of adoption for each year the current annual budget of the City, and (iii) any other information which the Bank may reasonably request.

Section 2.03. Representations and Warranties of Bank. The Bank represents and warrants to the City as follows:

Knowledge and Experience. The Bank (i) 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 Note, (ii) has received and reviewed such financial information concerning the Pledged Revenues as it has needed in order to fairly evaluate the merits and risks of making the Loan and investing in the Note; and (iii) is purchasing the Note as an investment for its own account and not with a current view toward resale to the public.

ARTICLE III

THE NOTE

Section 3.01. Purpose and Use. On the date of this Agreement, the Bank shall make available to the City the Loan in the principal amount of _____ Million _____ Hundred _____ Thousand Dollars (\$_____). The Loan will be evidenced by the Note. The proceeds available under this Agreement shall be used solely to refund the Refunded Bonds and to pay costs of issuing the Note.

Section 3.02. The Note. The Note shall be substantially in the form set forth as **Exhibit A** to this Agreement. The general terms of the Note shall be as follows:

(a) Amount of Note. The aggregate principal amount of the Note shall be _____ Million _____ Hundred _____ Thousand Dollars (\$_____).

(b) Interest. The Note shall bear interest at the Note Rate payable on each Payment Date. Upon the occurrence of one or more of the events specified in Section 3.03 of this Agreement, the Note Rate shall be adjusted as therein provided. The Noteholder shall promptly notify the City in writing of any adjustments in a Note Rate. Notwithstanding any provision hereof to the contrary, in no event shall the interest rate on the Note exceed the maximum rate permitted by law. Interest shall be calculated on the basis of a 360-day year of 12 30-day months.

(c) Prepayments. The Note shall be subject to prepayment at the option of the City, in whole on any Business Day, from any legally available monies at a prepayment price of 100% of the principal amount to be redeemed, plus accrued interest to the prepayment date. Any prepayment shall be made on such date as shall be specified by the City in a written notice delivered to the Noteholder not less than five (5) Business Days prior to the specified prepayment date. Any prepayment shall be applied first to accrued interest, then to other amounts owed the Bank, and finally to principal as directed by the City.

If at the time of mailing the notice of any redemption or prepayment, the City shall not have deposited with the paying agent moneys sufficient to redeem the Note, such notice shall state that it is subject to the deposit moneys sufficient for such redemption with the paying agent not later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

Section 3.03. Adjustments to Note Rate. The Note Rate shall be subject to adjustment as hereinafter described and as provided in the Note.

Determination of Taxability. Upon the occurrence of a Determination of Taxability and for as long as any interest on the Note is subject to such Determination of Taxability, the Note Rate shall be converted to the Taxable Rate. In addition, upon a Determination of Taxability, the City shall pay to the Holder (i) an additional amount equal to the difference between (A) the amount of interest actually paid on the Note during the Taxable Period and (B) the amount of interest that would have been paid during the Taxable Period had the Note borne interest at the Taxable Rate, and (ii) an amount equal to any interest, penalties on overdue interest and additions to tax (as referred to in Subchapter A of Chapter 68 of the Code) owed by the Holder as a result of the Determination of Taxability.

Notwithstanding any provision hereto the contrary, in no event shall the interest rate on the Note exceed the maximum rate permitted by law.

Section 3.04. Conditions Precedent to Issuance of Note. Prior to or simultaneously with the delivery of the Note, there shall be filed with the Bank the following, each in form and substance reasonably acceptable to the Bank:

(a) an opinion of counsel to the City substantially to the effect that (i) the Resolution has been duly adopted and this Agreement, the Escrow Deposit Agreement and the Note has been duly authorized, executed and delivered by the City and each constitutes a valid, binding and enforceable agreement of the City in accordance with their respective terms, except to the extent that the enforceability of the rights and remedies set forth herein may be limited by bankruptcy, insolvency, financial emergency or other laws affecting creditors' rights generally or by usual equity principles; (ii) the City's execution, delivery and performance of this Agreement, the Escrow Deposit Agreement and execution and issuance of the Note are not subject to any authorization, consent, approval or review of any governmental body, public officer or regulatory authority not heretofore obtained or effected; (iii) the execution, issuance and delivery of the Note has been duly and validly authorized by the City, and the Note constitutes a valid and binding special obligation of the City enforceable in accordance with its terms; (iv) the City (A) is a municipal corporation duly organized and validly existing under the laws of the State of Florida, and (B) has power and authority to adopt the Resolution, to execute and deliver this Agreement, the Escrow Deposit Agreement, to execute and deliver the Note, and to consummate the transactions contemplated by such instruments; (v) the execution, delivery and performance of the Note and this Agreement, the Escrow Deposit Agreement, and compliance with the terms thereof and hereof, under the circumstances contemplated hereby, do not and will not in any material respect conflict with, or constitute on the part of the City a breach or default under, any indenture, mortgage, deed of trust, agreement or other instrument to which the City 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 City or its properties are subject; (vi) 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 (W) restraining or enjoining, or seeking to restrain or enjoin, the issuance, sale, execution or delivery of the Note, (X) in any way questioning or affecting the validity or enforceability of any provision of this Agreement, the

