RESOLUTION

of the
GOVERNING BOARD
of the
ORANGE COUNTY LIBRARY DISTRICT
regarding the
SUNTRUST BANK LINE OF CREDIT

Resolution No. 2003- M-31

WHEREAS, the Governing Board of the Orange County Library District in Orange County, Florida (the "Governing Board") has determined that it is of public purpose and in the best interest of the inhabitants of the Orange County Library District, (the "District") to refinance an outstanding loan from Bank of America (f.k.a. NationsBank, N.A.) and to have available a line of credit to finance certain capital expenditures in connection with existing and future branch libraries in the District, (the "Improvements"); and

WHEREAS, in response to a request for proposal issued by the District regarding an intended refinancing and available line of credit, the District evaluated several responses and accepted SunTrust Bank's (the "Bank") proposal dated May 28, 2003; and

WHEREAS, the Governing Board has determined that it is necessary and desirable for the District to enter into a loan agreement (the "Agreement") with the Bank to refinance an outstanding bank loan at a lower interest rate, and to establish a line of credit (the "Line") to finance Improvements to be identified from time to time in the future by the District’s Board of Trustees (the “Board of Trustees”); and

WHEREAS, draws on the Line may be evidenced by the issuance of one or more notes (the "Note" or "Notes"); and;

WHEREAS, the Bank has offered to enter into the Line and to purchase such Notes at the terms set forth herein; and

WHEREAS, the debt service on the Line and the Notes (collectively, the "Obligations") shall be payable from a pledge of the District’s Non-Ad Valorem Revenues, defined herein; and

WHEREAS, it is not reasonably anticipated that more than $10,000,000 of tax-exempt obligations as described in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended from time to time, will be issued by the District in calendar year 2003.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE GOVERNING BOARD OF THE ORANGE COUNTY LIBRARY DISTRICT IN ORANGE COUNTY, FLORIDA:

SECTION 1: Authority for this Resolution. This Resolution is adopted pursuant to the provisions of the Constitution of the State of Florida, Chapter 80-555, Laws of
Florida, as amended and recodified by Chapter 99-486, Laws of Florida, (all of the
design, collectively, the "Act").

SECTION 2: Recitals. It is hereby found, ascertained, determined and declared
that:

A. The District is an independent special district created by the Legislature of
the State of Florida, duly created and validly existing under the constitutional laws of the
State of Florida.

B. It is in the public interest and a valid and proper public purpose for the
District to enter into the Agreement to refinance the loan with Bank of America (the
"Prior Loan") at a lower interest rate, and for the District to have financing available for
the Improvements as may be determined from time to time by the Board of Trustees.

C. The Bank has offered to provide the Line to the District in an amount not
to exceed $7,500,000, at the terms set forth herein pursuant to the Agreement, to provide
for the refinancing of the Prior Loan and to provide financing for the Improvements.

D. Amounts drawn under the Agreement to refinance the Prior Loan shall be
evidenced by a Note (the "Prior Loan Note") and shall be secured by a pledge of Non-Ad
Valorem Revenues, as defined herein, and amounts drawn under the Agreement to
finance the Improvements shall be evidenced by one or more Notes and shall also be
secured by a pledge of Non-Ad Valorem Revenues (each an "Improvement Note" and
collectively, the "Improvement Notes", and collectively with the Prior Loan Note, the
"Notes").

E. Because of the characteristics of the Notes, prevailing market conditions,
and additional savings to be realized from an expeditious sale of the Notes, it is in the
best interest of the District to accept the proposal of the Bank to provide financing in a
negotiated-sale fashion. Prior to the issuance of each Note, the District shall receive from
the Bank a Purchaser's Certificate, the form of which is attached hereto as Exhibit A and
the Disclosure Letter containing the information required by Section 218.385, Florida
Statutes, a form of which is attached hereto as Exhibit B.

F. In consideration of the purchase and acceptance by the Bank of the Notes
authorized to be issued hereunder, this Resolution and the Agreement shall constitute a
contract between the District and the Bank.

SECTION 3: Authorization of the Agreement. In order to provide for the
security of the Notes, and to express the contract between the District and the owners
thereof, the District does hereby authorize the execution and delivery on behalf of the
District by the President of the Board of Trustees (the "President"), of the Agreement
with the Bank. The Agreement shall be in substantially the form thereof attached hereto
and marked Exhibit C and is hereby approved, with such nonsubstantive changes therein
as shall be approved by the President executing the same, with such execution to
constitute conclusive evidence of the District's approval of any such changes. Subject and
pursuant to the provisions of this Resolution and the terms and provisions of the
Agreement, there is hereby authorized to be issued one or more promissory notes to
evidence the District's obligations under the Agreement. The Notes are authorized to be

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issued in an aggregate principal amount not to exceed $7,500,000. In order to provide for
the terms of the Bank’s commitment to provide the Line, the President has executed the
Bank’s letter of commitment (the "Commitment") a form of which is attached hereto as
Exhibit D, and such execution is hereby approved, ratified, validated, and confirmed.

SECTION 4: Authorization of the Notes. Amounts outstanding from time to
time under the Agreement will be repaid over a term for each Note not to exceed ten
years as provided in the Agreement. Interest on amounts advanced under the Agreement
will be payable in semi-annual installments commencing on February 1, 2004 and on
each August 1 and February 1 thereafter (each a “Payment Date”), and shall bear interest
at such rates as determined pursuant to the terms of the Agreement. Each Note issued
pursuant to the Agreement shall initially be dated the date of the draw under the
Agreement. Each Note shall be substantially in the form attached to the Agreement, with
such non-material changes as shall be approved by the President, such approval to be
conclusively evidenced by the execution thereof by the President. Each Note shall be
executed on behalf of the District with the manual signature of the President and attested
to by the Secretary of the Board of Trustees. In case the President, who shall have signed
or sealed a Note ceases to be the President before such Note so signed and sealed has
been actually sold and delivered, such Note may nevertheless be sold and delivered as
herein provided and may be issued as if the person who signed or sealed such Note had
not ceased to hold such office. Each Note may be signed and sealed on behalf of the
District by the President who at the actual time of the execution of such Note shall hold
the proper office of the District, although, at the date of such Note, such person may not
have held such office or may not have been so authorized.

