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**FIRST AMENDED AND RESTATED  
LOAN AGREEMENT**

**dated as of \_\_\_\_\_ 1, 2016**

**by and among**

**Candler East Community Development District**

**and**

**Bay Laurel Center Community Development District**

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**\$3,585,000**

**Bay Laurel Center Community Development District  
Special Assessment Revenue Refunding Bonds, Series 2016 Candler**

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Exhibit A – Project Description

## **FIRST AMENDED AND RESTATED LOAN AGREEMENT**

The initial **LOAN AGREEMENT** dated as of April 1, 2006 (“Initial Loan Agreement”), was entered into among Bay Laurel Center Community Development District, a local unit of special purpose government organized and existing under the laws of the State of Florida (the “Issuer” or the “District”) and Candler Hills East Community Development District, a local unit of special purpose government organized and existing under the laws of the State of Florida (the “Borrower”). This is the First Amended Loan Agreement (the “Agreement”) is entered into to facilitate the refunding of the Bonds (as defined below) and replaces the Initial Loan Agreement.

**WHEREAS**, the Borrower undertook and completed the planning, financing, acquisition, construction, equipping and installation of a stormwater management system, including, but not limited, to landscaping and irrigation; potable water and wastewater systems; onsite and offsite roadway improvements, including, but not limited to, signalization, sidewalks and signage; security and street lighting; neighborhood parks; and entry features (the “Candler Project”) pursuant to the Act for the special benefit of the lands within its boundaries; and

**WHEREAS**, pursuant to an Interlocal Agreement entered into by and between the Borrower and the Issuer and together with the Indigo East Community Development District, (the “Districts”) the Borrower has previously delegated to the Bay Laurel Center CDD the authority to issue bonds to finance and refinance a portion of the Candler Project; and

**WHEREAS**, the Issuer issued its \$5,675,000 Bay Laurel Center Community Development District (Marion County, Florida) Special Assessment Bonds, Series 2006 Candler (“Series 2006 Bonds”), to finance a portion of the Candler Project; and

**WHEREAS**, the Borrower has determined that under existing market conditions, it would be in the best financial interest of the Borrower to currently refund and redeem all of the Outstanding Series 2006 Bonds (the “Refunded Bonds”) in order to cause an annual reduction in the Series 2006 Special Assessments levied and imposed on Borrower Lands specially benefitted by the Refinanced Projects; and

**WHEREAS**, the Issuer has determined to issue its not to exceed \$3,585,000 in the aggregate principal amount of Bay Laurel Center Community Development District (Marion County, Florida) Special Assessment Revenue Refunding Bonds, Series 2016 Candler (the “Bonds”) to be issued under and pursuant to a Master Trust Indenture (the “Master Indenture”), dated as of April 1, 2006, by and between the Issuer and U.S. Bank National Association, as trustee (the “Trustee”), as amended and supplemented by a Second Supplemental Trust Indenture (the “Second Supplemental Indenture” and, collectively with the Master Indenture, the “Indenture”), dated as of \_\_\_\_\_ 1, 2016, by and between the Issuer and the Trustee; and

**WHEREAS**, the Borrower has agreed to make payments pursuant to this Agreement sufficient in the aggregate to pay fully when due the principal of, and interest and redemption premium, if any, on the Bonds to refund the Series 2006 Bonds; and

**WHEREAS**, by this Agreement, the Issuer and the Borrower have further specified the terms and conditions for the financing by the Issuer of the Bonds for the purpose of refunding the Refunded Bonds; and

**WHEREAS**, the execution and delivery of this First Amended and Restated Loan Agreement and the Indenture, and the issuance of the Bonds, have been in all respects duly and validly authorized by a resolutions of the Board of Supervisors of each of the Issuer and the Borrower; and

**WHEREAS**, upon the execution and delivery of this First Amended and Restated Loan Agreement and the Indenture, and the issuance of the Bonds, the initial Loan Agreement shall be restated by this First Amended and Restated Loan Agreement and shall be of no further effect; and

**WHEREAS**, the Bonds issued under the Indenture will be secured by a pledge of the Issuer's rights under this Agreement;

**NOW, THEREFORE**, for and in consideration of the premises and mutual covenants hereinafter contained, the parties hereto formally covenant, agree and bind themselves as follows, *provided*, that in the performance of the agreements of the Issuer herein contained, any obligation the Issuer may thereby incur for the payment of money shall be a limited obligation of the Issuer, payable solely out of the proceeds derived from this Agreement and the sale of the Bonds, all as herein provided.

## **ARTICLE I DEFINITIONS**

For all purposes of this Agreement, unless the context clearly requires otherwise, all terms defined in Article I of the Indenture have the same meanings in this Agreement.