Escrow Deposit Agreement, the Note, or the Resolution, (Y) in any way questioning or affecting the validity of any of the proceedings or authority for the authorization, sale, execution or delivery of the Note, or of any provision made or authorized for the payment thereof, or (Z) questioning or affecting the organization or existence of the City or the right of any of its officers to their respective offices; (vii) the City has the legal authority to refund the Refunded Bonds and to pay associated costs of issuance and to grant a first lien on the Pledged Revenues on parity with the lien thereon of the Parity Obligations as described herein and in the Resolution; and (viii) all conditions contained in the ordinances and resolutions of the City precedent to the issuance of the Note have been complied with;

(b) an opinion of Bond Counsel (who may rely on opinion of counsel to the City for matters not covered by such counsel's opinion), substantially to such effect that such counsel is of the opinion that: (i) this Loan Agreement constitutes a valid and binding obligation of the City enforceable upon the City in accordance with its terms; (ii) the Note is a valid and binding special obligation of the City enforceable in accordance with its terms, payable solely from the sources provided therefor in this Loan Agreement; (iii) assuming compliance by the City with certain covenants relating to requirements contained in the Code interest on the Note is excluded from gross income for purposes of federal income taxation, and (iv) the lien of the Refunded Bonds on the Pledged Revenues has been discharged;

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

(d) the original executed Note and Agreement; and

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

When the documents and items mentioned in clauses (a) through (e), inclusive, of this Section shall have been filed with the Bank, and when the Note shall have been executed as required by this Agreement, and all conditions of the Resolution have been met, the City shall deliver the Note to or upon the order of the Bank upon receipt of the purchase price therefor.

Section 3.05. Registration of Transfer; Assignment of Rights of Bank. The City shall keep at the office of the City Clerk in the City's records the registration of the Note and the registration of transfers of the Note as provided in this Agreement. The transfer of the Note may be registered only upon the books kept for the registration of the Note and registration of transfer thereof upon surrender thereof to the City 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 Note may be transferred only in whole and not in part. In all cases in which the Note shall be transferred hereunder, the City shall execute and deliver at the earliest practicable time a new Note in accordance with the provisions of this Agreement. The City may make a charge for every such registration of transfer of a Note sufficient to reimburse it for any tax or other governmental charges (other than those of the City) 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

Note shall be issued in fully registered form and shall be payable in any lawful coin or currency of the United States.

The registration of transfer of the Note on the registration books of the City 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 City and the transferor shall execute and record such instruments and take such other actions as the City and such transferee may reasonably request in order to confirm that such transferee has succeeded to the capacity of Bank under this Agreement and the Note.

The registered owner of the Note 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 Note; provided, however, that the Note may be transferred only in whole and not in part and provided further, that no transfer shall be permitted to anyone other than a transferee that is an "accredited investor" within the meaning of Regulation D of the Securities Act of 1933. Every prior registered owner of the Note 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.

In the event any Note is mutilated, lost, stolen, or destroyed, the City shall execute a new Note of like date and denomination as that mutilated, lost, stolen or destroyed, provided that, in the case of any mutilated Note, such mutilated Note shall first be surrendered to the City, and in the case of any lost, stolen, or destroyed Note, there first shall be furnished to the City evidence of such loss, theft or destruction together with an indemnity satisfactory to it.

Section 3.06. Ownership of the Note. The person in whose name the Note is registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the Note 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 Note, and interest thereon, to the extent of the sum or sums so paid.

Section 3.07. Use of Proceeds of Note Permitted Under Applicable Law. The City represents, warrants and covenants that the proceeds of the Note will be used solely as provided in Section 3.01 hereof, and that such use is permitted by applicable law.

Section 3.08. Authentication. Until the Note shall have endorsed thereon a certificate of authentication substantially in the form set forth in Exhibit A, duly executed by the manual signature of the registrar as authenticating agent, it shall not be entitled to any benefit or security under this Loan Agreement. The Note shall not be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly adopted by the registrar, and such certificate of the registrar upon the Note shall be conclusive evidence that such Note has been duly authenticated and delivered under this Loan Agreement.