SECTION 5: Covenant to Budget and Appropriate to Secure the Note. Until the
Notes are paid or deemed paid pursuant to the provisions of the Agreement, the District
hereby covenants and agrees to appropriate in its annual budget, by amendment if
necessary, from Non-Ad Valorem Revenues legally available in each Fiscal Year,
amounts sufficient to pay the principal of and interest on the Note(s) coming due each
Fiscal Year. Such covenant and agreement on the part of the District to budget and
appropriate such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent
not paid and shall continue either until such Non-Ad Valorem Revenues or other legally
available funds in amounts sufficient to make all such required payments shall have been
budgeted, appropriated and actually paid or until provision of all such required payments
shall have been made. Notwithstanding the foregoing, the District does not covenant to
maintain any services or programs, now provided or maintained by the District, which
generate Non-Ad Valorem Revenues.

Such covenant to budget and appropriate shall not require the District to
levy and collect any particular Non-Ad Valorem Revenues, nor shall it give the Bank or
any subsequent holder of the Note a prior claim on the Non-Ad Valorem Revenues as
opposed to claims of general creditors of the District. Such covenant to appropriate
Non-Ad Valorem Revenues shall be on a parity with all payment obligations secured by a
pledge of such Non-Ad Valorem Revenues heretofore or hereafter entered into (including
the payment of debt service on bonds and other debt instruments). However, the
covenant to budget and appropriate in its annual budget for the purposes and in the manner stated herein shall have the effect of making available for the payment of the Note, in the manner described herein, Non-Ad Valorem Revenues and placing on the District a positive duty to appropriate and budget, by amendment if necessary, amounts sufficient to meet its obligations hereunder; subject, however, in all respects to the payment of services and programs which are for essential public purposes of the District, revenues designated by the District for any other purpose, or revenues which are legally mandated by applicable laws to be used only for specified other purposes.

SECTION 6: Pledge of Security. The District does hereby pledge, as security for amounts due under the Notes, to appropriate Non-Ad Valorem Revenues of the District sufficient in amount to pay the principal of and interest on the Notes.

SECTION 7: Establishment of Payment Account. There is hereby created an account of the District which shall be designated the "Payment Account". The Payment Account shall be maintained by the District. No later than the tenth day prior to each Payment Date (or the immediately succeeding Business Day if such date is not a Business Day), the District shall deposit into the Payment Account Non-Ad Valorem Revenues in an amount sufficient to pay the payment which is due and owing under the Agreement (the "Loan Payment") on such Payment Date. In addition to Non-Ad Valorem Revenues, the District may, in its sole discretion deposit into the Payment Account any revenues other than Non-Ad Valorem Revenues legally available to pay Loan Payments. On each Payment Date, the District shall disburse from the Payment Account to the Bank, an amount equal to the Loan Payment which is due on such Payment Date. The Payment Account established herein is being created by the District for administrative purposes and the Non-Ad Valorem Revenues deposited into the Payment Account pursuant to this Resolution shall secure the Loan Payments due and owing under the Notes.

SECTION 8: Agency Authorization. The Board of Trustees, the President, the Library Director, and all other officers, employees, and agents of the District are hereby authorized and directed to do all acts and things required of them and of the District by the provisions of the Line, the Notes, the Agreement and the Resolution, to the end that full compliance with the terms thereof shall be effected. As allowed by Subsection 9(10) of the Act, the Governing Board hereby appoints the Board of Trustees to serve as its agent, and to enter into contracts, including but not limited to the Line, the Notes, and the Agreement, and to take all necessary or useful actions on behalf of the Governing Board, in connection with the Agreement and this Resolution.

SECTION 9: Payment of Principal and Interest; Limited Obligation. The District promises that it will promptly pay the principal of and interest on the Notes and all other amounts due under the Agreement at the place, on the dates and in the manner provided in the Agreement according to the true intent and meaning hereof and thereof. Amounts due under the Agreement shall not be or constitute a general obligation or indebtedness of the District as a "bond" within the meaning of Article VII, Section 12 of the Constitution of Florida, but shall be payable solely from the Non-Ad Valorem Revenues in accordance with the terms hereof. No holder of any Note issued hereunder shall ever have the right to compel the exercise of any ad valorem taxing power to pay such Note, or be entitled to payment of such Note from any funds of the District except
from the Non-Ad Valorem Revenues as described herein. Notwithstanding the
foregoing, however, the actual payment from time to time of amounts due under the
Agreement may be made by the District, at its discretion, from any lawfully available
funds.

SECTION 10: Prerequisites Performed. The District has performed all acts,
conditions, and things relating to the passage of this Resolution as are required by the

SECTION 11: 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 12: Applicable Provisions of Law. This Resolution shall be governed
by and construed in accordance with the laws of the State of Florida.

SECTION 13: Rules of Interpretation. Unless expressly indicated otherwise,
references to sections or articles are to be construed as references to sections or articles of
this instrument as originally executed. Use of the words "herein," "hereby," "hereunder,"
"hereof," "hereinbefore," "hereinafter" and other equivalent words refer to this Resolution
and not solely to the particular portion in which any such word is used.

SECTION 14: Captions. The captions and headings in this Resolution are for
convenience only and in no way define, limit or describe the scope or intent of any
provisions or sections of this Resolution.

SECTION 15: No Personal Liability. Notwithstanding anything to the contrary
contained herein or in a Note, or in any other instrument or document executed by or on
behalf of the District in connection herewith, no stipulation, covenant, agreement or
obligation contained in this Resolution, the Agreement, or any Notes shall constitute a
liability of any present or future member of the Governing Board or Board of Trustees of
the District, or of any officer, employee or agent of the District, or of any successor to the
District, in any capacity, and no such person, shall be liable personally for any breach or
non-observance of or for any failure to perform, fulfill or comply with any such
stipulations, covenants, agreements or obligations, nor shall any recourse be had for the
payment of the principal of or interest on any Note, or for any claim based thereon, or on
any such stipulation, covenant, agreement or obligation, against any such person, in his or
her individual capacity, either directly or through the District or any successor to the
District, under any rule or law or equity, statute or constitution, or by the enforcement of
any assessment or penalty or otherwise, and all such liability of any such person is hereby
expressly waived and released.

SECTION 16: Superceding Effect. All resolutions and other official actions, or
parts thereof, in conflict herewith, if any, are hereby superceded.

SECTION 17: No Third Party Beneficiaries. Except such other persons as may
be expressly described in this Resolution, nothing in this Resolution, expressed or
implied, is intended or shall be construed to confer upon any person, other than the
District and the holder of the Notes, any right, remedy or claim, legal or equitable, under and by reason of this Resolution, or any provision thereof, all provisions thereof being intended to be and being for the sole and exclusive benefit of the District and the persons who shall from time to time be the holders of the Notes.

