
\$6,227,400
CITY OF LEESBURG, FLORIDA
CAPITAL IMPROVEMENT REFUNDING
PROMISSORY NOTE, SERIES 2009
(THE “NOTE”)

December 4, 2009

Prepared by:

AKERMAN SENTERFITT

\$6,227,400
CITY OF LEESBURG, FLORIDA
CAPITAL IMPROVEMENT REFUNDING PROMISSORY NOTE, SERIES 2009
(the “Note”)

Listing of Closing Documents
December 4, 2009

1. Certified copy of City of Leesburg, Florida (the “City”) Resolution No. 8557 adopted on October 26, 2009, authorizing the issuance of the Note, among other matters, without attachment.
2. Loan Agreement dated as of December 4, 2009, between the City and Bank of America, N.A. (the “Bank”).
3. Incumbency Certificate.
4. Federal Tax Certificate.
5. Certificate as to Specimen Note.
6. Cross Receipt.
7. Closing Certificate of the City.
8. Internal Revenue Service Form 8038-G, together with proof of filing letter.
9. Notice of Sale to Division of Bond Finance.
10. Division of Bond Finance Forms BF2003 and BF2004A and 2004B, together with proof of filing.
11. Acceptance of Duties of Registrar and Paying Agent.
12. Signature Certificate.
13. Opinion of Akerman Senterfitt, Bond Counsel.
14. Opinion of McIn & Burns P.A., City Attorney.
15. Purchaser’s Letter.
16. Truth in Bonding Statement.
17. Florida Statute 218.385(6) Disclosure Statement.
18. Bank Qualified Certificate.
19. Verification Report of Causey Demgen & Moore, Inc.
20. Certified copy of City Resolution No. 8558 adopted October 26, 2009, amending Section 11.08 of City Resolution No. 7162, with Bond Insurer Consent attached.
21. Paying Agent and Registrar Agreement with U.S. Bank National Association.
22. First Amendment to Debt Service Forward Delivery Agreement.
23. Closing Memorandum

Distribution:

(1) City of Leesburg
(1) Bank of America, N.A.
(1) Holland & Knight, LLP

(1) Akerman Senterfitt
(1) McLin & Burnsed P.A.
(1) Larson Consulting Services, LLC

CERTIFICATE REGARDING RESOLUTION NO. 8557

The undersigned, a duly appointed, qualified and acting City Clerk of the City of Leesburg, Florida (the "City"), and the keeper of the records of the City, HEREBY CERTIFIES that:

Attached hereto is a copy of Resolution No. 8557 of the City which was adopted at a meeting of the City Commission duly called and held on October 26, 2009, at which meeting a quorum was present and acting throughout, which resolution has been compared by me with the original thereof as recorded in the Minute Book of said City and that said resolution is a true, complete and correct copy thereof, and said resolution has been duly adopted and has not been modified, amended, supplemented or repealed and is in full force and effect on and as of the date hereof in the form attached hereto.

IN WITNESS WHEREOF; I have hereunto set my hand and affixed the official seal of the City as of this 4th day of December, 2009.

CITY OF LEESBURG, FLORIDA

[SEAL]


City Clerk

RESOLUTION NO. 8557

A RESOLUTION OF THE CITY OF LEESBURG, FLORIDA AUTHORIZING A LOAN IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$6,500,000 IN ORDER TO REFUND ALL OF THE CITY'S OUTSTANDING REFUNDING AND CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 1999; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION BY THE MAYOR OR MAYOR PRO-TEM OF A PROMISSORY NOTE AND A LOAN AGREEMENT IN SUBSTANTIALLY THE SAME FORM ATTACHED HERETO AS EXHIBIT "A" WITH BANK OF AMERICA, N.A.; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION BY THE MAYOR OR MAYOR PRO-TEM OF A RATE LOCK AGREEMENT IN SUBSTANTIALLY THE SAME FORM ATTACHED HERETO AS EXHIBIT "B" WITH BANK OF AMERICA, N.A.; DESIGNATING THE PROMISSORY NOTE AS "BANK QUALIFIED;" PROVIDING FOR SEVERABILITY; PROVIDING FOR REPEALER; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Leesburg (the "City"), a municipal corporation, is duly created and existing pursuant to the Constitution and Laws of the State of Florida; and

WHEREAS, the City did on September 16, 1999 issue its Refunding and Capital Improvement Revenue Bonds, Series 1999 (the "Prior Bonds"); and

WHEREAS, the City in response to a request for proposals has received a proposal from Bank of America, N.A. (the "Bank") to refund the Prior Bonds; and

WHEREAS, the City's Financial Advisor, Larson Consulting Services, LLC (the "Financial Advisor"), the City's selection committee and senior staff of the City have recommended that the City accept the Bank's proposal; and

WHEREAS, the City Commission of the City (the "City Commission") finds and determines that it is in the best interest of the City that the City borrow the funds to refund the Prior Bonds; and

WHEREAS, the Financial Advisor has recommended that due to the current volatility in interest rates for obligations such as the Promissory Note (as hereafter defined) that it is in the best interests of the City to enter into at this time a Rate Lock Agreement with the Bank in substantially the form attached hereto as Exhibit "B" in order to fix the interest rate on the Promissory Note; and

WHEREAS, this Resolution is adopted pursuant to the Constitution and Laws of the State of Florida;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF LEESBURG, FLORIDA, AS FOLLOWS:

Section 1. Authority for this Resolution. This Resolution is adopted pursuant to provisions of Chapter 166, Florida Statutes, the Florida Constitution, and other applicable provisions of law.

Section 2. Incorporation of Recitals. The foregoing recitals are hereby ratified and confirmed as being true and correct and are hereby made a specific part by this Resolution upon adoption hereof.

Section 3. Definitions. Words and phrases used in capitalized form in this Resolution and not otherwise defined herein shall have the meanings ascribed hereto in the Loan Agreement (hereinafter defined) and, in addition, the following words and phrases shall have the following meanings when used herein:

"Authorized Signatory" means any one of the Mayor, Mayor Pro-Tem, or City Manager of the City.

"Loan Amount" means not exceeding \$6,500,000.00.

Section 4. Authorization of Transaction. In order to obtain funds to refund the Prior Bonds, the City is authorized to obtain a loan (the "Loan") from and to borrow from the Bank the Loan Amount.

The City Commission finds and determines as recommended by the City's Financial Advisor and staff that a negotiated borrowing and sale to be undertaken in the form of the Loan from the Bank as described in the Loan Agreement and herein is in the best interest of the City (rather than a sale through competitive bidding) because the Loan offers (i) borrowing at lower costs than available alternatives and (ii) flexibility of financing that could not be obtained in a sale through competitive bidding.

Section 5. Loan Agreement and Promissory Note. The City is authorized to execute a Loan Agreement with the Bank in substantially the form attached hereto as Exhibit "A" (the "Loan Agreement") and to execute the Promissory Note (the "Promissory Note") in substantially the form attached to the Loan Agreement. The forms and terms of the Loan Agreement and Promissory Note (jointly, the "Loan Documents") attached hereto are hereby approved by the City and the Authorized Signatory is authorized to execute the same, with such changes as may be approved by the Authorized Signatory, such approval to be conclusively evidenced by the execution thereof by the Authorized Signatory.

Section 6. Rate Lock Agreement. The City is authorized to execute a Rate Lock Agreement with the Bank in substantially the form attached hereto as Exhibit "B" (the "Rate Lock Agreement"). The form and term of the Rate Lock Agreement attached hereto is hereby approved by the City and the Authorized Signatory is authorized to execute the same, with such changes as may be approved by the Authorized Signatory, such approval to be conclusively evidenced by the execution thereof by the Authorized Signatory.

Section 7. Authorization of Other Documents to Effect Transaction. To the extent that other documents, certificates, opinions, or items are needed to effect any of the transactions referenced in this Resolution, the Loan Documents and the security therefore, the Mayor, the City Clerk, the City Manager, the City Finance Director and the City Attorney are hereby authorized to execute and deliver such documents, certificates, opinions, or other items and to take such other actions as are necessary for the full, punctual, and complete performance of the covenants, agreements, provisions, and other terms as are contained herein and in the documents included herein by reference.

Section 8. Paying Agent and Registrar. The City hereby accepts the duties to serve as Registrar and Paying Agent for the Promissory Note.

Section 9. Bank Qualified. The City hereby designates the Promissory Note as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. The City and any subordinate entities of the City and any issuer of "tax-exempt" debt that issue on behalf of the City do not reasonably expect during the calendar year 2009 to issue more than \$30,000,000 of "tax-exempt" obligations including the Promissory Note, exclusive of any private activity bonds as defined in Section 141(a) of the Code (other than qualified 501(c)(3) bonds as defined in Section 145 of the Code).

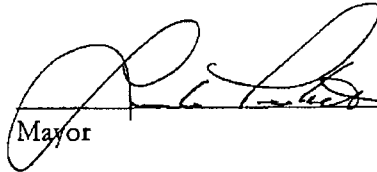
Section 10. Severability. If any provision of this Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable in any context, the same shall not affect any other provision herein or render any other provision (or such provision in any other context) invalid, inoperative or unenforceable to any extent whatever.

Section 11. Repealer. All resolutions of the City or parts thereof in conflict herewith are hereby repealed.

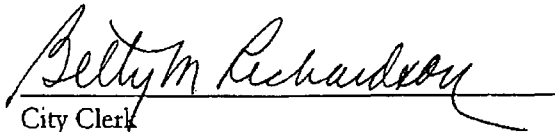
Section 12. Effective Date. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this 26th day of October, 2009.

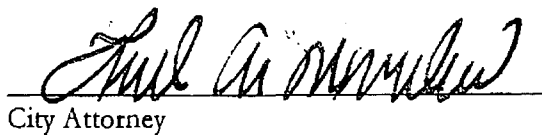
CITY OF LEESBURG, FLORIDA


Mayor

ATTEST:

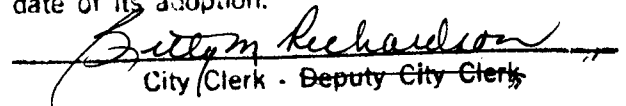

City Clerk

APPROVED AS TO FORM
AND CORRECTNESS


City Attorney

10/26/09

I HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution/Ordinance adopted by the City Commission at its meeting held October 26, 2009, and that same has not been amended or repealed since the date of its adoption.


City Clerk - Deputy City Clerk

LOAN AGREEMENT

This LOAN AGREEMENT (the "Agreement") is made and entered into as of December 4, 2009, and is by and between the City of Leesburg, Florida, a municipal corporation of the State of Florida, and its successors and assigns (the "City"), and Bank of America, N.A., a national banking association, and its successors and assigns, as holder(s) of the hereinafter defined Note (the "Bank").

The parties hereto, intending to be legally bound hereby and in consideration of the mutual covenants hereinafter contained, DO HEREBY AGREE as follows:

ARTICLE I

DEFINITION OF TERMS

Section 1.01 Definitions. The words and terms used in this Agreement shall have the meanings as set forth in the recitals above and the following words and terms as used in this Agreement shall have the following meanings:

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

"Bond Counsel" means Akerman Senterfitt or any other attorney-at-law or firm of such attorneys having expertise in the legal aspects of the issuance of indebtedness by states and political subdivisions thereof.

"Business Day" means any day except any Saturday or Sunday or day on which the Principal Office of the Bank is lawfully closed.

"Closing Date" means the date so indicated in the Note.

"Code" means the Internal Revenue Code of 1986, as amended, and any Treasury Regulations, whether temporary, proposed or final, promulgated thereunder or applicable thereto.

"Debt Service Forward Delivery Agreement" means that Debt Service Forward Delivery Agreement dated as of July 22, 2005 between the City and Wachovia Bank, National Association (the "DSDA Provider") as amended.

"Event of Default" shall mean an event of default specified in Article VI of this Agreement.

"Financial Advisor" means Larson Consulting Services, LLC.

“Guaranteed Entitlement” means the guaranteed entitlement portion of the state revenue sharing funds available to the City pursuant to Part II of Chapter 218, Florida Statutes.

“Loan” shall mean the loan by the Bank to the City contemplated hereby.

“Loan Amount” means \$6,227,400.

“Loan Documents” means this Agreement and the Note.

“Note” means the City’s Capital Improvement Refunding Promissory Note, Series 2009, in the form attached hereto as Attachment “A.”

“Notice Address” means,

As to the City: City Manager and City Attorney
City of Leesburg, Florida
501 W. Meadow Street
Leesburg, FL 34749

As to the Bank: Bank of America, N.A.
9000 Southside Boulevard
Building 100
Jacksonville, Florida 32256

or to such other address as either party may have specified in writing to the other using the procedures specified in Section 7.06.

“Pledged Revenues” shall mean collectively the Sales Tax, the Guaranteed Entitlement and all amounts on deposit in the 2009 Debt Service Fund.

“Principal Office” means, with respect to the Bank, the office located at 9000 Southside Boulevard, Building 100, Jacksonville, Florida, 32256, or such other office as the Bank may designate to the City in writing.

“Prior Bonds” means the City’s outstanding Refunding and Capital Improvement Revenue Bonds, Series 1999.

“2009 Debt Service Fund” means the fund of that name established pursuant to Section 3.01(a) hereof.

“Resolution” means Resolution No. 8557 of the City adopted October 26, 2009.

“Sales Tax” means any and all proceeds of the local government half-cent sales tax distributed to the City from the Local Government Half-Cent Sales Tax Clearing

Trust Fund, as defined and described in Part VI, Chapter 218, Florida Statutes, as amended.

“State” means the State of Florida.

Section 1.02 Titles and Headings. The titles and headings of the articles and sections of this Agreement have been inserted for convenience of reference only and are not to be considered a part hereof, shall not in any way modify or restrict any of the terms and provisions hereof, and shall not be considered or given any effect in construing this Agreement or any provision hereof or in ascertaining intent, if any question of intent should arise.

ARTICLE II

REPRESENTATIONS OF CITY

The City represents and warrants to the Bank that:

Section 2.01 Powers of City. The City is a municipal corporation, duly organized and validly existing under the laws of the State. The City has the power to borrow the amount provided for in this Agreement, to execute and deliver the Loan Documents, to secure the Note in the manner contemplated hereby and to perform and observe all the terms and conditions of the Loan Documents on its part to be performed and observed.

Section 2.02 Authorization of Loan. The City had, has, or will have, as the case may be, at all relevant times, full legal right, power, and authority to execute the Loan Documents, to make the Note, and to carry out and consummate all other transactions contemplated hereby, and the City has complied and will comply with all provisions of applicable law in all material matters relating to such transactions. The City has duly authorized the borrowing of the amount provided for in this Agreement, the execution and delivery of this Agreement, and the making and delivery of the Note to the Bank and to that end the City warrants that it will take all action and will do all things which it is authorized by law to take and to do in order to fulfill all covenants on its part to be performed and to provide for and to assure payment of the Note. The Note has been duly authorized, executed, issued and delivered to the Bank and constitutes the legal, valid and binding obligation of the City enforceable in accordance with the terms thereof and the terms hereof, and is entitled to the benefits and security of this Agreement, subject to the provisions of the bankruptcy laws of the United States of America and to other applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights, heretofore or hereinafter enacted, to the extent constitutionally applicable, and provided that its enforcement may also be subject to equitable principles that may affect remedies or other equitable relief, or to the exercise of judicial discretion in appropriate cases. All approvals, consents, and orders of and filings with any governmental authority or agency which would constitute a condition precedent to the

issuance of the Note or the execution and delivery of or the performance by the City of its obligations under this Agreement and the Note have been obtained or made and any consents, approvals, and orders to be received or filings so made are in full force and effect.

Section 2.03 No Violation of Law or Contract. The City is not in default in any material respect under any agreement or other instrument to which it is a party or by which it may be bound, the breach of which could result in a material and adverse impact on the financial condition of the City or the ability of the City to perform its obligations hereunder and under the Note. The making and performing by the City of this Agreement and the Note will not violate any applicable provision of law, and will not result in a material breach of any of the terms of any agreement or instrument to which the City is a party or by which the City is bound, the breach of which could result in a material and adverse impact on the financial condition of the City or the ability of the City to perform its obligations hereunder and under the Note.

Section 2.04 Pending or Threatened Litigation. There are no actions or proceedings pending against the City or affecting the City or, to the knowledge of the City, threatened, which, either in any case or in the aggregate, might result in any material adverse change in the financial condition of the City, or which question the validity of this Agreement or the Note or of any action taken or to be taken in connection with the transactions contemplated hereby or thereby.

Section 2.05 Financial Information. The financial information regarding the City furnished to the Bank by the City in connection with the Loan is complete and accurate, and there has been no material and adverse change in the financial condition of the City from that presented in such information.

ARTICLE III

COVENANTS OF THE CITY

Section 3.01 Affirmative Covenants. For so long as any of the principal amount of or interest on the Note is outstanding or any duty or obligation of the City hereunder or under the Note remains unpaid or unperformed, the City covenants to the Bank as follows:

(a) Payment. The City shall pay the principal of and the interest on the Note as provided herein at the time and place and in the manner provided herein and in the Note. There is hereby created and established the "2009 Debt Service Fund" which fund shall constitute a trust fund for the purposes herein provided and which fund shall be subject to a lien in favor of the owner of the Note to the extent herein provided. The City shall deposit to the 2009 Debt Service Fund on or before the 15th day of each month in the following order and priority: (i) one-sixth (1/6) of the interest coming due on the Note

on the next interest payment date; and (ii) one-twelfth (1/12) of all principal maturing on the Note on the next principal payment date.

Such required deposits shall be increased each month to the extent required to pay interest and principal next coming due on the Note. Such fund shall be held by U.S. Bank National Association or any successor thereto as “custodian” under the Debt Service Forward Delivery Agreement.

(b) Use of Proceeds. Proceeds from the Note will be used only to refund the Prior Bonds and to pay closing costs of the Loan.

(c) Notice of Defaults. The City shall within ten (10) days after it acquires knowledge thereof, notify the Bank in writing at its Notice Address upon the happening, occurrence, or existence of any Event of Default, and any event or condition which with the passage of time or giving of notice, or both, would constitute an Event of Default, and shall provide the Bank with such written notice, a detailed statement by a responsible officer of the City of all relevant facts and the action being taken or proposed to be taken by the City with respect thereto.

(d) Maintenance of Existence. The City will take all legal action within its control in order to maintain its existence until all amounts due and owing from the City to the Bank under this Agreement and the Note have been paid in full.

(e) Records. The City agrees that any and all records of the City with respect to the Loan shall be open to inspection by the Bank or its representatives at all reasonable times at the offices the City.

(f) Financial Statements. The City will cause an audit to be completed of its books and accounts and shall furnish to the Bank audited year-end financial statements of the City certified by an independent certified public accountant to the effect that such audit has been conducted in accordance with generally accepted auditing standards and stating whether such financial statements present fairly in all material respects the financial position of the City and the results of its operations and cash flows for the periods covered by the audit report, all in conformity with generally accepted accounting principles applied on a consistent basis. The City shall provide the Bank with the City’s audited financial statements for each fiscal year ending on or after September 30, 2009 within 270 days after the end thereof.

(g) Notice of Liabilities. The City shall promptly inform the Bank in writing of any actual or potential contingent liabilities or pending or threatened litigation of any amount that could reasonably be expected to have a material and adverse effect upon the financial condition of the City or upon the ability of the City to perform its obligation hereunder and under the Note.

(h) Insurance. The City shall maintain such liability, casualty and other insurance as is reasonable and prudent for similarly situated governmental entities of the State of Florida.

(i) Compliance with Laws. The City shall comply with all applicable federal, state and local laws and regulatory requirements, the violation of which could reasonably be expected to have a material and adverse effect upon the financial condition of the City or upon the ability of the City to perform its obligation hereunder and under the Note.

(j) Payment of Document Taxes. In the event the Note or this Agreement should be subject to the excise tax on documents or the intangible personal property tax of the State, the City shall pay such taxes or reimburse the Bank for any such taxes paid by it.

Section 3.02 Negative Covenants. For so long as any of the principal amount of or interest on the Note is outstanding or any duty or obligation of the City hereunder or under the Note remains unpaid or unperformed, the City covenants to the Bank as follows:

No Additional Debt. The City will not issue any debt payable from or secured by any of the Pledged Revenues having priority to or being on a parity with the lien thereon of the Note.

Section 3.03 Payment Procedure. Payments due hereunder shall be payable in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts, which payments shall be made to the Bank by check mailed to the Bank at the address designated in writing by the Bank for purposes of payment or by bank wire or bank transfer as such Bank may specify in writing to the City or otherwise as the City and the Bank may agree.

Section 3.04 Registration and Exchange of Note. The Note is owned by Bank of America, N.A. The ownership of the Note may only be transferred, and the City will transfer the ownership of the Note, upon written request of the Bank and delivery to the City of a certificate substantially in the same form as the purchaser's letter delivered by the Bank in connection with its purchase of the Note specifying the name, address and taxpayer identification number of the transferee, and the City will keep a record setting forth the identification of the owner of the Note.

Section 3.05 Note Mutilated, Destroyed, Stolen or Lost. In case the Note shall become mutilated, or be destroyed, stolen or lost, the City shall issue and deliver a new Note, in exchange and in substitution for such mutilated Note, or in lieu of and in substitution for the Note destroyed, stolen or lost and upon the Bank furnishing the City proof of ownership thereof and indemnity reasonably satisfactory to the City and paying such expenses as the City may incur.

Section 3.06 Payment of Principal and Interest; Limited Obligation. The City promises that it will promptly pay the principal of and interest on the Note at the place, on the dates and in the manner provided therein, provided that the City may be compelled to pay the principal of and interest on the Note solely from the Pledged Revenues, and nothing in the Note or this Loan Agreement shall be construed as pledging any other funds or assets of the City to such payment or as authorizing such payment to be made from any other source. Nothing herein shall, however, prevent the City from using any lawfully available funds to pay its obligations hereunder and under the Note. The City is not and shall not be liable for the payment of the principal of and interest on the Note or for the performance of any pledge, obligation or agreement for payment undertaken by the City hereunder or under the Note from any property other than the Pledged Revenues. The Bank shall not have any right to resort to legal or equitable action to require or compel the City to make any payment required by the Note or this Loan Agreement from any source other than the Pledged Revenues.

Section 3.07 Officers and Employees of the City Exempt from Personal Liability. No recourse under or upon any obligation, covenant or agreement of this Loan Agreement or the Note or for any claim based hereon or thereon or otherwise in respect thereof, shall be had against any officer, agent or employee, as such, of the City past, present or future, it being expressly understood (a) that the obligation of the City under this Agreement and under the Note is solely a corporate one, limited as provided in the preceding Section 3.06, (b) that no personal liability whatsoever shall attach to, or is or shall be incurred by, the officers, agents, or employees, as such, of the City, or any of them, under or by reason of the obligations, covenants or agreements contained in this Agreement or implied therefrom, and (c) that any and all such personal liability of, and any and all such rights and claims against, every such officer, agent, or employee, as such, of the City under or by reason of the obligations, covenants or agreements contained in this Agreement and under the Note, or implied therefrom, are waived and released as a condition of, and as a consideration for, the execution of this Agreement and the issuance of the Note on the part of the City.

