

LOAN AGREEMENT
between
LAKE ASBURY MUNICIPAL SERVICE BENEFIT DISTRICT
and
AMERIS BANK

Dated June ___, 2012

SECTION 1. DEFINITIONS.....	1
SECTION 2. INTERPRETATION	4
SECTION 3. THE LOAN.....	4
SECTION 4. DESCRIPTION OF NOTE.....	5
SECTION 5. EXECUTION OF NOTE.....	5
SECTION 6. REGISTRATION AND TRANSFER OF NOTE	5
SECTION 7. NOTE MUTILATED, DESTROYED, STOLEN OR LOST	6
SECTION 8. FORM OF NOTE	6
SECTION 9. SECURITY FOR NOTE; NOTE NOT DEBT OF THE ISSUER.....	7
SECTION 10. COVENANTS OF THE ISSUER.....	7
SECTION 11. APPLICATION OF NOTE PROCEEDS.....	10
SECTION 12. CONDITIONS PRECEDENT	10
SECTION 13. REPRESENTATIONS AND WARRANTIES.....	10
SECTION 14. TAX COMPLIANCE.....	11
SECTION 15. DESIGNATION PURSUANT TO CODE.....	12
SECTION 16. NOTICES.....	12
SECTION 17. EVENTS OF DEFAULT DEFINED	12
SECTION 18. REMEDIES.....	13
SECTION 19. NO RECOURSE.....	14
SECTION 20. PAYMENTS DUE ON NON-BUSINESS DAYS.	14
SECTION 21. DEFEASANCE.....	14
SECTION 22. AMENDMENTS, CHANGES AND MODIFICATIONS.....	14
SECTION 23. BINDING EFFECT	14
SECTION 24. SEVERABILITY	14
SECTION 25. EXECUTION IN COUNTERPARTS.....	15
SECTION 26. APPLICABLE LAW.....	15
SECTION 27. WAIVER OF JURY TRIAL.....	15

EXHIBIT A – FORM OF NOTE

EXHIBIT B – FORM OF REQUISITION

This LOAN AGREEMENT is made and entered into on June ___, 2012, by and between LAKE ASBURY MUNICIPAL SERVICE BENEFIT DISTRICT (the "Issuer") and AMERIS BANK (the "Lender").

WITNESSETH

WHEREAS, the Issuer has determined that it is necessary, desirable and in the best interests of the Issuer and its inhabitants that the Issuer undertake the Project hereinafter described, which Project serves essential public purposes of the Issuer;

WHEREAS, the Issuer has determined that it is without adequate currently available funds to pay Project Costs and it is necessary that funds be made immediately available to the Issuer in order to undertake the Project;

WHEREAS, the Issuer received a proposal from the Lender to provide the Issuer with the necessary financing for the Project and the proposal of the Lender was accepted by the Issuer;

WHEREAS, pursuant to the Lender's proposal the Lender has agreed to lend the Issuer the aggregate principal amount of \$840,000 in return for the Note;

WHEREAS, the Issuer has determined that it is in the best interest of the health, safety and welfare of the Issuer and the inhabitants thereof that the Issuer pledge the special funds hereinafter described to the payment of the principal of and interest on the Note when due as provided herein; and

WHEREAS, the Note shall not constitute a general obligation or indebtedness of the Issuer as a "bond" within the meaning of any provision of the Constitution of the State, but shall be a special, limited obligation of the Issuer, the principal of and interest on which are payable solely from the special funds in the manner provided herein, and the principal of and interest on the Note and all other payments provided for herein will be paid solely from such special funds, and it will never be necessary or authorized to levy taxes on any real property of or in the Issuer to pay the principal of or interest on the Note or other payments provided for herein; furthermore, neither the Note nor the interest thereon, shall be or constitute a lien upon the Project or upon any other property of or in the Issuer other than such special funds in the manner provided herein;

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 do hereby agree as follows:

SECTION 1. DEFINITIONS. The following terms shall have the following meanings herein, unless the text otherwise expressly requires:

“Act” means Chapter 86-392, Laws of Florida, as amended, and other applicable provisions of law.

“Assessment Proceedings” means the resolutions, meetings of the Governing Body, public hearings and all other proceedings necessary to levy and collect special assessments on the land and properties within the Issuer.

“Assessment Proceeds” means all the proceeds derived from the Special Assessments, including interest and penalties on the Special Assessments, and any moneys received upon the foreclosure of the liens of the Special Assessments.

“Authorized Investments” means any obligations, deposit certificates or other evidences of indebtedness legal for investment pursuant to law, to the extent not inconsistent with the terms of the investment policy of the Issuer and applicable law.

“Business Day” means any day of the year other than a Saturday or Sunday or a day on which the principal office of the Lender or the designated office of any Paying Agent are lawfully closed.

“Chairman” means the Chairman or Vice Chairman of the Governing Body or such other person as may be duly authorized to act on his or her behalf.

“Code” means the Internal Revenue Code of 1986, as amended.

“Disbursement” means the disbursement to the Issuer of Note proceeds pursuant to a Requisition.

“Federal Securities” means direct non-callable obligations of the United States of America.

“Fiscal Year” means the period from October 1 to the succeeding September 30.

“Governing Body” means the Board of District Trustees of the Issuer.

“Issuer” means Lake Asbury Municipal Service Benefit District, a political subdivision of the State.

“Lender” means Ameris Bank, its successors and assignees.

“Loan” means the loan made to the Issuer pursuant to Section 3A below.