## **ARTICLE II REPRESENTATIONS**

Section 2.01 Representations of Issuer. The Issuer represents as follows:

(a) The Issuer is a local unit of special purpose government organized and existing under the laws and Constitution of the State of Florida (the "State"), is authorized and empowered to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder, and by proper action of the Issuer's Board has been duly authorized to execute and deliver this Agreement, the Indenture, the Interlocal Agreement, the Escrow Deposit Agreement, and the Bond Purchase Contract. This Agreement, the Indenture, the Interlocal Agreement, the Escrow Deposit Agreement, and the Bond Purchase Contract have been duly executed and delivered by the Issuer and are valid and binding limited obligations of the Issuer enforceable in accordance with their terms.

(b) The Bonds are to be issued under and secured by the Indenture, pursuant to which certain of the Issuer's interests in this Agreement, excepting Unassigned Rights (as defined below), and the revenues and income to be derived by the Issuer pursuant to this Agreement will be pledged and assigned to the Trustee as security for payment of the principal or of premium, if any, and interest on the Bonds. The Issuer covenants that it has not and will not pledge or assign its interest in this Agreement, or the revenues and income derived pursuant to this Agreement, other than to the Trustee under the Indenture to secure the Bonds. As used

herein, "Unassigned Rights" shall mean the rights of the Issuer under this Agreement to (a) receive Additional Payments as contemplated in Section 4.02 of this Agreement; (b) to be held harmless and indemnified under Section 6.02 of this Agreement; (c) to exercise with the consent, but not to the exclusion, of the Trustee any remedies which are authorized to be exercised by the Issuer under this Agreement in connection with an Event of Default; (d) to be reimbursed, to the extent permitted by law, for attorney's fees and expenses under Section 8.03 of this Agreement; and (e) to execute amendments to this Agreement.

(c) The Issuer has found and determined that the financing of costs of the refunding of the Refunded Bond with proceeds of the Bonds will further the public purposes mandated under the Act.

(d) Neither the execution and delivery of this Agreement, the Indenture, the Interlocal Agreement, the Continuing Disclosure Agreement, the Escrow Deposit Agreement, the Bond Purchase Contract or the Bonds, the consummation of the transactions contemplated hereby or thereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement, the Indenture, the Interlocal Agreement, the Continuing Disclosure Agreement, the Escrow Deposit Agreement, the Bond Purchase Contract or the Bonds, conflicts with or results in a breach of the terms, conditions or provisions of any material restriction, agreement or instrument to which the Issuer is a party, or by which it or any of its property is bound, or constitutes a default under any of the foregoing.

(e) There is no litigation or proceeding pending as to which the Issuer has received actual notice, or to the knowledge of the Issuer, threatened, against the Issuer, or to the knowledge of the Issuer, affecting it, which would adversely affect the validity of this Agreement, the Indenture, the Interlocal Agreement, the Continuing Disclosure Agreement, the Escrow Deposit Agreement, the Bond Purchase Contract, or the Bonds or the ability of the Issuer to comply with its obligations under this Agreement, the Indenture, the Interlocal Agreement, the Continuing Disclosure Agreement, the Escrow Deposit Agreement, the Bond Purchase Contract or the Bonds.

(f) The Issuer is not in default under any of the provisions of the laws of the State which would affect its existence or its powers referred to in the preceding subsection (a).

(g) The representations and warranties of the Issuer contained in the Bond Purchase Contract are incorporated by reference herein and are true and correct in all material respects on the Closing Date.

Section 2.02 Representations of Borrower. The Borrower represents as follows:

(a) The Borrower is a local unit of special purpose government organized and existing under the laws and Constitution of the State of Florida (the "State"), is authorized and empowered to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder, and by proper action of the Borrower's Board has been duly authorized to execute and deliver this Agreement, the Continuing Disclosure Agreement, and the Interlocal Agreement. This Agreement, the Continuing Disclosure Agreement, and the Interlocal

Agreement have been duly executed and delivered by the Borrower and are valid and binding limited obligations of the Borrower enforceable in accordance with their terms.

(b) Neither the execution and delivery by the Borrower of this Agreement, the Continuing Disclosure Agreement or the Interlocal Agreement nor the consummation by the Borrower of the transactions contemplated hereby or thereby conflicts with or results in a breach of the terms, conditions or provisions of any material restriction, agreement or instrument to which the Borrower is a party, or by which it or any of its property is bound, or constitutes a default under any of the foregoing.