SECTION 18: Designation of Notes as Qualified Tax-Exempt Obligations. The District hereby designates the Notes as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code. This designation is based upon the recital of the District set forth in the last whereas clause of this Resolution and the President is authorized to certify such finding upon the issuance of such Notes.

SECTION 19: Effective Date. This Resolution shall take effect immediately upon its adoption and execution.

[Signature page to follow]
PASSED AND RESOLVED at the regular meeting of the Governing Board of the Orange County Library District held in the Orange County, Florida, on the day of August, 2003.

Orange County Library District
By: Governing Board

ATTEST: Martha O. Haynie, Orange County Comptroller, as Clerk to the Governing Board

By: Deputy Clerk
EXHIBIT A
FORM OF PURCHASER’S CERTIFICATE

This is to certify that SunTrust Bank (the "Purchaser") has not required the Orange County Library District (the "Issuer") to deliver any offering document and has conducted its own investigation, to the extent it deems satisfactory or sufficient, into matters relating to business affairs or conditions (either financial or otherwise) of the Issuer in connection with the issuance of its Promissory Notes (the "Notes") securing amounts drawn on a line of credit issued by the Purchaser to the Issuer in an amount not to exceed $7,500,000, and no inference should be drawn that the Purchaser, in the acceptance of said Notes, is relying on Gray, Harris & Robinson, P.A. ("Note Counsel") as to any such matters other than the legal opinion rendered by Note Counsel. Any capitalized terms used herein not otherwise defined shall have the meaning set forth in the loan agreement dated as of ____________, 2003 by and between the Issuer and the Purchaser (the "Loan Agreement").

We acknowledge and understand that Resolution No. 2003-__ adopted by the Governing Board of the Issuer on ____________, 2003 is not being qualified under the Trust Indenture Act of 1939, as amended (the "1939 Act"), and is not being registered in reliance upon the exemption from registration under Section 3(a)(2) of the Securities Act of 1933, Section 517.051(1), Florida Statutes, and/or Section 517.061(7), Florida Statutes, and that neither the Issuer, Note Counsel nor the County Attorney shall have any obligation to effect any such registration or qualification.

We are not acting as a broker or other intermediary, but are purchasing the Notes as an investment for our own account and not with a present view to a resale or other distribution to the public. We understand that the Notes may not be transferred except to an "accredited investor" as described below in accordance with the restrictions set forth in the Notes.

We are a bank, trust company, savings institution, insurance company, dealer, investment company, pension or profit-sharing trust, or qualified institutional buyer as contemplated by Section 517.061(7), Florida Statutes. We are not purchasing the Notes for the direct or indirect promotion of any scheme or enterprise with the intent of violating or evading any provision of Chapter 517, Florida Statutes.

We are an "accredited investor" as such term is defined in the Securities Act of 1933, as amended, and Regulation D thereunder.

DATED this __ day of ____________, 2003.

SUNTRUST BANK

By: __________________________
Name: ________________________
Title: Vice President
EXHIBIT B
FORM OF DISCLOSURE LETTER

The undersigned, as purchaser, proposes to negotiate with the Orange County Library District (the "Issuer") for the private purchase of a Promissory Note(s) (the "Note" or "Notes") securing amounts drawn on a line of credit issued by the Purchaser to the Issuer in an amount not to exceed $7,500,000. Prior to the award of the Notes, the following information is hereby furnished to the Issuer:

1. Set forth is an itemized list of the nature and estimated amounts of expenses to be incurred for services rendered to us (the "Bank") in connection with the issuance of the Notes (such fees and expenses to be paid by the Issuer):

   Bank Counsel Fees -- $________

2. (a) No fee, bonus or other compensation is to be paid by the Bank in connection with the issuance of the Notes to any person not regularly employed or retained by the Bank (including any "finder" as defined in Section 218.386(1)(a), Florida Statutes).

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

3. The amount of the underwriting spread expected to be realized by the Bank is $-0-.

4. The management fee to be charged by the Bank is $-0-.

5. Truth-in-Bonding Statement:

The Notes are being issued primarily to refinance a prior loan from NationsBank, N.A. and to finance the cost of certain capital expenditures in connection with existing and future branch libraries located within the Orange County Library District.

Unless earlier redeemed, the Prior Loan Note is expected to be repaid by August 1, 2010. The Improvement Notes shall each have 10 year terms. The Prior Loan Note for refinancing the Prior Loan is expected to be in an aggregate principal amount equal to $2,547,962.96 and will bear interest at a fixed rate to be calculated as of one day prior to draw using the following formula: 67% of {5 year U.S. Dollar Swap Rate} + 0.61%. The Improvement Note(s) for financing the certain capital expenditures in connection with existing and future branch libraries in the District, are expected to bear interest at a fixed rate to be calculated as of two days prior to the draw using the following formula: 67% of {10 year U.S. Dollar Swap Rate} + 0.42%.

The Notes will be payable solely from funds received by the District from its collection of non-ad valorem revenues (the "Non-Ad Valorem Revenues"), as described in Resolution No. 2003-___
adopted on __________, 2003 (the "Resolution").

6. The name and address of the Bank is as follows:

   SunTrust Bank
   200 South Orange Avenue
   Orlando, Florida 32801

   IN WITNESS WHEREOF, the undersigned has executed this Disclosure Letter on behalf of the
   Bank this ___ day of __________, 2003.

   SUNTRUST BANK

   By: ______________________________
   Name: __________________________
   Title: Vice President
LOAN AGREEMENT

Dated as of _________, 2003

By and Between

ORANGE COUNTY LIBRARY DISTRICT

(the “District”)

and

SUNTRUST BANK

(the “Bank”)


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LOAN AGREEMENT

THIS LOAN AGREEMENT (the "Agreement"), made and entered into as of this ___ day of _______, 2003, by and between the ORANGE COUNTY LIBRARY DISTRICT, an independent special district created and established by the legislature of the State of Florida and its successors and assigns (the "District") and SUNTRUST BANK, a Georgia banking corporation authorized to do business in Florida, and its successors (the "Bank").

WITNESSETH:

WHEREAS, the District, pursuant to the provisions of the Florida Constitution, Chapter 99-486, Laws of Florida, as amended and supplemented (collectively, the "Act"), and any other applicable provisions of law and Resolution No. _______, passed by the Governing Board of the District on ____________, 2003 is authorized to issue bonds, revenue bonds, tax or bond anticipation notes or other forms of indebtedness; and

WHEREAS, in response to a request for proposals issued by the District regarding an intended refinancing of a portion of the District’s outstanding debt to reduce interest cost, and desire to obtain a line of credit to finance certain capital expenditures in connection with existing and future branch libraries in the District (the “Improvements”) the Bank submitted a proposal dated May 28, 2003; and

WHEREAS, the District has accepted the Bank’s proposal, and the Bank is willing to issue promissory notes in aggregate principal amount not to exceed $7,500,000 to refinance a portion of the District’s outstanding debt and to establish a line of credit to finance Improvements but only upon the terms and conditions of this Agreement;

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

DEFINITION OF TERMS

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

“Act” shall have the meaning assigned to that term in the recitals hereof.