“Note” means the promissory note of the Issuer to the Lender in substantially the form attached hereto as Exhibit A with such modifications thereto as may be approved by the Lender and, upon the advice of the Issuer attorney, the Chairman or the Secretary such approval to be conclusively evidenced by such officer’s execution thereof and the Lender’s execution of the Loan Agreement.

“Note Payment Account” means the account created and established pursuant to Section 10.F hereof.

“Paying Agent” means the Secretary.

“Person” or words importing persons, means firms, associations, partnerships (including without limitation, general and limited partnerships), joint ventures, societies, estates, trusts, corporations, public or governmental bodies, other legal entities and natural persons.

“Pledged Funds” means the Special Assessments collected pursuant to the Assessment Proceedings and, until applied as provided in this Agreement, the moneys on deposit in the funds and accounts established hereunder and the investment income thereon.

“Prime” means the prime rate as published on or about June ___, 2017, in the money rates table of the *Wall Street Journal*. The prime rate is a reference rate for the information and use of the Lender in establishing the actual rates to be, but is not necessarily the best or lowest rate, charged to its borrowers.

“Prior Lien Obligations” means the Issuer’s outstanding Special Assessment Revenue Note, Series 2009, dated ____, 2009.

“Project” means the spillway and dam improvements to South Lake Asbury and the other related capital improvements to be acquired and constructed by the Issuer pursuant to its authorization in accordance with certain plans and specifications now on file with the Secretary.

“Project Account” means the account created and established pursuant to Section 3.C hereof.

“Project Costs” means all expenses necessary, appurtenant or incidental to the acquisition and construction of the Project, including without limitation the cost of any land or interest therein or of any fixtures, equipment or personal property necessary or convenient therefor, the cost of labor and materials to complete such construction, architectural, engineering, permitting and legal expenses, fiscal expenses, expenses for estimates of costs and of revenues, expenses for plans, specifications and surveys, interest during construction, administrative expenses related solely to the acquisition and construction of the Project and all expenses incident to the financing of the Project and the issuance of the Note.

“Register” means the books maintained by the Registrar in which are recorded the names, and addresses of the holders of the Note.

“Registrar” means the Person maintaining the Register. The Registrar shall be the Secretary.

“Regulations” means the Income Tax Regulations promulgated by the Internal Revenue Service under Sections 103 and 141 through 150 of the Code in effect from time to time.

“Requisition” means the requisition submitted to the Lender for disbursement of Note proceeds deposited into the Project Account, in substantially the form of Exhibit B attached hereto.

“Secretary” means the Secretary of the Governing Body or such other person as may be duly authorized to act on his or her behalf.

“Special Assessments” means the special assessments levied or to be levied against the lands and real estate within the Issuer.

“State” means the State of Florida.

SECTION 2. 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 3. THE LOAN.

A. Loan. The Lender hereby makes and the Issuer hereby accepts the loan in the principal amount of \$840,000 evidenced by the Note upon the terms and conditions herein.

B. Disbursement of Proceeds. On the terms and subject to the conditions of this Agreement, the Lender shall make the proceeds of the Note available to the Issuer on the date of issuance of the Note in an aggregate principal amount of \$840,000.

C. Manner of Disbursement; Project Account. The Issuer hereby creates and establishes a special separate restricted account with the Lender to be called the “Lake Asbury Municipal Service Benefit District Special Assessment Revenue Note, Series 2012, Project Account” (hereinafter called the “Project Account”). Subject to the conditions of this Agreement, the proceeds of the Note in the amount of \$840,000 shall be made available to the Issuer by transferring the amount thereof on the date of issuance of the Note to the Project Account in immediately available funds by the close of business on such date. The Issuer shall thereafter notify the Lender of the need for a Disbursement not later than 11:00 a.m. on the date prior to the Disbursement by delivering to the Lender a Requisition executed on behalf of the Issuer by the Chairman or his/her designee and on behalf of the District’s engineers by an authorized representative thereof in the form attached hereto as Exhibit B. Such Requisition shall specify the amount and date of the Disbursement.

The moneys on deposit to the credit of the Project Account shall be applied only to the payment of the Project Costs and, until such moneys shall have been applied to such purpose, there shall be a lien upon all of the moneys of the Project Account in favor of the holder of the Note.

Amounts on deposit in the Project Account may be invested and reinvested by the Issuer in Authorized Investments maturing or redeemable at the option of the Issuer not later than the date such amounts are needed for the payments required hereunder. Except to the extent otherwise required by any provision hereof or of any tax compliance certificate delivered in connection with the delivery of the Note, all income from the investment of moneys in Project Account shall, upon receipt thereof, be deposited to the credit of the Project Account and used for the purposes thereof.

SECTION 4. DESCRIPTION OF NOTE. The Loan shall be evidenced by the Note. The Note shall be dated as of the date of initial delivery thereof; shall mature on June __, 2019, seven years from its date of issuance; shall be in registered form; and shall bear interest at a fixed rate equal to 2.6% from its date of issuance through but not including June __, 2017, and commencing June __, 2017, at a fixed rate equal to Prime minus ½%, calculated on the basis of the 365/360 method, which computes a daily amount of interest for a hypothetical year of 360 days, then multiplies such amount by the actual number of days elapsed in an interest calculation period, until payment in full of the principal amount thereof, subject to further adjustment as set forth herein and in the Note. Principal and interest shall be payable annually on June __ of each year, commencing June __, 2013, in 6 equal installments of \$_____, with all unpaid amounts paid in full on June __, 2019, the maturity date of the Note.