(c) This Agreement, the Continuing Disclosure Agreement and the Interlocal Agreement have each been duly authorized, executed and delivered by the Borrower and constitute the legal, valid and binding obligations of the Borrower, each enforceable in accordance with its terms, if it is in like fashion valid and binding upon the other parties hereto and thereto (as to which no view is expressed and no representation is given), subject to the effect of applicable bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights and to general principles of equity regardless of whether such enforceability is considered in a proceeding in equity or at law.

(d) There is no litigation or proceeding pending, or to the actual knowledge of the Borrower, threatened, against the Borrower which could adversely affect the validity of this Agreement, the Continuing Disclosure Agreement or the Interlocal Agreement or the ability the Borrower to comply with its obligations under this Agreement, the Continuing Disclosure Agreement or the Interlocal Agreement.

(e) The Candler Project is a "project" within the meaning of the Act.

(f) The Candler Project site is properly zoned, and its intended use and the operation of the Candler Project complies with the uses permitted by applicable zoning regulations.

(g) The Borrower's obligations under this Agreement are general obligations of the Borrower.

(h) As of the date hereof, neither the Borrower, nor to its knowledge anyone acting on behalf of the Borrower, has entered into negotiations with any person for the purpose of undertaking any borrowing concurrently with or subsequent to the issuance of the Bonds and to be secured wholly or partially by a lien or encumbrance on the Candler Project or any part thereof, and the Borrower has no intention of undertaking any such borrowing.

(i) The Borrower has reviewed the Indenture, the Bond Purchase Agreement and the other Bond Documents and agrees to the terms thereof.

### **ARTICLE III ISSUANCE OF BONDS; THE PROJECT**

Section 3.01 Agreement to Issue Bonds; Application of Bond Proceeds. In order to provide funds to finance the refunding of the Refunded Bonds, the Issuer agrees that it will issue,

sell and cause to be delivered, the Bonds, bearing interest and maturing as set forth in the Indenture for the purpose to (i) currently refund and redeem the Refunded Bonds; (ii) pay certain costs associated with the issuance of the Bonds; and (iii) make a deposit into the Series 2016 Candler Debt Service Reserve Account.

Section 3.02 Investment of Moneys. Any moneys held as a part of the Trust Estate with respect to the Bonds shall be invested by the Trustee as provided in the Indenture.

Section 3.03 Operation of the Candler Project. The Borrower will operate the Candler Project, or cause any lessee, sublessee or other user of the Candler Project to operate the Candler Project, in conformity with the Arbitrage Certificate and in such a manner that it will not impair the exclusion of interest on the Bonds from gross income of the holders of the Bonds for federal income tax purposes.

Upon a sale, lease or sublease of all or any portion of the Borrower's (or any related person's) interest in the Candler Project (to the extent permitted hereunder and under the terms and provisions of the Indenture), the Borrower will obtain, or cause there to be obtained, the agreement of the purchaser, lessee or sublessee of the Candler Project or any interest therein to comply with the provisions of this Section 3.06, regardless of whether such purchaser, lessee, or sublessee assumes the obligations of the Borrower under this Agreement generally.

#### **ARTICLE IV REPAYMENT**

##### **Section 4.01 Collection of Assessments; Repayment.**

(a) *Principal, Premium and Interest.* The Borrower agrees to repay the Loan made to it under Article III as follows: The Borrower will levy, assess and collect special assessments on the District Lands in accordance with the terms and provisions of the Indenture and will deposit all such Assessment Revenues into the funds and accounts as set forth in the Indenture, pursuant to the terms of the Indenture.

(b) *Borrower to Make up Deficiencies.* In furtherance of the foregoing, so long as any Bonds are outstanding the Borrower agrees to pay all amounts required to prevent any deficiency or default in any payment of the principal or purchase price of, premium, if any, or interest on the Bonds, including any deficiency caused by an act or failure to act by the Trustee, the Borrower, the Issuer or any other person.

(c) *Assignment.* As security for the payment of its Bonds and concurrently with the issuance of the Bonds, the Issuer does hereby pledge and assign all right, title and interest of the Issuer in and to this Agreement, including all amounts payable under this Section by the Borrower (but excluding the Unassigned Rights), to the Trustee pursuant to the Indenture for the benefit of the Bondholders. The Borrower consents to such assignment. Accordingly, the Borrower agrees to pay directly to the Trustee at its principal corporate trust office all payments payable by the Borrower pursuant to this Section.

Section 4.02 Additional Payments. The Borrower also agrees to pay the following within 30 days after receipt of a bill therefor:



(a) The reasonable expenses of the Issuer in connection with this Agreement and the Bonds, such fees and expenses to be paid directly to the Issuer (or as otherwise directed in writing by the Issuer).

