


**DATE:** February 3, 2020  
**TO:** Matt Jordan, General Manager  
**FROM:** Christina Sackett, Chief Financial Officer   
**SUBJECT:** Supplemental Bond Resolution for Refunding Series 2010 and 2011A Refunding Revenue Bonds and Series 2013 Revenue Bonds – *Approve Resolution No. 2020-001*

**SUMMARY**

Approve the Supplement Bond Resolution No. 2020-001 to refund all or a portion of the agency's outstanding Series 2010 Bonds, Series 2011A Bonds and Series 2013 Bonds as a Forward Bank Loan Refunding, provided that the bank loan meets the conditions established within this resolution and within the Board established present value savings threshold that must be met in order for the refunding to take place.

**RECOMMENDATION**

Approve the Supplemental Bond Resolution No. 2020-001 for refunding all or a portion of the Series 2010 Bonds, Series 2011A Bonds and the Series 2013 Bonds through a Forward Bank Loan, with Bank of America, in a not to exceed principal amount of \$135,000,000.

**DISCUSSION**

In late December/early January, Tampa Bay Water received proposals from various underwriters on our financing team focusing on taxable advance refunding opportunities for all or a portion of the agency's outstanding Series 2010 Bonds, Series 2011A and Series 2013 Bonds. Due to a tax law change at the end of 2017, issuers are no longer allowed to issue tax-exempt debt for advance refundings more than 90 days prior to the call date of the bonds, however taxable refundings can be completed at any time. The Board has established a policy of refunding its debt to take advantage of lower interest savings when market conditions indicate at least a 3% present value savings or when other management considerations, as recommended by the agency's financial advisors, indicate refunding is appropriate. As of early-January, anticipated net present value savings on refunding a portion of the bonds exceeded this threshold materially with a net present value savings totaling 10% in aggregate.

On January 14<sup>th</sup> our financial advisor, PFM Financial Advisors, LLC, e-mailed the firms currently listed as the Agency's Senior Underwriting Team and advised them of the Agency's interest in refinancing all or a portion of the Series 2010, 2011A and 2013 Bonds through a taxable advance refunding or other refinancing ideas. Firms were asked to provide a comprehensive Plan of Finance Strategy based upon their review of the Agency's debt by January 23, 2020.



On January 29<sup>th</sup>, PFM Financial Advisors, LLC provided the agency with a summary of each underwriter's response along with their analysis of the which proposal seemed to be the best for the agency, Bank of America's proposal to refund all three series through a Tax-Exempt Forward Bank Loan. The Tax-Exempt Forward Bank Loan option with Bank of America would allow the Agency to lock in significant savings and provide an estimated net present value savings of 14.9%. This savings will fluctuate daily, depending upon market conditions. The Agency does have some past experience with Forward Refundings; the Series 2011 Bonds were completed as a Public Forward Refunding in order to refinance the Series 2001A Bonds. This process was very similar, with the main difference being Bank of America is proposing to complete the refunding as a Bank Loan instead of a Public Bond Issuance.

To take advantage of this potential savings it is recommended that the Board approve Resolution 2020-001 and corresponding Exhibits, Forward Delivery Agreement. The resolution, together with the Master Bond Resolution adopted in 1998 constitutes the contract between the holders of the bonds and Tampa Bay Water. It sets forth certain terms and details of the forward bank loan and establishes conditions that must be met in order for the forward bank loan to be executed.

A representative of our Financial Advisor, PFM Financial Advisors, LLC will provide a presentation to the board regarding the Forward Bank Loan with Bank of America and respond to any questions the Board may have concerning the refunding. A representative of our Bond Counsel, Nabors, Giblin & Nickerson, P.A. will also be present to review the Bond Resolution with the Board and respond to any questions.