The Note may be prepaid in whole or in part prior to maturity on any date without penalty. Notice of such prepayment shall be delivered to the Lender at least ten (10) days prior to the date for prepayment date. If the Note is prepaid in part then prior to any transfer of the Note, the Lender shall record the appropriate information in a partial redemption record to be attached to the Note, and indicate receipt of such partial redemption by the Lender's signature on such record.

SECTION 5. EXECUTION OF NOTE. The Note shall be executed in the name of the Issuer by the Chairman, and attested and countersigned by the Secretary, and its seal or a facsimile thereof shall be affixed thereto or reproduced thereon. The Note may be signed and sealed on behalf of the Issuer by any person who at the actual time of the execution of the Note shall hold such office in the Issuer, although at the date of the Note such person may not have been so authorized. The Note may be executed by the facsimile signatures of the Chairman or the Secretary.

SECTION 6. REGISTRATION AND TRANSFER OF NOTE. The Note shall be and shall have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code-Investment Securities Laws of the State, and the registered owner, in accepting the Note, shall be conclusively deemed to have agreed that the Note shall be and have all of the qualities and incidents of negotiable instruments thereunder.

There shall be a Registrar who shall be responsible for maintaining the Register. The person in whose name ownership of the Note is shown on the Register shall be deemed the owner thereof by the Issuer and the Registrar, and any notice to the contrary shall not be binding

upon the Issuer or the Registrar. The Issuer and the Registrar may treat such registered owner as the absolute owner of the Note for all purposes, whether or not the Note shall be overdue, and shall not be bound by any notice to the contrary.

Ownership of the Note may be transferred only upon the Register. Upon surrender to the Registrar for transfer or exchange of the Note accompanied by an assignment or written authorization for exchange, whichever is applicable, duly executed by the registered owner or its attorney duly authorized in writing, the Registrar shall deliver in the name of the registered owner or the transferee or transferees, as the case may be, a new fully registered Note of authorized denominations and of the maturity and interest rate and for the aggregate principal amount as the Note surrendered.

Any Note presented for transfer, exchange, redemption or payment (if so required by the Issuer or the Registrar) shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Issuer or the Registrar, duly executed by the registered owner or by its duly authorized attorney.

The Issuer and the Registrar may charge the registered owner a sum sufficient to reimburse them for any expenses incurred in making any exchange or transfer of the Note. The Registrar or the Issuer may also require payment from the registered owner or such owner's transferee, as the case may be, of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto. Such charges and expenses shall be paid before any new Note shall be delivered.

The new Note delivered upon any transfer or exchange shall be a valid obligation of the Issuer, evidencing the same debt as the Note surrendered, shall be secured under this Agreement, and shall be entitled to all of the security and benefits hereof to the same extent as the Note surrendered.

Whenever the Note shall be delivered to the Registrar for cancellation, upon payment of the principal amount thereof, or for replacement, transfer or exchange, the Note shall be cancelled and destroyed by the Registrar, and counterparts of a certificate of destruction evidencing such destruction shall be furnished to the Issuer.

SECTION 7. NOTE MUTILATED, DESTROYED, STOLEN OR LOST. In case the Note shall be mutilated, or be destroyed, stolen or lost, upon the registered owner furnishing the Registrar proof of its ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer may incur, the Registrar shall issue and deliver a new Note of like tenor as the Note so mutilated, destroyed, stolen or lost, in lieu of or substitution for the Note, if any, destroyed, stolen or lost, or in exchange and substitution for such mutilated Note, upon surrender of such mutilated Note, if any, to the Registrar and the cancellation thereof; provided however, if the Note shall have matured or be about to mature, instead of issuing a substitute Note, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Note be lost, stolen or

destroyed, without surrender thereof. Any Note surrendered under the terms of this Section 7 shall be cancelled by the Registrar.

Any such duplicate Note issued pursuant to this section shall constitute an original, additional contractual obligation on the part of the Issuer whether or not, as to such duplicate Note, the lost, stolen or destroyed Note be at any time found by anyone, and such duplicate Note shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from the special funds, as hereinafter pledged, to the same extent as the other Note issued hereunder.

SECTION 8. FORM OF NOTE. The Note shall be in substantially the form of Exhibit A hereto, with such variations, omissions and insertions as may be necessary, desirable and authorized or permitted by this Agreement.

SECTION 9. SECURITY FOR NOTE; NOTE NOT DEBT OF THE ISSUER. The payment of the principal of and interest on the Note shall be secured forthwith by a lien upon and a pledge of the Pledged Funds, all in the manner and to the extent provided herein and in the Note, subject only to the pledge thereof and lien thereon in favor of the Prior Lien Obligations.

The lien on and pledge of the Special Assessments in favor of the Note is junior, subordinate and inferior in every respect to the pledge of and lien on the Special Assessments in favor of the Prior Lien Obligations.

The Issuer does hereby irrevocably pledge such special funds to the payment of the principal of and interest on the Note as described above. The Note shall not constitute a general obligation or indebtedness of the Issuer and the Lender shall never have the right to require or compel the levy of taxes upon any property of or in the Issuer for the payment of the principal of and interest on the Note.

SECTION 10. COVENANTS OF THE ISSUER. So long as any of the principal of or interest on the Note shall be outstanding and unpaid or until provision for payment of the Note shall have been made pursuant to Section 21 hereof, the Issuer covenants with the Lender as follows:

A. Tax Compliance. The Issuer shall take all actions necessary to maintain the exclusion from gross income of interest on the Note to the same extent as such existed on the date of issuance of the Note.