ARTICLE IV

COVENANTS OF THE CITY

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

Section 4.02. Payment of Note.

(a) The City does hereby irrevocably pledge the Pledged Revenues as security for the repayment of the Note.

(b) The Note will be a special obligation of the City secured solely by the Pledged Revenues and is payable from the Pledged Revenues on parity with the Parity Obligations as provided in this Agreement. The Note will not constitute a general debt, liability or obligation of the City or the State of Florida or any political subdivision thereof within the meaning of any constitutional or statutory limitation. Neither the faith and credit nor the taxing power of the City or of the State of Florida or any political subdivision thereof is pledged to the payment of the principal of or interest on the Note and the Noteholder shall never have the right to compel any exercise of any ad valorem taxing power of the City or of the State of Florida or any political subdivision thereof, directly or indirectly to enforce such payment. The Note shall not constitute a lien upon any property of the City except upon the Pledged Revenues.

Section 4.03. Tax Covenant. The City covenants to the Noteholders that the City will not make any use of the proceeds of the Note at any time during the respective terms of such Note which, if such use had been reasonably expected on the date the Note was issued, would have caused such Note to be an "arbitrage bond" within the meaning of the Code. The City will comply with the requirements of the Code and any valid and applicable rules and regulations promulgated thereunder necessary to insure the exclusion of interest on the Note from the gross income of the holders thereof for purposes of federal income taxation.

Section 4.04. Application of Provisions of Original Instrument. The Note shall for all purposes be considered to be Additional Bonds issued under the authority of Section 12.02 of the Original Instrument and shall be entitled to all the protection and security provided in and by the Original Instrument for Additional Bonds, and the Note shall be in all respects entitled to the same security, rights and privileges enjoyed by the Parity Obligations except as otherwise provided herein. The debt service on the Note shall be payable on a parity with the Parity Obligations. The terms and provisions and all City covenants of the Original Instrument as supplemented hereby shall remain in full force and effect and be applicable with respect to the Note. The Reserve Requirement for the Note is \$0.

Section 4.05. Compliance with Laws and Regulations. The City shall maintain compliance with all federal, state and local laws and regulations regarding the levy and collection of the Pledged Revenues.

Section 4.06. No Impairment. As long as the Note is outstanding, the pledging of the Pledged Revenues in the manner provided herein shall not be subject to repeal, modification or impairment by any subsequent ordinance, resolution or other proceedings of the City Council.

Section 4.07. Capital Adequacy. If, after the date of issuance of the Note, the Original Purchaser shall have reasonably determined that a Change in Law shall have occurred that has or would have the effect of reducing the rate of return on the Original Purchaser's capital, on the Note or otherwise as a consequence of its ownership of the Note, to a level below that which the Original Purchaser could have achieved but for such Change in Law (taking into consideration the Original Purchaser's policies with respect to capital adequacy) by an amount deemed by the Original Purchaser to be material, then from time to time, promptly upon demand by the Original Purchaser, the City hereby agrees to pay the Original Purchaser such additional amount or amounts as will compensate the Original Purchaser for such reduction; provided however, no such demand for reimbursement shall be effective until the Original Purchaser delivers to the City a certificate (each a "Certificate"), no less than sixty (60) calendar days preceding the effective date of such demand setting forth in reasonable detail the basis therefor and the manner of calculation thereof which Certificate shall be conclusive (absent manifest error) as to the amount set forth therein and such calculation shall also take into account any changes which decrease the cost to the Original Purchaser. In determining any such amount, the Original Purchaser may use any reasonable averaging and attribution methods. [Concurrently with the presentation of each Certificate, the City shall also be provided written certification from the Original Purchaser that all of the Original Purchaser's outstanding loans of like type to the Note are also being required to compensate the Original Purchaser due to the change in capital adequacy requirements.] Upon receipt of the Certificate, the City may request the Original Purchaser to delay all or a portion of the reimbursement payment attributable the Change in Law until the first payment date occurring in the fiscal year following the Change in Law (the "Transition Date"), then in such case, on the Transition Date the City shall pay the Original Purchaser the reimbursement amounts attributable to a Change in Law that remain due hereunder and are unpaid. In addition, if, on or prior to sixty (60) calendar days after receipt of the Certificate, the City prepays the Note, no amounts shall be due from the City to the Original Purchaser with respect to a Change in Law. Notwithstanding the foregoing, no reimbursing amounts due and owing to the Original Purchaser pursuant to this paragraph shall have the effect of causing the Interest Rate on the Note to exceed the maximum rate allowed under applicable provisions of law.