(b) The reasonable fees and expenses of the Trustee and all other fiduciaries and agents serving under the Indenture (including any expenses in connection with any redemption of the Bonds), and (ii) all reasonable fees and expenses, including attorneys' fees, of the Trustee for any extraordinary services rendered by it under the Indenture. All such fees and expenses are to be paid directly to the Trustee or other fiduciary or agent for its own account as and when such fees and expenses become due and payable.

(c) All other reasonable fees and expenses incurred in connection with the sale of the Bonds.

Section 4.03 Prepayments. Assessment prepayments collected or made by the Borrower in accordance with Section 4.05 of the Second Supplemental Indenture shall be deposited as set forth in the Indenture. A prepayment shall not relieve the Borrower of its obligations under this Agreement until all the Bonds have been paid or provision for the payment of all the Bonds has been made in accordance with the Indenture.

Section 4.04 Obligations of Borrower Unconditional. The obligations of the Borrower to levy and collect assessments and make the payments required by Sections 4.01 and 4.02 of this Agreement and to perform its other agreements contained in this Agreement shall be absolute and unconditional. Until the principal of and interest on the Bonds shall have been fully paid or provision for the payment of the Bonds made in accordance with the Indenture, the Borrower (a) will not suspend or discontinue any payments provided for in Section 4.01 hereof, (b) will perform all their other agreements in this Agreement, and (c) will not terminate this Agreement or suspend or delay their performance under this Agreement for any cause including any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Candler Project, commercial frustration of purpose, any change in the laws of the United States or of the State or any political subdivision of either, or any default or failure of the Issuer to perform any of its agreements, whether express or implied, or any duty, liability or obligation arising from or connected with this Agreement.

## **ARTICLE V OTHER BORROWER AGREEMENTS**

Section 5.01 Maintenance of Existence. The Borrower agrees that during the term of this Agreement and so long as any Bond is outstanding, it will maintain its existence as a community development district under the laws of the State of Florida, will not dispose of all or substantially all of its assets, or sell or otherwise transfer to another legal entity all or substantially all its assets as an entirety, except as may be permitted under the Indenture.

Section 5.02 No Lien on Assets; Sale of Assets. Subject to Section 9.31 of the Master Indenture, the Borrower covenants that, (a) except for those improvements comprising the Candler Project that are to be conveyed by the Borrower, or by the Issuer on Borrower's behalf, to the County, the State Department of Transportation or another governmental entity and (b)

except as in this Section permitted, it will not sell, lease or otherwise dispose of or encumber the Candler Project, or any part thereof. The Borrower may, however, from time to time, sell any machinery, fixtures, apparatus, tools, instruments or other movable property acquired by it from the proceeds of the Loan if the Issuer shall determine, with the approval of the District Manager and the Consulting Engineer, that such items are no longer needed or are no longer useful in connection with the construction, maintenance and operation of the Candler Project, and the proceeds thereof shall be applied to the replacement of the properties so sold or disposed of or, at the written direction of the Issuer shall be deposited to the credit of the related Series Account in the Revenue Fund.

The Borrower may lease or grant easements, franchises or concessions for the use of any part of the Candler Project not incompatible with the maintenance and operation thereof, if the Issuer and Consulting Engineer shall approve such lease, easement, franchise or concession in writing, and the net proceeds of any such lease, easement, franchise or concession (after the making of provision for payment from said proceeds of all costs incurred in financing, constructing, operating, maintaining or repairing such leases, easements, franchises or concessions) shall be deposited as received to the credit of related Series Account in the Revenue Fund.

The Borrower shall not do or omit to do, or suffer to be done or omit to be done, any matter or thing whatsoever whereby the lien of the Bonds on the Pledged Revenues or any part thereof, or the priority thereof, would be lost or impaired.

Section 5.03 Borrower's Obligation with Respect to Exclusion of Interest Paid on the Bonds. Notwithstanding any other provision hereof, the Borrower covenants and agrees that it will comply with all requirements that must be satisfied in order for interest on the Bonds to be excludible from gross income for federal income tax purposes. Toward that end, the Borrower covenants that it will comply with all provisions of the Arbitrage Certificate, which are hereby incorporated by reference herein. This provision shall control in case of conflict or ambiguity with any other provision of this Agreement.

The Borrower acknowledges that in the event of an examination by the Internal Revenue Service of the exemption from Federal income taxation for interest paid on the Bonds, the Issuer is likely to be treated as the "taxpayer" in such examination and the Borrower agrees that it will respond, and direct the Issuer to respond, in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination. The Issuer covenants that it will cooperate with the Borrower, at the Borrower's expense and at its direction, in connection with such examination.

