

**WELLS
FARGO**

WELLS FARGO BANK, N.A.
U.S. TRADE SERVICES - STANDBY LETTERS OF CREDIT
MAC D4004-017
401 LINDEN STREET. 1ST FLOOR
WINSTON-SALEM, NC 27101
PHONE: 1(800) 776-3862 OPTION 2
E-MAIL: TRADE.CCUSTANDBYS@WACHOVIA.COM

IRREVOCABLE STANDBY LETTER OF CREDIT
NUMBER: SM238822W
ISSUE DATE: 02/28/11

BENEFICIARY: PASCO COUNTY BOARD OF COUNTY COMMISSIONERS
WEST PASCO GOVERNMENT CENTER
PUBLIC WORKS/UTILITIES BUILDING
7530 LITTLE ROAD, SUITE 213
NEW PORT RICHEY, FL 34654-5598

APPLICANT: SB ASSOCIATES LIMITED PARTNERSHIP
2940 SPORTS CORE CIRCLE
WESLEY CHAPEL, FL 33544

LETTER OF CREDIT ISSUE AMOUNT: USD 49,992.00 EXPIRY DATE: 09/01/12

LADIES AND GENTLEMEN:

WE HEREBY OPEN OUR IRREVOCABLE STANDBY LETTER OF CREDIT IN YOUR FAVOR FOR THE ACCOUNT OF THE ABOVE REFERENCED APPLICANT IN THE AGGREGATE AMOUNT OF USD 49,992.00 (USD FORTY NINE THOUSAND NINE HUNDRED NINETY TWO AND 00/100'S) WHICH IS AVAILABLE BY PAYMENT UPON PRESENTATION OF THE FOLLOWING DOCUMENTS:

1. A DRAFT AT SIGHT DRAWN ON WELLS FARGO BANK, N.A., DULY ENDORSED ON ITS REVERSE SIDE THEREOF BY THE BENEFICIARY, SPECIFICALLY REFERENCING THIS LETTER OF CREDIT NUMBER.
2. THE ORIGINAL LETTER OF CREDIT AND ANY AMENDMENTS ATTACHED THERETO.
3. A DATED NOTARIZED STATEMENT ISSUED ON THE LETTERHEAD OF THE BENEFICIARY AND PURPORTEDLY SIGNED BY THE ASSISTANT COUNTY ADMINISTRATOR OR ACTING ASSISTANT COUNTY ADMINISTRATOR FOR THE PASCO COUNTY UTILITIES SERVICES BRANCH STATING THAT:
 - 1) THE APPLICANT HAS FAILED TO MAINTAIN OR CORRECT DEFICIENCIES IN WORKMANSHIP IN ALL REQUIRED OR APPROVED WATER, WASTEWATER, AND RECLAIMED WATER UTILITY SYSTEMS INSTALLED AND/OR OTHER RELATED IMPROVEMENTS TO BE COUNTY-MAINTAINED FOR THE DEVELOPMENT PROJECT KNOWN AS SEVEN OAKS PARCELS C-4B & S-1A LOCATED IN SECTION 13 AND 24, TOWNSHIP 26 SOUTH, RANGE 19 EAST, PASCO COUNTY, FLORIDA; OR
 - 2) THE APPLICANT HAS FAILED TO REPAIR OR REPLACE THOSE CERTAIN IMPROVEMENTS FOUND BY THE PASCO COUNTY UTILITIES ENGINEERING DIRECTOR NOT TO COMPLY WITH

CONTINUED ON NEXT PAGE WHICH FORMS AN INTEGRAL PART OF THIS
IRREVOCABLE STANDBY LETTER OF CREDIT

Together we'll go far



COUNTY APPROVALS OR REQUIREMENTS, OR FOUND TO BE DEFICIENT IN MATERIALS, WORKMANSHIP, OR STRUCTURAL INTEGRITY UNDER COUNTY, STATE, OR FEDERAL REGULATIONS, WHICHEVER MAY BE APPLICABLE, OR INDUSTRY STANDARDS. OR

3) THE APPLICANT HAS FAILED TO REPAY OR REPLACE ALL SUCH IMPROVEMENTS FOUND BY THE PASCO COUNTY UTILITIES ENGINEER OR HIS DESIGNEE, NOT TO COMPLY WITH COUNTY APPROVALS OR REQUIREMENTS, OR FOUND TO BE DEFICIENT IN MATERIALS, WORKMANSHIP, OR STRUCTURAL INTEGRITY UNDER COUNTY, STATE, OR FEDERAL REGULATIONS, WHICHEVER MAY BE APPLICABLE, OR INDUSTRY STANDARDS; OR

4) THE APPLICANT HAS FAILED TO PAY ALL COSTS AND EXPENSES FOR OR INCIDENTAL TO COMPLIANCE OF THE FOREGOING; OR

5) THE APPLICANT HAS FAILED TO SUBMIT A WRITTEN REQUEST FOR AN INSPECTION OF ALL THOSE CERTAIN IMPROVEMENTS TO THE ASSISTANT COUNTY ADMINISTRATOR FOR THE PASCO COUNTY UTILITIES SERVICES BRANCH AT LEAST SIXTY (60) DAYS PRIOR TO THE TERMINATION OF THE MAINTENANCE PERIOD, OR ANY DIFFERENT TIME AGREED TO BY THE BOARD OF COUNTY COMMISSIONERS.