Section 3.08 Business Days. In any case where the due date of interest on or principal of the Note is not a Business Day, then payment of such principal or interest need not be made on such date but may be made on the next succeeding Business Day, provided that credit for payments made shall not be given until the payment is actually received by the Bank.

Section 3.09 Tax Representations, Warranties and Covenants of the City.

(a) The City hereby covenants and represents that it has taken and caused to be taken and shall make and take and cause to be made and taken all actions that may be required of it for the interest on the Note to be and remain excluded from the gross income of the Bank for federal income tax purposes to the extent set forth in the Code, and that to the best of its knowledge it has not taken or permitted to be taken on its

behalf, and covenants that to the best of its ability and within its control, it shall not make or take, or permit to be made or taken on its behalf, any action which, if made or taken, would adversely affect such exclusion under the provisions of the Code.

The City acknowledges that the continued exclusion of interest on the Note from gross income for federal income tax purposes depends, in part, upon compliance with the arbitrage limitations imposed by Sections 103(b)(2) and 148 of the Code. The City hereby acknowledges responsibility to take all reasonable actions necessary to comply with these requirements. The City hereby agrees and covenants that it shall not permit at any time or times any of the proceeds of the Note or other funds of the City to be intentionally used, directly or indirectly, to acquire or to replace funds which were used directly or indirectly to acquire any higher yielding investments (as defined in Section 148 of the Code), the acquisition of which would cause the Note to be an arbitrage bond for purposes of Sections 103(b)(2) and 148 of the Code. The City further agrees and covenants that it shall do and perform all acts and things necessary in order to assure that the requirements of Sections 103(b)(2) and 148 of the Code are met.

Specifically, without intending to limit in any way the generality of the foregoing, the City covenants and agrees:

(1) to pay to the United States of America at the times required pursuant to Section 148(f) of the Code, the excess of the amount earned on all non-purpose investments (as defined in Section 148(f)(6) of the Code) (other than investments attributed to an excess described in this sentence) over the amount which would have been earned if such non-purpose investments were invested at a rate equal to the yield on the Note, plus any income attributable to such excess (the "Rebate Amount");

(2) to maintain and retain all records pertaining to and to be responsible for making or causing to be made all determinations and calculations of the Rebate Amount and required payments of the Rebate Amount as shall be necessary to comply with the Code; and

(3) to comply with all representations and restrictions contained in any Certificate as to Arbitrage and Other Tax Matters executed by the City in connection with the Note.

The City understands that the foregoing covenants impose continuing obligations on it to comply with the requirements of Section 103 and Part IV of Subchapter B of Chapter 1 of the Code so long as such requirements are applicable.

(b) The City will comply with, and timely make or cause to be made all filings required by, all effective rules, rulings or regulations promulgated by the Department of the Treasury or the Internal Revenue Service.

(c) The City will not use, invest, direct or permit the investment of the proceeds of the Note or any investment earnings thereon in a manner that will result in the Note becoming a “private activity bond” within the meaning of Sections 141 and 145 of the Code.

(d) The City will not use or permit to be used more than ten percent (10%) of the proceeds of the Note (including any amounts used to pay costs associated with issuing the Note), including all investment income earned on such proceeds directly or indirectly, in any trade or business carried on by any person who is not the City or a state or political subdivision or instrumentality thereof as those terms are used in Section 103 of the Code (an “Exempt Person”).

(e) The City will not use or permit the use of any portion of the proceeds of the Note, including all investment income earned on such proceeds, directly or indirectly, to make or finance loans to persons who are not Exempt Persons.

(f) The City has not entered into, and will not enter into, any arrangement with any person or organization (other than an Exempt Person) which provides for such person or organization to manage more than 10% of the property financed or refinanced with the proceeds of the Note (a “Service Contract”), unless the guidelines set forth in Revenue Procedure 97-13 (or the guidelines set forth in Revenue Procedure 93-19, to the extent applicable, or any new, revised or additional guidelines applicable to Service Contracts) (the “Guidelines”), are satisfied, except to the extent it obtains a private letter ruling from the Internal Revenue Service or an opinion of nationally recognized Bond Counsel which allows for a variation from the Guidelines.

(g) The City will not cause the Note to be treated as “federally guaranteed” for purposes of Section 149 of the Code, as may be modified in any applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury or the Internal Revenue Service with respect to “federally guaranteed” obligations described in Section 149 of the Code. For purposes of this paragraph, the Note shall be treated as “federally guaranteed” if (i) all or any portion of the principal or interest is or will be guaranteed directly or indirectly by the United States of America or any agency or instrumentality thereof, or (ii) 5% or more of the proceeds of the Note will be (A) used in making loans the payment of principal or interest with respect to which is to be guaranteed in whole or in part by the United States of America or any agency or instrumentality thereof, or (B) invested directly or indirectly in federally insured deposits or accounts, and (iii) such guarantee is not described in Section 149(b)(3) of the Code.

The terms “debt service,” “gross proceeds,” “net proceeds,” “proceeds,” and “yield” have the meanings assigned to them for purposes of Section 148 of the Code.

Section 3.10 Section 265 Designation of Note. The reasonably anticipated amount of tax-exempt obligations (other than obligations described in clause (ii) of

Section 265(b)(3)(C) of the Code), which have been or will be issued by the City and all entities which are subordinate to or which issue obligations on behalf of the City during 2009 does not exceed \$30,000,000, and the City hereby designates the Note as a “qualified tax-exempt obligation” (“QTEO”) for purposes of Section 265(b)(3)(B)(i) of the Code, and the City covenants and agrees not to take any action or to fail to take any action if such action or failure would cause the Note to no longer be a QTEO.

Section 3.11 Collections of Pledged Revenues. The City covenants to do all things necessary on its part to continue the receipt of the Pledged Revenues in compliance with applicable Florida laws. The City will proceed diligently to perform legally and effectively all steps required on its part to receive the Pledged Revenues.

ARTICLE IV

CONDITIONS OF LENDING

The obligations of the Bank to lend hereunder are subject to the following conditions precedent:

Section 4.01 Representations and Warranties. The representations and warranties set forth in this Agreement and the Note are and shall be true and correct on and as of the date hereof and as of the date of each Advance.

Section 4.02 No Default. On the date hereof, and as of the date of each Advance, the City shall be in compliance with all the terms and provisions set forth in this Agreement and the Note on its part to be observed or performed, and no Event of Default nor any event that, upon notice or lapse of time or both, would constitute such an Event of Default, shall have occurred and be continuing at such time.

Section 4.03 Supporting Documents. On or prior to the date hereof, the Bank shall have received the following supporting documents, all of which shall be satisfactory in form and substance to the Bank (such satisfaction to be evidenced by the purchase of the Note by the Bank):

(a) the opinion of the attorney for the City or bond counsel to the City, regarding the due authorization, execution, delivery, validity and enforceability of the Resolution, this Agreement and the Note;

(b) the opinion of Bond Counsel to the effect that, (1) the interest on such Note is excluded from gross income for federal income tax purposes and such Note is not an item of tax preference under Section 57 of the Code, (2) the Note and the income thereon are exempt from the Florida excise tax on documents and intangible personal property tax and (3) the Note is a QTEO; and

(c) such additional supporting documents as the Bank may reasonably request.

ARTICLE V

FUNDING THE LOAN

Section 5.01 The Loan. The Bank hereby agrees to lend to the City the Loan Amount on the date hereof and upon the terms and conditions set forth in this Agreement. The City agrees to repay the principal amount borrowed plus interest thereon, upon the terms and conditions set forth in this Agreement and the Note.

Section 5.02 Description and Payment Terms of the Note. To evidence the obligation of the City to repay the Loan, the City shall make and deliver to the Bank the Note in the form attached hereto as Exhibit A.

ARTICLE VI

EVENTS OF DEFAULT

Section 6.01 General. An “Event of Default” shall be deemed to have occurred under this Agreement if:

(a) The City shall fail to make any payment of the principal of or interest on the Loan when the same shall become due and payable, whether by maturity, by acceleration at the discretion of the Bank as provided for in Section 6.02, or otherwise; or

(b) The City shall default in the performance of or compliance with any term or covenant contained in this Agreement or the Note, other than a term or covenant a default in the performance of which or noncompliance with which is elsewhere specifically dealt with, which default or non-compliance shall continue and not be cured within thirty (30) days after (i) notice thereof to the City by the Bank, or (ii) the Bank is notified of such noncompliance or should have been so notified pursuant to the provisions of Section 3.01(c) of this Agreement, whichever is earlier; or

(c) Any representation or warranty made in writing by or on behalf of the City in this Agreement or the Note shall prove to have been false or incorrect in any material respect on the date made or reaffirmed; or

(d) The City admits in writing its inability to pay its debts generally as they become due or files a petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver or trustee for itself; or

(e) The City is adjudged insolvent by a court of competent jurisdiction, or it is adjudged a bankrupt on a petition in bankruptcy filed by or against the City, or an order, judgment or decree is entered by any court of competent jurisdiction appointing, without the consent of the City, a receiver or trustee of the City or of the whole or any part of its property, and if the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within ninety (90) days from the date of entry thereof; or

(f) The City shall file a petition or answer seeking reorganization or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or the State; or

(g) The City shall default in the due and punctual payment or performance of covenants related to (i) any obligation for the payment of money to the Bank or any other subsidiary or affiliate of Bank of America Corporation or (ii) any obligation for the repayment of borrowed money in an amount in excess of \$250,000 to any other obligee.

(h) Invalidity of any loan documentation or security interests.

(i) The City shall fail to make the deposits to the 2009 Debt Service Fund as required by Section 3.01(a) hereof.

Section 6.02 Effect of Event of Default. Immediately and without notice, upon the occurrence of any Event of Default, the Bank may declare all obligations of the City under this Agreement and the Note to be immediately due and payable without further action of any kind and upon such declaration the Note and the interest accrued thereon shall become immediately due and payable. In addition, and regardless whether such declaration is or is not made, the Bank may also seek enforcement of and exercise all remedies available to it under any applicable law.

ARTICLE VII

MISCELLANEOUS

Section 7.01 No Waiver; Cumulative Remedies. No failure or delay on the part of the Bank in exercising any right, power, remedy hereunder or under the Note shall operate as a waiver of the Bank's rights, powers and remedies hereunder, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof, or the exercise of any other right, power or remedy hereunder or thereunder. The remedies herein and therein provided are cumulative and not exclusive of any remedies provided by law or in equity.

Section 7.02 Amendments, Changes or Modifications to the Agreement. This Agreement shall not be amended, changed or modified except in writing signed by the

Bank and the City. The City agrees to pay all of the Bank's costs and reasonable attorneys' fees incurred in modifying and/or amending this Agreement at the City's request or behest.

Section 7.03 Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same Agreement, and, in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

Section 7.04 Severability. If any clause, provision or section of this Agreement shall be held illegal or invalid by any court, the invalidity of such clause, provision or section shall not affect any other provisions or sections hereof, and this Agreement shall be construed and enforced to the end that the transactions contemplated hereby be effected and the obligations contemplated hereby be enforced, as if such illegal or invalid clause, provision or section had not been contained herein.

Section 7.05 Term of Agreement. Except as otherwise specified in this Agreement, this Agreement and all representations, warranties, covenants and agreements contained herein or made in writing by the City in connection herewith shall be in full force and effect from the date hereof and shall continue in effect until as long as the Note is outstanding.

Section 7.06 Notices. All notices, requests, demands and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given when received if personally delivered; when transmitted if transmitted by telecopy, electronic telephone line facsimile transmission or other similar electronic or digital transmission method (provided customary evidence of receipt is obtained); the day after it is sent, if sent by overnight common carrier service; and five days after it is sent, if mailed, certified mail, return receipt requested, postage prepaid. In each case notice shall be sent to the Notice Address.

Section 7.07 Applicable Law; Venue. This Agreement shall be construed pursuant to and governed by the substantive laws of the State. The City and the Bank waive any objection either might otherwise have to venue of any action lying in Lake County, Florida.

Section 7.08 Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the successors in interest and permitted assigns of the parties. The City shall have no rights to assign any of its rights or obligations hereunder without the prior written consent of the Bank.

Section 7.09 No Third Party Beneficiaries. It is the intent and agreement of the parties hereto that this Agreement is solely for the benefit of the parties hereto and no

person not a party hereto shall have any rights or privileges hereunder, except as expressly provided hereunder.

Section 7.10 Attorneys Fees. To the extent legally permissible, the City and the Bank agree that in any suit, action or proceeding brought in connection with this Agreement or the Note (including any appeal(s)), the prevailing party shall be entitled to recover costs and attorneys' fees from the other party.

Section 7.11 Entire Agreement. Except as otherwise expressly provided, this Agreement and the Note embody the entire agreement and understanding between the parties hereto and supersede all prior agreements and understandings relating to the subject matter hereof.

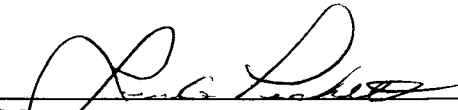
Section 7.12 Further Assurances. The parties to this Agreement will execute and deliver, or cause to be executed and delivered, such additional or further documents, agreements or instruments and shall cooperate with one another in all respects for the purpose of out the transactions contemplated by this Agreement.

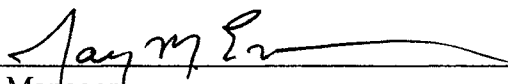
Section 7.13 Waiver of Jury Trial. THE BANK AND THE CITY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THE RESOLUTION, THIS AGREEMENT, THE NOTE OR ANY OTHER AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HERewith, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN), OR ACTIONS OF EITHER PARTY.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective between them as of the date of first set forth above.

CITY OF LEESBURG, FLORIDA

By: 
Mayor


City Manager


Finance Director

BANK OF AMERICA, N.A.


By: 
Vice President

EXHIBIT "A"

CAPITAL IMPROVEMENT REFUNDING PROMISSORY NOTE, SERIES 2009

KNOW ALL MEN BY THESE PRESENTS that the undersigned maker, City of Leesburg, Florida (the "City"), a municipality created and existing pursuant to the Constitution and the laws of the State of Florida, for value received, promises to pay from the sources hereinafter provided, to the order of Bank of America, N.A. or registered assigns (hereinafter, the "Bank"), the principal sum of \$6,227,400.00 or such lesser amount as shall be outstanding hereunder, together with interest on the principal balance outstanding at the rate of 4.73% per annum (subject to adjustment as hereinafter provided) based upon a 360 day year consisting of 12 30 day months. This Note is issued in conjunction with a Loan Agreement, dated of even date herewith, between the City and the Bank (the "Loan Agreement") and is subject to all the terms and conditions of the Loan Agreement.

Principal of and interest on this Note are payable in immediately available funds constituting lawful money of the United States of America at such place as the Bank may designate to the City.

As used in this Note:

(1) "Code" means the Internal Revenue Code of 1986, as amended, and any Treasury Regulations, whether temporary, proposed or final, promulgated thereunder or applicable thereto;

(2) "Determination of Taxability" shall mean interest on this Note is determined or declared, by the Internal Revenue Service or a court of competent jurisdiction to be included in the gross income of the Owner for federal income tax purposes under the Code.

The City shall pay the Bank interest hereon at the rate set forth above on the outstanding principal sum on the first day of each April 1 and October 1 of each year, commencing April 1, 2010, and shall pay the Bank principal as set forth on Exhibit "A" hereto. The entire unpaid principal balance, together with all accrued and unpaid interest hereon, shall be due and payable in full on October 1, 2029 (the "Maturity Date").

All payments by the City pursuant to this Note shall apply first to accrued interest, then to other charges due the Bank, and the balance thereof shall apply to the principal sum due.

Upon the occurrence of a Determination of Taxability, the interest rate on this Note shall be adjusted to a rate equal to 154% of the interest rate otherwise borne hereby (the "Adjusted Interest Rate"), as of and from the date such Determination of Taxability would be applicable with respect to this Note (the "Accrual Date"); and (i) the City shall on the next interest payment date (or if this Note shall have matured, within 30 days after demand by the Bank) hereon pay to the Bank an amount equal to the sum of (1) the difference between (A) the total interest that would have accrued on this Note at the Adjusted Interest Rate from the Accrual Date to such next interest payment date, and (B) the actual interest paid by the City on this Note from the Accrual Date to such next interest payment date, and (2) any interest and penalties required to be paid as a result of any additional State of Florida and federal income taxes imposed upon such Bank

and/or former Bank arising as a result of such Determination of Taxability; and (ii) from and after the Date of the Determination of Taxability, this Note shall continue to bear interest at the Adjusted Interest Rate for the period such determination continues to be applicable with respect to this Note. This adjustment shall survive payment of this Note until such time as the federal statute of limitations under which the interest on this Note could be declared taxable under the Code shall have expired.

This Note may be prepaid in whole or in part on any date, with three (3) days prior written notice to the Bank by payment in an amount equal to the principal amount to be prepaid plus accrued interest thereon to the date of such prepayment plus the Prepayment Fee. For purposes hereof, the Prepayment Fee will be the sum of fees calculated separately for each Prepaid Installment, as follows:

(i) The Bank will first determine the amount of interest which would have accrued each month at the Taxable Equivalent Rate for the Prepaid Installment had it remained outstanding until the applicable Original Payment Date, using the interest rate applicable to the Prepaid Installment under this Agreement.

(ii) The Bank will then subtract from each monthly interest amount determined in (i), above, the amount of interest which would accrue for that Prepaid Installment if it were reinvested from the date of prepayment or redemption through the Original Payment Date, using the Treasury Rate.

(iii) If (i) minus (ii) for the Prepaid Installment is greater than zero, the Bank will discount the monthly differences to the date of prepayment or redemption by the Treasury Rate. The Bank will then add together all of the discounted monthly differences for the Prepaid Installment.

The following definitions will apply to the calculation of the Prepayment Fee:

(i) "Original Payment Dates" mean the dates on which the prepaid or redeemed principal would have been paid if there had been no prepayment or redemption. If any of the principal would have been paid later than the end of the fixed rate interest period in effect at the time of prepayment or redemption, then the Original Payment Date for that amount will be the last day of the interest period.

(ii) "Prepaid Installment" means the amount of the prepaid or redeemed principal which would have been paid on a single Original Payment Date.

(iii) "Taxable Equivalent Rate" means the interest rate per annum derived from the following formula: 4.73% divided by the difference of (1 minus the Maximum Corporate Income Tax Rate). The "Maximum Corporate Income Tax Rate" is the highest marginal federal income tax rate charged to U.S. corporations in effect at the time of the prepayment calculation. The "Maximum Corporate Income Tax Rate" is currently 35% (or 0.35 in numerical terms).

(iv) "Treasury Rate" means the yield on the Treasury Constant Maturity Series with maturity equal to the Original Payment Date of the Prepaid Installment which are

principal payments (calculated as of the date of redemption in accordance with accepted financial practice and rounded to the nearest quarter-year), as reported in Federal Reserve Statistical Release H.15, Selected Interest Rates of the Board of Governors of the Federal Reserve System, or any successor publication. If no maturity exactly corresponding to such Original Payment Date appears in Release H.15, the Treasury Rate will be determined by linear interpolation between the yields reported in Release H.15. If for any reason Release H.15 is no longer published, the Holder shall select a comparable publication to determine the Treasury Rate.

Upon the occurrence of an Event of Default (as defined in the Loan Agreement) then the Bank may declare the entire debt then remaining unpaid hereunder immediately due and payable; and in any such default and acceleration, the City shall also be obligated to pay (but only from the Pledged Revenues) as part of the indebtedness evidenced by this Note, all costs of collection and enforcement hereof, including such fees as may be incurred on appeal or incurred in any proceeding under bankruptcy laws as they now or hereafter exist, including specifically but without limitation, claims, disputes and proceedings seeking adequate protection or relief from the automatic stay. If any payment hereunder is not made within fifteen (15) days after it is due, then the City shall also be obligated to pay, from any legally available funds of the City, as a part of the indebtedness evidenced by this Note a late payment fee in the amount of 3% of delinquent payment, which late payment shall be due and payable immediately.

Interest at the maximum lawful rate per annum shall be payable on the entire principal balance owing hereunder from and after the occurrence of and during the continuation of a default described in the preceding paragraph, irrespective of a declaration of maturity.

The City to the extent permitted by law hereby waives presentment, demand, protest and notice of dishonor.

This Note is payable solely from the Pledged Revenues to the extent provided in the Loan Agreement. Notwithstanding any other provision of this Note, the City is not and shall not be liable for the payment of the principal of and interest on this Note or otherwise monetarily liable in connection herewith from any property other than as provided in the Loan Agreement.

All terms, conditions and provisions of the Loan Agreement are by this reference thereto incorporated herein as a part of this Note. Terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Loan Agreement.

This Note may be exchanged or transferred but only as provided in the Loan Agreement.

It is hereby certified, recited and declared that all acts, conditions and prerequisites required to exist, happen and be performed precedent to and in the execution, delivery and the issuance of this Note do exist, have happened and have been performed in due time, form and manner as required by law, and that the issuance of this Note is in full compliance with and does not exceed or violate any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City has caused this Note to be executed in its name as of the date hereinafter set forth.

The date of this Promissory Note is December 4, 2009.

CITY OF LEESBURG, FLORIDA

By: _____
Name: Lewis Puckett
Title: Mayor

ATTEST:

City Clerk

EXHIBIT "A"

Date	Principal
10/1/2010	\$240,000
10/1/2011	200,000
10/1/2012	210,000
10/1/2013	220,000
10/1/2014	230,000
10/1/2015	240,000
10/1/2016	255,000
10/1/2017	265,000
10/1/2018	280,000
10/1/2019	295,000
10/1/2020	305,000
10/1/2021	320,000
10/1/2022	335,000
10/1/2023	350,000
10/1/2024	370,000
10/1/2025	385,000
10/1/2026	405,000
10/1/2027	420,000
10/1/2028	440,000
10/1/2029	462,400

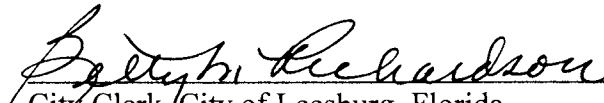
INCUMBENCY CERTIFICATE

The undersigned, Betty M. Richardson, a duly appointed, qualified and acting City Clerk of the City of Leesburg, Florida (the "City") and the keeper of the records of the City, HEREBY CERTIFIES that:

The following are now the duly appointed or elected, qualified and acting indicated officers of the City:

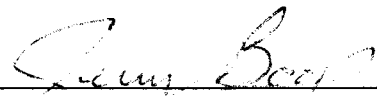
Lewis Puckett, Mayor
Fred A. Morrison of McLin & Burnsed, P.A., City Attorney
Jay Evans, City Manager
Jerry Boop, Finance Director

IN WITNESS WHEREOF, I have hereunto set my hand as of this 4th day of December, 2009.



City Clerk, City of Leesburg, Florida

I, Jerry Boop, Finance Director for the City of Leesburg, Florida, do hereby certify that Betty M. Richardson is a duly qualified City Clerk of the City of Leesburg, Florida.