B. Special Assessments. Pursuant to the Assessment Proceedings, the Issuer will levy the Special Assessments against all lands and properties within the Issuer specially benefitted by the Project and will collect such Special Assessments in an amount sufficient to pay the costs of debt service on the Note and all payments due in connection therewith. If any Special Assessment made with respect to the Project shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the Issuer shall be satisfied that any such

Special Assessment is so irregular or defective that the same cannot be enforced or collected, or if the Issuer shall have omitted to make any such Special Assessment when it might have done so, the Issuer covenants that it will take all necessary steps to cause a new Special Assessment to be made for the whole or any part of any improvement or against any property benefited by any improvement of the Project, following as nearly as may be the provisions of the Act, and in any case any such second Special Assessment, or an initial Special Assessment for one that shall have been omitted, shall be either in whole or in part annulled, vacated or set aside or be unenforceable or uncollectable by reason of defect or irregularity the Issuer shall obtain and make other Special Assessments until a valid Special Assessment shall be made.

The Issuer shall collect the Assessment Proceeds in the manner provided in Section 197.3632, Florida Statutes, as amended, and other applicable provisions of law. The Issuer will take or cause to be taken all actions necessary to diligently enforce the payment of all Special Assessments and all of the installments thereof, interest thereon and penalties therefrom, in the manner prescribed by the Assessment Proceedings and the laws of the State relating thereto.

The Issuer further covenants, at its expense, to, upon request, furnish to the holder of the Note, sixty (60) days after the due date of each annual installment, a list of all delinquent installments of Special Assessments. If any property shall be offered at public sale for the nonpayment of the Special Assessment against it and no person or persons shall purchase the same for an amount equal to the full amount due for the Special Assessment (principal, interest, penalties and the costs and expenses of collection), said property shall then be purchased in the name of the Issuer for an amount equal to the balance due on the Special Assessment, and the Issuer shall receive title to said property for the benefit of the holders of the Note and the Prior Lien Obligations. The Issuer covenants to use its best efforts to sell, lease or rent said property, for the highest return obtainable, and to deposit all of the net proceeds of any such sale, lease or rental into the special account for payment of the Note and the Prior Lien Obligations. Not less than thirty (30) days prior to any proposed sale of any lot or tract of land acquired by foreclosure by the Issuer, it shall give written notice thereof to the holder of the Note. The Issuer covenants and agrees that it shall promptly take the measures provided by law for the sale of property acquired by it as trustee for the holders of the Note and the Prior Lien Obligations.

C. Financial Statements. Promptly after the same is available, but not later than 180 days following the end of each Fiscal Year, the Issuer shall provide the Lender the annual audited financial statement of the Issuer audited by the Issuer's certified public accountant's together with the report of such accountant containing only such qualifications as are reasonably acceptable to the Lender.

D. Annual Budget and Other Information. The Issuer shall prepare its annual budget in accordance with Florida law, and shall provide the Lender a copy of its final annual budget for each Fiscal Year within 30 days of adoption thereof by the Governing Body and such other public information the Lender may reasonably request.

E. Late Charge. A late charge shall be due and payable on any scheduled payment of principal of and, to the extent legally enforceable, interest on, the Note that shall not have been paid by the tenth (10th) day following the date such scheduled payment is due and payable, in an amount equal to five percent (5%) of such scheduled payment. The foregoing fee is not a penalty, but liquidated damages to defray administrative and related expenses due to such late payment. The fee shall be immediately due and payable and shall be paid by the Issuer to the Lender without notice or demand. This provision for a fee is not and shall not be deemed a grace period, and the Lender has no obligation to accept a late payment. Further, the acceptance of a late payment shall not constitute a waiver of any default then existing or thereafter arising under this Agreement. The foregoing right to a late charge is in addition to, and not in limitation of, any other rights which the Lender may have upon the Issuer's failure to make timely payment of such principal and/or interest.

F. Note Payment Account. The Issuer hereby creates and establishes a special separate account to be called the "Lake Asbury Municipal Service Benefit District Special Assessment Revenue Note, Series 2012, Note Payment Account" (hereinafter called the "Note Payment Account").

The Issuer covenants and agrees that whenever, from time to time, at any time Special Assessments shall have been applied sufficiently for minimum compliance with the covenants, requirements and provisions of the loan agreement executed by the Issuer in connection with the issuance of the Prior Lien Obligations, the balance of any and all Special Assessments and/or any balance of moneys on deposit in the "sinking fund" created and established for the benefit of the Prior Lien Obligations which shall be in excess of the minimum requirements for compliance with such covenants, requirements and provisions of said loan agreement shall forthwith be deposited into the Note Payment Account herein created. Whenever said covenants, requirements and provisions of said loan agreement shall no longer require deposit of Special Assessments for the debt service of the Prior Lien Obligations, the Issuer shall deposit all Special Assessments into the Note Payment Account, promptly as received, until the amount therein is sufficient to pay the principal and interest becoming due on the Note on the next payment date therefor.

The amounts remaining on deposit in the Note Payment Account on the day following the respective payment may be withdrawn by the Issuer and applied for other lawful purposes. In no event shall any moneys remain on deposit in the Note Payment Account for a period greater than thirteen (13) months.

The moneys on deposit to the credit of the Note Payment Account shall be applied only to the payment of the principal of and interest on the Note and, until such moneys shall have been applied to such purpose, there shall be a lien upon all of the moneys of the Note Payment Account in favor of the holder of the Note.

Amounts on deposit in the Note Payment Account may be invested and reinvested by the Issuer in Authorized Investments maturing or redeemable at the option of the Issuer not later than the date such amounts are needed for the payments required hereunder.