ARTICLE V

EVENTS OF DEFAULT AND REMEDIES

Section 5.01. Events of Default; Remedies. The provisions of Article XIII of the Original Instrument shall apply for purposes of this Loan Agreement and shall be applied to the Note as though fully restated herein. The Bank shall be paid the Default Rate upon the occurrence of an "event of default."

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 6.01. Covenants of City, Etc.; Successors. All of the covenants, stipulations, obligations and agreements contained in this Agreement shall be deemed to be covenants, stipulations, obligations and agreements of the City 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.

Section 6.02. Term of Agreement. This Agreement shall be in full force and effect from the date hereof until the Note and all other sums payable to the Bank hereunder have been paid in full.

Section 6.03. Amendments and Supplements. This Agreement may be amended or supplemented from time to time only by a writing duly executed by each of the City and the Noteholder.

Section 6.04. Notices. Any notice, demand, direction, request or other instrument authorized or required by this Agreement to be given to or filed with the City 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 City:

City of Leesburg, Florida
501 Meadow Street
Leesburg, FL 34748
Attention: City Manager

With a copy to:

Fred Morrison, Esquire
McLin Burnsed
1000 West Main Street
Leesburg, Florida 34748

As to the Bank:

SunTrust Bank
Mail Code FL – Orlando - 2063
200 South Orange Avenue
Orlando, FL 32801
Attention: William C. Jones

or at such other address as shall be furnished in writing by any such party to the other, and shall be deemed to have been given as of the date so delivered or deposited in the United States mail.

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.

Section 6.05. Benefits Exclusive. Except as herein otherwise 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 City 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 City and the Noteholder.

Section 6.06. Severability. In case any one or more of the provisions of this Agreement, any amendment or supplement hereto or of the Note 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 Note, but this Agreement, any amendment or supplement hereto and the Note 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 contained in the Note 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 City to the full extent from time to time permitted by law.

Section 6.07. Payments Due on Saturdays, Sundays and Holidays. In any case where the date of maturity of interest on or principal of the Note or the date fixed for prepayment of the Note 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.

Section 6.08. 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.

Section 6.09. Applicable Law. This Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State of Florida.

Section 6.10. No Personal Liability. Notwithstanding anything to the contrary contained herein or in the Note, or in any other instrument or document executed by or on behalf of the City in connection herewith, no stipulation, covenant, agreement or obligation of any present or future member of the City Commission, officer, employee or agent of the City, officer,

employee or agent of a successor to the City, 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, agreements or obligations, nor shall any recourse be had for the payment of the principal of or interest on the Note or for any claim based thereon or on any such stipulation, covenant, agreement or obligation, against any such person, in his or her individual capacity, either directly or through the City or any successor to the City, under any rule or 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.

Section 6.11. Incorporation by Reference. All of the terms and obligations of the Resolution and the Exhibit 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.

[SIGNATURES ON FOLLOWING PAGE]

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

ATTEST:

CITY OF LEESBURG, FLORIDA

City Clerk

By: _____
Mayor

APPROVED AS TO FORM AND
CORRECTNESS

SUNTRUST BANK

City Attorney

By: _____
Title: Authorized Officer

EXHIBIT A

FORM OF NOTE

THIS NOTE MAY BE TRANSFERRED ONLY TO A HOLDER WHO IS AN "ACCREDITED INVESTOR" AS SUCH TERM IS DEFINED IN THE SECURITIES ACT OF 1933, AS AMENDED, AND REGULATION D THEREUNDER.

**CITY OF LEESBURG, FLORIDA
ELECTRIC SYSTEM REFUNDING REVENUE NOTE, SERIES 2012**

| <u>Principal Sum</u> | <u>Maturity Date</u> | <u>Note Rate</u> | <u>Date of Issuance</u> |
|-----------------------------|-----------------------------|---|--------------------------------|
| | October 1, 2032 | 3.18% | November 7, 2012 |
| | | (subject to adjustment as provided herein) | |

THE CITY OF LEESBURG, FLORIDA (the "City"), for value received, hereby promises to pay, solely from the sources described in the within mentioned Agreement, to the order of SUNTRUST BANK, a Georgia state banking corporation, or its assigns (the "Holder"), the Principal Sum stated above on the Maturity Date stated above except as the provisions for mandatory redemption hereinafter on each October 1 as set forth on Schedule I hereto are required to be made, together with any accrued and unpaid interest, and to pay (but only out of the sources hereinafter mentioned) interest on the outstanding principal amount hereof from the most recent date to which interest has been paid or provided for, or if no interest has been paid, from the Date of Issuance shown above, on April 1 and October 1 of each year (each, an "Interest Payment Date"), commencing on April 1, 2013, until payment of said principal sum has been made or provided for, at the Note Rate. Payments due hereunder shall be 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, which payments shall be made to the Holder hereof by ACH Direct Debit from a City designated account with SunTrust Bank or otherwise as the City and the Holder may agree.