Finance Director for the City of Leesburg, Florida

\$6,227,400
CITY OF LEESBURG, FLORIDA
CAPITAL IMPROVEMENT REFUNDING PROMISSORY NOTE, SERIES 2009

FEDERAL TAX CERTIFICATE

I, JERRY BOOP, Finance Director of the City of Leesburg, Florida (the “Issuer” or the “City”), HEREBY CERTIFY with respect to the Issuer’s \$6,227,400 Capital Improvement Refunding Promissory Note, Series 2009 (the “2009 Note”), which is being issued and delivered on the date of this certificate, as follows:

1. The 2009 Note is being issued under and pursuant to Chapter 166, Florida Statutes, Resolution No. 8557 of the City of Leesburg, Florida adopted on October 26, 2009 (the “Resolution”), and a Loan Agreement dated as of the date hereof between the Issuer and Bank of America, N.A. (the “Agreement”). Unless defined herein, capitalized terms have the meanings given them in the Resolution or the Agreement.

2. I am one of the officers of the Issuer charged with the responsibility for issuing the 2009 Note.

3. This certificate is made for the purpose of establishing the reasonable expectations of the Issuer as to the amount and use of the proceeds of the 2009 Note. It is intended and may be relied upon for purposes of Sections 103 and 148 of the Internal Revenue Code of 1986, as amended (the “Code”), as a certification described in Section 1.148-2(b)(2) of the Treasury Regulations. This Federal Tax Certificate is being executed and delivered as part of the record of proceedings in connection with the issuance of the 2009 Note.

4. This certificate sets forth the facts, estimates and circumstances now in existence which are the basis for the Issuer’s expectation that the proceeds of the 2009 Note will not be used in a manner that would cause the interest on the 2009 Note to become includable in gross

income for federal income tax purposes within the meaning of the Code. The undersigned has investigated such facts, estimates and circumstances and has had the opportunity to discuss with Bond Counsel any of the matters set forth herein. To the best of my knowledge and belief, such expectation is reasonable and there are no further facts estimates or circumstances that would materially change that expectation.

5. The 2009 Note is being issued for the purpose of providing funds to (i) retire on the date hereof the Prior Bonds, and (ii) to pay costs of issuing and delivering the 2009 Note.

a. All of the proceeds of the Prior Bonds were used to (i) currently refund all of the City's Refunding and Capital Improvement Revenue Bonds, Series 1987, (ii) finance the acquisition, construction and equipping of the 1999 Improvement Project and (iii) paying the costs of issuing the Prior Bonds, including premiums for bond insurance and a reserve account surety bond. All proceeds of the Prior Bonds have been expended for such purposes and there are no unspent proceeds of the debt refunded by the Prior Bonds.

b. No portion of the proceeds of the 2009 Note will be used directly or indirectly to make loans to persons other than a governmental unit.

6. The 2009 Note is being issued in the principal amount of \$6,227,400 and will mature on the dates and bear interest at the rate, all as set forth in the Resolution and Agreement.

7. The proceeds of the 2009 Note, together with available earnings from the investment of such proceeds, do not exceed the amount necessary for the purposes described above.

8. The Issuer has covenanted as provided in the Agreement to make monthly deposits to the 2009 Debt Service Fund in amounts sufficient to pay debt service on the 2009 Note when due. The 2009 Debt Service Fund will be used to achieve a proper matching of

Pledged Revenues and the debt service on the 2009 Note within each bond year, and amounts deposited in such fund allocated to the payment of debt service on the 2009 Note will be depleted at least once a year except for a reasonable carryover amount not to exceed the greater of (A) the earnings on such funds for the immediately preceding bond year, or (B) one-twelfth of the debt service on the 2009 Note for the immediately preceding bond year.

Other than the 2009 Debt Service Fund, there are no other funds or accounts of the City established pursuant to the Agreement or otherwise that are reasonably expected to be used to pay debt service of the 2009 Note or for which there is a reasonable assurance on the part of the noteholders that amounts therein would be available to pay debt service on the 2009 Note if the City encounters financial difficulties.

9. As of the date of issuance of the Prior Bonds, the City reasonably expected that at least 85 percent of the spendable proceeds of the Prior Bonds would be expended within 3 years of the date of issuance of such Prior Bonds. In addition, not more than 50 percent of the proceeds of the Prior Bonds were invested in obligations having a substantially guaranteed yield for a period of 4 years or more.

10. As of the date hereof, the yield on the 2009 Note is at least 4.7307% (the “Series 2009 Note Yield”).

The purchase price of all obligations other than certain tax-exempt investments (“Taxable Obligations”) to which restrictions as to yield or rebate of excess earnings under this Certificate apply shall be calculated using (i) the price, taking into account discount, premium, and accrued interest, as applicable, actually paid or (ii) the fair market value if less than the price actually paid and if such Taxable Obligations were not purchased directly from the United States Treasury. The Issuer will acquire all such Taxable Obligations directly from the United States

Treasury or in arms length transactions without regard to any amounts paid to reduce the yield on such Taxable Obligations. The Issuer will not pay or permit the payment of any amounts to reduce the yield on any Taxable Obligations.

Any amounts subject to yield restrictions may be subject to yield reduction payments pursuant to Treasury Regulations Section 1.148-5(c).

11. The Issuer will take no action which would cause the 2009 Note to become Private Activity Bonds (as such term is defined in the Code). None of the Gross Proceeds of the 2009 Note will be used directly or indirectly in any trade or business carried on by any person other than a governmental unit.

12. None of the proceeds of the 2009 Note will be used as a substitute for other funds (i) which were otherwise to be used to pay the costs of refunding the Prior Bonds; (ii) which will not be so used and (iii) which have been or will be used, directly or indirectly, to acquire investment property producing a yield in excess of the yield on the 2009 Note.

13. The Issuer does not presently expect to enter into any “hedging transaction” (i.e., transactions involving interest rate swaps, interest rate caps or collars or similar mechanisms to shift the interest rate risk of payment) in respect of the 2009 Note.

14. None of the proceeds of the 2009 Note will be invested in investments having a yield to the Issuer that is substantially guaranteed for four years or more.

15. No obligations of the Issuer are being sold less than 15 days apart from the date of sale of the 2009 Note, pursuant to the same plan of financing with the 2009 Note and which are reasonably expected to be paid from substantially the same source of funds as the 2009 Note.

16. The weighted average maturity of the 2009 Note of 11.761 years does not exceed 120% of the weighted average reasonably expected economic life of the projects refinanced with

proceeds of the 2009 Note and is less than the weighted average maturity of the Prior Bonds of 12.05 years.

17. No portion of the proceeds of the 2009 Note will be invested, directly or indirectly, in federally insured deposits or accounts in violation of Section 149(b) of the Code.

18. The Issuer has covenanted in the Agreement to comply with the provisions of Section 148(f) of the Code (the “Rebate Requirement”) and remit as required by Section 148(f) any necessary amounts.

19. The Issuer agrees to (a) impose such limitations on the investment or use of moneys or investments related to the 2009 Note, (b) enter into such agreements, and (c) perform such other acts as may be necessary under the Code to preserve the exclusion from gross income for purposes of federal income taxation of interest on the 2009 Note.

20. The Issuer agrees to file all information statements as may be required by the Code.

21. No action that overburdens the tax-exempt market (within the meaning of Treas. Reg. §1.148-10(a)) has been or is expected to be taken in connection with the 2009 Note. In particular, no portion of the 2009 Note has been issued earlier or allowed to remain outstanding longer, than is otherwise reasonably necessary to accomplish the governmental purposes of the 2009 Note. Furthermore, each action taken or expected to be taken in connection with the 2009 Note would reasonably be taken if the interest on the 2009 Note were not excluded from gross income for federal income tax purposes (assuming that the hypothetical taxable interest rates would be the same as the actual tax-exempt interest rates).

22. None of the proceeds of the 2009 Note will be used (directly or indirectly) to acquire any property which prior to its acquisition was used (or held for use) by a person other

than a state or local governmental unit in connection with an output facility. For purposes of this Certificate, the term “output facility” means electric and gas generation, transmission, and related facilities (but not water facilities).


23. No portion of the proceeds of the 2009 Note will be used to finance output facilities (as that term is defined in Paragraph 22 above).

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To the best of my knowledge and belief there are no facts, estimates or circumstances other than those expressed herein that materially affect the expectations herein expressed, and, to the best of my knowledge and belief, the Issuer's expectations are reasonable. I further represent that the Issuer has had the opportunity to discuss the certifications set forth above with Bond Counsel. I further represent that the Issuer expects and intends to be able to comply with the provisions and procedures set forth herein, including Section 148 of the Code.

IN WITNESS WHEREOF, I have hereunto set my hand as of this 4th day of December, 2009.

CITY OF LEESBURG, FLORIDA

By: 
Finance Director

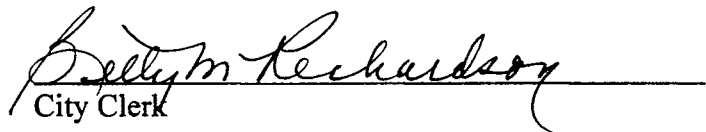
CERTIFICATE AS TO SPECIMEN NOTE

The undersigned, duly appointed, qualified and acting City Clerk of the City of Leesburg, Florida, HEREBY CERTIFIES that attached hereto as an exhibit is a specimen of the City of Leesburg, Florida Capital Improvement Refunding Promissory Note, Series 2009 dated as of December 4, 2009 (the "Note"), in fully registered form, which specimen is identical in all respects, except as to execution and authentication, to the Note this day delivered for the account of Bank of America, N.A.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City as of this 4th day of December, 2009.

CITY OF LEESBURG, FLORIDA

[SEAL]


City Clerk

CAPITAL IMPROVEMENT REFUNDING PROMISSORY NOTE, SERIES 2009

KNOW ALL MEN BY THESE PRESENTS that the undersigned maker, City of Leesburg, Florida (the "City"), a municipality created and existing pursuant to the Constitution and the laws of the State of Florida, for value received, promises to pay from the sources hereinafter provided, to the order of Bank of America, N.A. or registered assigns (hereinafter, the "Bank"), the principal sum of \$6,227,400.00 or such lesser amount as shall be outstanding hereunder, together with interest on the principal balance outstanding at the rate of 4.73% per annum (subject to adjustment as hereinafter provided) based upon a 360 day year consisting of 12 30 day months. This Note is issued in conjunction with a Loan Agreement, dated of even date herewith, between the City and the Bank (the "Loan Agreement") and is subject to all the terms and conditions of the Loan Agreement.

Principal of and interest on this Note are payable in immediately available funds constituting lawful money of the United States of America at such place as the Bank may designate to the City.

As used in this Note:

(1) "Code" means the Internal Revenue Code of 1986, as amended, and any Treasury Regulations, whether temporary, proposed or final promulgated thereunder or applicable thereto;

(2) "Determination of Taxability" shall mean interest on this Note is determined or declared, by the Internal Revenue Service or a court of competent jurisdiction to be included in the gross income of the Owner for federal income tax purposes under the Code.

The City shall pay the Bank interest hereon at the rate set forth above on the outstanding principal sum on the first day of each April 1 and October 1 of each year, commencing April 1, 2010, and shall pay the Bank principal as set forth on Exhibit "A" hereto. The entire unpaid principal balance, together with all accrued and unpaid interest hereon, shall be due and payable in full on October 1, 2029 (the "Maturity Date").

All payments by the City pursuant to this Note shall apply first to accrued interest, then to other charges due the Bank, and the balance thereof shall apply to the principal sum due.

Upon the occurrence of a Determination of Taxability, the interest rate on this Note shall be adjusted to a rate equal to 154% of the interest rate otherwise borne hereby (the "Adjusted Interest Rate") as of and from the date such Determination of Taxability would be applicable with respect to this Note (the "Accrual Date"); and (i) the City shall on the next interest payment date (or if this Note shall have matured, within 30 days after demand by the Bank) hereon pay to the Bank an amount equal to the sum of (1) the difference between (A) the total interest that would have accrued on this Note at the Adjusted Interest Rate from the Accrual Date to such next interest payment date, and (B) the actual interest paid by the City on this Note from the Accrual Date to such next interest payment date, and (2) any interest and penalties required to be paid as a result of any additional State of Florida and federal income taxes imposed upon such Bank

and/or former Bank arising as a result of such Determination of Taxability; and (ii) from and after the Date of the Determination of Taxability, this Note shall continue to bear interest at the Adjusted Interest Rate for the period such determination continues to be applicable with respect to this Note. This adjustment shall survive payment of this Note until such time as the federal statute of limitations under which the interest on this Note could be declared taxable under the Code shall have expired.

This Note may be prepaid in whole or in part on any date, with three (3) days prior written notice to the Bank by payment in an amount equal to the principal amount to be prepaid plus accrued interest thereon to the date of such prepayment plus the Prepayment Fee. For purposes hereof, the Prepayment Fee will be the sum of fees calculated separately for each Prepaid Installment, as follows:

(i) The Bank will first determine the amount of interest which would have accrued each month at the Taxable Equivalent Rate for the Prepaid Installment had it remained outstanding until the applicable Original Payment Date, using the interest rate applicable to the Prepaid Installment under this Agreement.

(ii) The Bank will then subtract from each monthly interest amount determined in (i), above, the amount of interest which would accrue for that Prepaid Installment if it were reinvested from the date of prepayment or redemption through the Original Payment Date, using the Treasury Rate.

(iii) If (i) minus (ii) for the Prepaid Installment is greater than zero, the Bank will discount the monthly differences to the date of prepayment or redemption by the Treasury Rate. The Bank will then add together all of the discounted monthly differences for the Prepaid Installment.

The following definitions will apply to the calculation of the Prepayment Fee:

(i) "Original Payment Dates" mean the dates on which the prepaid or redeemed principal would have been paid if there had been no prepayment or redemption. If any of the principal would have been paid later than the end of the fixed rate interest period in effect at the time of prepayment or redemption, then the Original Payment Date for that amount will be the last day of the interest period.

"Prepaid Installment" means the amount of the prepaid or redeemed principal which would have been paid on a single Original Payment Date.

(ii) "Taxable Equivalent Rate" means the interest rate per annum derived from the following formula: 4.73% divided by the difference of (1 minus the Maximum Corporate Income Tax Rate). The "Maximum Corporate Income Tax Rate" is the highest marginal federal income tax rate charged to U.S. corporations in effect at the time of the prepayment calculation. The "Maximum Corporate Income Tax Rate" is currently 35% (or 0.35 in numerical terms).

(iv) "Treasury Rate" means the yield on the Treasury Constant Maturity Series with maturity equal to the Original Payment Date of the Prepaid Installment which are

principal payments (calculated as of the date of redemption in accordance with accepted financial practice and rounded to the nearest quarter-year), as reported in Federal Reserve Statistical Release H.15, Selected Interest Rates of the Board of Governors of the Federal Reserve System, or any successor publication. If no maturity exactly corresponding to such Original Payment Date appears in Release H.15, the Treasury Rate will be determined by linear interpolation between the yields reported in Release H.15. If for any reason Release H.15 is no longer published, the Holder shall select a comparable publication to determine the Treasury Rate.

Upon the occurrence of an Event of Default (as defined in the Loan Agreement) then the Bank may declare the entire debt then remaining unpaid hereunder immediately due and payable; and in any such default and acceleration, the City shall also be obligated to pay (but only from the Pledged Revenues) as part of the indebtedness evidenced by this Note, all costs of collection and enforcement hereof, including such fees as may be incurred on appeal or incurred in any proceeding under bankruptcy laws as they now or hereafter exist, including specifically but without limitation, claims, disputes and proceedings seeking adequate protection or relief from the automatic stay. If any payment hereunder is not made within fifteen (15) days after it is due, then the City shall also be obligated to pay, from any legally available funds of the City, as a part of the indebtedness evidenced by this Note a late payment fee in the amount of 3% of delinquent payment, which late payment shall be due and payable immediately.

Interest at the maximum lawful rate per annum shall be payable on the entire principal balance owing hereunder from and after the occurrence of and during the continuation of a default described in the preceding paragraph, irrespective of a declaration of maturity.

The City to the extent permitted by law hereby waives presentment, demand, protest and notice of dishonor.

This Note is payable solely from the Pledged Revenues to the extent provided in the Loan Agreement. Notwithstanding any other provision of this Note, the City is not and shall not be liable for the payment of the principal of and interest on this Note or otherwise monetarily liable in connection herewith from any property other than as provided in the Loan Agreement.

All terms, conditions and provisions of the Loan Agreement are by this reference thereto incorporated herein as a part of this Note. Terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Loan Agreement.

This Note may be exchanged or transferred but only as provided in the Loan Agreement.

It is hereby certified, recited and declared that all acts, conditions and prerequisites required to exist, happen and be performed precedent to and in the execution, delivery and the issuance of this Note do exist, have happened and have been performed in due time, form and manner as required by law, and that the issuance of this Note is in full compliance with and does not exceed or violate any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City has caused this Note to be executed in its name as of the date hereinafter set forth.

The date of this Promissory Note is December 4, 2009.

CITY OF LEESBURG, FLORIDA

By: _____
Name: Lewis Puckett
Title: Mayor

ATTEST:

City Clerk

SPECIMEN

EXHIBIT "A"

Date	Principal
10/1/2010	\$240,000
10/1/2011	200,000
10/1/2012	210,000
10/1/2013	220,000
10/1/2014	230,000
10/1/2015	240,000
10/1/2016	255,000
10/1/2017	265,000
10/1/2018	280,000
10/1/2019	295,000
10/1/2020	305,000
10/1/2021	320,000
10/1/2022	335,000
10/1/2023	350,000
10/1/2024	370,000
10/1/2025	385,000
10/1/2026	405,000
10/1/2027	420,000
10/1/2028	440,000
10/1/2029	462,400

CROSS RECEIPT


December 4, 2009

City Commission of the
City of Leesburg, Florida

Dear Commissioners:


We have deposited for your account the amount of \$6,227,400.00 (the face amount of the Note) for payment of your \$6,227,400.00 Capital Improvement Refunding Promissory Note, Series 2009 dated December 4, 2009 (the "Note"), received today from you by the undersigned.

BANK OF AMERICA, N.A.

By: 
Vice President

Please acknowledge receipt of
the foregoing deposit by signing
and returning a copy of this letter.

CITY OF LEESBURG, FLORIDA


Finance Director

CLOSING CERTIFICATE OF THE CITY

The undersigned Mayor and Finance Director of the City of Leesburg, Florida (the "City") do hereby certify in connection with the issuance on the date hereof of the City's Capital Improvement Refunding Promissory Note; Series 2009 (the "Note"), to the best of our knowledge and belief, as follows:

1. There is no litigation of which we have notice, and to the best of our knowledge, no litigation is pending or threatened (a) to restrain or enjoin the issuance or delivery of the Note, (b) in any way contesting or affecting any authority for the issuance of the Note or the validity of the Note, the Resolution or the Agreement, (c) in any way contesting the existence or powers of the City or the City Commission, (d) to restrain or enjoin the ability of the City to perform under the Resolution, the Note or the Agreement, or (e) which may result in any material adverse change in the business, property, assets, or financial condition of the City or materially impair the ability of the City to perform its obligations under the Resolution, the Note or the Agreement.

2. The seal, an impression of which appears below, is the official seal of the City and is the only legally adopted, proper and official seal of the City.

3. The City has not been in default as to principal or interest on any debt obligation issued or guaranteed by the City since December 31, 1975, to which City revenues are pledged.

4. All representations of the City in the Agreement are true and correct as of the date hereof.

5. The information provided to Akerman Senterfitt, Bond Counsel to the City for preparation of Internal Revenue Service Form 8038-G is correct and Bond Counsel is hereby requested to prepare and submit said Form 8038-G.

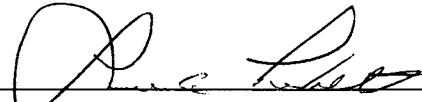
6. Any written information, reports and other papers and data prepared by the City and furnished to the Bank in regard to the Note by the City were, at the time the same were so furnished, complete and correct in all material respects to the extent necessary to give the Bank a true and accurate knowledge of the subject matter thereof. There is no fact, circumstance or condition that has not been disclosed to the Bank in writing by the City which materially and adversely affects or, as far as the City can now foresee, will materially and adversely affect, (i) the financial condition, revenues, properties or operations of the City or (ii) the validity or enforceability of, or the authority or ability of the City to perform its obligations under, the Resolution or the Note or the Agreement.

7. The City is presently in compliance with all agreements and has satisfied all conditions on its part to be observed or satisfied under the Resolution and the Agreement at or prior to the date hereof.

Any terms not otherwise defined herein shall have the meanings ascribed thereto in that certain Loan Agreement dated December 4, 2009 by and between the City and Bank of America, N.A. ("the Agreement").

IN WITNESS WHEREOF, we have hereunto set our hands as of this 4th day of December, 2009.


CITY OF LEESBURG, FLORIDA



Mayor



Finance Director

2. Article Number  7160 3901 9849 6397 5975		COMPLETE THIS SECTION ON DELIVERY	
3. Service Type CERTIFIED MAIL		A. Received by (Please Print Clearly)	B. Date of Delivery
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes		C. Signature X	
1. Article Addressed to: INTERNAL REVENUE SERVICE OGDEN, UT 84201		D. Is delivery address different from item 1? If Yes, enter delivery address below: <div style="border: 1px solid black; padding: 5px; display: inline-block;"> RECEIVED DEC 22 2009 OGDEN UT </div> <div style="display: inline-block; vertical-align: top; margin-left: 10px;"> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee <input type="checkbox"/> Yes <input type="checkbox"/> No </div>	
		Reference Information 35286-232502 Michael D. Williams	
PS Form 3811, January 2005		Domestic Return Receipt	

UNITED STATES POSTAL SERVICE

PRINT YOUR NAME, ADDRESS AND ZIP CODE BELOW

First Class Mail
US Postage Paid
Permit No. G - 10


AKERMAN SENTERFITT
PO BOX 231
ORLANDO FL 32801-4904

Dallas
Denver
Fort Lauderdale
Jacksonville
Los Angeles
Madison
Miami
New York
Orlando
Tallahassee
Tampa
Tysons Corner
Washington, DC
West Palm Beach

420 South Orange Avenue
Suite 1200
Orlando, Florida 32801-4904

Post Office Box 231 *mail*
Orlando, Florida 32802-0231

www.akerman.com

407 423 4000 *tel* 407 843 6610 *fax*

Nildo A. Harper
407 237-8757
nildo.harper@akerman.com

December 11, 2009

BY CERTIFIED MAIL

Certified Article Number

7160 3901 9849 6397 5975

SENDERS RECORD

Internal Revenue Service Center
Ogden, Utah 84201

Re: Capital Improvement Refunding Promissory Note, Series 2009

Ladies and Gentlemen:

On behalf of the City of Leesburg, Florida enclosed herewith for filing is Form 8038-G and an Acknowledgement Copy of same with respect to the above-referenced matter. A self-addressed, stamped envelope has also been enclosed for your convenience in return of the Acknowledgement Copy .