Except to the extent otherwise required by any provision hereof or of any tax compliance certificate delivered in connection with the delivery of the Note, all income from the investment of moneys in Note Payment Account shall, upon receipt thereof, be deposited to the credit of the Note Payment Account and used for the purposes thereof.

The designation of any special account by this Agreement shall not be construed to require the establishment of any completely independent, self-balancing funds, as such term is commonly used and defined in governmental accounting, but is intended solely to constitute an earmarking of certain moneys and investments for certain purposes and to establish certain priorities for application of such moneys and investments as herein provided. The moneys and investments required to be accounted for in the foregoing account established herein may be deposited in a single fund or account, provided that adequate accounting records are maintained to reflect the allocation of the moneys and investments on deposit therein into the account established hereunder and to control the restricted uses of such moneys and investments for the various purposes as herein provided.

The Issuer shall not be required to make any further payments into the Note Payment Account when the aggregate amount of money and Authorized Investments in said account is at least equal to the total principal of and interest on the Note then outstanding.

L. Issuance of Other Obligations Secured by Pledged Funds. The Issuer shall not issue any obligations secured by the Pledged Funds unless such obligations shall contain an express statement that such obligations are junior, inferior, and subordinate in all respects to the Note. The Issuer covenants and agrees that it will not issue any additional obligations payable from the Special Assessments on a parity with the Prior Lien Obligations.

SECTION 11. APPLICATION OF NOTE PROCEEDS. The proceeds of the Note shall be applied by the Issuer first to pay the costs of preparation and issuance of the Note and thereafter shall be used by the Issuer to pay the Project Costs. The Lender shall have no responsibility for the use of the proceeds of the Note, and the use of Note proceeds by the Issuer shall in no way affect the rights of the Lender.

SECTION 12. CONDITIONS PRECEDENT.

The obligation of the Lender to make the Loan evidenced by the Note is subject to the satisfaction of each of the following conditions precedent on or before the date of issuance of the Note:

A. Action. The Lender shall have received copies of all action taken by the Issuer approving the execution and delivery by the Issuer of this Agreement, the Note and related

financing documents to which the Issuer is a party, in each case certified as complete and correct as of the date of issuance.

B. Incumbency of Officers. The Lender shall have received an incumbency certificate of the Issuer in respect of each of the officers who is authorized to sign this Agreement, the Note and the related financing documents to which it is a party on behalf of the Issuer.

C. Opinion of Counsel to the Issuer. The Lender and bond counsel shall have received a written opinion of counsel to the Issuer covering matters relating to the transactions contemplated by this Agreement, the Note and the related financing documents, in form and substance satisfactory to the Lender and bond counsel.

D. Opinion of Bond Counsel. The Lender shall have received a final legal opinion of bond counsel in respect of the Note.

E. No Default, Etc. No default shall have occurred and be continuing as of the date of issuance or will result from the execution and delivery of this Agreement or the issuance of the Note; the representations and warranties made by the Issuer shall be true and correct in all material respects on and as of the date of issuance, as if made on and as of such date; and the Lender shall have received a certificate from the Issuer to the foregoing effect.

F. Other Documents. The Lender shall have received such other documents, certificates and opinions as the Lender or its counsel shall have reasonably requested.

SECTION 13. REPRESENTATIONS AND WARRANTIES. The Issuer represents and warrants to the Lender that:

A. Organization. The Issuer is a political subdivision of the State.

B. Authorization of Agreement and Related Documents. The Issuer has the power and has taken all necessary action to authorize the execution, delivery and performance of the Issuer's obligations under this Agreement and each of the financing documents to which it is a party in accordance with their respective terms. This Agreement has been duly executed and delivered by the Issuer and is, and each of the financing documents to which it is a party when executed and delivered will be, legal, valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their respective terms, except as may be limited by bankruptcy, insolvency, reorganization or moratorium applicable to the Issuer and general equitable principles regarding the availability of specific performance.

C. Financial Statements. The financial statements of the Issuer for the year ended September 30, 2011, copies of which have been furnished to the Lender, have been prepared in accordance with generally accepted accounting principles and present fairly the financial condition of the Issuer as of such date and the results of its operations for the period then ended. Since such date, there has been no material adverse change in the financial condition, revenues, properties or operations of the Issuer.

D. Pledged Funds. No part of the Pledged Funds have been pledged or hypothecated except with respect to the Note and the Prior Lien Obligations. The Issuer has heretofore determined to levy and collect the Special Assessments on the property within the Issuer to defray Project Costs and, pursuant to the Assessment Proceedings, the Issuer will receive the Special Assessments. The Issuer is authorized pursuant to the Act to pledge the Pledged Funds, including the Special Assessments, to secure the payment of debt incurred to finance Project Costs. The Pledged Funds are estimated to be sufficient to pay the principal of and interest on the Note and the Prior Lien Obligations and to make all other payments required to be made in connection therewith.

SECTION 14. TAX COMPLIANCE. Neither the Governing Body, the Issuer, nor any third party over whom the Governing Body or the Issuer have control, will make any use of the proceeds of the Note or the Pledged Funds at any time during the term thereof which would cause the Note to be a “private activity bond” within the meaning of Section 103(b)(1) of the Code or an “arbitrage bond” within the meaning of Section 103(b)(2) of the Code. The Governing Body, on behalf of the Issuer, covenants throughout the term of the Note, to comply with the requirements of the Code and the Regulations, as amended from time to time.

The Issuer has caused the Note to be designated a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3)(B) of the Code. Should subsequent but currently unforeseen actions by the Issuer cause the Note to not be classified as a “qualified tax-exempt obligation” pursuant to Section 265(b)(3)(B) of the Code, the interest rate on the Note shall be adjusted to that level necessary to ensure that the anticipated after tax yield contemplated by the Lender at the time of closing is received.