The staff, general counsel, Bond Counsel and Financial Advisor recommend approval of the Resolution and that the financing team be authorized to proceed in accordance with the following estimated schedule:

- February 17, 2020 Board meeting authorizing issuance
- February/March 2020 Execute Forward Delivery Agreement
- June 2020 Deliver Tax Opinion and Closing for Series 2010 Bonds
- July 2020 Fund refunding of Series 2010 Bonds
- June 2021 Deliver Tax Opinion and Closing for Series 2011A Bonds
- July 2021 Fund refunding of Series 2011A Bonds
- June 2023 Deliver Tax Opinion and Closing for Series 2013 Bonds
- July 2023 Fund refunding of Series 2013 Bonds

**BACKGROUND:** The Board has established a policy of refunding its debt to take advantage of lower interest savings when market conditions indicate at least a 3% net present value savings or when other management considerations, as recommended by the agency's financial advisors, indicate refunding is appropriate.

The idea behind a Forward Bank Loan Refunding is to lock-in today's interest rates for a financing that closes at a later date, typically more than 1-2 months. In the Agency's case, the call dates on the Series 2010, 2011A and 2013 Bonds are October 1<sup>st</sup>, 2020, 2021 and 2023 respectively. Since the Agency can't issue tax-exempt advance refundings anymore, due to tax law changes in 2017, issuers can enter into a Forward Bank Loan that closes/funds within 90-days of the call dates, allowing the financing to be considered a current refunding and therefore allowed to be tax-exempt.

Bank of America is proposing to enter into a Forward Bank Loan with the Agency that would lock the interest rate for the Bank Loan shortly after the financing is approved by the Agency's Board and a Forward Delivery Agreement (FDA) is entered into. The execution of the FDA will cover the terms of the Loan and would require the bank to deliver funds to the Agency through 3 draws of funds to coincide with the call dates of each refunded series. The interest rate on the Loan would be determined 2-days before the execution of the FDA, which was estimated at 2.46% at the time of the underwriter's response. Interest is only paid on the portion of the refunding loan outstanding, so there would be no payments until the funding dates.

A Forward Refunding Loan provides the agency with the following benefits and risks.

Benefits

- Locking-in interest rates and remove risk of interest rates increasing between now and call dates
- Limited Negative Arbitrage
- Low Cost of Issuance
- Quicker Process
- Reduced Continuing Disclosure Requirements

Cons/Risks

- Forward Premium associated with the Loan
- Make-Whole Call
- Delivery of Bond Counsel Opinion
- Potential Breakage Fee if Agency doesn't close on the Loan
- Increase in Interest Rate if Ratings drop below Baa2/BBB

Attachments on enclosed CD

## **RESOLUTION NO. 2020-001**

RESOLUTION SUPPLEMENTING A RESOLUTION ENTITLED "A RESOLUTION OF THE BOARD OF DIRECTORS OF TAMPA BAY WATER, A REGIONAL WATER SUPPLY AUTHORITY, AUTHORIZING THE ISSUANCE BY TAMPA BAY WATER, A REGIONAL WATER SUPPLY AUTHORITY, OF NOT EXCEEDING \$170,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF UTILITY SYSTEM REVENUE BONDS, SERIES 1998A AND NOT EXCEEDING \$240,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF UTILITY SYSTEM REVENUE BONDS, SERIES 1998B TO RESTRUCTURE CERTAIN OUTSTANDING INDEBTEDNESS AND TO FINANCE THE COST OF ACQUIRING CERTAIN UTILITY FACILITIES AND MAKING IMPROVEMENTS TO THE UTILITY SYSTEM; PLEDGING THE NET REVENUES DERIVED FROM OR RESULTING FROM THE OPERATION OF SUCH UTILITY SYSTEM TO SECURE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SAID BONDS; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF SAID BONDS; AND PROVIDING FOR AN EFFECTIVE DATE FOR THIS RESOLUTION;" AUTHORIZING THE ISSUANCE BY THE AUTHORITY OF A NOT EXCEEDING \$135,000,000 AGGREGATE PRINCIPAL AMOUNT UTILITY SYSTEM REFUNDING REVENUE MASTER BOND (BANK OF AMERICA, N.A.), IN ORDER TO CURRENTLY REFUND ALL OR A PORTION OF THE AUTHORITY'S OUTSTANDING UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2010, UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2011A, AND UTILITY SYSTEM REVENUE BONDS, SERIES 2013; AUTHORIZING THE SALE OF THE MASTER BOND TO BANK OF AMERICA, N.A. ON A FORWARD DELIVERY BASIS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE FORWARD DELIVERY AGREEMENT WITH BANK OF AMERICA, N.A.; AND PROVIDING AN EFFECTIVE DATE.