The Note Rate may be adjusted in accordance with the terms of that certain Loan Agreement by and between the Holder and the City, dated as of November 7, 2012 (the "Agreement"). Such adjustments may be retroactive. Additional payments are also due in regard to the Note as provided for in Section 4.07 of the Agreement.

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

The Note may be prepaid by the City in whole or in part at any time as provided in the Agreement from any legally available monies at a prepayment price of 100% of the principal amount to be redeemed, plus accrued interest to the prepayment date without a prepayment

premium. Prepayment shall be made on such date as shall be specified by the City in a written notice delivered to the Holder not less than five (5) days prior to the specified prepayment date. Any prepayments shall be applied as provided in Section 3.02(c) of the Agreement.

Notice having been given as aforesaid, the principal amount shall become due and payable on the prepayment date stated in such notice, together with interest accrued and unpaid to the prepayment date on the principal amount; and the amount of principal and interest then due and payable shall be paid upon presentation and surrender of this Note to the office of the City. If, on the prepayment date, funds for the payment of the principal amount, together with interest to the prepayment date on such principal amount, shall have been given to the Holder, as above provided, then from and after the prepayment date interest on the principal amount of this Note shall cease to accrue.

This Note is authorized to be issued in the outstanding aggregate principal amount equal to the Principal Sum under the authority of and in full compliance with the Constitution and statutes of the State of Florida, including, particularly, Chapter 166, Florida Statutes and other applicable provisions of law, City Resolution No. 7141 (the "Original Instrument") and the City's Resolution No. _____ adopted by the City Commission on October 22, 2012 (the "Resolution"), and is subject to all terms and conditions of the Agreement and the Resolution. The Note is being issued as Additional Bonds under the provisions of the Original Instrument. Any term used in this Note and not otherwise defined shall have the meaning ascribed to such term in the Resolution or the Agreement, as the case may be.

This Note is a limited, special obligation of the City, payable from and secured solely by a lien upon and pledge of the Pledged Revenues, as defined and described and in the manner provided in the Agreement. The lien of the this Note on the Pledged Revenues is on parity with the loan thereon of the Parity Obligations.

Notwithstanding any provision in this Note to the contrary, in no event shall the interest contracted for, charged or received in connection with this Note (including any other costs or considerations that constitute interest under the laws of the State of Florida which are contracted for, charged or received) exceed the maximum rate of nonsurious interest allowed under the State of Florida as presently in effect and to the extent an increase is allowable by such laws, but in no event shall any amount ever be paid or payable by the City greater than the amount contracted for herein. 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), Florida Statutes, 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 this Note unpaid, but such crediting shall not cure or waive any default under the Agreement or Resolution.

THIS NOTE SHALL NOT BE OR CONSTITUTE AN INDEBTEDNESS OF THE CITY OR THE STATE OF FLORIDA (THE "STATE"), WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER LIMITATIONS OF INDEBTEDNESS,

BUT SHALL BE PAYABLE SOLELY FROM THE PLEDGED REVENUES, AS PROVIDED IN THE AGREEMENT AND THE RESOLUTION. THE HOLDER SHALL NEVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE CITY, 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 Holder shall also have such other remedies as described in the Agreement.

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

CITY OF LEESBURG, FLORIDA

[SEAL]

By: _____
Mayor

ATTEST:

By: _____
City Clerk

Approved As To Form and Correctness:

City Attorney

FORM OF CERTIFICATE OF AUTHENTICATION

Date of Authentication:

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

CITY OF LEESBURG, FLORIDA,
as Registrar

By: _____
City Clerk

ASSIGNMENT

FOR VALUE RECEIVED the undersigned 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.

Name of Noteholder: _____

By: _____

Schedule I

Principal on this Note shall be payable on October 1 of the following years and in the following amounts:

| <u>Year</u> | <u>Principal Amortization</u> |
|-------------|-------------------------------|
|-------------|-------------------------------|