In the event that the interest on the Note is ever determined to be taxable for purposes of federal or state income taxation, or in the event that any or all of the interest on the Note is deemed to be included in the gross income of the Lender for federal or state income taxation, or in the event the Lender is unable to deduct any other amounts as a result of purchasing or carrying the Note, or in the event of a change in the alternative minimum tax or in the method of calculating the alternative maximum tax to which the Lender may be subject, or in the event of any action which would otherwise decrease the after tax yield to the Lender, the interest on the Note shall be subject to a gross up modification as described in the form of the Note attached hereto. A determination by the Lender shall be conclusive absent manifest error. In no event, however, shall the interest rate on the Note exceed the maximum rate permitted by law.

SECTION 15. DESIGNATION PURSUANT TO CODE. The Issuer desires to qualify the Note for the exception contained in Section 265(b)(3) of the Code to the provisions of Section 265(b) of the Code which deny financial institutions any deduction for interest expense allocable to tax-exempt obligations acquired after August 7, 1986, and to designate the Note for the purpose of qualifying for such exception; and the Governing Body does hereby find and determine that the aggregate face amount of all qualified tax-exempt obligations (excluding private activity bonds, as defined in Section 141 of the Code, other than qualified 501(c)(3) bonds, as defined in Section 145 of the Code), including the Note, issued by or on behalf of the

Issuer (and all subordinate entities thereof) during the 2012 calendar year is not expected to exceed \$10,000,000, and that as of the date hereof, no tax-exempt obligations issued or authorized to be issued by or on behalf of the Issuer (and all subordinate entities thereof), other than the Note, have been designated by the Issuer for the purpose of qualifying for such exception. The Issuer hereby designates the Note as a qualified tax-exempt obligation of the Issuer pursuant to the provisions of Section 265(b)(3)(B) of the Code.

SECTION 16. NOTICES. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, to the parties at the following addresses:

Issuer: Lake Asbury Municipal Service Benefit District
647 Arthur Moore Drive
Green Cove Springs, FL 32043
Attn: Chairman

Lender: Ameris Bank
11100 San Jose Boulevard
Jacksonville, FL 32223
Attn: Municipal Loan Department

Any party may, by notice in writing given to the other, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Communication to the Lender via telecopier shall be confirmed by delivery of a hard copy thereof to the Lender not later than two (2) Business Days after such communication by telecopier. Notices to the Paying Agent shall be effective only upon the receipt thereof by the Paying Agent.

SECTION 17. EVENTS OF DEFAULT DEFINED. The following shall be “Events of Default” under this Agreement and the term “Events of Default” shall mean (except where the context clearly indicates otherwise), whenever such term is used in this Agreement, any one or more of the following events:

A. Failure by the Issuer to timely pay any loan repayment on the date on which such is due and payable;

B. Failure by the Issuer to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Agreement for a period of thirty (30) days after written notice, except to the extent some other grace period shall be provided in regard to a covenant, specifying such failure and requesting that it be remedied, is given to the Issuer by the Lender, unless the Lender shall agree in writing to an extension of such time prior to its expiration;

C. Any warranty, representation or other statement by the Issuer or by an officer or agent of the Issuer contained in this Agreement or in any instrument furnished in compliance with or in reference to this Agreement is false or misleading in any material adverse respect;

D. A petition is filed against the Issuer under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and an order for relief is entered or such petition is not dismissed within sixty (60) days of such filing;

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

F. The Issuer admits insolvency or bankruptcy or its inability to pay its debts as they become due or is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or a custodian (including without limitation a receiver, liquidator or trustee) of the Issuer or any of its property is appointed by court order or takes possession thereof and such order remains in effect or such possession continues for more than sixty (60) days; or

G. Any debt of or assumed by the Issuer (i) is not paid when due nor within any applicable grace period in an agreement or instrument relating to such debt, (ii) becomes due and payable before its normal maturity by reason of a default or event of default, however described, or (iii) becomes subject to a moratorium.

SECTION 18. REMEDIES. The Lender may sue to protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the laws of the State, of the United States of America, or granted and contained in this Agreement, and to enforce and compel the performance of all duties required by this Agreement or by any applicable laws to be performed by the Issuer, the Governing Body or by any officer thereof, and may take all steps to enforce this Agreement to the full extent permitted or authorized by the laws of the State or the United States of America.

Upon the occurrence of an Event of Default, the Lender shall be entitled as of right, to the extent permitted by law, to the appointment of a receiver to collect and receive the Pledged Funds in an appropriate judicial proceeding in a court of competent jurisdiction, whether or not the Lender is also seeking or shall have sought to enforce any other right or exercise any other remedy in connection with the Note. The receiver so appointed shall collect and receive the Pledged Funds in the manner provided in this Agreement for so long as the Note shall be outstanding.

In addition, upon the occurrence of an Event of Default described in Sections 17D, 17E or 17F above, and upon the occurrence of any other Event of Default and 10 days notice to the

Issuer by the Lender, the principal of and interest on the Note shall immediately become due and payable.

Nothing herein, however, shall be construed to grant to the Lender any lien on the Project or any part thereof or on any other property of the Issuer or situated within its corporate territorial limits, except the Pledged Funds in the manner and to the extent provided herein.

SECTION 19. NO RECOURSE. No recourse shall be had for the payment of the principal of and interest on the Note or for any claim based on the Note or on this Agreement, against any present or former member or officer of the Governing Body or any person executing the Note.