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TAMPA BAY WATER, A Regional Water Supply Authority:**

**SECTION 1. FINDINGS.** It is hereby found and determined that:

(A) On August 31, 1998, the Board of Directors (the "Governing Body") of Tampa Bay Water, A Regional Water Supply Authority (the "Issuer") duly adopted Resolution No. 98-07TBW (as amended and supplemented, the "Resolution"), the title of which Resolution is quoted in the title of this Supplemental Resolution, pursuant to which the Issuer issued its \$155,680,000 Utility System Revenue Bonds, Series 1998A (the "Series 1998A Bonds") and \$216,570,000 Utility System Revenue Bonds, Series 1998B (the "Series 1998B Bonds" and collectively with the Series 1998A Bonds, the "Series 1998 Bonds") in order to restructure certain outstanding indebtedness of the Issuer and finance various improvements to the System (as defined in the Resolution).

(B) On October 14, 1999, the Issuer issued its \$372,761,142.60 Utility System Revenue Bonds, Series 1999 (the "Series 1999 Bonds") pursuant to the Resolution in order to finance various improvements to the System.

(C) On August 30, 2001, the Issuer issued its \$309,370,000 Utility System Refunding and Improvement Revenue Bonds, Series 2001A (the "Series 2001A Bonds") pursuant to the Resolution in order to refinance a portion of the Series 1999 Bonds and to finance various improvements to the System.

(D) On November 2, 2001, the Issuer issued its \$238,230,000 Utility System Revenue Bonds, Series 2001B (the "Series 2001B Bonds") pursuant to the Resolution in order to finance various improvements to the System.

(E) On May 15, 2002, the Issuer issued its \$108,390,000 Utility System Variable Rate Revenue Bonds, Series 2002 (the "Series 2002 Bonds") pursuant to the Resolution in order to finance various improvements to the System.

(F) On March 2, 2004, the Issuer issued its \$107,870,000 Utility System Refunding Revenue Bonds, Series 2004 (the "Series 2004 Bonds") pursuant to the Resolution in order to refinance a portion of the Series 1998A Bonds, the Series 1998B Bonds and the Series 2001B Bonds.

(G) On March 9, 2005, the Issuer issued its \$174,965,000 Utility System Refunding and Improvement Revenue Bonds, Series 2005 (the "Series 2005 Bonds") pursuant to the Resolution in order to refinance a portion of the Series 1998A Bonds, the Series 1998B Bonds and the Series 2001B Bonds and to finance various improvements to the System.

(H) On October 2, 2006, the Issuer issued its \$81,885,000 Utility System Refunding and Improvement Revenue Bonds, Series 2006 (the "Series 2006 Bonds") pursuant to the Resolution in order to refund a portion of the Series 2002 Bonds, to refinance certain other indebtedness of the Issuer and to finance various improvements to the System.

(I) On June 5, 2008, the Issuer issued its \$101,375,000 Utility System Revenue Bonds, Series 2008 (the "Series 2008 Bonds") pursuant to the Resolution in order to finance various improvements to the System.

(J) On November 10, 2010, the Issuer issued its \$66,980,000 Utility System Refunding Revenue Bonds, Series 2010 (the "Series 2010 Bonds") pursuant to the Resolution in order to refund the remaining Series 1998 Bonds and a portion of the Series 2001B Bonds.

(K) On July 7, 2011, the Issuer issued its \$104,645,000 Utility System Refunding Revenue Bonds, Series 2011 (the "Series 2011 Bonds") pursuant to the Resolution in order to refund a portion of the Series 2001A Bonds.

(L) On August 16, 2011, the Issuer issued its \$140,645,000 Utility System Refunding Revenue Bonds, Series 2011A (the "Series 2011A Bonds") pursuant to the Resolution in order to refund a portion of the Series 2001A Bonds.

(M) On August 16, 2011, the Issuer issued its \$148,920,000 Utility System Refunding Revenue Bonds, Series 2011B (the "Series 2011B Bonds") pursuant to the Resolution in order to refund a portion of the Series 2001B Bonds.