Very truly yours,



Kat Odom
Legal Administrative Assistant

Enclosures

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)

► See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

Part I Reporting Authority

If Amended Return, check here ► ☐

1 Issuer's name City of Leesburg, Florida	2 Issuer's employer identification number 59 : 6000362	
3 Number and street (or P.O. box if mail is not delivered to street address) 501 W. Meadow Street	Room/suite	4 Report number 3 03
5 City, town, or post office, state, and ZIP code Leesburg, Florida 34749		6 Date of issue 12-4-2009
7 Name of issue Capital Improvement Refunding Promissory Note, Series 2009		8 CUSIP number None
9 Name and title of officer or legal representative whom the IRS may call for more information Michael D. Williams, Bond Counsel		10 Telephone number of officer or legal representative (407) 423-4000

Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule

11 <input type="checkbox"/> Education	11
12 <input type="checkbox"/> Health and hospital	12
13 <input type="checkbox"/> Transportation	13
14 <input checked="" type="checkbox"/> Public safety	14 6,227,400
15 <input type="checkbox"/> Environment (including sewage bonds)	15
16 <input type="checkbox"/> Housing	16
17 <input type="checkbox"/> Utilities	17
18 <input type="checkbox"/> Other. Describe ►	18
19 If obligations are TANs or RANs, check box ► <input type="checkbox"/> If obligations are BANs, check box ► <input type="checkbox"/>	
20 If obligations are in the form of a lease or installment sale, check box ► <input type="checkbox"/>	

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	10-1-2029	\$ 6,227,400	\$ 6,227,400	11.761 years	4.7307 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22 Proceeds used for accrued interest	22	0
23 Issue price of entire issue (enter amount from line 21, column (b))	23	6,227,400
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	95,046.66
25 Proceeds used for credit enhancement	25	0
26 Proceeds allocated to reasonably required reserve or replacement fund	26	0
27 Proceeds used to currently refund prior issues	27	6,132,353.34
28 Proceeds used to advance refund prior issues	28	0
29 Total (add lines 24 through 28)	29	6,227,400
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)

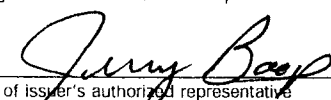
31 Enter the remaining weighted average maturity of the bonds to be currently refunded	12.05	years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded		years
33 Enter the last date on which the refunded bonds will be called	12-4-09	
34 Enter the date(s) the refunded bonds were issued	9-16-99	

Part VI Miscellaneous

35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a
b Enter the final maturity date of the guaranteed investment contract ►	
37 Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a
b If this issue is a loan made from the proceeds of another tax-exempt issue, check box ► <input type="checkbox"/> and enter the name of the issuer ► and the date of the issue ►	
38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box	► <input checked="" type="checkbox"/>
39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box	► <input type="checkbox"/>
40 If the issuer has identified a hedge, check box	► <input type="checkbox"/>

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Sign Here


Signature of issuer's authorized representative

12-4-09

Date

Jerry Boop, Finance Director

Type or print name and title

**STATE OF FLORIDA - DIVISION OF BOND FINANCE LOCAL BOND
MONITORING**[Home](#)[Logout](#)**NOTICE OF SALE STATUS**

Notice of Sale submission successful.

SUBMIT DATE: 10/23/2009

BOND ISSUE NAME:	Capital Improvement Refunding Promissory Note, Series 2009
SALE DATE:	10/26/2009
CLOSING DATE:	11/19/2009

[Print this page](#)

STATE OF FLORIDA
DIVISION OF BOND FINANCE
LOCAL BOND MONITORING SECTION

This form represents an update and compilation of the BF2003, BF2004-A and BF2004-B forms.

- * Bond Information forms (BF2003) are required to be completed by local governments pursuant to Chapter 19A-1.003, Florida Administrative Code (F.A.C.).
* Bond Disclosure forms BF2004-A (Competitive Sale) or BF2004-B (Negotiated Sale) are required to be filed with the Division within 120 days of the delivery of the issue pursuant to Sections 218.38(1)(b)1 and 218.38(1)(c)1, Florida Statutes (F.S.), respectively.
* Final Official Statements, if prepared, are required to be submitted pursuant to Section 218.38(1), F.S..
* Please complete **all items** applicable to the issuer as provided by the Florida Statutes.
* PURSUANT TO SECTION 218.369, F.S., ISSUERS OF BOND ANTICIPATION NOTES ARE **EXEMPT** FROM THESE FILING REQUIREMENTS.

**BF2003
BOND INFORMATION FORM**

PART I. ISSUER INFORMATION

1. NAME OF GOVERNMENTAL UNIT: City of Leesburg
2. MAILING ADDRESS OF GOVERNMENTAL UNIT OR ITS MANAGER: 501 W. Meadow Street, Leesburg, FL 34749
3. COUNTY(IES) IN WHICH GOVERNMENTAL UNIT HAS JURISDICTION: Lake
4. TYPE OF ISSUER: ☐ COUNTY ☒ CITY ☐ AUTHORITY ☐ INDEPENDENT SPECIAL DISTRICT
☐ DEPENDENT SPECIAL DISTRICT ☐ OTHER (SPECIFY) _____

PART II. BOND ISSUE INFORMATION

1. NAME OF BOND ISSUE: Capital Improvement Refunding Promissory Note, Series 2009
2. AMOUNT ISSUED: \$ 6,227,400 3. AMOUNT AUTHORIZED: \$ 6,227,400
4. DATED DATE: 12-4-09 5. SALE DATE: 10-26-09 6. DELIVERY DATE: 12-4-09
7. LEGAL AUTHORITY FOR ISSUANCE: FLORIDA STATUTES Ch. 166, F.S.
SPECIAL ACTS _____
OTHER _____
8. TYPE OF ISSUE: ☐ GENERAL OBLIGATION ☐ SPECIAL ASSESSMENT ☐ SPECIAL OBLIGATION
☐ REVENUE ☐ COP (CERTIFICATE OF PARTICIPATION) ☐ LEASE-PURCHASE
☒ BANK LOAN/LINE OF CREDIT
9. A. IS THIS A PRIVATE ACTIVITY BOND (PAB)? ☐ YES ☒ NO
B. (1) IF YES, DID THIS ISSUE RECEIVE A PAB ALLOCATION? ☐ YES ☐ NO
(2) IF YES, AMOUNT OF ALLOCATION: \$ _____
10. SPECIFIC REVENUE(S) PLEDGED:
(1) PRIMARY Half-cent sales tax and guaranteed entitlement
(2) SECONDARY _____
(3) OTHER(S) _____

11 A. PURPOSE(S) OF THE ISSUE:

- (1) PRIMARY To retire outstanding debt
(2) SECONDARY _____
(3) OTHER(S) _____

B. IF PURPOSE IS REFUNDING, COMPLETE THE FOLLOWING:

(1) FOR EACH ISSUE REFUNDED LIST: NAME OF ISSUE, DATED DATE, ORIGINAL PAR VALUE (PRINCIPAL AMOUNT) OF ISSUE, AND AMOUNT OF PAR VALUE (PRINCIPAL AMOUNT) REFUNDED.

City of Leesburg, Florida

Refunding and Capital Improvement Revenue Bonds, Series 1999 , August 1, 1999

\$7,345,000; \$6,015,000

(2) REFUNDED DEBT HAS BEEN: ☒ RETIRED OR ☐ DEFEASED

(3) A. DID THE REFUNDING ISSUE CONTAIN NEW MONEY? ☐ YES ☒ NO

B. IF YES, APPROXIMATELY WHAT PERCENTAGE OF PROCEEDS IS NEW MONEY? _____%

12. TYPE OF SALE: ☐ COMPETITIVE BID ☐ NEGOTIATED ☒ NEGOTIATED PRIVATE PLACEMENT

13. BASIS OF INTEREST RATE CALCULATION, I.E., INTEREST RATE USED TO STRUCTURE THE BOND ISSUE:

NET INTEREST COST RATE (NIC) _____ % TRUE INTEREST COST RATE (TIC) _____ %

CANADIAN INTEREST COST RATE (CIC) _____ % ARBITRAGE YIELD (ARBI) 4.7307 %

SPECIFY OTHER: _____

14. INSURANCE/ENHANCEMENTS: ☐ AGIC ☐ AMBAC ☐ CGIC ☐ CLIC ☐ FGIC ☐ FSA
☐ HUD ☐ MBIA ☐ NGM ☐ LOC(LETTER OF CREDIT) ☐ OTHER (SPECIFY) _____
☒ NOT INSURED

15. RATING(S): ☐ MOODY'S ☐ S & P ☐ FITCH ☐ DUFF&PHELPS ☐ OTHER (SPECIFY) _____
☒ NOT RATED

16. DEBT SERVICE SCHEDULE: ATTACH **COMPLETE** COPY OF SCHEDULE PROVIDING THE FOLLOWING INFORMATION:

MATURITY DATES (MO/DAY/YR)

COUPON/INTEREST RATES

ANNUAL INTEREST PAYMENTS

PRINCIPAL (PAR VALUE) PAYMENTS

MANDATORY TERM AMORTIZATION

18. PROVIDE THE NAME AND ADDRESS OF THE SENIOR MANAGING UNDERWRITER **OR** SOLE PURCHASER.
Bank of America, N.A.

Jacksonville, FL 32256

NO BOND COUNSEL NO FINANCIAL ADVISOR NO OTHER PROFESSIONALS

Akerman Senterfitt

420 S. Orange Avenue, Suite 1200

Orlando, FL 32801

Larson Consulting Services, LLC

10151 University Boulevard, #117

Orlando, FL 32817

OTHER PROFESSIONALS:

20. **PAYING AGENT** ^{Issuer} _____ **NO PAYING AGENT**

21. REGISTRAR ^{Issuer} _____ NO REGISTRAR _____

22. COMMENTS: _____

FOR ADDITIONAL INFORMATION, THE DIVISION SHOULD CONTACT:

Name and Title Michael D. Williams, Bond Counsel Phone 407 423-4000

Company Akerman Senterfitt

INFORMATION RELATING TO PARTY COMPLETING THIS FORM (If different from above):

Name and Title _____ Phone _____

Company _____

Date Report Submitted _____

BF2004-A and BF2004-B

NOTE: The following items are required to be completed in full for **all** bond issues **except** those sold pursuant to Section 154 Part III, Sections 159 Parts II, III or V; or Section 243 Part II, Florida Statutes.

23. ANY FEE, BONUS, OR GRATUITY **PAID BY ANY UNDERWRITER OR FINANCIAL CONSULTANT**, IN CONNECTION WITH THE BOND ISSUE, TO ANY PERSON NOT REGULARLY EMPLOYED OR ENGAGED BY SUCH UNDERWRITER OR CONSULTANT:

☒ **NO FEE, BONUS OR GRATUITY PAID BY UNDERWRITER OR FINANCIAL CONSULTANT**

(1) COMPANY NAME Akerman Senterfitt

FEE PAID: \$ 16,500 SERVICE PROVIDED or FUNCTION SERVED: Bond Counsel

(2) COMPANY NAME McLin & Burnsed P.A.

FEE PAID: \$ 4,000 SERVICE PROVIDED or FUNCTION SERVED: Issuer's Counsel

(3) COMPANY NAME Larson Consulting Services, LLC

FEE PAID: \$ 23,600 SERVICE PROVIDED or FUNCTION SERVED: Financial Advisor

(4) COMPANY NAME Holland & Knight, LLP

FEE PAID: \$ 3,500 SERVICE PROVIDED or FUNCTION SERVED: Purchaser's Counsel

(5) COMPANY NAME: US Bank

FEE PAID: \$ 500 SERVICE PROVIDED or FUNCTION SERVED: Paying Agent

24. ANY OTHER FEES **PAID BY THE UNIT OF LOCAL GOVERNMENT** WITH RESPECT TO THE BOND ISSUE, INCLUDING ANY FEE PAID TO ATTORNEYS OR FINANCIAL CONSULTANTS:

 NO FEES PAID BY ISSUER

(UNLESS YOU ARE EXEMPT FROM FILING A BF2004), PLEASE PROVIDE THE SIGNATURE OF EITHER THE CHIEF EXECUTIVE OFFICER OF THE GOVERNING BODY OF THE UNIT OF LOCAL GOVERNMENT OR THE GOVERNMENTAL OFFICER PRIMARILY RESPONSIBLE FOR COORDINATING THE ISSUANCE OF THE BONDS:

NAME (Typed/Printed): Jerry Boop

SIGNATURE: 

TITLE: Finance Director

DATE: 12-4-09

BF2004-B

ITEMS 25 AND 26 MUST BE COMPLETED FOR ALL BONDS SOLD BY NEGOTIATED SALE

25. MANAGEMENT FEE CHARGED BY UNDERWRITER: \$ _____ PER THOUSAND PAR VALUE.
OR
PRIVATE PLACEMENT FEE: \$ 0 _____
☒ **NO MANAGEMENT FEE OR PRIVATE PLACEMENT FEE**
26. UNDERWRITER'S EXPECTED GROSS SPREAD: \$ _____ PER THOUSAND PAR VALUE.
☐ **NO GROSS SPREAD**
-
-

PART IV. CONTINUING DISCLOSURE INFORMATION

In order to better serve local governments, the Division of Bond Finance will remind issuers as their deadlines approach for filing continuing disclosure information required by SEC Rule 15c2-12, based on the following information:

27. Is the issuer required to provide continuing disclosure information in accordance with SEC Rule 15c2-12?

☐ Yes

☒ No

28. If yes, on what date is the continuing disclosure information required to be filed?

29. Provide the following information regarding the person(s) responsible for filing continuing disclosure information required by SEC Rule 15c2-12 and the continuing disclosure agreement (including other obligated parties, if appropriate).

Name: _____

Title: _____

Mailing Address: _____

Telephone Number: _____

FAX Number: _____

E-mail address (if e-mail notification is requested): _____

PART V. RETURN THIS FORM AND THE FINAL OFFICIAL STATEMENT, IF ONE WAS PREPARED,

TO:

Courier Deliveries: Division of Bond Finance
State Board of Administration
1801 Hermitage Blvd., Suite 200
Tallahassee, FL 32308

Mailing Address: Division of Bond Finance
State Board of Administration
P. O. Drawer 13300
Tallahassee, FL 32317-3300

Phone: 850/413-1304 or 413-1305

FAX: 850/413-1315

REVISED Dec. 9, 2002 / bfcombo

BOND DEBT SERVICE

CITY OF LEESBURG, FLORIDA

SENIOR LIEN REFUNDING NOTES, SERIES 2009 A

(Refunding of Series 1999 Senior Lien Bonds)

Tax Exempt BQ Rates of 4.73% from Bank of America

Level Savings

Dated Date: 12/4/2009

Delivery Date: 12/4/2009

Date	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/4/2009					
4/1/2010			95,730.71	95,730.71	
10/1/2010	240,000	4.730%	147,278.01	387,278.01	483,008.72
4/1/2011			141,602.01	141,602.01	
10/1/2011	200,000	4.730%	141,602.01	341,602.01	483,204.02
4/1/2012			136,872.01	136,872.01	
10/1/2012	210,000	4.730%	136,872.01	346,872.01	483,744.02
4/1/2013			131,905.51	131,905.51	
10/1/2013	220,000	4.730%	131,905.51	351,905.51	483,811.02
4/1/2014			126,702.51	126,702.51	
10/1/2014	230,000	4.730%	126,702.51	356,702.51	483,405.02
4/1/2015			121,263.01	121,263.01	
10/1/2015	240,000	4.730%	121,263.01	361,263.01	482,526.02
4/1/2016			115,587.01	115,587.01	
10/1/2016	255,000	4.730%	115,587.01	370,587.01	486,174.02
4/1/2017			109,556.26	109,556.26	
10/1/2017	265,000	4.730%	109,556.26	374,556.26	484,112.52
4/1/2018			103,289.01	103,289.01	
10/1/2018	280,000	4.730%	103,289.01	383,289.01	486,578.02
4/1/2019			96,667.01	96,667.01	
10/1/2019	295,000	4.730%	96,667.01	391,667.01	488,334.02
4/1/2020			89,690.26	89,690.26	
10/1/2020	305,000	4.730%	89,690.26	394,690.26	484,380.52
4/1/2021			82,477.01	82,477.01	
10/1/2021	320,000	4.730%	82,477.01	402,477.01	484,954.02
4/1/2022			74,909.01	74,909.01	
10/1/2022	335,000	4.730%	74,909.01	409,909.01	484,818.02
4/1/2023			66,986.26	66,986.26	
10/1/2023	350,000	4.730%	66,986.26	416,986.26	483,972.52
4/1/2024			58,708.76	58,708.76	
10/1/2024	370,000	4.730%	58,708.76	428,708.76	487,417.52
4/1/2025			49,958.26	49,958.26	
10/1/2025	385,000	4.730%	49,958.26	434,958.26	484,916.52
4/1/2026			40,853.01	40,853.01	
10/1/2026	405,000	4.730%	40,853.01	445,853.01	486,706.02
4/1/2027			31,274.76	31,274.76	
10/1/2027	420,000	4.730%	31,274.76	451,274.76	482,549.52
4/1/2028			21,341.76	21,341.76	
10/1/2028	440,000	4.730%	21,341.76	461,341.76	482,683.52
4/1/2029			10,935.76	10,935.76	
10/1/2029	462,400	4.730%	10,935.76	473,335.76	484,271.52
	6,227,400		3,464,167.10	9,691,567.10	

Harper, Nildo (LAA-Orl)

From: Williams_Sharon [Sharon.Williams@sbafla.com]
Sent: Monday, December 14, 2009 9:48 AM
To: Harper, Nildo (LAA-Orl)
Subject: RE: Capital Improvement Refunding Promissory Note, Series 2009

Thank you.

Sharon,

*Sharon Williams
Local Government Section/Bond Programs
State of Florida/Division of Bond Finance
Direct: (850) 413-1304
Fax: (850) 413-1315
Email: sharon.williams@sbafla.com*

From: nildo.harper@akerman.com [mailto:nildo.harper@akerman.com]
Sent: Monday, December 14, 2009 9:17 AM
To: Williams_Sharon
Subject: Capital Improvement Refunding Promissory Note, Series 2009

Sharon,

In addition to the Bond Information Form which was filed online, please find attached an executed copy of the 8038-G, along with the Bond Debt Service Schedule in response to number #19 for the Capital Improvement Refunding Promissory Note, Series 2009.

Answer to question #17 is: In whole or in part on any day with prepayment premium as provided in the Note. Please also note that an offering statement was not prepared in this matter.

If you have any questions, please do not hesitate to give me a call.

Thanks,

Nildo A. Harper
*Legal Assistant to
Robyn D. Neely, Esq.
Michael D. Williams, Esq.
and Jarrett D. Bingemann, Esq.*

AKERMAN SENTERFITT

420 South Orange Avenue
Suite 1200
Orlando, Florida 32801

Office Direct Dial: (407) 237-8757
Office Direct Fax: (407) 254-4254
Office Main Number: (407) 423-4000
Office Main Fax: (407) 843-6610

Office Email Address: nildo.harper@akerman.com

12/14/2009

STATE OF FLORIDA - DIVISION OF BOND FINANCE LOCAL BOND MONITOR:

[Home](#)

Form submitted successfully. To print the entire form, please click the 'Print below.'


[Print](#)

**ACCEPTANCE OF DUTIES OF REGISTRAR
AND PAYING AGENT**

The undersigned City Clerk of the City of Leesburg, Florida (the "City"), hereby accepts on behalf of the City the duties of the registrar and paying agent, in connection with the City's Capital Improvement Refunding Promissory Note, Series 2009, dated the date hereof.

Dated: December 4, 2009

CITY OF LEESBURG, FLORIDA



City Clerk

SIGNATURE CERTIFICATE

We, the undersigned, DO HEREBY CERTIFY as follows:

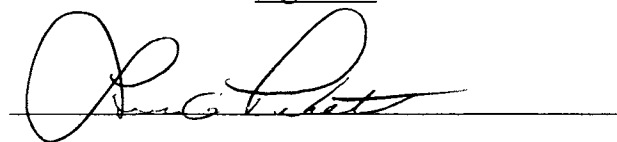
1. That we did heretofore cause to be officially executed the City of Leesburg, Florida Capital Improvement Refunding Promissory Note, Series 2009 (the "Series 2009 Note").
2. That Lewis Puckett, Mayor of the City of Leesburg, Florida (the "City"), has executed the Series 2009 Note by his manual signature, a correct specimen of which is set out below, and that said Mayor was on the date he executed the Series 2009 Note and is now the duly elected, qualified and acting Mayor.
3. That we have caused the official seal of the City to be impressed on the Series 2009 Note, said seal impressed hereon being the official seal of the City, and that Betty M. Richardson, the City Clerk, has caused such seal to be attested by her manual signature, a correct specimen of which is set out below, and that said Betty M. Richardson was on the date she signed the Series 2009 Note and is now the duly qualified and acting City Clerk.
4. That the seal which has been impressed on or otherwise reproduced on the Series 2009 Note and upon this certificate is the legally adopted, proper and only seal of the City.

IN WITNESS WHEREOF, we have hereunto set our hands and affixed the official seal of the City as of this 4th day of December, 2009.

[SEAL]

Signature

Title of Office

A handwritten signature in cursive script, appearing to read "Lewis Puckett", written over a horizontal line.

Mayor

A handwritten signature in cursive script, appearing to read "Betty M. Richardson", written over a horizontal line.

City Clerk



Dallas
Denver
Fort Lauderdale
Jacksonville
Los Angeles
Madison
Miami
New York
Orlando
Tallahassee
Tampa
Tysons Corner
Washington, DC
West Palm Beach

420 South Orange Avenue
Suite 1200
Orlando, Florida 32801-4904

Post Office Box 231 *mail*
Orlando, Florida 32802-0231

www.akerman.com

407 423 4000 *tel* 407 843 6610 *fax*

No. 13

December 4, 2009

City Commission
City of Leesburg
Leesburg, Florida

Bank of America, N.A.
900 Southside Blvd., Building 100
Jacksonville, Florida 32256

**\$6,227,400 CITY OF LEESBURG, FLORIDA
CAPITAL IMPROVEMENT REFUNDING PROMISSORY NOTE, SERIES 2009**

Dear Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the City of Leesburg, Florida (the "Issuer") of its Capital Improvement Refunding Promissory Note, Series 2009 (the "Note" or the "Series 2009 Note"), pursuant to the Constitution and laws of the State of Florida, including particularly Chapter 166, Florida Statutes, and other applicable provisions of law (collectively, the "Act"), and Resolution No. 8557 of the Issuer (the "Resolution") and a Loan Agreement dated as of December 4, 2009, by and between the Issuer and Bank of America, N.A. (the "Agreement"). Any capitalized undefined term used herein shall have the same meaning as such term has under the Agreement.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Resolution and the Agreement and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Reference is made to the opinion of even date herewith of McLin & Burnsed, P.A., Counsel to the Issuer, on which we have solely relied, as to the due creation and valid existence of the Issuer, the due adoption by the Issuer of the Resolution, the due execution and delivery by

the Issuer of the Series 2009 Note and the Agreement and compliance by the Issuer with all conditions precedent to the issuance of the Note contained in the ordinances or resolutions of the Issuer.