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE DEEMED AUTOMATICALLY EXTENDED WITHOUT WRITTEN AMENDMENT FOR ONE YEAR PERIODS FROM THE PRESENT OR ANY FUTURE EXPIRY DATE UNLESS AT LEAST SIXTY (60) DAYS PRIOR TO SUCH EXPIRATION DATE, WE SEND THE BENEFICIARY NOTICE AT THE ABOVE STATED ADDRESS BY OVERNIGHT COURIER THAT WE ELECT NOT TO EXTEND THIS LETTER OF CREDIT BEYOND THE INITIAL OR ANY EXTENDED EXPIRY DATE THEREOF.

IN THE EVENT THE BOARD OF COUNTY COMMISSIONERS INSTITUTES LEGAL PROCEEDINGS IN ORDER TO COLLECT ANY FUNDS UNDER THIS DOCUMENT, OR ANY AMENDMENT OR EXTENSION HEREOF, VENUE SHALL BE EXCLUSIVELY IN PASCO COUNTY, FLORIDA AND APPLICANT SHALL BE LIABLE FOR ATTORNEY'S FEES AND COURT COSTS INCURRED BY THE BOARD OF COUNTY COMMISSIONERS.

THIS IRREVOCABLE LETTER OF CREDIT SETS FORTH IN FULL THE TERMS OF OUR UNDERTAKING. THIS UNDERTAKING IS INDEPENDENT OF AND SHALL NOT IN ANY WAY BE MODIFIED, AMENDED, AMPLIFIED, OR INCORPORATED BY REFERENCE TO ANY DOCUMENT, CONTRACT, OR AGREEMENT REFERENCED HEREIN.

WE HEREBY AGREE WITH YOU THAT DRAFT(S) DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF THIS CREDIT SHALL BE DULY HONORED IF PRESENTED TOGETHER WITH DOCUMENT(S) AS SPECIFIED AT EITHER OF OUR OFFICES INDICATED BELOW ON OR BEFORE THE ABOVE STATED EXPIRY DATE, OR ANY EXTENDED EXPIRY DATE IF APPLICABLE.

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DOCUMENTS MAY BE PRESENTED AT EITHER OF OUR FOLLOWING LOCATIONS:

WELLS FARGO BANK, N.A.

WELLS FARGO BANK, N.A.

STANDBY L/C DEPT

- OR - 100 SOUTH ASHLEY DRIVE, SUITE 950

401 LINDEN STREET

TAMPA, FLORIDA 33602

WINSTON-SALEM, NC 27101

ATTN: REFS-RISK MANAGEMENT

IF DOCUMENTS ARE PRESENTED TO THE TAMPA ADDRESS THEY MUST ALSO BE FAXED BY THE BENEFICIARY TO 336-735-0952 THE SAME DAY IN ORDER TO BE DEEMED A PRESENTATION.

WE HEREBY AGREE WITH YOU THAT DRAFT(S) DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF THIS CREDIT SHALL BE DULY HONORED IF PRESENTED TOGETHER WITH DOCUMENT(S) AS SPECIFIED AT EITHER OF OUR OFFICES INDICATED ABOVE ON OR BEFORE THE ABOVE STATED EXPIRY DATE, OR ANY EXTENDED EXPIRY DATE IF APPLICABLE.

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EXCEPT AS OTHERWISE EXPRESSLY STATED HEREIN, THIS LETTER OF CREDIT IS SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES 1998, INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 590 ("ISP98").

SINCERELY,
WELLS FARGO BANK, N.A.

Sharon Peace-Smoot
AUTHORIZED SIGNATURE

A.V. President
TITLE-ASSISTANT VICE PRESIDENT

THE ORIGINAL OF THIS LETTER OF CREDIT CONTAINS AN EMBOSSED SEAL OVER THE AUTHORIZED SIGNATURE.

PLEASE DIRECT ANY WRITTEN CORRESPONDENCE OR INQUIRES REGARDING THIS LETTER OF CREDIT, ALWAYS QUOTING OUR REFERENCE NUMBER TO WELLS FARGO BANK, N.A., ATTN: U.S. TRADE SERVICES, STANDBY LETTERS OF CREDIT, 401 LINDEN STREET, MAC D4004-017, WINSTON-SALEM, NC 27101 (HOURS OF OPERATION: 8:00AM EST TO 5:30PM EST)

ALL PHONE INQUIRIES REGARDING THIS CREDIT SHOULD BE DIRECTED TO OUR STANDBY CUSTOMER CONNECTION PROFESSIONALS AT 1-800-776-3862, OPTION 2.

I, PETER M. LUCARELLI, A NOTARY PUBLIC IN AND FOR THE STATE OF NORTH CAROLINA, FORSYTH COUNTY, DO HEREBY CERTIFY THAT SHARON PEACE-SMOOT, WHOSE NAME IS SIGNED TO THE FOREGOING, THIS DAY PERSONALLY APPEARED BEFORE ME IN MY STATE AND COUNTY AFORESAID AND ACKNOWLEDGED THE SAME.
GIVEN UNDER MY HAND THIS 28 DAY OF FEBRUARY, 2011.

Peter M. Lucarelli
NOTARY PUBLIC

MY COMMISSION EXPIRES: 10-28-14