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

“Bank” shall mean SunTrust Bank, and its successors.

“Board of Trustees” shall mean the Orange County Library Board of Trustees as established in Section 8 of the Act.
“Business Day” shall mean any day other than a Saturday, a Sunday, or a day on which banks in Orlando, Florida are authorized or required to be closed.

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

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

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

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

“District” shall mean the Orange County Library District, an independent special district created by the legislature of the State of Florida.

“Event of Default” shall mean an Event of Default as defined in Section 5.01 of this Agreement.
“Final Maturity Date” shall mean the date on which all principal and all unpaid interest accrued on a Note shall be due and payable in full. The Prior Loan Note shall be repaid by August 1, 2010, and each Improvement Note shall be repaid 10 years after its date of draw.

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

“Governing Board” shall mean the Governing Board of the District as established in Subsection 5(3) of the Act.

“Improvement Note(s)” shall mean one or more promissory notes issued to finance Improvements within the District.

“Library Director” shall mean the director and senior employee of the library system owned and operated by the District.

“Loan” shall collectively refer to an amount equal to the outstanding and unpaid principal amount of the Prior Loan Note and the Improvement Note(s) and all accrued interest thereon.

“Loan Payment Date” shall mean February 1 and August 1 of each calendar year while the Note(s) are outstanding, beginning February 1, 2004.

“Loan Payments” shall mean principal and interest, and other debt-related costs, due in connection with the Note(s).

“Maximum Corporate Tax Rate” shall mean (a) on the date of issuance of a Note, 35% and (b) thereafter, the maximum marginal rate of income tax imposed on corporations under Section 11 of the Code.

“Non-Ad Valorem Revenues” shall mean all legally available non-ad valorem revenues of the District which are deposited into the Payment Account. The term does not include revenues designated by the District for services and programs that are for an essential public purpose affecting the health, welfare and safety of the inhabitants of the District, revenues which are designated by the District for any other purpose, or revenues that are legally mandated by applicable laws to be used for specified other purposes.

“Note or Notes” shall mean the Prior Loan Note and the Improvement Note(s).

“Note Counsel” shall mean, initially, Gray, Harris & Robinson, P.A., Orlando, Florida, or any other attorney at law or firm of attorneys of nationally recognized standing in matters pertaining to the federal tax exemption of interest on obligations issued by states and political subdivisions and which is retained by the District.

“Note Rate” shall mean: (a) the rate of interest to be borne by the Notes as set forth under Article III, (unless (b) or (c) apply); (b) following the occurrence and during the continuance of
any Event of Default, the Default Rate; or (c) following a Determination of Taxability, the Taxable Rate; provided that such rate shall be subject to adjustments pursuant to Sections 3.03 and 3.04 hereof.

"Noteholder" shall mean the Bank as the owner of the Note(s) and any subsequent registered owner of the Note(s).

"Payment Account" shall mean that certain Payment Account created and established pursuant to the Resolution.

"President" shall mean the President of the Board of Trustees.

"Prime Rate" shall mean a rate of interest equal to the announced per-annum prime commercial lending rate of the Bank. The Prime Rate is a reference rate for the information and use of the Bank in establishing the actual rate to be charged to the District. The Prime Rate is purely discretionary and is not necessarily the lowest or best rate charged any customer. The Prime Rate shall be adjusted from time to time without notice or demand as of the effective date of any announced change thereof.

"Prior Loan" shall mean the District's $4,000,000 Orange County Library District Revenue Line of Credit Note, Series 1998.

"Prior Loan Note" shall mean the District's promissory note authorized in principal amount equal to $2,547,962.96 for the purpose of refinancing the outstanding portion of the District's Prior Loan.

"Resolution" shall mean Resolution No. 2003-__, adopted at a meeting of the Governing Board of the District on _____________, 2003 which, among other things, authorized and confirmed the borrowing of the Loan and execution and delivery of this Agreement and the issuance of the Note, and such supplementary resolutions of the District as are satisfactory to the Bank.

"Taxable Rate" shall mean the Prime Rate less 0.5% per annum, based upon a 360-day year based upon twelve 30-day months, or (if lower) the maximum interest rate permitted by law.


Section 1.02. Interpretation. Unless the context clearly requires otherwise, words of masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa. Any capitalized terms used in this Agreement not herein defined shall have the meaning ascribed to such terms in the Resolution. This Agreement and all the terms and provisions hereof shall be construed to effectuate the purpose set forth herein and to sustain the validity hereof.
Section 1.03. Titles and Headings. The titles and headings of the Articles and Sections of this Agreement, which have been inserted for convenience of reference only and are not to be considered a part hereof, shall not in any way modify or restrict any of the terms and provisions hereof, and shall not be considered or given any effect in construing this Agreement or any provision hereof or in ascertaining intent, if any question of intent should arise.
ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE PARTIES

Section 2.01. Representations and Warranties of District. The District represents and warrants to the Bank as follows:

(a) Existence. The District is an independent special district created by the legislature of the State of Florida, duly created and validly existing under the laws of the State of Florida, with full legal power and authority to adopt the Resolution, to enter into this Agreement, to perform its obligations hereunder and to issue and deliver the Notes to the Bank. The making, execution and performance of this Agreement on the part of the District and the issuance and delivery of the Notes have been duly authorized by all necessary action on the part of the District and will not violate or conflict with the Act, or any agreement, indenture or other instrument by which the District or any of its material properties is bound.

(b) Validity, Etc. This Agreement, the Notes and the Resolution are or will be valid and binding obligations of the District and, assuming the due execution by other parties thereto, are or will be enforceable against the District in accordance with their respective terms, except to the extent that enforceability may be subject to valid bankruptcy, insolvency, financial emergency, reorganization, moratorium or similar laws relating to or from time to time affecting the enforcement of creditors' rights and except to the extent that the availability of certain remedies may be precluded by general principles of equity.

(c) No Financial Material Adverse Change. No financial material adverse change has occurred in the District since the last audited financial statement (for fiscal year 2002) was prepared.

(d) Powers of District. The District has the legal power and authority to covenant to budget and appropriate the Non-Ad Valorem Revenues.