In addition to the foregoing, we have examined and relied upon such other agreements, certificates, documents, representations and opinions submitted to us, including certifications and representations of public officials and other officers and representatives of the various parties participating in this transaction, as we have deemed relevant and necessary in connection with the opinions expressed below. We have not undertaken an independent audit, examination, investigation or inspection of the matters described or contained in such agreements, certificates, documents, representations and opinions submitted to us and have relied solely on the facts, estimates and circumstances described and set forth therein.

In our examination of the foregoing, we have assumed the genuineness of the signatures on all documents and instruments, the authenticity of documents submitted as originals, the conformity to originals of documents submitted as copies and the legal capacity of all natural persons.

The scope of our engagement in relation to the issuance of the Series 2009 Note has been limited solely to the examination of facts and laws incident to rendering the opinions expressed herein.

This opinion should not be construed as offering material or an offering circular, prospectus or official statement and is not intended in any way to be a disclosure statement used in connection with the sale or delivery of the Series 2009 Note. In addition, we have not been engaged to and, therefore, do not express any opinion as to compliance by the Issuer with any federal or state statute, regulation or ruling with respect to the sale and distribution of the Series 2009 Note.

Neither the Series 2009 Note nor the interest and premium, if any, payable thereon shall constitute a general obligation or general indebtedness of the Issuer within the meaning of the Constitution and laws of Florida. The Series 2009 Note and the interest and premium, if any, payable thereon do not constitute either a pledge of the full faith and credit of the Issuer or a lien upon any property of the Issuer other than as provided in the Agreement. No owner of the Series 2009 Note or any other person shall ever have the right, directly or indirectly, to require or compel the exercise of any ad valorem taxing power of the Issuer or any other public authority or governmental body to pay the principal of or interest and premium, if any, on the Series 2009 Note or to pay any other amounts required to be paid pursuant to the Series 2009 Note.

The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America.

Based upon the foregoing, we are of the opinion that:

1. The Agreement has been duly authorized, executed and delivered by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable in accordance with its terms.
2. The Series 2009 Note has been duly authorized, executed and delivered by the Issuer and is a valid and binding special obligation of the Issuer, payable solely from the Pledged Revenues as provided therefore in the Agreement.
3. The interest on the Series 2009 Note is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and is not taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations. The opinions set forth in the immediately preceding sentence are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, and the regulations thereunder (the "Code"), that must be met or satisfied in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted in the Agreement to comply with each such requirement. Failure of the Issuer to comply with any of such requirements may cause the inclusion of interest on the Series 2009 Note in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2009 Note. Other provisions of the Code may give rise to adverse federal income tax consequences to particular holders of the Series 2009 Note. The scope of this opinion is limited to the matters addressed above and we express no opinion regarding other federal tax consequences arising with respect to the Series 2009 Note.
4. Based on representations of the Issuer contained in a Certificate included in the closing transcript for the Series 2009 Note, the Series 2009 Note is a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code.

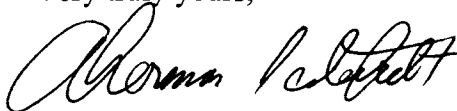
We call your attention to the fact that our engagement as Bond Counsel was on the assumption that the Series 2009 Note would be marketed as a private placement with an institutional investor, i.e., Bank of America, N.A. In accordance with our understanding with the parties participating in the closing on the date hereof, we have not passed upon and consequently express no opinion as to the accuracy, adequacy or completeness of any offering literature that may have been used in connection with the offering or placement of the Series 2009 Note. We have not passed upon any matters relating to the condition (financial or otherwise) of the Issuer and no inference should be drawn that we have expressed any opinion on matters relating to the financial ability of the Issuer to perform its obligations under the Agreement or the Series 2009 Note.

We express no opinions in connection with the issuance of the Series 2009 Note other than as expressed herein.

It is to be understood that the rights of the owners of the Series 2009 Note and the enforceability of the Series 2009 Note and the Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and laws and equitable principles that may affect remedies or injunctive or other equitable relief, and to the exercise of judicial discretion in appropriate cases.

Our opinions expressed herein are predicated upon present law, (and interpretations thereof) facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws (and interpretations thereof), facts or circumstances change after the date hereof.

Very truly yours,

A handwritten signature in black ink, appearing to read "Akerman Senterfitt", written in a cursive style.

AKERMAN SENTERFITT

McLin & Burnsed

Walter S. McLin, III (1935-2007)
R. Dewey Burnsed (1939-2007)
Matthew D. Black
Mark A. Brionez
Gary Fuchs
Frederick T. Goller, LL.M. E.P.
Brian D. Hudson
Stephen W. Johnson
Erick Langenbrunner
Stephanie J. McCulloch
G. Michael Mahoney

Professional Association

ATTORNEYS AT LAW

December 4, 2009

John D. Metcalf
Fred A. Morrison
Richard P. Newman
Steven M. Roy
Jeffrey P. Skates
Phillip S. Smith
Joseph S. Thomas

Of Counsel:

Lynn E. Burnsed
Board Certified, Healthcare Law

City of Leesburg
Leesburg, Florida

Akerman Senterfitt
Orlando, Florida

Bank of America, N.A.
Charlotte, NC

RE: City of Leesburg, Florida Capital Improvement Refunding Promissory Note Series 2009 in the amount of \$6,227,400.00 dated December 4, 2009 (hereafter referred to as the "Note") payable to Bank of America, N.A. (the "Bank")

Ladies and Gentlemen:

We have acted as counsel to The City of Leesburg, Florida (the "City"), in connection with the issuance by the Capital Improvement Refunding Promissory Note Series 2009 in the amount of \$6,227,400.00, dated December 4, 2009, payable to Bank of America, N.A. (the "Note"). All terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed to them by the Loan Agreement between the City and Bank of America, N.A. (the "Bank") dated as of December 4, 2009 (the "Loan Agreement").

In rendering the opinions expressed below we have examined originals or certified copies of the following documents, along with such other documents, contracts and records as we deemed necessary to render the opinions herein:

- A. Resolution No. 8557 adopted by the City on October 26, 2009, authorizing the execution and issuance of the Note by the City (the "City Resolution");
- C. The Charter and Code of Ordinances of the City;
- D. The Note;
- E. The Loan Agreement.

Based on such review, we are of the opinion that:

1. The City Resolution has been duly adopted, and the Loan Agreement and Note have been duly authorized, executed and delivered by the City, and each constitutes a valid, binding and enforceable agreement of the City in accordance with their respective terms, except to the extent that the enforceability of the rights and remedies set forth herein may be limited by bankruptcy, insolvency, financial emergency or other laws affecting creditors' rights generally or by usual equity principles;
2. The City's execution, delivery and performance of the Loan Agreement, and execution and issuance of the Note, are not subject to any authorization, consent, approval or review of any governmental body, public officer or regulatory authority not heretofore obtained or effected;

3. The City (A) is a municipal corporation duly organized and validly existing under the laws of the State of Florida, and (B) has power and authority to adopt the City Resolution, to execute and deliver the Loan Agreement and to execute and deliver the Note, and to consummate the transactions contemplated by such instruments;

4. The execution, delivery and performance of the Note and Loan Agreement, and compliance with the terms thereof, under the circumstances contemplated in the Loan Agreement, do not and will not in any material respect conflict with, or constitute on the part of the City a breach or default under, any indenture, mortgage, deed of trust, agreement or other instrument to which the City or to which its properties are subject or conflict with, violate or result in a breach of any existing law, administrative rule or regulation, judgment, court order or consent decree to which the City or its properties are subject;

5. To the best of our knowledge, there is no claim, action, suit, proceeding, inquiry, investigation, litigation or other proceeding, at law or in equity, pending or threatened in any court or other tribunal, state or federal (A) restraining or enjoining, or seeking to restrain or enjoin, the issuance, sale, execution or delivery of the Note, (B) in any way questioning or affecting the validity or enforceability of any provision of the Loan Agreement, the Note, or the City Resolution, (C) in any way questioning or affecting the validity of any of the proceedings or authority for the authorization, sale, execution or delivery of the Note, or of any provision made or authorized for the payment thereof, or (D) questioning or affecting the organization or existence of the City or the right of any of its officers to their respective offices;

6. The City has the legal power to refinance the Refunded Note and to pay associated costs of issuance of the Note, and to collect and pledge the Pledged Revenues toward repayment of the Note and to apply the Pledged Revenues in repayment of the Note, as described in the Loan Agreement and the City Resolution;

7. All conditions contained in the charter, ordinances and resolutions of the City precedent to the issuance of the Note, and the Loan Agreement, have been complied with.

We have not undertaken an independent audit, examination, investigation or inspection of the matters described or contained in the documents so examined, nor as to any representations and opinions submitted to us and have relied solely on the facts, estimates and circumstances described and set forth therein.

The scope of our engagement in relation to the issuance of the Note has been limited solely to the examination of the facts and law incident to rendering the opinions express herein. We have not been engaged to confirm or verify and therefore express no opinion as to the accuracy, completeness, fairness or sufficiency of the financial information provided by the City relative to the Note. Further, we are giving no opinion concerning the compliance of the interest rate on the Note with any interest rate limitation or similar requirement of the State of Florida or federal law.

In addition, no opinion is rendered concerning any aspect of federal or state tax laws, rules or regulations, including but not limited to the tax exempt status of the Note, or the question of whether the Note or any modification or extension thereof is or is not exempt from any excise taxes imposed by the State of Florida.

This Opinion should not be construed as offering material or an offering circular, prospectus or official statement and is not intended in any way to be a disclosure statement used in connection with the sale or delivery of the Note. In addition, we have not been engaged to and, therefore, do not express any opinion as to compliance by the Issuer with any federal or state statute, regulation or ruling with respect to the sale and distribution of the Note.

This Opinion is rendered in connection with the issuance of the Note, for the benefit and reliance of only the following persons and entities: the addressees named above, and any other persons or entities who may at any time acquire any legal or beneficial interest in the Note. This Opinion may not be relied on for any purpose not related to the issuance of the Note, nor may it be relied on by any person or entity not listed in this paragraph, nor may it be referred to in any financial statement or other document not listed above as having been reviewed in connection with the issuance of this Opinion, without the prior, written consent of the undersigned.

In rendering the opinions set forth above, we have assumed the due authorization, execution and delivery of the Note, and the Loan Agreement, by any parties thereto other than the City; the legal capacity of all natural persons; the authenticity of any documents submitted as originals; and the conformity to originals of documents submitted as copies.

Yours truly,

A handwritten signature in black ink, appearing to read "Fred A. Morrison", written in a cursive style.

FRED A. MORRISON
MCLIN & BURNSED P.A.

December 4, 2009

Akerman Senterfitt
Orlando, Florida

McLin & Burnsed P.A.
Leesburg, Florida

City of Leesburg, Florida (the "City")

Ladies and Gentlemen:

The undersigned, as a purchaser of the City of Leesburg, Florida Capital Improvement Refunding Promissory Note, Series 2009 (the "Note") dated December 4, 2009, consisting of one typewritten Note, hereby certifies that we have been provided (a) a copy of City of Leesburg, Florida (the "City") Resolution No. 8557, adopted by the City on October 26, 2009, authorizing the issuance of the Note and awarding the sale of the Note to us (the "Resolution"), (b) the Loan Agreement dated as of December 4, 2009, between the City and us (the "Agreement") and (c) such financial and general information respecting the City and the Note described above as we deem necessary to enable us to make an informed investment judgment with respect to the purchase of said Note.

We hereby make the following representations, which representations may be relied upon by the addressees:

A. We are aware:

- (i) that investment in the Note involves various risks;
- (ii) that the Note is not a general obligation of the City; and
- (iii) that the principal or premium, if any, and interest on the Note is payable solely from the sources specified in the Resolution and the Agreement.

- B. We understand that no official statement, offering memorandum or other form of offering document has been prepared or is being used in connection with the offering or sale of the Note (collectively, "Disclosure Documents"), but we have been afforded access to all information we have requested in making our decision to purchase the Note and have had sufficient opportunity to discuss the business of the City with its officers, employees and others. We have not requested any Disclosure Documents in connection with the sale of the Note. We do not require any further information or data incident to our purchase of the Note.
- C. In purchasing the Note, we have relied solely upon our own investigation, examination, and evaluation of the City, and other relevant matters.
- D. We have knowledge and experience in financial and business matters and are capable of evaluating the merits and risks of our investment in the Note and have determined that we can bear the economic risk of our investment in the Note.
- E. We acknowledge the understanding that the Note is not being registered under the Securities Act of 1933 (the "1933 Act"), as amended or Chapter 517, Florida Statutes, and that the Resolution and Agreement are not being qualified under the Trust Indenture Act of 1939, as amended, and that the City shall have no obligation to effect any such registration or qualification.
- F. We are not acting as a bond house, broker or other intermediary, in our purchase of the Note. Although we retain the right to transfer the Note in the future, we understand that the Note may not be readily tradable.
- G. We have received all documents requested by us incident to our purchase of the Note.
- H. We acknowledge that we are a national bank.

Signed as of the 4th day of December, 2009.

BANK OF AMERICA, N.A.

By:



Vice President

TRUTH-IN-BONDING STATEMENT

City Commission
City of Leesburg, Florida

The City of Leesburg, Florida (the "City") is proposing to issue \$6,227,400 of its Capital Improvement Refunding Promissory Note, Series 2009 to refund the City's Refunding and Capital Improvement Revenue Bonds, Series 1999 and to pay related costs of issuance. The Note is expected to be paid over a period of approximately 20 years. At a fixed interest rate of 4.73%, total interest paid over the life of the Note will be \$3,464,167.10. The Note is payable from and secured by the City's half cent sales tax and guaranteed entitlement funds. Authorizing this Note will result in a maximum annual amount of \$488,334.02 of such revenues not being available to finance other services of the City each year for 20 years. This statement is provided to enable the City to comply with applicable law and does not modify the terms of the Note or Loan Agreement.

BANK OF AMERICA, N.A.

By: 
Vice President

**FLORIDA STATUTES, SECTION 218.385(6)
DISCLOSURE STATEMENT**

RE: **\$6,227,400**
City of Leesburg, Florida
Capital Improvement Refunding Promissory Note, Series 2009

Dear City Commissioners,

Bank of America, N.A. (the "Purchaser") is on the date hereof purchasing for its own account all of the \$6,227,400 initial aggregate principal amount of City of Leesburg, Florida (the "Issuer") Capital Improvement Refunding Promissory Note, Series 2009 (the "Note"). The purpose of this letter is to furnish, pursuant to the provisions of Section 218.385(6), Florida Statutes, certain information in connection with our purchase of the Note as follows:

(a) The Purchaser is not incurring any expenses in connection with its purchase of the Note.

(b) No person has entered into an understanding with the Purchaser, or to the knowledge of the Purchaser, with the Issuer, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the Issuer and the Purchaser or to exercise or attempt to exercise any influence to effect any transaction in the purchase of the Note.

(c) The Note is being purchased by us for its face amount.

(d) We will not receive any management fee in connection with our purchase of the Note.

We understand that you do not require any further disclosure from the Purchaser, pursuant to Section 218.385(6), Florida Statutes.

December 4, 2009

BANK OF AMERICA, N.A.
9000 Southside Blvd., Building 100
Jacksonville, FL 32256

By: 
Vice President

ELECTION LETTER REGARDING COST OF CARRY ON BONDS

Akerman Senterfitt
Orlando, Florida

The undersigned Finance Director of the City of Leesburg, Florida (the "Issuer") does hereby certify on behalf of the Issuer in connection with the issuance by the Issuer of its \$6,227,400 City of Leesburg, Florida Capital Improvement Refunding Promissory Note, Series 2009 (the "Note"), as follows:


1. All of the proceeds of the Note are being used: (i) to retire on the date hereof the Issuer's Refunding and Capital Improvement Revenue Bonds, Series 1999, and (ii) to pay the cost of issuing the Note. No proceeds of the Note are being used for any private business use and no proceeds of the Note are being loaned directly or indirectly to any entity other than the Issuer.

2. The Issuer hereby designates the Note as a qualified tax-exempt obligation within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

3. I have reviewed financial information of the Issuer and have determined that the aggregate face amount of all currently outstanding "tax-exempt" bonds or other "tax-exempt" obligations (other than private activity bonds as defined in Section 141(a) of the Code), issued by the Issuer (and any subordinate entities thereof and any issuer of "tax-exempt" debt that issues "on behalf of" the Issuer) during calendar year 2009 does not exceed \$30,000,000. Based upon reasonable investigation, it is not reasonably expected that the Issuer (and any subordinate entities thereof and any issuer of "tax-exempt" debt that issues "on behalf of" the Issuer) will issue in excess of \$30,000,000 of tax-exempt debt during calendar year 2009.

EXECUTED this 4th day of December, 2009.

CITY OF LEESBURG, FLORIDA

By: _____
Finance Director 

CITY OF LEESBURG, FLORIDA

**CAPITAL IMPROVEMENT REFUNDING PROMISSORY NOTE
SERIES 2009**

CAUSEY DEMGEN & MOORE INC.

Certified Public Accountants and Consultants

Suite 4650
1801 California Street
Denver, Colorado 80202-2681
Telephone: (303) 296-2229
Facsimile: (303) 296-3731
www.cdmcpa.com

December 4, 2009

City of Leesburg, Florida
501 West Meadow Street
Leesburg, Florida 34748

Larson Consulting Services, LLC
10151 University Boulevard, #117
Orlando, Florida 32817

Akerman Senterfitt
CNL Center II at City Commons
420 South Orange Avenue, Suite 1200
Orlando, Florida 32801

We have completed our engagement to verify the mathematical accuracy of the computations relating to the adequacy of cash to be held to pay the debt service requirements of the Refunding and Capital Improvement Revenue Bonds, Series 1999 (herein referred to as the "Refunded Bonds") issued by the City of Leesburg, Florida (herein referred to as the "City"). We express no opinion as to the attainability of the assumptions underlying the computations or the tax-exempt status of the Capital Improvement Refunding Promissory Note, Series 2009 (herein referred to as the "Refunding Note") to be issued by the City. Our verification was performed solely on the schedules of proposed transactions provided by Larson Consulting Services, LLC (herein referred to as the "Financial Advisor"). In the course of our engagement to verify the mathematical accuracy of the computations in the schedules provided to us, we prepared Exhibits A through B attached hereto and made a part hereof.

The scope of our engagement consisted of performing the procedures described herein. These procedures were performed in a manner that we deem to be appropriate.

The accompanying exhibits of proposed transactions were prepared on the basis of assumptions underlying the computations and in accordance with the procedures described herein. We did not independently confirm the information used with outside parties.

OUR UNDERSTANDING OF THE TRANSACTION

The Refunding Note is to be issued on December 4, 2009 to refund on that date the Refunded Bonds.

The Paying Agent for the Refunded Bonds will redeem the Refunded Bonds on December 4, 2009, at a redemption price equal to 101% of par plus accrued interest to such date.

CDM

TRANSACTIONS RELATED TO THE REFUNDING OF THE REFUNDED BONDS

We verified the mathematical accuracy of the accompanying calculations of the transactions proposed to currently refund the Refunded Bonds.

The presently outstanding debt service requirements of the Refunded Bonds, as described above, will be satisfied by \$6,132,353.34 in cash.

We read a copy of the Official Statement for the Refunded Bonds insofar as such obligations are described with respect to principal outstanding, interest rates, maturity dates, and redemption provisions. We assumed this document to be accurate, proper and timely notice of redemption to have been given and all debt service payments on the Refunded Bonds to be current as of December 4, 2004. We compared the above information set forth in this Official Statement with the related information contained in the schedules provided to us and found the information to be consistent.

Based on the procedures and information set forth above, the computations provided to us and represented in Exhibits A through B, which indicate that cash in the amount of \$6,132,353.34 will produce the amount necessary to provide for the payment of the proposed debt payment schedule on the Refunded Bonds, are mathematically correct.

USE OF THIS REPORT

It is understood that this report is solely for the information of and assistance to the addressees hereof in connection with the issuance of the Refunding Note and is not to be used, relied upon, circulated, quoted or otherwise referred to for any other purpose without our written consent, except that (i) reference may be made to the report in any closing documents pertaining to the issuance of the Refunding Note, (ii) the report may be used in its entirety as an exhibit to any escrow agreement for the Refunded Bonds, (iii) the report may be included in the transcripts pertaining to the issuance of the Refunding Note, (iv) the report may be relied upon by Bond Counsel in connection with its opinion concerning the Refunded Bonds, (v) the report may be relied upon by any rating agency or bond insurer that shall have rated or insured or that will rate or insure the Refunded Bonds or the Refunding Note, and (vi) the report may be relied upon by any Paying Agent for the Refunded Bonds.

* * * * *

The scope of our engagement is deemed by the addressees hereto to be sufficient to assist such parties in evaluating the mathematical accuracy of the various computations cited above. The sufficiency of this scope is solely the responsibility of the specified users of this report and should not be taken to supplant any additional inquiries or procedures that the users would undertake in their consideration of the issuance of the note related to the transaction described herein. We make no representation regarding the sufficiency of the scope of this engagement. This report should not be used by any party who does not agree to the scope set forth herein and who does not take responsibility for the sufficiency and appropriateness of such scope for their purposes.

City of Leesburg, Florida
December 4, 2009
Page 3

We have no obligation to update this report because of events, circumstances, or transactions occurring subsequent to the date of this report.

Very truly yours,

Canary Demges & Moore Inc.