Section 5.04 Payment of Taxes. The Borrower will pay and discharge promptly all lawful taxes, assessments and other governmental charges or levies imposed upon the Candler Project, or upon any part thereof, as well as all claims of any kind (including claims for labor, materials and supplies) which, if unpaid, might by law become a lien or charge upon the Candler Project; *provided* that the Borrower shall not be required to pay any such tax, assessment, charge, levy or claim (i) if the amount, applicability or validity thereof shall currently be contested in good faith by appropriate proceedings promptly initiated and diligently conducted, (ii) if the Borrower shall have set aside on its books reserves (segregated to the extent required by

generally accepted accounting principles) with respect thereto deemed adequate by the Borrower, and (iii) if failure to make such payment will not impair the use of the Candler Project by the Borrower. Upon the Issuer's written request, the Borrower agrees to provide evidence of payment of any tax, assessment, charge, levy or claim referred to above.

Section 5.05 Insurance. The Borrower agrees to maintain, or cause to be maintained, all necessary insurance with respect to the Candler Project in accordance with in accordance with the standards of the industry. The Issuer shall have no obligation to maintain insurance with respect to the Candler Project.

Section 5.06 Maintenance and Repair. The Borrower shall at all times during the term of this Agreement maintain, preserve and keep the Candler Project in good repair, working order and condition, excepting normal wear and tear, and it will from time to time make or cause to be made all necessary and proper repairs and replacements in connection with the maintenance, repairs and replacements referred to in this Section. The Issuer shall have no obligation with respect to the maintenance or repair of the Candler Project except as set forth in the Interlocal Agreement.

Section 5.07 Covenant with Regard to Enforcement and Collection of Delinquent Series 2016 Special Assessments. Anything in the Second Supplemental Indenture or in the Master Indenture (collectively, the "Indenture") to the contrary notwithstanding, the Borrower covenants and agrees that upon the occurrence and continuance of an Event of Default in the Indenture, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of delinquent Series 2016 Special Assessments, the provisions for the foreclosure of liens of delinquent Series 2016 Special Assessments and will take such other appropriate remedial actions as shall be directed by the Trustee acting at the direction of, and on behalf of, the Owners of a majority in principal amount, from time to time, of the Series 2016 Bonds.

Section 5.08 Access to Project Facility. The Borrower agrees that the Issuer, the Trustee and any representative thereof shall have the right at all reasonable times, upon not less than two Business Days' prior written notice, to enter upon and to examine and inspect the Candler Project for the purpose of determining whether the Borrower is in compliance with the terms of this Agreement.

Section 5.09 [Reserved].

Section 5.10 Non-Arbitrage Covenant. The Borrower hereby covenants and agrees with the Issuer and the Trustee for the benefit of the holders of any Bonds, present and future, that it will not make, or permit, any use of the proceeds of the Bonds which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. The Borrower shall deliver to the Issuer the Arbitrage Certificate, evidencing the reasonable expectations of the Borrower, in such reasonable form as the Issuer shall specify and upon which the Issuer may rely in furnishing its own Arbitrage Certificate.

#### Section 5.11 Arbitrage and Rebate.

(a) The Borrower acknowledges having read Section 9.31 of the Indenture and agrees to perform all duties expressly or implicitly imposed upon it by such Section. Insofar as said Section expressly or implicitly imposes duties and responsibilities on the Borrower, they are specifically incorporated herein by reference.

(b) Neither the Borrower nor the Issuer shall (i) approve, take, or omit to take any action involving the making by the Borrower of any investment or use of any proceeds of the Bonds or any other moneys within their respective control (including without limitation the proceeds of any insurance or any condemnation award with respect to the Candler Project), or the taking or omission of any other action, which would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code or “private activity bonds” as that term is defined in Section 141 (or any successor provision thereto) of the Code, or (ii) approve the use of any proceeds from the sale of the Bonds otherwise than in accordance with this Agreement including, but not limited to, any arbitrage rebate agreement, barring any unforeseen circumstances, in which event the Borrower and the Issuer shall use such proceeds with due diligence and shall otherwise comply with this Agreement. Without limiting the generality of the foregoing, the Borrower shall at its sole expense take all action required under Section 148 of the Code and Treasury Regulations thereunder to prevent loss of the exclusion of the interest on the Bonds from gross income of the owners thereof for federal income tax purposes under such Section, including but not limited to paying on behalf of the Issuer the “rebatable arbitrage amount” to the United States of America in accordance with the requirements set forth in the related Treasury Regulations. The Borrower hereby further covenants and agrees to comply with the procedures and covenants contained in any arbitrage rebate agreement executed in connection with the issuance of the Series 2006 Candler Bonds for so long as compliance is necessary in order to maintain the exclusion from gross income for federal income tax purposes of interest on each Series of Bonds. The Borrower shall also comply with any similar requirements contained in any Treasury Regulations adopted in place of the existing Treasury Regulations and all other requirements of any such Treasury Regulations, to the extent applicable to the Bonds.