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

(a) Existence. The Bank is a Georgia banking corporation, authorized to do business in the State of Florida, with full power to enter into this Agreement, to perform its obligations hereunder and to make the Loan. The performance of this Agreement on the part of the Bank and the making of the Loan have been duly authorized by all necessary action on the part of the Bank and will not violate or conflict with applicable law or any material agreement, indenture or other instrument by which the Bank or any of its material properties is bound.

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

(c) **Knowledge and Experience.** The Bank (i) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of making the Loan and investing in the Note, (ii) has received and reviewed such financial information concerning the District as it has needed in order to fairly evaluate the merits and risks of making the Loan and investing in the Notes; (iii) is an “accredited investor” as such term is defined in Regulation D to the Securities Act of 1933; and (iv) is purchasing the Note(s) as an investment or investments for its own account and not with a view toward resale to the public. The Bank will not transfer Notes except to other banks affiliated within SunTrust Bank or any subsidiary thereof.
ARTICLE III

THE NOTES

Section 3.01. Principal Amount. On the date of this Agreement, the Bank shall make available to the District the Loan in the aggregate principal amount of Seven Million Five Hundred Thousand Dollars ($7,500,000).

(a) Purpose and Use. The District shall be permitted to make one or more draws under the Loan, each of which shall constitute a separate borrowing evidenced by either the Prior Loan Note or the Improvement Note(s), in either case such Note being executed by the President of the Board of Trustees. The first draw under this Agreement shall be evidenced by the Prior Loan Note, which shall be issued at such time as the President of the Board of Trustees deems appropriate, and the proceeds thereof shall be used to refinance the Prior Loan. Thereafter, draws shall be evidenced by Improvement Notes, and the proceeds thereof shall be used for Improvements.

(b) Expiration of the Improvement Note Line of Credit. On the first anniversary date of this Agreement, and every anniversary date thereafter, the line of credit available for the Improvement Notes will automatically renew unless the Bank delivers written notice to the District no later than the 90th day before the anniversary that the line of credit will expire and not be renewed.

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

(a) Amount of Note. Each Note shall have a principal amount equal to the amount of the draw requested by the District, provided however that the aggregate principal amount of the Prior Loan Note and all Advances (defined herein) under this Loan shall not exceed Seven Million Five Hundred Thousand Dollars ($7,500,000).

(b) Interest. Each Note shall bear interest at its respective Note Rate: (i) the Prior Loan Note shall bear interest at a fixed rate to be calculated as of one day prior to draw using the following formula: $0.61%; and (ii) the Improvement Notes shall bear interest at a fixed rate to be calculated, in the case of each Improvement Note, as of two days prior to draw using on the following formula: 67% of \(\{10\text{-Year U.S. Dollar Swap Rate}\} + 0.42\%.

Upon the occurrence of one or more of the events specified in Sections 3.03 or 3.04 of this Agreement, the Note Rate shall be adjusted as therein provided. Interest on the Note shall be computed on the basis of twelve 30-day months and a 360-day year.

(c) Advances Under the Improvement Note(s). The Improvement Note(s) may be drawn upon in multiple drawings (each an “Advance”) under the following terms:
(i) each Advance must be requested by the District (an “Advance Request”) in writing and executed by the President of the Board of Trustees no later than five (5) Business Days prior to such Advance, in substantially the form attached hereto as Exhibit B;

(ii) each Advance Request must be a minimum principal amount of at least Two Hundred and Fifty Thousand Dollars ($250,000) or such smaller amount which will deplete all amounts available from the original $4,952,037.04 maximum principal amount available for the Improvement Note(s) under this Agreement;

(iii) the District shall be limited to no more than one Advance per month;

(iv) each Advance Request must state that the District remains in full compliance with the terms of this Agreement, and the agreements which are incorporated herein by reference, that no Event of Default currently exists, and that no Event of Default would exist with the passage of time or the giving of notice;

(v) the Note will set forth the terms of principal and interest repayment of the Advance, including without limitation the principal and interest payment dates and principal amortization, if any, which will in no event shall be beyond the Final Maturity Date;

(vi) the conditions set forth in Section 3.05 of this Agreement must have been satisfied prior to an Advance; and

(vii) no Advance Request shall be honored after the occurrence of an Event of Default.

(d) Prepayments. Each Note shall be subject to prepayment by the District prior to each Note's Final Maturity Date, subject to the terms of Section 4.08 herein. Each prepayment shall be made on such date and in such principal amount as shall be specified by the District in a written notice delivered to the Noteholder thirty (30) days prior to the specified prepayment date. Any prepayments shall be applied to the sums last maturing under the Note.

Section 3.03. Adjustments to Note Rate. In addition to the circumstance described in Section 3.04 of this Agreement, the Note Rate shall be subject to adjustment by the Bank if the interest on the Notes becomes includable in the gross income of the Bank for Federal income tax purposes (an “Event of Taxability”) or because of the enactment of any amendments to existing law, the effect of which would adversely affect the Bank's after-tax yield. This adjustment shall survive payment of the Notes until such time as the federal statute of limitations under which the interest on the Notes could be declared taxable under the Code shall have expired. For so long as the Notes are owned by the Bank, the Note Rate set forth above assumes a maximum corporate tax rate of 35%. In the event of a change in the maximum corporate tax rate, so long as the Notes are owned by the Bank, or its successors and assigns, the Bank shall have the right to adjust such Interest Rate in order to maintain the same after-tax yield.
Section 3.04. Compliance with Section 215.84. The District represents, warrants, and covenants that the Note Rate, as currently calculated in accordance with Section 215.84, Florida Statutes, is in compliance with Section 215.84, Florida Statutes.