EXHIBIT A

**CITY OF LEESBURG, FLORIDA
CAPITAL IMPROVEMENT REFUNDING PROMISSORY NOTE
SERIES 2009**

**CASH FLOW TO REFUND THE REFUNDED BONDS
AS OF DECEMBER 4, 2009**

Date	Cash Disbursement (Exhibit B)	Cash Balance
Beginning		
Balance:		\$6,132,353.34
04-Dec-09	\$6,132,353.34	0.00
	<u>\$6,132,353.34</u>	

EXHIBIT B

**CITY OF LEESBURG, FLORIDA
CAPITAL IMPROVEMENT REFUNDING PROMISSORY NOTE
SERIES 2009**

**DISBURSEMENT REQUIREMENTS FOR THE REFUNDED BONDS
AS OF DECEMBER 4, 2009**

Payment Date	Rate	Payment For			Total
		Principal Redeemed	Interest	Premium	
04-Dec-09	Various	\$6,015,000.00	\$57,203.34	\$60,150.00	\$6,132,353.34
		\$6,015,000.00	\$57,203.34	\$60,150.00	\$6,132,353.34

EXHIBIT B-1

**CITY OF LEESBURG, FLORIDA
CAPITAL IMPROVEMENT REFUNDING PROMISSORY NOTE
SERIES 2009**

**DEBT SERVICE REQUIREMENTS FOR THE REFUNDED BONDS
ASSUMING NO OPTIONAL REDEMPTIONS PRIOR TO MATURITY
AS OF DECEMBER 4, 2009**

(FOR INFORMATIONAL PURPOSES ONLY)

Payment Date	Rate	Payment For		Total Debt Payment
		Principal	Interest	
01-Apr-10			\$163,438.13	\$163,438.13
01-Oct-10	5.000%	\$175,000.00	163,438.13	338,438.13
01-Apr-11			159,063.13	159,063.13
01-Oct-11	5.100%	185,000.00	159,063.13	344,063.13
01-Apr-12			154,345.63	154,345.63
01-Oct-12	5.125%	195,000.00	154,345.63	349,345.63
01-Apr-13			149,348.75	149,348.75
01-Oct-13	5.200%	205,000.00	149,348.75	354,348.75
01-Apr-14			144,018.75	144,018.75
01-Oct-14	5.250%	215,000.00	144,018.75	359,018.75
01-Apr-15			138,375.00	138,375.00
01-Oct-15	5.300%	225,000.00	138,375.00	363,375.00
01-Apr-16			132,412.50	132,412.50
01-Oct-16	5.500%	235,000.00	132,412.50	367,412.50
01-Apr-17			125,950.00	125,950.00
01-Oct-17	5.500%	250,000.00	125,950.00	375,950.00
01-Apr-18			119,075.00	119,075.00
01-Oct-18	5.500%	265,000.00	119,075.00	384,075.00
01-Apr-19			111,787.50	111,787.50
01-Oct-19	5.500%	280,000.00	111,787.50	391,787.50
01-Apr-20			104,087.50	104,087.50
01-Oct-20	5.500%	295,000.00	104,087.50	399,087.50
01-Apr-21			95,975.00	95,975.00
01-Oct-21	5.500%	310,000.00	95,975.00	405,975.00
01-Apr-22			87,450.00	87,450.00
01-Oct-22	5.500%	325,000.00	87,450.00	412,450.00
01-Apr-23			78,512.50	78,512.50
01-Oct-23	5.500%	345,000.00	78,512.50	423,512.50
01-Apr-24			69,025.00	69,025.00
01-Oct-24	5.500%	365,000.00	69,025.00	434,025.00
01-Apr-25			58,987.50	58,987.50
01-Oct-25	5.500%	385,000.00	58,987.50	443,987.50
01-Apr-26			48,400.00	48,400.00
01-Oct-26	5.500%	405,000.00	48,400.00	453,400.00
01-Apr-27			37,262.50	37,262.50
01-Oct-27	5.500%	430,000.00	37,262.50	467,262.50
01-Apr-28			25,437.50	25,437.50
01-Oct-28	5.500%	450,000.00	25,437.50	475,437.50
01-Apr-29			13,062.50	13,062.50
01-Oct-29	5.500%	475,000.00	13,062.50	488,062.50
		<u>\$6,015,000.00</u>	<u>\$4,032,028.78</u>	<u>\$10,047,028.78</u>

EXHIBIT C

**CITY OF LEESBURG, FLORIDA
CAPITAL IMPROVEMENT REFUNDING PROMISSORY NOTE
SERIES 2009**

**ESTIMATED SOURCES AND USES OF FUNDS
AS OF DECEMBER 4, 2009**

Sources of Funds:

Par Value of Notes	\$6,227,400.00
Total Sources of Funds	<u>\$6,227,400.00</u>

Uses of Funds:

Cash Applied to Redeem the Refunded Bonds	\$6,132,353.34
DSDA Expense	40,000.00
Issuance Costs	55,000.00
Contingency	<u>46.66</u>
Total Uses of Funds	<u>\$6,227,400.00</u>

**CITY OF LEESBURG, FLORIDA
CAPITAL IMPROVEMENT REFUNDING PROMISSORY NOTE
SERIES 2009**

**REFUNDING NOTE DEBT SERVICE REQUIREMENTS AND PRODUCTION
AS OF DECEMBER 4, 2009**

(FOR INFORMATIONAL PURPOSES ONLY)

Payment Date	Rate	Payment For		Total Debt Payment	Reoffering Price	Total Production
		Principal	Interest			
01-Apr-10			\$95,730.71	\$95,730.71		
01-Oct-10	4.730%	\$240,000.00	147,278.01	387,278.01	100.000%	\$240,000.00
01-Apr-11			141,602.01	141,602.01		
01-Oct-11	4.730%	200,000.00	141,602.01	341,602.01	100.000%	200,000.00
01-Apr-12			136,872.01	136,872.01		
01-Oct-12	4.730%	210,000.00	136,872.01	346,872.01	100.000%	210,000.00
01-Apr-13			131,905.51	131,905.51		
01-Oct-13	4.730%	220,000.00	131,905.51	351,905.51	100.000%	220,000.00
01-Apr-14			126,702.51	126,702.51		
01-Oct-14	4.730%	230,000.00	126,702.51	356,702.51	100.000%	230,000.00
01-Apr-15			121,263.01	121,263.01		
01-Oct-15	4.730%	240,000.00	121,263.01	361,263.01	100.000%	240,000.00
01-Apr-16			115,587.01	115,587.01		
01-Oct-16	4.730%	255,000.00	115,587.01	370,587.01	100.000%	255,000.00
01-Apr-17			109,556.26	109,556.26		
01-Oct-17	4.730%	265,000.00	109,556.26	374,556.26	100.000%	265,000.00
01-Apr-18			103,289.01	103,289.01		
01-Oct-18	4.730%	280,000.00	103,289.01	383,289.01	100.000%	280,000.00
01-Apr-19			96,667.01	96,667.01		
01-Oct-19	4.730%	295,000.00	96,667.01	391,667.01	100.000%	295,000.00
01-Apr-20			89,690.26	89,690.26		
01-Oct-20	4.730%	305,000.00	89,690.26	394,690.26	100.000%	305,000.00
01-Apr-21			82,477.01	82,477.01		
01-Oct-21	4.730%	320,000.00	82,477.01	402,477.01	100.000%	320,000.00
01-Apr-22			74,909.01	74,909.01		
01-Oct-22	4.730%	335,000.00	74,909.01	409,909.01	100.000%	335,000.00
01-Apr-23			66,986.26	66,986.26		
01-Oct-23	4.730%	350,000.00	66,986.26	416,986.26	100.000%	350,000.00
01-Apr-24			58,708.76	58,708.76		
01-Oct-24	4.730%	370,000.00	58,708.76	428,708.76	100.000%	370,000.00
01-Apr-25			49,958.26	49,958.26		
01-Oct-25	4.730%	385,000.00	49,958.26	434,958.26	100.000%	385,000.00
01-Apr-26			40,853.01	40,853.01		
01-Oct-26	4.730%	405,000.00	40,853.01	445,853.01	100.000%	405,000.00
01-Apr-27			31,274.76	31,274.76		
01-Oct-27	4.730%	420,000.00	31,274.76	451,274.76	100.000%	420,000.00
01-Apr-28			21,341.76	21,341.76		
01-Oct-28	4.730%	440,000.00	21,341.76	461,341.76	100.000%	440,000.00
01-Apr-29			10,935.76	10,935.76		
01-Oct-29	4.730%	462,400.00	10,935.76	473,335.76	100.000%	462,400.00
		<u>\$6,227,400.00</u>	<u>\$3,464,167.10</u>	<u>\$9,691,567.10</u>		<u>\$6,227,400.00</u>

CERTIFICATE REGARDING RESOLUTION NO. 8558

The undersigned, a duly appointed, qualified and acting City Clerk of the City of Leesburg, Florida (the "City"), and the keeper of the records of the City, HEREBY CERTIFIES that:

Attached hereto is a copy of Resolution No. 8558 of the City which was adopted at a meeting of the City Commission duly called and held on October 26, 2009, at which meeting a quorum was present and acting throughout, which resolution has been compared by me with the original thereof as recorded in the Minute Book of said City and that said resolution is a true, complete and correct copy thereof, and said resolution has been duly adopted and has not been modified, amended, supplemented or repealed and is in full force and effect on and as of the date hereof in the form attached hereto.

IN WITNESS WHEREOF; I have hereunto set my hand and affixed the official seal of the City as of this 4th day of December, 2009.

CITY OF LEESBURG, FLORIDA

[SEAL]


City Clerk

RESOLUTION NO. 8558

A RESOLUTION OF THE CITY OF LEESBURG, FLORIDA AMENDING SECTION 11.08 OF CITY RESOLUTION NO. 7162, TO PROVIDE THAT THE CITY MAY ISSUE BONDS TO REFUND THE CITY'S OUTSTANDING REFUNDING AND CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 1999 PROVIDED THE BOND SERVICE REQUIREMENT WITH RESPECT TO THE REFUNDING BONDS IS LESS THAN THE BOND SERVICE REQUIREMENT IN EACH SUCH BOND YEAR WITH RESPECT TO SUCH SERIES 1999 BONDS AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to Resolution No. 7162 (the "Bond Resolution"), the City of Leesburg, Florida (the "City" or the "Issuer") has issued its Capital Improvement Revenue Bonds, Series 2004 (the "2004 Bonds"); and

WHEREAS, Section 11.08 of the Bond Resolution provides in part that the City will not issue or incur additional obligations under and pursuant to City Resolution No. 5725 (the "1999 Resolution") pursuant to which it issued its Refunding and Capital Improvement Revenue Bonds, Series 1999 (the "1999 Bonds"); and

WHEREAS, the City has received a proposal from Bank of America, N.A. for the issuance of refunding bonds to refund the 1999 Bonds in which the Bond Service Requirement on such refunding bonds is less in each Bond Year than the Bond Service Requirement on the Outstanding 1999 Bonds; and

WHEREAS, the City hereby determines it to be in the best interest of the City and its residents that the Bond Resolution be amended to provide that refunding bonds may be issued to refund the 1999 Bonds as described above; and

WHEREAS, Section 15.03 of the Bond Resolution provides that when a Credit Facility is in full force and effect as to a Series of Bonds and the Bond Insurer is not insolvent and no default under the Credit Facility exists on the part of the Bond Insurer, the Bond Insurer in place of the Registered Owner of Bonds may consent to supplemental resolutions and such consent shall be deemed to constitute the consent of the Registered Owners of all the Bonds secured by such Credit Facility, and

WHEREAS, the only Bonds outstanding under the Bond Resolution are the 2004 Bonds; and

WHEREAS, the Bond Insurer of the 2004 Bonds is **National Public Finance Guarantee Corporation ("National"**, and formerly known as *MBIA Insurance Corporation of Illinois*), as assignee of *MBIA Insurance Corporation ("MBIA")* pursuant to the Assignment and Assumption Agreement by and between MBIA and National, pursuant to which MBIA has assigned to **National**, and **National** has assumed, all of MBIA's right, interests and obligations

under (a) the Reinsurance Agreement by and between MBIA and FGIC (the "Reinsurance Agreement") and (b) the Trust Agreement by and among FGIC, MBIA and the Bank of New York Mellon, as trustee, as reinsurer and administrator of the bond insurance policy issued by FGIC with respect to the 2004 Bonds; and

WHEREAS, the City has asked National as the Bond Insurer to consent to the amendment to the Bond Resolution set forth in Section 2 hereof; and

WHEREAS, National in its consent attached hereto has certified that its municipal bond insurance policy (the "Credit Facility") is in full force and effect and that it is not insolvent and there is no default under the Credit Facility.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF LEESBURG, FLORIDA, AS FOLLOWS:

SECTION 1. The "WHEREAS" clauses contained hereinabove are true and accurate in all respects and are hereby included as a material part of this Resolution. Capitalized terms not defined herein shall have the meaning ascribed to them in the Bond Resolution or the 1999 Resolution.

SECTION 2. Section 11.08 of the Bond Resolution is hereby amended to read as follows (words double underlined are additions and words stricken through are deleted):

"Covenant with Respect to the Senior Improvement Resolution. The Issuer covenants that it will not issue or incur additional obligations under and pursuant to the Senior Improvement Resolution other than Additional Bonds issued to refund Bonds provided the Bond Service Requirement with respect to such Additional Bonds is less in each Bond Year than the Bond Service Requirement with respect to the Senior Improvement Bonds. The Senior Improvement Resolution is hereby repealed and will repeal the same upon payment in full of all Senior Improvement Bonds issued and outstanding thereunder."

SECTION 3. All prior resolutions of the City, including the Bond Resolution, inconsistent with the provisions of this Resolution are hereby modified, supplemented and amended to conform with the provisions herein contained and, except as so modified, supplemented and amended hereby, shall remain in full force and effect.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

SECTION 4. This Resolution shall become effective immediately upon its adoption.

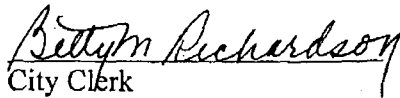
Adopted this 26 day of October, 2009.

[OFFICIAL SEAL]

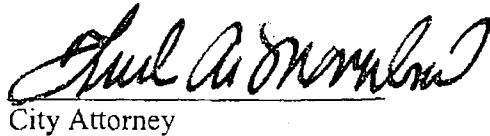
CITY COMMISSION OF THE CITY OF
LEESBURG, FLORIDA

By: 
Mayor

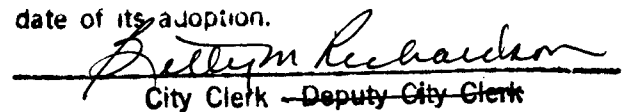
ATTEST:


City Clerk

Approved as to Form and Correctness:


City Attorney

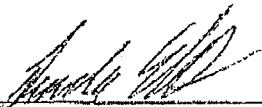
I HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution/Ordinance adopted by the City Commission at its meeting held October 26, 2009, and that same has not been amended or repealed since the date of its adoption.


City Clerk - Deputy City Clerk

**CONSENT OF
NATIONAL PUBLIC FINANCE GUARANTEE CORPORATION**

The undersigned, an authorized officer of National Public Finance Guarantee Corporation ("NPFGC"), hereby acknowledges that it is authorized to execute this Consent as the Bond Insurer within the meaning of the Resolution defined below and as such Bond Insurer hereby consents pursuant to Section 15.03 of the City of Leesburg, Florida Resolution No. 7162 (the "Resolution"), which Resolution authorized the issuance of the City of Leesburg, Florida Capital Improvement Revenue Bonds, Series 2004 (the "Bonds"), to the amendment to said Resolution as set forth in the form of the City Resolution attached hereto. The undersigned on behalf of NPFGC certifies that: (i) the municipal bond insurance policy of Financial Guaranty Insurance Corporation No. FG04010476 as reinsured by NPFGC (the "Policy"), insuring the payments of debt service on the Bonds as provided in the Policy, is in full force and effect; (ii) that NPFGC is not insolvent; and (iii) that NPFGC is not in default under the Policy.

**NATIONAL PUBLIC FINANCE GUARANTEE
CORPORATION**

By: 

Title: Authorized Officer

Dated: 10/23, 2009

PAYING AGENT AND REGISTRAR AGREEMENT

**RE: CITY OF LEESBURG, FLORIDA CAPITAL IMPROVEMENT
REFUNDING PROMISSORY NOTE, SERIES 2009**

THIS PAYING AGENT AND REGISTRAR AGREEMENT, dated as of December 15, 2009, is by and between the **CITY OF LEESBURG**, a municipal corporation of the State of Florida (the "Issuer") and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association existing under the laws of the United States of America (the "Bank").

WHEREAS, the Issuer has designated the Bank as Registrar and Paying Agent for its \$6,227,400.00 Capital Improvement Refunding Promissory Note, Series 2009 (the "Notes"), issued by the Issuer pursuant to Issuer Resolution No. 8557 (the "Resolution").

WHEREAS, the Issuer and the Bank desire to set forth the Bank's duties as Registrar and Paying Agent and the compensation to be paid to the Bank for its services.

NOW, THEREFORE, it is agreed by the parties hereto as follows:

1. Duties. The Bank agrees to serve as registrar and paying agent (collectively, the "Paying Agent") for the Notes and to perform the duties of Paying Agent as specified in or contemplated by the Resolution and the Loan Agreement dated as of December 4, 2009 between the Issuer and Bank of America, N.A. (the "Loan Agreement"), copies of which the Bank acknowledges receiving.
2. Deposit of Funds. The Issuer shall deposit or cause to be deposited with the Bank sufficient funds for the payment of the Notes to pay when due and payable the principal of, redemption premium, if any, and interest on the Notes.
3. Use of Funds. The Bank shall use the funds received from the Issuer pursuant to paragraph (2) of this Agreement to pay the principal of, redemption premium, if any, and interest on the Notes in accordance with the Resolution and the Notes.
4. Statements. The Bank shall prepare and shall send to the Issuer upon request written statements of account relating to all transactions effected by the Bank pursuant to this Agreement.
5. Duties. The Bank shall be obligated to act only in accordance with the Resolution, the Loan Agreement and this Agreement and any written instructions received in accordance therewith; provided, however, that the Bank is hereby authorized to comply with any orders, judgments, or decrees of any court and shall not be liable as a result of its compliance with the same.
6. Reliance by Bank. The Bank may rely absolutely upon the genuineness and authorization of the signature and purported signature of any party upon any instruction,

notice, release, request, affidavit, or other document delivered to it purportedly pursuant to the Resolution or the Loan Agreement.

7. Indemnity. To the extent permitted by law, the Issuer hereby agrees to indemnify the Bank and hold it harmless from any and all claims, liabilities, losses, actions or suits, which it may incur or with which it may be threatened by reason of its acting as Paying Agent under the Resolution, unless caused by the misconduct or negligence of the Bank. The indemnifications set forth herein shall survive the termination of this Agreement and/or the resignation or removal of the Bank hereunder.

8. Counsel; Limited Liability. The Bank may consult with counsel of its own choice and rely on an opinion therefrom and shall have sole and complete authorization and protection for any action taken or suffered by it under the Resolution, the Loan Agreement or this Agreement in good faith. The Bank shall otherwise not be liable for any mistakes of fact or errors of judgment, or for any acts or omissions of any kind unless caused by willful misconduct or gross negligence. The Bank shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other tropical storms; wars; terrorism; similar military disturbances; sabotage; epidemic; riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Bank shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

9. Fees and Expenses. In consideration of the services rendered by the Bank as Paying Agent, the Issuer agrees to and shall pay to the Bank the annual fee set forth in **Exhibit "A"** hereto and all reasonable expenses, charges, attorney's fees, costs and expenses, and other disbursements incurred by it or its attorneys, agents, and employees in and about the performance of its powers and duties as Paying Agent as set forth in the attached exhibit. The Bank shall not be obligated to allow and credit interest upon any unclaimed moneys in respect of principal, interest or redemption premium, if any, due in respect of the Notes, which it shall at any time receive under any of the provisions of the Resolution or this Agreement.

10. Furnishing Information: Authorization. The Bank shall at all times, when requested to do so by the Issuer, furnish full and complete information pertaining to its functions as the Paying Agent with regard to the Notes, as is customary and shall without further authorization, execute all necessary and proper deposit slips, checks, certificates and other documents with reference thereto.

11. Cancellation: Termination. Either of the parties hereto, at its option, may cancel this Agreement after giving thirty (30) days written notice to the other party of its intention to cancel, and this Agreement may be cancelled at any time by mutual consent of the parties hereto. This Agreement shall terminate without further action upon final payment of the Notes and the interest appertaining thereto; provided, however, the

Bank's resignation shall not become effective until such time as the Issuer has appointed a successor Paying Agent. Issuer agrees to appoint a successor Paying Agent within ten (10) days of notice of resignation and as provided in the Resolution and Loan Agreement. In the event the Issuer does not appoint the Paying Agent within ten (10) days, the Paying Agent may petition a court of competent jurisdiction to require the appointment of the successor Paying Agent.

12. Successor Paying Agents. Notwithstanding any of the other provisions herein contained, any successor Paying Agent appointed by the Issuer shall meet the requirements of the Resolution and Loan Agreement. No resignation or removal of any Paying Agent shall become effective until a successor has been appointed and has accepted the duties of Paying Agent under the Resolution.

13. Surrender of Funds, Registration Records; Notification of Bondholders. In the event of a cancellation of this Agreement, the Issuer shall deliver releases to the Bank (in a form acceptable to the Bank) upon demand and the Bank shall thereafter at the written direction of the Issuer pay over the funds on deposit with the Bank as Paying Agent in connection with the Notes and surrender all registration books and related records as directed by the Issuer, and the Issuer may appoint and name a successor to act as Paying Agent for the Notes. The Issuer shall, in such event, at its expense, notify all holders of the Notes of the appointment and name of the successor, by providing notice in the manner required by the Resolution and Loan Agreement. If any Bond shall not be presented for payment within the period of three years following the date when such Bond becomes due, whether by maturity or otherwise, the Paying Agent shall return to the Issuer the funds theretofore held by it for payment of such Bond and such Bond shall, subject to the defense of any applicable statute of limitation and thereafter shall be an unsecured obligation of the Issuer.

14. Nonassignability. This Agreement shall not be assigned by either party without the written consent of the other party.

15. Modification. No modification of this Agreement shall be valid unless made by a written agreement, executed and approved by the parties hereto.

16. Severability. Should any action or part of any section of this Agreement be declared void, invalid, or unenforceable by any court of law for any reason, such determination shall not render void, invalid, or unenforceable any other section or other part of any section of this Agreement.

17. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida without regard to conflict of law principles.

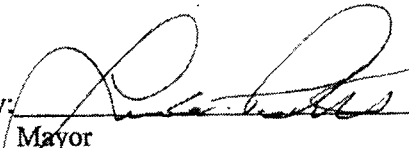
18. Merger or Consolidation of the Bank. Any corporation into which the Bank may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Bank shall be a party, or any party to which the Bank may sell or transfer all or a portion of its corporate trust business, shall be the

successor Paying Agent under this Agreement, without the execution or filing of any paper or any further act on the part of the parties hereto; provided that any such entity shall meet the requirements of the Resolution and Loan Agreement applicable to a Paying Agent.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers and their official seals to be hereunto affixed and attested as of the date first above written.


CITY OF LEESBURG, FLORIDA

By: 
Mayor

Attest:


City Clerk

Approved as to Form and Correctness:


Issuer Attorney

U.S. BANK NATIONAL ASSOCIATION

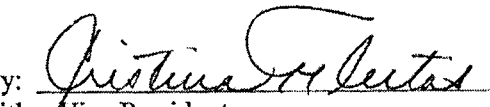
By: 
Title: Vice President

EXHIBIT “A”

Paying Agent and Registrar

Annual Fee	\$250.00
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**FIRST AMENDMENT TO DEBT SERVICE
FORWARD DELIVERY AGREEMENT**

THIS FIRST AMENDMENT TO DEBT SERVICE FORWARD DELIVERY AGREEMENT (the "First Amendment") effective as of December 4, 2009 (the "Effective Date") is entered into by and between **CITY OF LEESBURG, FLORIDA** (the "Issuer") and **WACHOVIA BANK, NATIONAL ASSOCIATION**, as provider (the "Provider").

WITNESSETH:

WHEREAS, the Issuer and the Provider have previously entered into the Debt Service Forward Delivery Agreement dated as of July 22, 2005 (the "Original Agreement") respecting the Issuer's Refunding and Capital Improvement Revenue Bonds, Series 1999 (the "Series 1999 Bonds"), the Issuer's Electric System Revenue Bonds, Series 2004 (the "Electric System Series 2004 Bonds"), the Issuer's Utility System Revenue Bonds, Series 2004 (the "Utility System Series 2004 Bonds") and the Issuer's Capital Improvement Revenue Bonds, Series 2004 (the "Capital Improvement Series 2004 Bonds");

WHEREAS, the Series 1999 Bonds have been completely refunded with the proceeds of a loan from Bank of America, N.A. (the "2009 Loan");

WHEREAS, the Issuer and the Provider wish to amend the provisions of the Original Agreement as herein provided for the purpose of terminating the Original Agreement with respect to the Series 1999 Bonds, continuing the Original Agreement with respect to the Electric System Series 2004 Bonds, the Utility System Series 2004 Bonds, the Capital Improvement Series 2004 Bonds and having the Original Agreement apply to the 2009 Loan.