(N) On February 7, 2013, the Issuer issued its \$75,295,000 Utility System Revenue Bonds, Series 2013 (the "Series 2013 Bonds") pursuant to the Resolution in order to finance various improvements to the System.

(O) On March 3, 2015, the Issuer issued its \$180,835,000 Utility System Refunding Revenue Bonds, Series 2015A (the "Series 2015A Bonds"), pursuant to the Resolution in order to refund a portion of the Series 2006 Bonds, the Series 2011A Bonds and the Series 2011B Bonds.

(P) On March 3, 2015, the Issuer issued its \$95,975,000 Taxable Utility System Refunding Revenue Bonds, Series 2015B (the "Series 2015B Bonds"), pursuant to the Resolution in order to refund a portion of the Series 2011A Bonds and the Series 2011B Bonds.

(Q) On February 2, 2016, the Issuer issued its \$96,630,000 Utility System Refunding Revenue Bonds, Series 2016A (the "Series 2016A Bonds"), pursuant to the Resolution in order to refund all of the Series 2008 Bonds.

(R) On February 2, 2016, the Issuer issued its \$32,785,000 Taxable Utility System Refunding Revenue Bonds, Series 2016B (the "Series 2016B Bonds"), pursuant to the Resolution in order to refund a portion of the Series 2011B Bonds.

(S) On April 6, 2016, the Issuer issued its \$55,345,000 Utility System Refunding Revenue Bonds, Series 2016C (the "Series 2016C Bonds"), pursuant to the Resolution in order to refund a portion the Series 2010 Bonds.

(T) The Issuer hereby deems it in its best interests to refund all or a portion of the outstanding Series 2010 Bonds (the "2010 Refunded Bonds"), all or a portion of the outstanding Series 2011A Bonds (the "2011A Refunded Bonds"), and all or a portion of the outstanding Series 2013 Bonds (the "2013 Refunded Bonds" and together with the 2010 Refunded Bonds and the 2011A Refunded Bonds, collectively, the "Refunded Bonds"), the specific Bonds, maturities and sinking fund installments thereof to be determined by the Issuer's General Manager subject to the conditions set forth in Section 6 hereof.

(U) The Resolution provides for the issuance of Additional Bonds payable on parity in all respects with the Series 2001A Bonds, the Series 2005 Bonds, the Series 2011 Bonds, the unrefunded Series 2011A Bonds, the Series 2015A Bonds, the Series 2015B Bonds, the Series 2016A Bonds, the Series 2016B Bonds and the Series 2016C Bonds (collectively, the "Outstanding Bonds") for the purpose of refunding Bonds, upon meeting certain requirements set forth in the Resolution.

(V) In order to provide funds to refund the Refunded Bonds, the Issuer, acting through PFM Financial Advisors LLC (the "Financial Advisor"), contacted the Issuer's senior underwriter team to provide the Issuer with a plan of finance to provide for the refunding of the Refunded Bonds.

(W) The Issuer has received a favorable proposal from Bank of America, N.A. (the "Lender") to provide a loan (the "Loan") to the Issuer for the purposes of refunding the Refunded Bonds in the form of the Term Sheet attached hereto as Exhibit A (the "Term Sheet").

(X) In order to evidence the obligation of the Issuer to repay the Loan, the Issuer deems it desirable and in its best interest to issue its Tampa Bay Water, A Regional Water Supply Authority, Utility System Refunding Revenue Master Bond (Bank of America, N.A.) (the "Master Bond"), in an aggregate principal amount of not exceeding \$135,000,000 for the principal purpose of refunding the Refunded Bonds. The Master Bond will be purchased by the Lender on a forward delivery basis and will be funded in three installments (each a "Tranche"), on three dates (each a "Draw Date"), the first of which is anticipated to occur on or about July 3, 2020 (the "Initial Draw Date") and the other two Tranches expected to occur on or about July 5, 2021 and July 3, 2023.

(Y) In order to provide for the forward delivery of the Master Bond to the Lender, the Issuer deems it desirable to approve the form and authorize the execution and delivery of a Forward Delivery Agreement with the Lender in substantially the form attached hereto as Exhibit B (the "Purchase Agreement"), subject to the satisfaction of the terms and conditions contained herein, in the Term Sheet and in the Purchase Agreement.