Section 3.05. Conditions Precedent to Advances. Prior to or simultaneously with the delivery of the Prior Loan Note or Improvement Note(s) by the District, there shall be filed with the Bank the following, each in form and substance reasonably acceptable to the Bank:

(a) an opinion of counsel to the District to the effect that:

(i) the Resolution has been duly adopted and this Agreement has been duly authorized, executed and delivered by the District and constitutes a valid, binding and enforceable agreement of the District in accordance with its terms, except to the extent that the enforceability of the rights and remedies set forth herein may be limited by bankruptcy, insolvency, financial emergency or other laws affecting creditors' rights or by usual equity principles;

(ii) the District's execution, delivery and performance of this 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, and no taxes are payable in connection therewith;

(iii) the execution, issuance and delivery of the Notes have been duly and validly authorized by the District;

(iv) the District: (A) is an independent special district duly organized and validly existing under the laws of the State of Florida; and (B) has power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby;

(v) the execution, delivery and performance of the Note and this Agreement, and compliance with the terms thereof and hereof, under the circumstances contemplated hereby, do not and will not in any material respect conflict with, or constitute on the part of the District a breach or default under any indenture, mortgage, deed of trust, agreement or other instrument to which the District 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 District or its properties are subject;

(vi) to the best of such counsel's knowledge, there is no claim, action, suit, proceeding, inquiry, investigation, litigation or other proceeding, at law or in equity, pending or threatened in any court or other tribunal, state or federal: (A) restraining or enjoining, or seeking to restrain or enjoin, the issuance, sale, execution or delivery of the Note; or (B) in any way questioning or affecting the validity or enforceability of any provision of this Agreement, the Note, or the Resolution; or (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 District or the right of any of its officers to their respective offices;

(vii) the District has the legal power to pledge and to covenant to budget and appropriate the Non-Ad Valorem Revenues as described in this Agreement; and

(viii) all conditions contained in the Resolution of the District precedent to the issuance of the Note have been complied with;

(b) an opinion of Note Counsel (who may rely on opinion of counsel to the District), stating that such counsel are of the opinion that:

(i) the Resolution constitutes a valid and binding obligation of the District enforceable upon the District in accordance with its terms;

(ii) the Note is a valid and binding special obligation of the District enforceable in accordance with its terms, payable solely from the sources provided therefore in the Resolution;

(iii) assuming compliance by the District with certain covenants relating to requirements contained in the Code: (A) interest on the Note is excluded from gross income for purposes of federal income taxation; and (B) interest on the Note is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations;

(iv) the Note is exempt from intangible taxes imposed pursuant to Chapter 199, Florida Statutes; and

(v) the Note has been designated as a qualified tax-exempt obligation pursuant to Section 265(b)(3) of the Code.

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

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

When the documents and items mentioned in clauses (a) through (d), inclusive, of this Section shall have been filed with the Bank, and when the Note shall have been executed as required by this Agreement, and all conditions of the Resolution have been met, the District shall deliver the Note to or upon the order of the Bank, but only against the District's receipt of the initial proceeds of the Advance.
Section 3.06. Registration of Transfer; Assignment of Rights of Bank. The District shall keep at the office of the Library Director in the District's records the registration of the Notes and the registration of transfers of the Notes as provided in this Agreement. Subject to the restriction set forth in the fourth paragraph of this Section, a transfer of the Notes may be registered upon the books kept for the registration of the Notes upon surrender thereof to the District together with an assignment duly executed by the Bank or its attorney or legal representative in the form of the assignment set forth on the form of the Note attached as Exhibit A to this Agreement. Notes may be transferred only in whole, not in part. In the case of any such registration of transfer, the District shall execute and deliver in exchange for the surrendered Note a new Note registered in the name of the transferee. In all cases in which Notes shall be transferred hereunder, the District shall execute and deliver at the earliest practicable time new Notes in accordance with the provisions of this Agreement. The District may make a charge for every such registration of transfer of a Note sufficient to reimburse it for any tax or other governmental charges required to be paid with respect to such registration of transfer, but no other charge shall be made for registering the transfer hereinafore granted. The Notes shall be issued in fully registered form and shall be payable in any coin or currency of the United States.

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

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

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

Section 3.07. Ownership of the Notes. The party in whose name the Notes are registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the Notes shall be made only to the registered owner thereof or such owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon each Note, and interest thereon, to the extent of the sum or sums so paid.

The registered owner of each Note is hereby granted power to transfer absolute title thereof by assignment thereof to a bona fide purchaser for value (present or antecedent) without
notice of prior defenses or equities or claims of ownership enforceable against such owner's assignor or any person in the chain of title and before the maturity of each Note; provided, however, that each Note may be transferred only in whole and not in part and provided further, that no transfer shall be permitted absent the District's (and the Bank's) receipt of a disclosure statement in form and substance similar to the one delivered by the Bank pursuant to Subsection 218.385(6), Florida Statutes from such proposed transferee. Every prior registered owner of each Note shall be deemed to have waived and renounced all of such owner's equities or rights therein in favor of every such bona fide purchaser, and every such bona fide purchaser shall acquire absolute title thereto and to all rights represented thereby.

Section 3.08. Use of Proceeds of Notes Permitted Under Applicable Law. The District represents, warrants and covenants that the proceeds of the Prior Loan Note will be used solely to refinance the Prior Loan and that the proceeds of each Improvement Note will be used solely for financing the Improvements, and that such use is permitted by applicable law.
ARTICLE IV

COVENANTS OF THE DISTRICT

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

Section 4.02. Payment of Note.

(a) The District covenants that it will promptly pay the principal of and interest on each Note at the place, on the dates, and in the manner provided herein and in each Note, in accordance with the terms thereof. Pursuant to Section 4.03 hereof, the District hereby irrevocably pledges (until repayment) the Non-Ad Valorem Revenues as security for the repayment of each Note evidenced thereby.

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

Section 4.03. Covenant To Budget And Appropriate. Pursuant to the Resolution, the District hereby covenants and agrees to appropriate in its annual budget, by amendment if necessary, from Non-Ad Valorem Revenues legally available in each Fiscal Year, amounts sufficient to pay the principal of and interest on the Note(s) coming due each Fiscal Year. Such covenant and agreement on the part of the District to budget and appropriate such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid and shall continue either until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated and actually paid or until provision of all such required payments shall have been made. Notwithstanding the foregoing, the District does not covenant to maintain any services or programs, now provided or maintained by the District, which generate Non-Ad Valorem Revenues.

Such covenant to budget and appropriate shall not require the District to levy and collect any particular Non-Ad Valorem Revenues, nor shall it give the Bank or any subsequent holder of the Note a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the District. Such covenant to appropriate Non-Ad Valorem Revenues shall be on parity with all payment obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereafter entered into (including the payment of debt service on bonds and other
debt instruments). However, the covenant to budget and appropriate in its annual budget for the purposes and in the manner stated herein shall have the effect of making available for the payment of the Note, in the manner described herein, Non-Ad Valorem Revenues and placing on the District a positive duty to appropriate and budget, by amendment if necessary, amounts sufficient to meet its obligations hereunder; subject, however, in all respects to the payment of services and programs which are for essential public purposes of the District, revenues designated by the District for any other purpose, or revenues which are legally mandated by applicable laws to be used only for specified other purposes.

Section 4.04. Reserved.