NOW, THEREFORE, in consideration of the foregoing and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

INTENTION OF PARTIES, AGREEMENT PROVISIONS

The Issuer and the Provider have entered into this First Amendment pursuant to Section 9.05 of the Original Agreement to amend their rights and obligations set forth in the Original Agreement. The terms of the Original Agreement, as amended by this First Amendment (as so amended, the "Agreement"), shall govern the rights and obligations of the Issuer and the Provider in connection with the transactions contemplated by the Agreement. Capitalized terms used but not defined in this First Amendment shall have the respective meanings assigned thereto in the Original Agreement.

ARTICLE II

AMENDMENTS

Section 2.01. Amendment to First Paragraph. The first paragraph of the Original Agreement is hereby amended by deleting such paragraph in its entirety and in place thereof inserting the following:

THIS DEBT SERVICE FORWARD DELIVERY AGREEMENT (as amended, modified or supplemented from time to time, this "Agreement"), dated as of July 22, 2005, between the **CITY OF LEESBURG, FLORIDA**, a body politic and corporate duly organized and existing under the laws of the State of Florida and **WACHOVIA BANK, NATIONAL ASSOCIATION**, a national banking association duly organized and existing under and by virtue of the laws of the United States of America. Capitalized terms used herein and not otherwise defined shall have the meaning assigned thereto in Article I hereof.

Section 2.02. Amendments to Definitions. Article I of the Original Agreement shall be amended as follows:

(a) The Original Agreement is hereby amended by revising the definitions of Bonds, Custodian, Debt Service Funds, Fee Amount, Financing Documents, Qualified Dealer and Resolutions as follows:

"Bonds" means, collectively, the Electric System Series 2004 Bonds, the Utility System Series 2004 Bonds, the Capital Improvement Series 2004 Bonds and the 2009 Loan.

"Custodian" means U.S. Bank National Association and its successors.

"Debt Service Funds" means, collectively, the Electric System Series 2004 Debt Service Account, the Utility System Series 2004 Debt Service Account, the Capital Improvement Series 2004 Debt Service Account and the 2009 Debt Service Fund.

"Fee Amount" means \$920,475, which represents the sum of the Electric System Series 2004 Fee Amount, the Capital Improvement Series 2004 Fee Amount, the Utility System Series 2004 Fee Amount and the 2009 Fee Amount.

"Financing Documents" means the Resolutions, the Bonds and the 2009 Note.

"Qualified Dealer" means Wells Fargo Securities LLC, or its successors or assigns, or any other dealer in Eligible Securities selected by the Provider.

"Resolutions" means, collectively, the Electric System Series 2004 Resolution, the Utility System Series 2004 Resolution, the Capital Improvement Series 2004 Resolution and the Loan Agreement.

(b) The Original Agreement is hereby amended by adding the following definitions in their appropriate alphabetical order:

“Lender” means Bank of America, N.A..

“Loan Agreement” means the Loan Agreement made and entered into as of December 4, 2009 between the Issuer and the Lender, and any amendments or supplements thereto permitted hereunder and thereunder.

“2009 Debt Service Fund” means the 2009 Debt Service Fund established pursuant to Section 3.01 of the Loan Agreement.

“2009 Fee Amount” means \$93,705.

“2009 Loan” means the loan evidenced by the 2009 Note made by the Lender to the Issuer pursuant to the Loan Agreement in an amount equal to \$6,227,400.

“2009 Note” means the Capital Improvement Refunding Promissory Note, Series 2009 dated December 4, 2009 of the Issuer to the Lender issued pursuant to the Loan Agreement.

(c) The Original Agreement is hereby amended by deleting the definitions of Series 1999 Bonds, Series 1999 Debt Service Account, Series 1999 Fee Amount and Series 1999 Resolution in their entirety.

Section 2.03. Amendment to Section 5.02. Section 5.02 to the Original Agreement is hereby amended by adding the following paragraph (f) to the end of such section:

(f) it shall deliver or cause to be delivered to the Provider at the times required by Rule 15c2-12 promulgated pursuant to the Securities Exchange Act of 1934, as amended, or any successor or similar legal requirement, whether or not Rule 15c2-12 applies to the 2009 Loan, any information which would have been required to be delivered to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System (“EMMA”) if the 2009 Loan was a publically-traded security including any material event notice disseminated, distributed or provided in satisfaction of or as may be required by the provisions of Rule 15c2-12.

Section 2.04. Amendment to Section 7.01. Section 7.01 to the Original Agreement is hereby amended by adding the following paragraph (j) to the end of such section:

(j) there shall be any amendment or modification of, or waiver or forbearance with respect to, the 2009 Loan or the Loan Agreement that materially adversely affects the Provider’s rights or the Issuer’s ability to perform its obligations to the Provider under the Agreement without the prior written consent of the Provider. Without limiting the foregoing, the parties acknowledge and agree that any amendment or modification of, or waiver or forbearance with

respect to, Section 3.01(a) or Section 6.01(i) of the Loan Agreement or any of the payment terms of the 2009 Note without the prior written consent of the Provider shall materially adversely affect the Provider's rights hereunder.

Section 2.05. Amendment to Section 7.05(c). Section 7.05(c) to the Original Agreement is hereby amended by deleting such section and replacing it with the following:

(c) Anything provided herein to the contrary notwithstanding, the obligations of the Issuer hereunder shall be special limited obligations of the Issuer, payable solely from legally available non-ad valorem revenues of the Issuer budgeted and appropriated for such purpose. The Issuer hereby grants to the Provider a lien on and security interest in amounts held pursuant to the Resolutions and the revenues pledged thereunder that is junior and subordinate in all respects to the Bonds as to lien on, source of and security for payment from the Pledged Revenues (as defined in each of the Electric System Series 2004 Resolution, the Utility System Series 2004 Resolution, the Capital Improvement Series 2004 Resolution and the Loan Agreement), including without limitation, subordinate to the pledge described in Section 8.02 of each of the Electric System Series 2004 Resolution, the Utility System Series 2004 Resolution and the Capital Improvement Series 2004 Resolution and in Section 3.06 of the Loan Agreement to secure the payment of Termination Amount and other amounts that may become due to the Provider hereunder. In no event shall the Provider have the right to compel the exercise of the taxing power of the Issuer to provide for the payment of any of the obligations hereunder.

Section 2.06. Amendment to Section 9.01. Section 9.01 to the Original Agreement is hereby amended by deleting such section and replacing it with the following:

Section 9.01. Notices and Delivery Instructions. All notices, demands or other communications hereunder shall be given or made in writing and shall be delivered personally, or sent by certified or registered mail, postage prepaid, return receipt requested, or overnight delivery service or facsimile to the party to whom they are directed at the following addresses, or facsimile numbers or at such other addresses or facsimile numbers as may be designated by notice from such party to all other parties:

To the Provider: Wachovia Bank, N.A.
CIB Group
201 South College Street, CP-23
Charlotte, NC 28288-0601
Attention: Mr. Drew Loper
Telephone: (704) 383-7798
Facsimile: (704) 383-9026

Wachovia Bank, N.A.
CIB Group
One Wachovia Center
301 South College Street, DC 8
Charlotte, NC 28288-0600
Attention: Mr. Bruce M. Young
Senior Vice President
Telephone: (704) 383-5485

Delivery: BK of NYC/FUNBBT
ABA #: 021000018

Payments to Provider: ABA# 053000219
Wachovia CHAR
AC# 4659360006116
ATTN: DERIVATIVES

Provider Settlements: Municipal Support
Telephone: (704) 383-9408 or (704) 374-2146
Facsimile: (704) 715-1982 or (704) 383-9139

US Government and Agency Issues:
Fed Book Entry
ABA 021000018
Bk of NYC/FUNBBT

Mortgage Backed Securities:
Bk of NYC/FUNBTMBS
ABA 021000018

DTC Book Entry
Participant: 2072
Agent Bank: 52196
Institutional ID: 52196

Physical:
The Bank of New York
1 Wall Street
3rd Floor-Window B
ASP# 117629

Global Instructions: CEDEL No. 86013

To the Custodian: U. S. Bank National Association
Corporate Trust Services
Suite 250
225 East Robinson Street
Orlando, FL 32801
Attention: Ms. Cristina Fleitas
Telephone: (407) 835-3805
Facsimile: (407) 835-3814
E-mail: cristina.fleitas@usbank.com

Payments to
Custodian: RBK: U.S. Bank N.A.
ABA: 091000022
BNF: USBANK CT WIRE CLRG
Beneficiary Account Number: A/C 180121167365
Beneficiary Account Address: 777 E. Wisconsin Avenue
Milwaukee, WI 53202-5300
OBI: Leesburg Rfdg & Cap. Impr. 09 D/S
Ref: 135351000

Custodian Settlement: [BOOK ENTRY GOVERNMENT OBLIGATIONS]

For: US Bank Ohio
ABA Number: 042000013
Routing symbol: 1050 Trust
For Account Number: 135351000
Account Name: Leesburg Rfdg & Cap. Impr. 09 D/S

[DTC-ELIGIBLE SECURITIES]

Participant Number: 2803 U.S. Bank N.A.
Institutional Number: 52675
Agent Number: 52675 U.S. Bank N.A. – Corporate Trust
Account Number: 135351000
Account Name: Leesburg Rfdg & Cap. Impr. 09 D/S

To the Issuer: City of Leesburg, Florida
501 W. Meadow Street
Leesburg, FL 34749
Attention: Mr. Jerry Boop
Telephone: (352) 728-9720
Facsimile: (352) 326-6632
E-mail: jerry.boop@leesburgflorida.gov
Issuer's Tax Payer I.D. #: 59-6000362

Any notice, demand or other communication given in a manner prescribed in this Section shall be deemed to have been delivered on receipt.

Section 2.07. Amendment to Exhibit A. Exhibit A to the Original Agreement is hereby deleted in its entirety and replaced by Exhibit A attached hereto; and all references in the Original Agreement to Exhibit A shall be references to Exhibit A as hereby amended

ARTICLE III

FULL FORCE AND EFFECT

The Original Agreement is hereby amended to the extent provided in this First Amendment and, except as specifically provided herein, the Original Agreement shall remain in full force and effect in accordance with its terms.

ARTICLE IV

GOVERNING LAW

THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS FIRST AMENDMENT SHALL BE GOVERNED AS PROVIDED IN SECTION 9.11 OF THE ORIGINAL AGREEMENT.

ARTICLE V

HEADINGS

Section headings in this First Amendment are included herein for convenience of reference only and shall not have any effect for purposes of interpretation or construction of the terms of this First Amendment.

ARTICLE VI

COUNTERPARTS

This First Amendment may be signed in any number of counterpart copies, but all such copies shall constitute one and the same instrument.

ARTICLE VII

REPRESENTATIONS

Each party hereto hereby represents and warrants to the other that this First Amendment has been duly authorized and validly executed by it and that the Agreement as hereby amended constitutes its valid obligation enforceable in accordance with its terms. The representations and warranties contained in the Original Agreement are hereby remade by each party hereto as of the Effective Date. For the avoidance of doubt, all references in such representations and warranties to defined terms shall be deemed to refer to such terms as defined in the Original Agreement, as amended by this First Amendment.

ARTICLE VIII

CLOSING CONDITIONS

Section 8.01. The parties hereto agree that this First Amendment shall become effective only upon the occurrence of each of the following conditions:

(a) delivery to the Issuer of an executed original opinion of counsel to the Provider, in the form of Exhibit B;

(b) delivery to the Provider of an executed original opinion of counsel to the Issuer, in the form of Exhibit C;

(c) delivery to the Provider of a resolution or resolutions of the Issuer pursuant to which the Issuer is authorized to enter into this First Amendment;

(d) delivery to the Provider of an executed copy of the Custody Agreement and any amendments thereto;

(e) delivery to the Provider of a specimen copy of the Note and an executed copy of the Loan Agreement; and

(f) payment by the Issuer to the Provider of the legal fees and expenses of counsel to the Provider in connection with this First Amendment in an amount equal to \$11,000.

Section 8.02. Post Closing Conditions. In the event that the Provider elects to close this First Amendment without requiring that all of the conditions set forth in Section 8.01 be satisfied, the Issuer covenants and agrees that it shall cause all such unsatisfied conditions to be satisfied and cause all original executed signature pages to this First Amendment to be delivered to the Provider within three Business Days of the Effective Date. In the event that all such documents are not received by the Provider within three Business Days of the Effective Date, the Issuer shall pay, on demand, the fees and expenses of counsel to the Provider incurred in connection with the satisfaction of this Section 8.02.

ARTICLE IX

ACKNOWLEDGEMENT

The Issuer expressly acknowledges and agrees that the Provider's willingness to allow the Original Agreement to apply to the 2009 Loan shall not constitute a consent to, waiver or amendment of, or an indication of the Provider's willingness to consent to any waiver or amendment of, or any action under, Section 3.01 of the Agreement or any other provision of the Agreement in the future, including, but not limited to, the Provider's willingness to allow the Agreement to apply to any other loans which refund or refinance any of the Bonds.

ARTICLE X

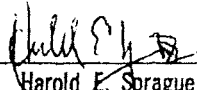
REGARDING THE FEE AMOUNT

The parties hereby acknowledge and agree that the entire Fee Amount was paid by the Provider to the City on July 22, 2005 and no additional fee is being paid by the Provider in connection with this First Amendment.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be duly executed and delivered as of the date and year first written above.

WACHOVIA BANK, NATIONAL
ASSOCIATION, as Provider

By 
Name Harold E. Sprague, III
Title Vice President

CITY OF LEESBURG, FLORIDA, as Issuer

By _____
Name _____
Title _____

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be duly executed and delivered as of the date and year first written above.

WACHOVIA BANK, NATIONAL
ASSOCIATION, as Provider

By _____
Name _____
Title _____

CITY OF LEESBURG, FLORIDA, as Issuer

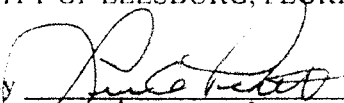
By  _____
Name Lewis PuchBTT
Title Mayor

EXHIBIT A

ELIGIBLE SECURITIES

(a) direct, full faith and credit, non-callable obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury).

(b) Senior debt obligations of the Federal Home Loan Mortgage Corporation, Federal Home Loan Bank System or Federal National Mortgage Association.

(c) commercial paper rated at least "A-1+" by S&P and "P-1" by Moody's; provided, however securities described in this paragraph (c) shall only constitute Eligible Securities if any of the securities described in paragraph (b) are no longer rated at least "AA" by S&P and "Aa2" by Moody's.

EXHIBIT B

OPINION OF COUNSEL TO PROVIDER

[LETTERHEAD OF COUNSEL TO PROVIDER]

December 4, 2009

City of Leesburg, Florida
2010 Griffin Rd
Leesburg, FL 34748

Ladies and Gentlemen:

We have acted as counsel to Wachovia Bank, National Association (the "Provider"), in connection with its execution and delivery of the First Amendment to Debt Service Forward Delivery Agreement, dated as of December 4, 2009 (the "First Amendment"), between City of Leesburg, Florida (the "Issuer") and the Provider with respect to the Debt Service Forward Delivery Agreement dated as of July 22, 2005 (the "Original Agreement"), between the Issuer and the Provider. Capitalized terms used herein and not defined herein have the respective meanings given to them in the First Amendment.

In connection with the rendering of this opinion, we have examined the Original Agreement, the First Amendment and such other documents, records, certificates and instruments as we have deemed necessary in connection with the rendering of this opinion (such documents are collectively referred to herein as the "Documents"). In such examination we have assumed, without any independent investigation or inquiry on our part: (i) the genuineness of all signatures on each of the Documents; (ii) the legal capacity of all natural persons who have signed the Documents; (iii) the authenticity of all Documents submitted to us as originals, the conformity to the original documents of all Documents submitted to us as certified, facsimile or photostatic copies or in electronic form and the authenticity of the originals of all such Documents; (iv) that each of the parties (other than the Provider) to the Documents has been duly formed and organized and is validly existing and in good standing under the laws of the jurisdiction of its incorporation or establishment; (v) that each of the parties (other than the Provider) to the Documents (A) has duly authorized, executed and delivered such Documents, (B) has all requisite power and authority to enter into and perform its respective obligations under such Documents and (C) has obtained, secured or made all consents and approvals of, notice to, or registrations required with or by any governmental authorities, agencies or instrumentalities in connection with its execution, delivery and performance of, the Documents to which it is a party; (vi) the execution, delivery and performance by each of the parties (other than the Provider) of such Documents which it is a party will not contravene any provision of such party's articles of incorporation, by-laws, articles of organization, operating agreement, certificate of formation, limited liability company agreement or other governing instrument; and

(vii) that there are no other agreements or understandings among the parties to such Documents, written or oral, and there is no usage of trade or course of prior dealings among the parties thereto that would, in any case, define, supplement, alter or qualify the terms of such Documents. As to all matters of fact we have relied in good faith on certificates and other statements of public officials and officers and other representatives of the Provider, and we have made no inquiries to establish or verify these or any other facts material to this opinion.

In giving the opinions expressed below we do not purport to be expert in or generally familiar with or qualified to express legal opinions based on the laws of any jurisdiction other than the federal laws of the United States and the laws of the State of New York and the opinions expressed herein are limited to the federal laws of the United States and the laws of the State of New York. We express no opinion as to the validity or enforceability of any choice of law, choice of forum or waiver provision contained in the Original Agreement or the First Amendment. We express no opinion as to the availability of equitable remedies to persons seeking to enforce the obligations of the Provider under the Original Agreement, as amended by the First Amendment.

Based upon the foregoing examination and review, we are of the opinion that:

(a) The Provider has full corporate power and authority to enter into the First Amendment.

(b) The First Amendment has been duly authorized, executed and delivered by the Provider and the Original Agreement, as amended by the First Amendment, constitutes a legal, valid and binding obligation of the Provider, enforceable against it in accordance with the terms thereof, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

This opinion may be relied upon by Moody's Investors Service, Inc., Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., or Fitch Ratings to the extent any assign investment ratings to the Bonds, as if this opinion were addressed to them.

This opinion is limited to the matters expressly set forth above, and no opinion is implied or may be inferred beyond the matters expressly so stated. This opinion is delivered to you, and any rating agency referenced in the preceding paragraph, in connection with the above-referenced transaction and may not be utilized or quoted by you, or such rating agency, for any other purpose whatsoever or delivered to any other person without our prior written consent. This opinion is given as of the date hereof and we expressly disclaim any responsibility to update this opinion or advise you of any changes of law, facts or circumstances of any kind that may occur after the date hereof which might affect the opinion expressed herein.

Very truly yours,

EXHIBIT C

OPINION OF COUNSEL TO ISSUER

[LETTERHEAD OF COUNSEL TO ISSUER]

December 4, 2009

Wachovia Bank, National Association
CIB Group
One Wachovia Center
301 South College Street
Charlotte, NC 28288-0601

Ladies and Gentlemen:

We have acted as counsel to City of Leesburg, Florida (the "Issuer") in connection with its execution and delivery of the First Amendment to Debt Service Forward Delivery Agreement, dated as of December 4, 2009 (the "First Amendment"), between the Issuer and Wachovia Bank, National Association (the "Provider") with respect to the Debt Service Forward Delivery Agreement dated as of July 22, 2005 between the Issuer and the Provider (the "Original Agreement") and its execution and delivery of the Financing Documents. Capitalized terms used herein and not defined herein have the respective meanings given to them in the First Amendment.

In connection with the rendering of this opinion, we have examined the Original Agreement, the First Amendment, the Financing Documents and such other documents, records, certificates and instruments as we have deemed necessary in connection with the rendering of this opinion (such documents are collectively referred to herein as the "Documents"). In such examination we have assumed, without any independent investigation or inquiry on our part: (i) the genuineness of all signatures (other than those of the Issuer) on each of the Documents; (ii) the legal capacity of all natural persons who have signed the Documents; (iii) the authenticity of all Documents submitted to us as originals, the conformity to the original documents of all Documents submitted to us as certified, facsimile or photostatic copies or in electronic form and the authenticity of the originals of all such Documents; (iv) that each of the parties (other than the Issuer) to the Documents has been duly formed and organized and is validly existing and in good standing under the laws of the jurisdiction of its incorporation or establishment; (v) that each of the parties (other than the Issuer) to the Documents (A) has duly authorized, executed and delivered such Documents, (B) has all requisite power and authority to enter into and perform its respective obligations under such Documents and (C) has obtained, secured or made all consents and approvals of, notice to, or registrations required with or by any governmental authorities, agencies or instrumentalities in connection with its execution, delivery and performance of, the Documents to which it is a party; (vi) the execution, delivery and

performance by each of the parties (other than the Issuer) of such Documents which it is a party will not contravene any provision of such party's articles of incorporation, by-laws, articles of organization, operating agreement, certificate of formation, limited liability company agreement or other governing instrument; and (vii) that there are no other agreements or understandings among the parties to such Documents, written or oral, and there is no usage of trade or course of prior dealings among the parties thereto that would, in any case, define, supplement, alter or qualify the terms of such Documents. As to all matters of fact we have relied in good faith on certificates and other statements of public officials and officers and other representatives of the Issuer, and we have made no inquiries to establish or verify these or any other facts material to this opinion.

In giving the opinions expressed below we do not purport to be experts in or generally familiar with or qualified to express legal opinions based on the laws of any jurisdiction other than the federal laws of the United States of America and the laws of the State of Florida (the "State"). We express no opinion as to the validity or enforceability of any choice of law, choice of forum or waiver provision contained in the Original Agreement or the First Amendment. We express no opinion as to the availability of equitable remedies to persons seeking to enforce the obligations of the Issuer under the Original Agreement, as amended by the First Amendment.

Based upon the foregoing examination and review, we are of the opinion that:

(a) The Issuer has full legal right, power and authority to enter into the First Amendment and the Financing Documents and to authorize and direct the Trustee, pursuant to the Original Agreement, as amended by the First Amendment, to make purchases of the Qualified Securities in accordance with the terms therein.

(b) The First Amendment and the Financing Documents to which it is a party have been duly authorized, executed and delivered by the Issuer.

(c) Assuming for purposes of the opinion expressed in this paragraph (c) that the Original Agreement and the First Amendment were governed by and construed in accordance with the laws of the State, the Original Agreement, as amended by the First Amendment, is a legal, valid and binding obligation of the Issuer, enforceable against it in accordance with the terms thereof, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(d) The Issuer's execution and delivery of the First Amendment and the performance of its obligations under the Original Agreement, as amended by the First Amendment, do not and will not conflict with or constitute or result in a default under, a breach or violation of, or the creation of any lien or encumbrance on any of its property under the Financing Documents or any other agreement, instrument, judgment, injunction or order applicable to it or any of its property.