(Z) Due to the potential volatility of the market for tax-exempt obligations such as the Master Bond and the complexity of the transactions relating to such Master Bond and the refunding of the Refunded Bonds, it is in the best interest of the Issuer to accept the Loan and to deliver the Master Bond to the Lender or its designee on a forward delivery basis in recognition of the obligation of the Issuer to repay the Loan pursuant to a delegated, negotiated purchase, allowing the Issuer to enter the market at the most advantageous time, rather than at a specified advertised date, thereby permitting the Issuer to obtain the best possible price and interest rate for the Master Bond.

(AA) All the covenants, pledges and conditions in the Resolution shall be applicable to the Master Bond herein authorized and said Master Bond shall be on a parity with and shall rank equally as to lien on and source and security for payment from the Pledged Funds with the Outstanding Bonds, any Additional Bonds that subsequently are issued pursuant to the Resolution, and shall constitute "Bonds" within the meaning of the Resolution. The Issuer is current in all deposits in the various funds, accounts and subaccounts established by the Resolution and all payments theretofore required to have been deposited or made by it under the provisions of the Resolution and the Issuer has complied with the covenants and agreements of the Resolution.

(BB) The principal of and interest on the Master Bond and all required sinking fund and other payments shall be limited obligations of the Issuer, payable solely from the Pledged Funds in the manner provided in the Resolution. The Master Bond shall not constitute a general obligation, or a pledge of the faith, credit or taxing power, if any, of the Issuer, any of the Member Governments, the State of Florida, or any political subdivision thereof, within the meaning of any constitutional or statutory provisions. None of the Issuer, the Member Governments, the State of Florida, nor any political subdivision thereof, shall be obligated (1) to exercise its ad valorem taxing power, if any, in any form on any real or personal property of or in the geographic boundaries of the Issuer or otherwise to pay the principal of the Master Bond, the interest thereon, or other costs incidental thereto, or (2) to pay the same from any other funds of the Issuer except the Pledged Funds to the extent and in the manner provided in the Resolution.

(CC) The Resolution provides that the Master Bond shall mature on such date and in such amount, shall bear such rates of interest, shall be payable in such places and shall be subject to such redemption provisions as shall be determined by Supplemental Resolution adopted by the Issuer; and it is now appropriate that the Issuer set forth the parameters and mechanism to determine such terms and details.



**SECTION 2. DEFINITIONS.** When used in this Supplemental Resolution, the terms defined in the Resolution shall have the meanings therein stated, except as such definitions may be hereinafter amended or defined.

**SECTION 3. AUTHORITY FOR THIS SUPPLEMENTAL RESOLUTION.** This Supplemental Resolution is adopted pursuant to the provisions of the Act and the Resolution.

**SECTION 4. AUTHORIZATION OF THE REFUNDING OF THE REFUNDED BONDS.** The Issuer does hereby authorize the refunding of the Refunded Bonds, subject in all respects to the satisfaction of the parameters set forth in Section 6 hereof.

**SECTION 5. AUTHORIZATION AND DESCRIPTION OF THE MASTER BOND; REGISTRAR AND PAYING AGENT; PAYMENT OF THE MASTER BOND.** The Issuer hereby authorizes the issuance of an Additional Bond in the aggregate principal amount of not exceeding \$135,000,000 to be known as the "Tampa Bay Water, A Regional Water Supply Authority, Utility System Refunding Revenue Master Bond (Bank of America, N.A.)" or such other designation as the General Manager may determine, for the purposes provided herein and in the Resolution. The aggregate principal amount of the Master Bond and the principal amount of each Tranche shall be determined by the General Manager, provided such aggregate principal amount does not exceed the amount provided above. The Master Bond shall be dated as of its date of issuance or such other date as the General Manager may determine, shall be issued in the form of a single fully registered Bond and shall be numbered "R-1." Each Tranche shall bear interest its respective Draw Date determined therefor, payable semi-annually, on April 1 and October 1 of each year, commencing on October 1 of the year the Tranche is made, or on such other date or dates as determined by the General Manager. The Master Bond shall be substantially in the form attached hereto as Exhibit C, which form is hereby approved, subject to such changes, insertions and omissions and filling of blanks therein as may be made in such Master Bond and approved by the General Manager, in a manner consistent with the provisions of this Supplemental Resolution, the execution and delivery of the Master Bond to be conclusive evidence of such approval. The Master Bond shall mature on October 1, 2038 and shall be subject to payment prior to such date of maturity from Sinking Fund Installments due on October 1 in the years and in the amounts set forth in the Master Bond, as determined by the General Manager upon the advice of the Financial Advisor. Each Tranche shall be treated as a separate bond for federal income tax purposes and the Draw Date for each Tranche shall constitute the issue date therefor for federal income tax purposes.