SECTION 20. PAYMENTS DUE ON NON-BUSINESS DAYS. In any case where the date for making any payment or the last date for performance of any act or the exercise of any right, as provided in this Agreement, shall be other than a Business Day, then such payment or performance shall be made on the succeeding Business Day with the same force and effect as if done on the nominal date provided in this Agreement.

SECTION 21. DEFEASANCE. If, at any time, the Issuer shall have paid, or shall have made provision for payment of, the principal and interest with respect to the Note and all costs and expenses of the Lender payable under this Agreement, then, and in that event, the pledge of and lien on the Pledged Funds in favor of the Lender shall be no longer in effect and the Issuer shall have no further obligation to comply with the covenants contained in Section 10 hereof, other than the covenant contained in Section 10.A. For purposes of the preceding sentence, deposit of Federal Securities in irrevocable trust with a banking institution or trust company, for the sole benefit of the Note, with respect to which Federal Securities the principal of and interest will be sufficient to make timely payment of the principal and interest on the Note, shall be considered "provision for payment."

SECTION 22. AMENDMENTS, CHANGES AND MODIFICATIONS HERETO. This Agreement may be amended only with the prior written approval of the Issuer and the Lender.

SECTION 23. BINDING EFFECT. To the extent provided herein, this Agreement shall be binding upon the Issuer and the Lender and shall inure to the benefit of the Issuer and the Lender and their respective successors and assigns.

SECTION 24. SEVERABILITY. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 25. EXECUTION IN COUNTERPARTS. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 26. APPLICABLE LAW. This Agreement shall be governed by and construed in accordance with the laws of the State.

SECTION 27. WAIVER OF JURY TRIAL. To the extent permitted by applicable law, each of the Issuer and the Lender, knowingly, voluntarily and intentionally waives any right each may have to a trial by jury in respect of any litigation based on, or arising out of, under or in connection with this Agreement, the Note or any agreement contemplated to be executed in connection with this Agreement, or any course of conduct, course of dealing, statements (whether verbal or written) or actions of any party with respect hereto. This provision is a material inducement to the Lender to enter into this Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

LAKE ASBURY MUNICIPAL SERVICE
BENEFIT DISTRICT

(SEAL)

ATTEST:

By: _____
Chairman of its Board of District Trustees

Secretary of its Board of District Trustees

AMERIS BANK

By: _____
Vice President

EXHIBIT A

FORM OF NOTE

NO. R-1

LAKE ASBURY MUNICIPAL SERVICE BENEFIT DISTRICT
SPECIAL ASSESSMENT REVENUE NOTE, SERIES 2012

<u>RATE OF INTEREST</u>	<u>MATURITY DATE</u>	<u>DATE OF ISSUE</u>
2.6%, initial rate, subject to adjustment as provided herein	June ___, 2019	June ___, 2012
REGISTERED OWNER:	AMERIS BANK	
PRINCIPAL AMOUNT:	EIGHT HUNDRED FORTY THOUSAND DOLLARS (\$840,000)	

KNOW ALL MEN BY THESE PRESENTS, that Lake Asbury Municipal Service Benefit District, a political subdivision of the State of Florida (the "Issuer"), for value received, hereby promises to pay to the Registered Owner the Principal Amount above stated, plus interest thereon from the Date of Issue set forth above to the payment date thereof, at the annual Rate of Interest above stated from the Date of Issue set forth above through but not including June ___, 2017, and commencing June ___, 2017, at a annual fixed rate of interest equal to Prime (as defined in the hereinafter described Agreement) minus ½%, such interest to be calculated on the basis of the 365/360 method, which computes a daily amount of interest for a hypothetical year of 360 days, then multiplies such amount by the actual number of days elapsed in an interest calculation period, until payment in full of the Principal Amount above stated, subject to further adjustment as set forth in this Note, such interest and such Principal Amount to be payable annually on June ___ of each year, commencing June ___, 2013, in 6 equal installments of \$_____, with all unpaid amounts paid in full on the Maturity Date provided herein. The principal of and interest on this Note are payable in lawful money of the United States of America.

The interest rate on this Note shall be payable at such rate per annum stated above, provided, however, the interest rate on this Note will be subject to adjustment from the date of issuance of this Note as follows: If interest paid or payable on this Note becomes includable for federal income tax purposes in the gross income of the Registered Owner as a consequence of any act, omission or event whatsoever and regardless of whether the same is within or beyond the control of the Issuer (other than such interest being taken into account in determining adjusted current earnings for the purposes of the alternative minimum income tax imposed on corporations), or the tax laws or regulations are changed or amended to cause the interest on this

Note to become taxable to the extent not otherwise taxable on the date of issuance hereof, to be subject to a minimum tax or an alternative minimum tax to the extent not otherwise subject on the date of issuance hereof or to otherwise decrease the yield on this Note to the Registered Owner (directly or indirectly), then the interest rate on this Note shall be adjusted to cause the yield on this Note to equal what the yield on this Note would have been in the absence of such act, omission, event change or amendment in the tax laws or regulations. If the tax laws or regulations are changed or amended to increase the yield on this Note to the Registered Owner, then the Registered Owner will adjust the interest rate on this Note to cause the yield on this Note to equal what the yield on this Note would have been in the absence of such change or amendment in the tax laws or regulations. The Registered Owner will promptly notify the Issuer in writing of any interest rate adjustments for this Note and such adjustments shall become effective as of the effective date of the event causing such adjustment. Such adjustments may be retroactive. The Registered Owner will certify to the Issuer in writing the additional amount, if any, due to the Registered Owner as a result of any such adjustment. Notwithstanding the foregoing, the interest rate payable on this Note shall not exceed the maximum nonusurious contract rate of interest allowed from time to time by applicable law.