(e) The Financing Documents to which the Issuer is a party are legal, valid and binding obligations of the Issuer, enforceable against it in accordance with the terms

thereof, subject to applicable bankruptcy, insolvency and similar laws affecting creditors rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(f) The Issuer is not entitled to claim immunity on the grounds of sovereignty or other similar grounds with respect to itself or its revenues or assets (irrespective of their use or intended use) from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgment) or (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be made subject to in any suit, action or proceedings relating to the Original Agreement, as amended by the First Amendment, brought validly ex contractu in the courts of any jurisdiction and no such immunity (whether or not claimed) may be attributed to the Issuer or its revenues or assets.

(g) All consents, authorizations and approvals requisite for the Issuer's execution and delivery of the First Amendment and performance of the Original Agreement, as amended by the First Amendment, have been obtained and remain in full force and effect and all conditions thereof have been duly complied with, and no other action by, and no notice to or filing with, any governmental authority, regulatory body or any other entity is required for such execution, delivery or performance.

(h) The Eligible Securities to be delivered under the Original Agreement, as amended by the First Amendment, are permitted investments for amounts held in the Debt Service Funds under the Resolutions and applicable law.

We are furnishing this opinion to you solely for your benefit and no other person is entitled to rely hereon. This opinion is not to be used, circulated, quoted or otherwise referred to for any other purpose. This opinion is given as of the date hereof and we expressly disclaim any responsibility to update this opinion or advise you of any changes of law, facts or circumstances of any kind that may occur after the date hereof which might affect the opinion expressed herein.

Very truly yours,

McLin & Burnsed

Professional Association

Walter S. McLin, III (1935-2007)
R. Dewey Burnsed (1939-2007)
Matthew D. Black
Mark A. Brionez
Gary Fuchs
Frederick T. Goller, LL.M. E.P.
Brian D. Hudson
Stephen W. Johnson
Erick Langenbrunner
Stephanie J. McCulloch
G. Michael Mahoney

ATTORNEYS AT LAW

December 4, 2009

John D. Metcalf
Fred A. Morrison
Richard P. Newman
Steven M. Roy
Jeffrey P. Skates
Phillip S. Smith
Joseph S. Thomas

Of Counsel:
Lynn E. Burnsed
Board Certified, Healthcare Law

Wachovia Bank, National Association
CIB Group
One Wachovia Center
301 South College Street
Charlotte, NC 28288-0601

Ladies and Gentlemen:

We have acted as counsel to City of Leesburg, Florida (the "Issuer") in connection with its execution and delivery of the First Amendment to Debt Service Forward Delivery Agreement, dated as of December 4, 2009 (the "First Amendment"), between the Issuer and Wachovia Bank, National Association (the "Provider") with respect to the Debt Service Forward Delivery Agreement dated as of July 22, 2005 between the Issuer and the Provider (the "Original Agreement") and its execution and delivery of the Financing Documents. Capitalized terms used herein and not defined herein have the respective meanings given to them in the First Amendment.

In connection with the rendering of this opinion, we have examined the Original Agreement, the First Amendment, the Financing Documents and such other documents, records, certificates and instruments as we have deemed necessary in connection with the rendering of this opinion (such documents are collectively referred to herein as the "Documents"). In such examination we have assumed, without any independent investigation or inquiry on our part: (i) the genuineness of all signatures (other than those of the Issuer) on each of the Documents; (ii) the legal capacity of all natural persons who have signed the Documents; (iii) the authenticity of all Documents submitted to us as originals, the conformity to the original documents of all Documents submitted to us as certified, facsimile or photostatic copies or in electronic form and the authenticity of the originals of all such Documents; (iv) that each of the parties (other than the Issuer) to the Documents has been duly formed and organized and is validly existing and in good standing under the laws of the jurisdiction of its incorporation or establishment; (v) that each of the parties (other than the Issuer) to the Documents (A) has duly authorized, executed and delivered such Documents, (B) has all requisite power and authority to enter into and perform its respective obligations under such Documents and (C) has obtained, secured or made all consents and approvals of, notice to, or registrations required with or by any governmental authorities, agencies or instrumentalities in connection with its execution, delivery and performance of, the Documents to which it is a party; (vi) the execution, delivery and performance by each of the parties (other than the Issuer) of such Documents which it is a party will not contravene any provision of such party's articles of incorporation, by-laws, articles of organization, operating agreement, certificate of formation, limited liability company agreement or other governing instrument; and (vii) that there are no other agreements or understandings among the parties to such Documents, written or oral, and there is no usage of trade or course of prior dealings among the parties thereto that would, in any case, define, supplement, alter or qualify the terms of such Documents. As to all matters of fact we have relied in good faith on certificates and other statements of public officials and officers and other representatives of the Issuer, and we have made no inquiries to establish or verify these or any other facts material to this opinion.

In giving the opinions expressed below we do not purport to be experts in or generally familiar with or qualified to express legal opinions based on the laws of any jurisdiction other than the federal laws of the United States of America and the laws of the State of Florida (the "State"). We express no opinion as to the validity or enforceability of any choice of law, choice of forum or waiver provision contained in the Original Agreement or the First Amendment. We express no opinion as to the availability of equitable remedies to persons seeking to enforce the obligations of the Issuer under the Original Agreement, as amended by the First Amendment.

Based upon the foregoing examination and review, we are of the opinion that:

(a) The Issuer has full legal right, power and authority to enter into the First Amendment and the Financing Documents and to authorize and direct the Trustee, pursuant to the Original Agreement, as amended by the First Amendment, to make purchases of the Qualified Securities in accordance with the terms therein.

(b) The First Amendment and the Financing Documents to which it is a party have been duly authorized, executed and delivered by the Issuer.

(c) Assuming for purposes of the opinion expressed in this paragraph (c) that the Original Agreement and the First Amendment were governed by and construed in accordance with the laws of the State, the Original Agreement, as amended by the First Amendment, is a legal, valid and binding obligation of the Issuer, enforceable against it in accordance with the terms thereof, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(d) The Issuer's execution and delivery of the First Amendment and the performance of its obligations under the Original Agreement, as amended by the First Amendment, do not and will not conflict with or constitute or result in a default under, a breach or violation of, or the creation of any lien or encumbrance on any of its property under the Financing Documents or any other agreement, instrument, judgment, injunction or order applicable to it or any of its property.

(e) The Financing Documents to which the Issuer is a party are legal, valid and binding obligations of the Issuer, enforceable against it in accordance with the terms thereof, subject to applicable bankruptcy, insolvency and similar laws affecting creditors rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(f) The Issuer is not entitled to claim immunity on the grounds of sovereignty or other similar grounds with respect to itself or its revenues or assets (irrespective of their use or intended use) from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgment) or (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be made subject to in any suit, action or proceedings relating to the Original Agreement, as amended by the First Amendment, brought validly *ex contractu* in the courts of any jurisdiction and no such immunity (whether or not claimed) may be attributed to the Issuer or its revenues or assets. Notwithstanding the foregoing, however, pursuant to §7.05(c) of the Original Agreement, as modified by §2.05 of the First Amendment, the recourse of the Provider for collection of any amounts awarded to it, in a proceeding to enforce the Original Agreement as amended by the

First Amendment, are limited to those revenues specified in §7.05(c) of the Original Agreement, as modified by §2.05 of the First Amendment.

(g) All consents, authorizations and approvals requisite for the Issuer's execution and delivery of the First Amendment and performance of the Original Agreement, as amended by the First Amendment, have been obtained and remain in full force and effect and all conditions thereof have been duly complied with, and no other action by, and no notice to or filing with, any governmental authority, regulatory body or any other entity is required for such execution, delivery or performance.

(h) The Eligible Securities to be delivered under the Original Agreement, as amended by the First Amendment, are permitted investments for amounts held in the Debt Service Funds under the Resolutions and applicable law.

We are furnishing this opinion to you solely for your benefit and no other person is entitled to rely hereon. This opinion is not to be used, circulated, quoted or otherwise referred to for any other purpose. This opinion is given as of the date hereof and we expressly disclaim any responsibility to update this opinion or advise you of any changes of law, facts or circumstances of any kind that may occur after the date hereof which might affect the opinion expressed herein.

Yours truly,

A handwritten signature in black ink, appearing to read "Fred A. Morrison", written in a cursive style.

FRED A. MORRISON
MCLIN & BURNSED P.A.

KUTAK ROCK LLP
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OMAHA
RICHMOND
SCOTTSDALE
WASHINGTON
WICHITA

December 4, 2009

City of Leesburg, Florida
2010 Griffin Rd
Leesburg, FL 34748

Ladies and Gentlemen:

We have acted as counsel to Wachovia Bank, National Association (the "Provider"), in connection with its execution and delivery of the First Amendment to Debt Service Forward Delivery Agreement, dated as of December 4, 2009 (the "First Amendment"), between City of Leesburg, Florida (the "Issuer") and the Provider with respect to the Debt Service Forward Delivery Agreement dated as of July 22, 2005 (the "Original Agreement"), between the Issuer and the Provider. Capitalized terms used herein and not defined herein have the respective meanings given to them in the First Amendment.

In connection with the rendering of this opinion, we have examined the Original Agreement, the First Amendment and such other documents, records, certificates and instruments as we have deemed necessary in connection with the rendering of this opinion (such documents are collectively referred to herein as the "Documents"). In such examination we have assumed, without any independent investigation or inquiry on our part: (i) the genuineness of all signatures on each of the Documents; (ii) the legal capacity of all natural persons who have signed the Documents; (iii) the authenticity of all Documents submitted to us as originals, the conformity to the original documents of all Documents submitted to us as certified, facsimile or photostatic copies or in electronic form and the authenticity of the originals of all such Documents; (iv) that each of the parties (other than the Provider) to the Documents has been duly formed and organized and is validly existing and in good standing under the laws of the jurisdiction of its incorporation or establishment; (v) that each of the parties (other than the Provider) to the Documents (A) has duly authorized, executed and delivered such Documents, (B) has all requisite power and authority to enter into and perform its respective obligations under such Documents and (C) has obtained, secured or made all consents and approvals of, notice to, or registrations required with or by any governmental authorities, agencies or instrumentalities in connection with its execution, delivery and performance of, the Documents to which it is a party; (vi) the execution, delivery and performance by each of the parties (other than the Provider) of such Documents which it is a party will not contravene any provision of

December 4, 2009

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such party's articles of incorporation, by-laws, articles of organization, operating agreement, certificate of formation, limited liability company agreement or other governing instrument; and (vii) that there are no other agreements or understandings among the parties to such Documents, written or oral, and there is no usage of trade or course of prior dealings among the parties thereto that would, in any case, define, supplement, alter or qualify the terms of such Documents. As to all matters of fact we have relied in good faith on certificates and other statements of public officials and officers and other representatives of the Provider, and we have made no inquiries to establish or verify these or any other facts material to this opinion.

In giving the opinions expressed below we do not purport to be expert in or generally familiar with or qualified to express legal opinions based on the laws of any jurisdiction other than the federal laws of the United States and the laws of the State of New York and the opinions expressed herein are limited to the federal laws of the United States and the laws of the State of New York. We express no opinion as to the validity or enforceability of any choice of law, choice of forum or waiver provision contained in the Original Agreement or the First Amendment. We express no opinion as to the availability of equitable remedies to persons seeking to enforce the obligations of the Provider under the Original Agreement, as amended by the First Amendment.

Based upon the foregoing examination and review, we are of the opinion that:

(a) The Provider has full corporate power and authority to enter into the First Amendment.

(b) The First Amendment has been duly authorized, executed and delivered by the Provider and the Original Agreement, as amended by the First Amendment, constitutes a legal, valid and binding obligation of the Provider, enforceable against it in accordance with the terms thereof, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

This opinion may be relied upon by Moody's Investors Service, Inc., Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., or Fitch Ratings to the extent any assign investment ratings to the Bonds, as if this opinion were addressed to them.

This opinion is limited to the matters expressly set forth above, and no opinion is implied or may be inferred beyond the matters expressly so stated. This opinion is delivered to you, and any rating agency referenced in the preceding paragraph, in connection with the above-referenced transaction and may not be utilized or quoted by you, or such rating agency, for any other purpose whatsoever or delivered to any other person without our prior written consent. This opinion is given as of the date hereof and we expressly disclaim any responsibility to update this opinion or advise

KUTAK ROCK LLP

December 4, 2009

Page 3

you of any changes of law, facts or circumstances of any kind that may occur after the date hereof which might affect the opinion expressed herein.

Very truly yours,

Kutak Rock LLP

**CITY OF LEESBURG, FLORIDA****\$6,227,400 Capital Improvement Refunding Promissory Note, Series 2009****CLOSING STATEMENT****December 4, 2009**

Working Group	Title	Role	Telephone	Fax
Jay Evans	City Manager	Issuer	352-728-9704	352-728-9706
Jerry Boop	Finance Director	Issuer	352-728-9714	352-326-6632
Puggy Johnson	Deputy Finance Director	Issuer	352-728-9725	352-326-6632
Colette Weber	Finance Assistant	Issuer	352-728-3720	352-326-6632
Fred Morrison, Esq.	City Attorney	City Attorney	352-787-1241	352-326-2608
Mike Williams, Esq.	Akerman Senterfitt	Bond Counsel	407-419-8439	407-843-6610
W. Bradley Ramirez	Vice President, Credit	Bank of America	904-791-7412	904-312-5592
Kathy Sikes	SVP, Relationship Mgr	Bank of America	407-420-2772	407-532-2961
Mark Raymond, Esq.	Holland & Knight	Bank Counsel	561-650-8349	561-650-8399
Jeff Larson	President	Financial Advisor	407-496-1597	407-542-3791
Larry Aubrecht	SVP, Analyst	Financial Advisor	303-962-3550	303-962-0307
Jesy Acosta	Admin. Assistant	Financial Advisor	407-529-5916	407-542-3791
Cristina Fleitas	VP, Reg & Paying Agent	US Bank	407-835-3805	407-835-3814
Doug Carlile	Verification Agent	Causey Demgen	303-672-9895	303-296-3731
Lisa Olsen	SVP, Dissemination Agent	DAC	407-515-1113	407-515-6513

I. Pre-Closing

Date: Wednesday, December 2, 2009

Time: 11:00 AM, at City Hall, (Mike Williams to coordinate required Signatures and Conference Room at City). Lunch with City Finance Team and Bank of America to follow.

II. Closing

Date: Friday, December 4, 2009

Time: 10:00 AM EST (Bond Counsel/Financial Advisor/Lender/Registrar and Paying Agent to coordinate timing).

III. Wire Transfers, Transfers and Flow of Funds

The following wire and/or transfers will occur:

1. Bank of America Wire to US Bank

On Friday morning, by 10:00 AM EST, December 4, 2009, Bank of America will wire \$6,132,353.34 representing \$6,015,000 in principal, \$60,150 in call premium and \$57,203.34 in accrued interest by 10:00 AM EST to US Bank, for payoff of The City of Leesburg, Florida, Refunding and Capital Improvement Revenue Bonds, Series 1999.

Wiring Instructions:

Bank: U.S. Bank N.A.
ABA #: 091000022
Account Name: U.S. Bank Trust N.A.
Account Number: 173103781618
OBI: TFM/Acc# 4072001647
Special Instructions: City of Leesburg, FL, Refunding & Capital
Improvement Revenue Bonds Series 1999
Attention: Stacie Walls or Cristina Fleitas

Fed Reference # 20091204B6B7HU2R002044
Sent By Bank of America
Date and Time 12/04/09 at 10:50 AM
Receipt Confirmed Cristina Fleitas via email

2. Bank of America Wire to City of Leesburg, Florida

On Friday morning, 10:00 AM EST, December 4, 2009, Bank of America will wire balance of Note net proceeds in the amount of \$95,046.66 to the City's main operating account at SunTrust Bank of Central Florida, Orlando for credit to the City of Leesburg.

Wiring Instructions:

Bank: SunTrust Bank of Central Florida
ABA Number: 061000104
Credit Account: City of Leesburg, Central Claims Account
Account #: 0133026706959
Reference: Series 1999 Refunding
Attention: LaReena J. Gerome, Orlando Branch,
Tel: 407-237-4642

Fed Reference # 20091204B6B7HU2R002046
Sent By Bank of America
Date and Time 12/04/09 at 10:33 AM
Receipt Confirmed Puggy Johnson via phone

IV. Summary of Wires and Transfer by Bank of America

Series 1999 Bond Call/Refunding	\$6,132,353.34
Net Note Proceeds incl. Cost of Issuance	<u>95,046.66</u>
Total Note Proceeds	\$6,227,400.00

V. City Authorization of Wires

City of Leesburg authorizes and directs the foregoing wire transfers.

By: 
Jerry Boop, Finance Director, CPA, CGFO

Date: 12/2/09

VI. Procedures for Closing

To close the transaction, the following will occur:

- Larson Consulting Services to verify wire transfers by receipt of Fed Wire Reference Numbers and Time Sent for Series 2009 Note, and refunding of 1999 Bonds, and receipt of final Verification Agent Report. FA to confirm receipt of funds by US Bank and City.
- Invoices provided to Mr. Jerry Boop, City of Leesburg, with copy to Jeff Larson, Larson Consulting Services, by end of day, December 1st for Cost of Issuance, and review at pre-closing by City and Financial Advisor, for City payment by check or wire transfer post closing.

Email

jerry.boop@leesburgflorida.gov

puggy.johnson@leesburgflorida.gov

colette.weber@leesburgflorida.gov

fredm@mclinburnsed.com

mike.williams@akerman.com

William_bradley.ramirez@bankofamerica.com

Kathryn.sikes@bankofamerica.com

mark.raymond@hklaw.com

dcarlile@cdmcpa.com

lolsen@dacbond.com

Williams, Michael (Sh-Orl)

From: Jeff Larson [jlarson@larsonconsults.com]
Sent: Friday, December 04, 2009 11:21 AM
To: cristina.fleitas@usbank.com
Cc: jacosta@larsonconsults.com; 'lawrence A. Aubrecht'; Williams, Michael (Sh-Orl); 'Puggy Johnson'; 'Fred Morrison'; colette.weber@leesburgflorida.gov; 'Pam Hester'; 'Ramirez, William Bradley'; kathryn.sikes@bankofamerica.com; 'Trivison, Tracye'; mark.raymond@hklaw.com; betty.richardson@leesburgflorida.gov; lolsen@dacbond.com; 'Douglas E Carlile'; 'lawrence A. Aubrecht'
Subject: RE: 2009 Note Closing-CONGRATULATIONS
Importance: High

Based on confirmation from both Cristina and Puggy as to wires noted in the Closing Statement, congratulations to the City on this closing and refunding. Cristina will confirm to this group the full payoff of the prior 1999 Bonds.

As we discussed with Brad and Kathy Wedn at Preclosing, it seems there is always something that makes a financing "interesting", so on behalf of the City as its FA, we certainly appreciate the hard work from the B of A Team, Fred, Mike and the rest of the Working Group. We will be shortly via Jesy circulating the final Closing Statement for Mike's Transcripts that shows the Wire Transfers. Mike is also putting the finishing touches on the Registrar and Paying Agent agreement for Cristina, and the amendment to the Custody Agreement between the City, US Bank, and the DSDA Provider (with Cristina knowing about the payments as Paying Agent under the 2009 Note to B of A). DSDA Amendment final versions were sent around yesterday effective today.

Congratulations Jerry, Puggy, and Jay (via Pam).!!! Glad we locked in the rate via B of A when we did.

Regards, and have a great day,

Jeff

cc. Jerry,

Under separate email, I will inform the DSDA Provider and its counsel that the 2009 Note has been closed, and cc you, Mike and Fred. Mike will be sending to you the papers on the Custodian Agreement amendment and DSDA Amendment, with the Reg and Paying Agent Change Reso going to the City Commission I understand per Fred on Dec 14th.

Jeff

Jeffrey T. Larson
 President
 Larson Consulting Services, LLC
 10151 University Blvd, #117
 Orlando, FL 32817
 C: (407) 496-1597
 jlarson@larsonconsults.com

From: cristina.fleitas@usbank.com [mailto:cristina.fleitas@usbank.com]
Sent: Friday, December 04, 2009 10:50 AM
To: Jeff Larson

12/4/2009

Cc: jacosta@larsonconsults.com; 'lawrence A. Aubrecht'; mike.williams@akerman.com; 'Puggy Johnson'
Subject: Re: FW: Debt service tomorrow

Jeff,

We have the wire to pay off the 1999 bonds.

Thanks.

Cris

Cristina Fleitas
Vice President and Relationship Manager
U. S. Bank National Association
Corporate Trust Services
225 East Robinson Street
Suite 250
Orlando, FL 32801
Voice Mail: (407) 835-3805
Facsimile: (407) 835-3814
E-mail: cristina.fleitas@usbank.com

From: "Jeff Larson" <jlarson@larsonconsults.com>
To: <cristina.fleitas@usbank.com>
Cc: "'Puggy Johnson'" <Puggy.Johnson@leesburgflorida.gov>, <mike.williams@akerman.com>, "'lawrence A. Aubrecht'" <laubrecht@larsonconsults.com>, <jacosta@larsonconsults.com>
Date: 12/04/2009 10:32 AM
Subject: FW: Debt service tomorrow

Cristina:

Puggy has her wire via SunTrust. Pl confirm receipt per below of your wire to pay off the 1999 bonds.

Then , if Mike is ok, we can close.

Regards,

Jeff

Jeffrey T. Larson
President
Larson Consulting Services, LLC
10151 University Blvd, #117
Orlando, FL 32817
C: (407) 496-1597
jlarson@larsonconsults.com

12/4/2009

From: Trivison, Tracye [<mailto:tracye.trivison@baml.com>]
Sent: Friday, December 04, 2009 9:04 AM
To: Jeff Larson
Cc: Ramirez, William Bradley; Sikes, Kathryn; lawrence A. Aubrecht
Subject: RE: Debt service tomorrow

Good Morning Jeff –

We have fully funded the loan this morning. The fed reference numbers are as follows:

95,046.66USD wired to SunTrust – Fed Reference # 20091204B6B7HU2R002046

6,132,353.34USD wired to US Bank – Fed Reference # 20091204B6B7HU2R002044

Please let me know if you have any questions or need anything else.

Tracye

Tracye C. Trivison
Assistant Vice President
Senior Credit Support Associate
Bank of America Merrill Lynch
Bank of America, N.A.
100 West Garden Street, 4th Floor
FL8-226-04-02
Pensacola, Florida 32502
Phone: 850-454-1061
Fax: 866-440-9185
Email: Tracye.Trivison@baml.com ** New Email**

From: Jeff Larson [<mailto:jl Larson@larsonconsults.com>]
Sent: Thursday, December 03, 2009 12:02 PM
To: Trivison, Tracye
Cc: Ramirez, William Bradley; Sikes, Kathryn; 'lawrence A. Aubrecht'
Subject: FW: Debt service tomorrow

Fyi.

Tracye

Pl email me when wires go out tomorrow am, so we can fill in blanks on attached Closing Statement.

Regards,

Jeff

Jeffrey T. Larson
President
Larson Consulting Services, LLC

12/4/2009