(c) Nothing contained in this Agreement or in the Indenture shall be interpreted or construed to require the Issuer to pay the rebatable arbitrage amount, such obligations being the sole responsibility of the Borrower.

Section 5.12 Use of Proceeds; Tax Covenants and Other Matters.Use of Proceeds; Prohibited Use of Candler Project, etc. Neither the Issuer nor the Borrower shall cause any proceeds of the Bonds to be expended except pursuant to Escrow Deposit Agreement, the Indenture and this Agreement. The Borrower shall not take or omit, or permit to be taken or omitted, any other action with respect to the use of such proceeds the taking or omission of which has or would result in the loss of the exclusion of interest on the Bonds from gross income of the owners thereof for federal income tax purposes or take or omit, or permit to be taken or omitted, any other action the taking or omission of which has or would cause the loss of such exclusion.

(b) Certificate of Information; Internal Revenue Service Form 8038. The Borrower hereby represents that the information contained herein and delivered in connection

with the issuance of the Bonds with respect to the compliance with the requirements of Section 103 and Sections 141 through 150 of the Code, including the information in Internal Revenue Service Form 8038 (excluding the issue number and the employer identification number of the Issuer) filed by the Issuer with respect to the Bonds and the Candler Project, is true and correct in all material respects.

Section 5.13 Covenant Regarding Compliance with Rule 15c2-12. The Borrower agrees to cooperate with the Issuer and the Trustee, and to do any and all things necessary, in the event that the Issuer or the Trustee are required to comply with Rule 15c2-12, as amended, of the Securities and Exchange Commission or any comparable rule (the “Rule”), including, without limitation, the making of the requisite undertakings called for by paragraph (b)(5) of the Rule and to pay any reasonable costs and expenses related thereto.

## **ARTICLE VI**

### **NO RECOURSE TO ISSUER; INDEMNIFICATION**

Section 6.01 Issuer’s Obligations Limited. Except as otherwise expressly herein provided, no recourse under or upon any obligation or agreement contained in this Agreement or in any Bond or under any judgment obtained against the Issuer, or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, under or independent of the Indenture, shall be had against the Issuer.

Notwithstanding anything in this Agreement to the contrary, it is expressly understood and agreed by the parties hereto that (a) the Issuer may rely conclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Issuer by the Trustee or the Borrower as to the existence of any fact or state of affairs required hereunder to be noticed by the Issuer; (b) the Issuer shall not be under any obligation hereunder to perform any record-keeping or to provide any legal services, it being understood that such services shall be performed either by the Trustee or the Borrower; and (c) none of the provisions of this Agreement shall require the Issuer to expend or risk its own funds or to otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder, unless it shall first have been adequately indemnified to its satisfaction against the cost, expenses and liability which may be incurred thereby.

Notwithstanding anything herein contained to the contrary, any obligation which the Issuer may incur under this Agreement or under any instrument executed in connection herewith which shall entail the expenditure of money shall not be a general obligation of the Issuer but shall be a limited obligation payable solely from the Trust Estate.

Section 6.02 Indemnification. The Borrower agrees, whether or not the transactions contemplated by this Agreement and the Indenture shall be consummated, to indemnify and hold harmless the Issuer and its officers, commissioners, directors, officials, employees and agents, including the Trustee (any and all of the foregoing being hereinafter referred to as the “Indemnified Persons”), from and against any and all claims, actions, suits, proceedings, expenses, judgments, damages, penalties, fines, assessments, liabilities, charges or other costs (including, without limitation, all attorneys’ fees and expenses incurred in connection with