A late charge shall be due and payable on any scheduled payment of principal of and, to the extent legally enforceable, interest on, this Note that shall not have been paid by the tenth (10th) day following the date such scheduled payment is due and payable, in an amount equal to five percent (5%) of such scheduled payment, in the manner provided in the Agreement.

This Note may be prepaid in whole or in part prior to maturity on any date without penalty. Notice of such prepayment shall be delivered to the Registered Owner at least ten (10) days prior to the date for prepayment date. If this Note is prepaid in part, then prior to the transfer of this Note the Registered Owner shall record the appropriate information in a Partial Redemption Record to be attached to this Note, and indicate receipt of such partial redemption by its signature on such Record.

This Note is issued under the authority of Chapter 86-392, Laws of Florida, as amended, and other applicable provisions of law, and pursuant and subject to the terms and conditions of Resolution No. 12-___ duly adopted by the Issuer on June ___, 2012 (the "Resolution"), and a Loan Agreement dated June ___, 2012, between the Issuer and the initial purchaser of the Note (the "Agreement"), to which reference should be made to ascertain those terms and conditions.

The payment of the principal of and interest on this Note shall be secured forthwith by a lien upon and a pledge of the Special Assessments collected pursuant to the Assessment Proceedings (as such undefined terms are defined in the Agreement), and, until applied as provided in the Agreement, the moneys on deposit in the funds and accounts established thereunder and the investment income thereon, all in the manner and to the extent provided in the Resolution and the Agreement.

The lien in favor of the Registered Owner on the Special Assessments is junior, subordinate and inferior in every respect to the lien thereon in favor of the holders of the Issuer's

outstanding Special Assessment Revenue Note, Series 2009, dated _____, 2009 (the "Prior Lien Obligations"). The Issuer in the Agreement has covenanted and agreed with the Registered Owner that it will not hereafter issue any additional obligations payable from the Special Assessments on a parity with the Prior Lien Obligations.

This Note shall not constitute a general obligation or indebtedness of the Issuer, and the Registered Owner shall never have the right to require or compel the levy of taxes on any property of or in the Issuer for the payment of the principal of and interest on this Note. This Note shall not constitute a lien upon the project financed with this Note, or upon any property of or in the Issuer, but shall be payable solely from special funds described herein in the manner provided in the Resolution and the Agreement. Reference is made to the Resolution and the Agreement for the provisions relating to the security for payment of this Note and the duties and obligations of the Issuer hereunder.

With respect to any and all obligations, to the extent permitted by applicable law, the Issuer of this Note waives the following: demand, presentment, protest, notice of dishonor, suit against any party and all other requirements necessary to charge or hold any obligor or indorser liable. The Issuer agrees to pay all costs of collecting or securing or attempting to collect or secure payment of this Note, including a reasonable attorney's fee if this Note is referred to an attorney for collection following any default hereunder by the Issuer.

To the extent permitted by applicable law, each of the Issuer and the Registered Owner, knowingly, voluntarily and intentionally waives any right each may have to a trial by jury in respect of any litigation based on, or arising out of, under or in connection with the Agreement, this Note or any agreement contemplated to be executed in connection with the Agreement, or any course of conduct, course of dealing, statements (whether verbal or written) or actions of any party with respect hereto. This provision is a material inducement to the Registered Owner to enter into the Agreement.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of the State of Florida to happen, exist and be performed precedent to and in connection with the issuance of this Note, have happened, exist and have been performed in regular and due form and time as so required.

IN WITNESS WHEREOF, the Lake Asbury Municipal Service Benefit District has caused this Note to be executed by the Chairman of its Board of District Trustees, and attested by the Secretary of its Board of District Trustees, either manually or with their facsimile signatures, and its seal or a facsimile thereof to be affixed, impressed, imprinted or reproduced hereon, and this Note to be dated June ___, 2012.

LAKE ASBURY MUNICIPAL SERVICE
BENEFIT DISTRICT

(SEAL)

By: _____

Chairman of its Board of District Trustees

ATTEST:

Secretary of its Board of District Trustees

EXHIBIT B

FORM OF REQUISITION

REQUISITION NO.: _____
DATE OF DISBURSEMENT: _____
DISBURSEMENT AMOUNT: \$ _____
TO: Ameris Bank, as Lender

You are hereby authorized and directed, pursuant to the provisions of the Loan Agreement dated June __, 2012 (the "Loan Agreement"), between Lake Asbury Municipal Service Benefit District (the "Issuer") and Ameris Bank, and that certain Special Assessment Revenue Note, Series 2012, dated June __, 2012, issued by the Issuer (the "Note"), to disburse the above-referenced Disbursement Amount to pay Project Costs (as defined in the Loan Agreement). By this requisition, you are hereby authorized and empowered to disburse from the Project Account described in Section 3.C of the Loan Agreement, to pay directly to the payee specified below on behalf of the Issuer, the amount herein specified without any further action on the part of the Issuer.

No Event of Default described in Section 17 of the Loan Agreement has occurred and is continuing.

LAKE ASBURY MUNICIPAL SERVICE
BENEFIT DISTRICT

Project Costs Approved By:
LEGACY CIVIL ENGINEERS, INC.

By: _____
Title: _____

By: _____
Title: Authorized Representative

Payee Information: (see attached)

ATTACHMENT TO REQUISITION NO. ____

Payee (Attach Invoice)

Amount

TOTAL \$ _____