Section 4.05. Tax Covenant. The District covenants to the purchasers of the Note(s) provided for in this Agreement that the District will not make any use of the proceeds of the Note(s) at any time during the respective terms of such Note(s) which, if such use had been reasonably expected on the date the Note(s) were issued, would have caused such Note(s) to be an “arbitrage bond” within the meaning of the Code. The District will comply with the requirements of the Code and any valid and applicable rules and regulations promulgated thereunder necessary to ensure the exclusion of interest on the Note(s) from the gross income of the holders thereof for purposes of federal income taxation.

Section 4.06. Budget and Other Financial Information. The District shall within two hundred ten (210) days following the end of each Fiscal Year of the District, provide the Noteholder with a copy of the District’s audited financial statements for the preceding Fiscal Year. The District shall also provide the Noteholder with a copy of its annual budget within 30 days of adoption, and any other information the Noteholder may reasonably request.

Section 4.07. Additional Debt. The District shall not issue additional debt secured by the Non-Ad Valorem Revenues unless the debt service coverage on the existing and proposed debt is greater than 1.75 times based on the most recent fiscal year revenues.

Section 4.08. Prepayment. The Note shall be prepayable in whole or in part at any time with thirty (30) day notice as follows:

(a) Prior Loan Note:
   (i) if the redemption period is prior to July 31, 2006, the redemption price is 103%;
   (ii) if the redemption period is August 1, 2006 through July 31, 2008, the redemption price is 101.5%. Thereafter, the redemption price is 100%.
(b) Improvement Note(s):

(i) if the redemption period is prior to the fourth anniversary date of the draw, the redemption price is 103.0%;

(ii) if the redemption period is from the fourth anniversary date to the seventh anniversary date, the redemption price is 101.5%. Thereafter, the redemption price is 100%.

Alternatively, the Bank will allow the District to repay draws with respect to any particular Note at any time, without premium, if the District agrees to pay an up front structuring fee in the amount of 25 basis points (0.25%) of the amount of the draw.
ARTICLE V

EVENTS OF DEFAULT AND REMEDIES

Section 5.01. Events of Default. Each of the following is hereby declared an “Event of Default”:

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

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

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

(d) the District defaults in the due and punctual payment of any other obligation or evidence of indebtedness which is secured in whole or in part by a pledge of, or is payable from, the Non-Ad Valorem Revenues; or

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

(f) any proceedings are instituted with the consent or acquiescence of the District, for the purpose of effecting a compromise between the District and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statute now or hereinafter enacted; or

(g) the District 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, declares a financial emergency or consents to the appointment of a receiver or trustee for itself, or shall file a petition or answer seeking reorganization or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof; or

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

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

Section 5.02. Exercise of Remedies. Upon the occurrence and during the continuance
of an Event of Default, each Note shall bear interest at the Default Rate. Upon the occurrence
and during the continuance of an Event of Default, a Noteholder may proceed to protect and
enforce its rights under the laws of the State of Florida or under this Agreement by such suits,
actions or special proceedings in equity or at law, or by proceedings in the office of any board or
officer having jurisdiction, either for the specific performance of any covenant or agreement
contained herein or in aid or execution of any power herein granted or for the enforcement of any
proper legal or equitable remedy, as a Noteholder shall deem most effective to protect and
enforce such rights. Without limiting the generality of the foregoing, the Noteholder shall have
the right to bring a mandamus action to require the District to perform its obligations under
Article IV of this Agreement.

In the enforcement of any remedy under this Agreement, to the extent permitted by law, a
Noteholder shall be entitled to sue for, enforce payment of and receive any and all amounts then
or during any default becoming, and at any time remaining, due from the District for principal,
interest or otherwise under any of the provisions of this Agreement or of a Note then unpaid,
with interest on overdue payments of principal and interest (to the extent permitted by law) at the
Default Rate, together with any and all costs and expenses of collection and of all proceedings
hereunder and under the Note (including, without limitation, reasonable legal fees in all
proceedings, including administrative, appellate and bankruptcy proceedings), but payable from
the Non-Ad Valorem Revenues, without prejudice to any other right or remedy of the
Noteholder, and to recover and enforce any judgment or decree against the District, but solely as
provided herein and in a Note, for any portion of such amounts remaining unpaid and interest,
costs, and expenses as above provided, and to collect (but only from the Non-Ad Valorem
Revenues) in any manner provided by law, the monies adjudged or decreed to be payable.

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

Section 5.04. Waivers, Etc. No delay or omission of a Noteholder to exercise any right
or power accruing upon any default shall impair any such right or power or shall be construed to
be a waiver of any such default or any acquiescence therein; and every power and remedy given
by this Agreement to a Noteholder may be exercised from time to time and as often as may be
deemed expedient.
A Noteholder may waive any default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Agreement or before the completion of the enforcement of any other remedy under this Agreement, but no such waiver shall be effective unless in writing, and no such waiver shall extend to or affect any other existing or subsequent default or defaults or impair any rights or remedies consequent thereon.
ARTICLE VI

MISCELLANEOUS PROVISIONS

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

Section 6.02. Term of Agreement. This Agreement shall be in full force and effect from the date hereof until the Note(s) and all other sums payable to the Bank hereunder have been paid in full and shall survive the termination of this Agreement in relation to those provisions that deal with retroactive cost increases for the Bank in relation to the tax-exempt status of the Notes.

Section 6.03. Notice of Changes in Fact. Promptly after the District becomes aware of the same, the District will notify the Bank of (a) any changes in any material fact or circumstance represented or warranted by the District in this Agreement or in connection with the issuance of the Notes; and (b) any default under this Agreement, specifying in each case the nature thereof and what action the District has taken, is taking, and/or proposes to take with respect thereto.

Section 6.04. Amendments and Supplements. This Agreement may be amended or supplemented from time to time only by a writing duly executed by both the District and the Noteholder(s). However, no amendment having the effect of increasing the aggregate principal amount of the Notes, extending the Final Maturity Date, or increasing the rate of interest payable on the Notes may take effect and be binding on the District unless expressly approved by both the Governing Board and the Board of Trustees.

Section 6.05. Notices. Any notice, demand, direction, request or other instrument authorized or required by this Agreement to be given to or filed with the District or the Bank, shall be deemed to have been sufficiently given or filed for all purposes of this Agreement if and when sent by certified mail, return receipt requested:

(a) As to the District:

Orange County Library District
101 East Central Boulevard
Orlando, Florida 32801
Attention: Comptroller
(b) As to the Bank:

SunTrust Bank
200 South Orange Avenue - MC1100
Orlando, Florida 32801
Attention: Institutional and Governmental Banking

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

**Section 6.06. Benefits Exclusive.** Except as herein otherwise provided, nothing in this Agreement, expressed or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the District and the Noteholder, any right, remedy or claim, legal or equitable, under or by reason of this Agreement or any provision hereof, this Agreement and all its provisions being intended to be and being for the sole and exclusive benefit of the District and the Noteholder.