enforcing this Agreement or collecting any sums due hereunder and any claim or proceeding or any investigation in connection therewith) relating to, resulting from or in connection with (a) any cause whatsoever in connection with the Candler Project, including, without limitation, the acquisition, design, construction, installation, equipping, operation, maintenance or use thereof or the financing thereof including any expenses arising from the failure to make payment of principal and interest on the Bonds; (b) any act or omission of the Borrower or any of its agents, contractors, servants, employees or licensees, in connection with the Candler Project; and (c) the issuance and sale of the Bonds, (d) a misrepresentation or breach of warranty by the Borrower hereunder or under any of the documents to which the Borrower is a party or agree to be bound (herein, the Borrower's Documents"), or any violation by the Borrower of any of its covenants hereunder or under any of the other Borrower's Documents. This indemnity is effective only with respect to any loss incurred by the Indemnified Persons not due to willful misconduct, negligence, or bad faith on the part of such Indemnified Persons. In case any action or proceeding shall be brought against one or more of the Indemnified Persons and in respect of which indemnity may be sought as provided herein, such Indemnified Person or Indemnified Persons shall promptly notify the Borrower in writing and the Borrower shall promptly assume the defense thereof, including the employment of counsel reasonably satisfactory to such Indemnified Person or Indemnified Persons, payment of all expenses and the right to negotiate and consent to settlement after consultation with such Indemnified Person; but the failure to notify the Borrower as provided herein shall not relieve the Borrower from any liability that it may have (i) under this section, so long as the Borrower is given the reasonable opportunity to defend such claim, and (ii) otherwise than under this section. Any one or more of the Indemnified Persons shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the reasonable fees and expenses of such counsel shall be at the expense of such Indemnified Persons or Indemnified Persons unless (x) the employment of such counsel has been specifically authorized in writing by the Borrower, (y) the named parties to any such action (including any impleaded parties) include either of the Borrower and such Indemnified Person or Indemnified Persons and representation of both the Borrower and such Indemnified Person or Indemnified Persons by the same counsel would be inappropriate due to actual or potential differing interests between them, or (z) the Indemnified Person or Indemnified Persons have been advised that one or more legal defenses may be available to any or all of them which may not be available to the Borrower in which case the Borrower shall not be entitled to assume the defense of such suit notwithstanding its obligation to bear the fees and expenses of such counsel. The Borrower shall not be liable for any settlement of any such action effected without its consent, but if settled with such consent or if there is a final judgment in any such action with or without consent, the Borrower agrees to indemnify and hold harmless the Indemnified Person or Indemnified Persons from and against any loss by reason of such settlement or judgment.

The provisions of this Section shall survive the termination of this Agreement.

Section 6.03 Immunity of Officers and Employees of Issuer. No recourse shall be had for the enforcement of any obligation, promise or agreement of the Issuer contained in the Indenture, this Agreement or in any Bond issued under the Indenture for any claim based thereon or otherwise in respect thereof, against any officer, employee or agent, as such, in his individual capacity, past, present or future, of the Issuer, either directly or through the Issuer, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any

assignment or penalty or otherwise; it being expressly agreed and understood that the Bonds, the Indenture and this Agreement are solely corporate obligations, and that no personal liability whatsoever shall attach to, or be incurred by, any officer, employee or agent, as such, past, present or future, of the Issuer, either directly or through the Issuer or any successor thereto, under or by reason of any of the obligations, promises or agreements entered into between the Issuer and the Borrower whether contained in this Agreement or to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against every such officer, employee or agent is, by the execution of this Agreement and the Indenture, and as a condition of, and as part of the consideration for, the execution of this Loan Agreement and the Indenture, expressly waived and released.

## **ARTICLE VII ASSIGNMENT**

Section 7.01 Assignment by Borrower. The rights of the Borrower under this Agreement may not be assigned in whole or in part. The Candler Project may be leased, subleased or sold by the Borrower in whole or in part provided the Borrower complies with the provisions of Section 3.06 hereof and the Arbitrage Certificate.

Section 7.02 Assignment by Issuer. Pursuant to Section 4.01(c) of this Agreement, the Issuer will assign its rights under and interest in this Agreement (except for the Unassigned Rights) to the Trustee pursuant to the Indenture as security for the payment of the Bonds. Otherwise, the Issuer will not sell, assign or otherwise dispose of its rights under or interest in this Agreement nor create or permit to exist any lien, encumbrance or other security interest in or on such rights or interest.

## **ARTICLE VIII DEFAULTS AND REMEDIES**

Section 8.01 Events of Default; Remedies. The occurrence of any Event of Default under the Indenture with respect to the Bonds shall constitute an Event of Default hereunder for so long as such Event of Default under the Indenture is continuing. Whenever any Event of Default with respect to the Bonds has occurred and is continuing, the Trustee may take whatever action may appear necessary or desirable to collect the payments then due and to become due or to enforce performance of any agreement of the Borrower in this Agreement; *provided* such actions may only be taken under the conditions and subject to the limitations set forth in the Indenture. Upon any acceleration of the Bonds under the Indenture, all amounts payable under Section 4.01(a) hereof shall be immediately due and payable without the necessity of any action by any party.

In addition, if an Event of Default is continuing with respect to any of the Unassigned Rights, the Issuer may take whatever action is necessary or desirable to it to enforce performance by the Borrower of such Unassigned Rights.

Any amounts collected pursuant to action taken under this Section (except for amounts payable directly to the Issuer or the Trustee pursuant to Sections 4.02, 6.02 and 8.03 hereof) shall be applied in accordance with the Indenture.

Nothing in this Agreement shall be construed to permit the Issuer, the Trustee, any Bondholder or any receiver in any proceeding brought under the Indenture to take possession of or exclude the Borrower from possession of the Candler Project by reason of the occurrence of an Event of Default.

Section 8.02 Delay Not Waiver; Remedies. A delay or omission by the Issuer or the Trustee in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy herein conferred upon or reserved to the Issuer or the Trustee is exclusive of any other remedy. All available remedies are cumulative.

Section 8.03 Attorneys' Fees and Expenses. If there should occur a default or an Event of Default hereunder and the Trustee or the Issuer should employ counsel or incur other expenses for the collection of sums due hereunder or the enforcement of performance or observance of any agreement on the part of the Borrower herein contained, the Borrower agrees that it will on demand therefor pay to the Trustee or the Issuer the reasonable fees of such counsel and such other reasonable expenses so incurred by the Trustee or the Issuer.

If the Borrower should fail to make any payments required in this Section, such item shall continue as an obligation of the Borrower until the same shall have been paid in full, with interest thereon from the date such payment was due at the rate per annum borne by the Bonds until paid in full.

## **ARTICLE IX MISCELLANEOUS**

Section 9.01 Notices. All notices or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed as provided in the Indenture.

Section 9.02 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Borrower and their respective successors and assigns, subject, however, to the limitations contained in Section 7.01.

Section 9.03 Severability. If any provision of this Agreement shall be determined to be unenforceable at any time, that shall not affect any other provision of this Agreement or the enforceability of that provision at any other time.

Section 9.04 Amendments. After the issuance of the Bonds, this Agreement may not be amended or terminated without the written consent of the Trustee and all amendments must be made and in accordance with the provisions of Article XIII of the Master Indenture.

Section 9.05 Right of Borrower to Perform Issuer's Agreements. The Issuer irrevocably authorizes and empowers the Borrower to perform in the name and on behalf of the Issuer any agreement made by the Issuer in this Agreement or in the Indenture which the Issuer fails to perform in a timely fashion if the continuance of such failure could result in an Event of Default. This Section will not require the Borrower to perform any agreement of the Issuer.

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



Section 9.07 Captions; References to Sections. The captions in this Agreement are for convenience only and do not define or limit the scope or intent of any provisions or Sections of this Agreement. References to Articles and Sections are to the Articles and Sections of this Agreement, unless the context otherwise requires.

Section 9.08 Complete Agreement. This Agreement represents the entire agreement between the Issuer and the Borrower with respect to its subject matter.

Section 9.09 Termination. When no Bonds are Outstanding under the Indenture, the Borrower and the Issuer shall not have any further obligations under this Agreement; *provided* that the Borrower's covenants in Sections 4.02(a), 4.03, 5.03, 5.04, 5.10, 5.11, 5.12, 6.02 and 8.03 shall survive so long as any Bond remains unpaid.

Section 9.10 No Third Party Beneficiaries. It is specifically agreed between the parties executing this Agreement that neither this Agreement nor any of the provisions hereof are intended to establish in favor of the public or any member thereof, other than in the case of the Trustee pursuant to the Indenture, the rights of a third party beneficiary hereunder, as to authorize anyone not a party of this Agreement to maintain a suit for personal injuries or property damage pursuant to the terms or provisions of this Agreement. The duties, obligations and responsibilities of the parties to this Agreement with respect to third parties shall remain as imposed by law.

Section 9.11 Counterparts. This Agreement may be signed in several counterparts. Each will be an original, but all of them together constitute the same instrument.

[Signature Page Follows]

[SIGNATURE PAGE FOR CANDLER EAST FIRST AMENDED LOAN AGREEMENT]

[Seal]

**BAY LAUREL CENTER COMMUNITY  
DEVELOPMENT DISTRICT**, as Issuer

ATTEST

By: \_\_\_\_\_  
Chairman, Board of Supervisors

\_\_\_\_\_  
Secretary or Assistant Secretary

Date of Execution: \_\_\_\_\_

[Seal]

**CANDLER HILLS EAST COMMUNITY  
DEVELOPMENT DISTRICT**, as  
Borrower

ATTEST

By: \_\_\_\_\_  
Chairman, Board of Supervisors

\_\_\_\_\_  
Secretary or Assistant Secretary

Date of Execution: \_\_\_\_\_