**Section 6.07. Severability.** In case any one or more of the provisions of this Agreement, of any amendment or supplement hereto, or of a Note shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement or of the amendment or supplement hereto or of the Note, but this Agreement, amendment or supplement hereto, or Note, as applicable, shall be construed and enforced at the time as if such illegal or invalid provisions had not been contained therein, nor shall such illegality or invalidity or any application thereof affect any legal and valid application thereof from time to time.

**Section 6.08. Payments Due on Saturdays, Sundays and Holidays.** In any case where the date of maturity of interest on or principal of the Note or the date fixed for prepayment of the Note shall be a Saturday, Sunday or a day on which the Bank is required, or authorized or not prohibited, by law (including executive orders) to close and is closed, then payment of such interest or principal shall be made on the next succeeding day on which the Bank is open for business with the same force and effect as if paid on the date of maturity or the date fixed for prepayment, and no interest on any such principal amount shall accrue for the period after such date of maturity or such date fixed for prepayment.

**Section 6.09. Counterparts.** This Agreement may be executed in any number of counterparts, each of which when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same Agreement, and, in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

**Section 6.10. Applicable Law.** This Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State of Florida. Venue for any cause of action arising under or in connection with this Agreement shall be in the circuit court for the Ninth Judicial Circuit of Florida, in Orange County, Florida.
Section 6.11. No Personal Liability. Notwithstanding anything to the contrary contained herein or in a Note, or in any other instrument or document executed by or on behalf of the District in connection herewith, no stipulation, covenant, agreement or obligation contained in this Agreement, the Resolution, or any Notes shall constitute a liability of any present or future member of the Governing Board or Board of Trustees of the District, or of any officer, employee or agent of the District, or of any successor to the District, in any capacity, and no such person, shall be liable personally for any breach or non-observance of or for any failure to perform, fulfill or comply with any such stipulations, covenants, agreements or obligations, nor shall any recourse be had for the payment of the principal of or interest on any Note, or for any claim based thereon, or on any such stipulation, covenant, agreement or obligation, against any such person, in his or her individual capacity, either directly or through the District or any successor to the District, under any rule or law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such person is hereby expressly waived and released.

Section 6.12. Incorporation by Reference. All of the terms and obligations of the Resolution and the Exhibits hereto are hereby incorporated herein by reference as if all of the foregoing were fully set forth in this Agreement. All recitals appearing at the beginning of this Agreement are hereby incorporated herein by reference.
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first set forth herein.

“DISTRICT”

ORANGE COUNTY LIBRARY DISTRICT
By: Board of Trustees

By: __________________________
    President

Attest:

By: __________________________
    Secretary to Board of Trustees

“BANK”

SUNTRUST BANK

By: __________________________
    Name: __________________________
    Its: __________________________
EXHIBIT A

FORM OF NOTE

ANY HOLDER SHALL, PRIOR TO BECOMING A HOLDER, EXECUTE A PURCHASER’S CERTIFICATE IN THE FORM ATTACHED TO THE RESOLUTION (HEREIN DEFINED) CERTIFYING, AMONG OTHER THINGS, THAT SUCH HOLDER IS AN “ACCREDITED INVESTOR” AS SUCH TERM IS DEFINED IN THE SECURITIES ACT OF 1933, AS AMENDED, AND REGULATION D THEREUNDER.

ORANGE COUNTY, FLORIDA
ORANGE COUNTY LIBRARY DISTRICT
PROMISSORY NOTE,
SERIES [YEAR] – DRAW NO. _______

<table>
<thead>
<tr>
<th>Principal Sum</th>
<th>Maturity Date</th>
<th>Date of Issuance</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$_________</td>
<td>___________</td>
<td>___________</td>
<td>________</td>
</tr>
</tbody>
</table>

ORANGE COUNTY LIBRARY DISTRICT (the “District”), for value received, hereby promises to pay, solely from the Non-Ad Valorem Revenues described in the within-mentioned Agreement, to the order of SUNTRUST BANK, a national banking corporation, or its assigns (the “Holder”), at 200 South Orange Avenue, Orlando, Florida, or at such other place as the Holder may from time to time designate in writing, the Principal Sum stated above, advanced pursuant to that certain Loan Agreement by and between the Holder and the District, dated as of __________, 2003 (the “Agreement”), together with interest thereon as hereinafter provided until the Maturity Date (hereinabove defined) or the date the principal amount of this Note is paid in the manner hereinafter set forth, in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts, which payments shall be made to the Holder hereof by bank wire, or otherwise as the District and the Holder may agree.

[Prior Loan Note - This Note shall bear interest at a fixed rate to be calculated as of one day prior to draw using the following formula: 67% of {5-Year U.S. Dollar Swap Rate} +0.61%.

[Improvement Note(s) – This Note shall bear interest at a fixed rate to be calculated as of two days prior to draw using the following formula: 67% of {10-Year U.S. Dollar Swap Rate} + 0.42%.

The Holder shall provide to the District documentation to evidence any adjustment to the Note Rate and the calculations made in connection therewith. Upon the occurrence of any Determination of Taxability, as defined in the Agreement, this Note shall bear interest (from the date when such Determination of Taxability is deemed to have occurred) at the Taxable Rate, as defined in the Agreement. Following the occurrence and during the continuance of any Event of

Exhibit A - 1
Section 2. If within ten (10) working days after receiving such mailed notice, two or more owners of property adjacent to any of the Parcels notify the County of their desire to purchase such Parcel, the County shall then solicit and accept sealed bids for each such Parcel from such property owners and may convey such Parcel to the highest bidder or may reject all offers. In those instances where the highest bid is accepted, the Manager of the Real Estate Management Division is authorized to do all things necessary and proper to effectuate such sale(s), and the County Chairman is authorized to execute a County deed(s) conveying such Parcel(s).

Section 3. For each Parcel for which there are not at least two timely responses as described in Section 2 herein, and/or for which all offers have been rejected, the Orange County Real Estate Management Division may, at a later date of his choosing, seek to effectuate the sale of said Parcel(s) under the terms of this resolution.

Section 4. This Resolution shall take effect immediately upon its adoption.

ADOPTED this 915 day of September, 2003.

ORANGE COUNTY, FLORIDA
By: Board of County Commissioners

ATTEST: Martha O. Haynie, County Comptroller
As Clerk to the Board of County Commissioners

By: Deputy Clerk