The Master Bond shall bear interest at such rates and shall be subject to prepayment prior to maturity as set forth in the Term Sheet. The Issuer shall act as

Paying Agent and Registrar with respect to the Master Bond and shall maintain books with respect to the registered Holder of the Master Bond.

The principal of (including all Sinking Fund Installments) and interest on the Master Bond shall be payable to the Holder in accordance with written instructions provided by the Holder to the Issuer, acting in its capacity as Paying Agent and Registrar. Upon payment in full of the Master Bond, whether at maturity or upon earlier prepayment, the Holder shall surrender the Master Bond to the Issuer for cancellation. The final Sinking Fund Installments on the Master Bond shall be established by the General Manager on the advice of the Issuer's Financial Advisor.

The transfer and assignment of the Master Bond is subject to certain restrictions set forth in the Master Bond.

**SECTION 6. APPROVAL OF FORM OF PURCHASE AGREEMENT; NEGOTIATED PURCHASE OF THE MASTER BOND; CONFLICT.** (A) For the reasons set forth in paragraph (Z) of Section 1 hereof, the Master Bond shall be sold to the Lender on a negotiated basis in accordance with the terms hereof and of the Purchase Agreement.

(B) The form of the Purchase Agreement attached hereto as Exhibit B is hereby approved, subject to such changes, insertions and omissions and filling of blanks therein as may be made in such form of Purchase Agreement and approved by the General Manager, in a manner consistent with the provisions of this Supplemental Resolution, the execution and delivery of the Purchase Agreement to be conclusive evidence of such approval. The General Manager is hereby authorized to execute and deliver the Purchase Agreement on behalf of the Issuer.

(C) The Issuer hereby authorizes a delegated negotiated purchase of the Master Bond by the Lender, on a forward basis, in accordance with the terms hereof and of the Term Sheet, with such changes, amendments, modifications, omissions and additions thereto as shall be approved by the Issuer upon the advice of its Financial Advisor and Bond Counsel. All actions taken by the Issuer's staff, the Issuer's Financial Advisor and Bond Counsel with respect to the Purchase Agreement prior to the date hereof are hereby ratified and approved. The Master Bond shall not be issued until such time as all of the following conditions have been satisfied:

(1) Not exceeding \$135,000,000 aggregate principal amount may be issued bearing interest at rates no greater than the rates established in accordance with the terms of the Purchase Agreement and with the final maturity no later than October 1, 2038;

(2) Receipt by the Issuer from the Issuer's Financial Advisor of evidence that the true interest cost does not exceed 3.50%;

(3) Receipt by the Issuer from the Issuer's Financial Advisor of evidence that the current refunding of the Refunded Bonds with the proceeds of the Loan will result in net present value debt service savings of at least 3.00% of the par amount of the Refunded Bonds;

(4) Receipt by the Issuer from the Issuer's Financial Advisor that each Tranche will result in debt service savings in each year with respect to the Bonds such Tranche is refunding;

(5) The General Manager shall have determined, upon the advice of the Issuer's Financial Advisor, the principal amount of each Tranche.

(6) The General Manager shall have determined, upon the advice of the Issuer's Financial Advisor, which Series 2010 Bonds (including any Sinking Fund Installments) shall constitute the 2010 Refunded Bonds.

(7) The General Manager shall have determined, upon the advice of the Issuer's Financial Advisor, which Series 2011A Bonds (including any Sinking Fund Installments) shall constitute the 2011A Refunded Bonds.

(8) The General Manager shall have determined, upon the advice of the Issuer's Financial Advisor, which Series 2013 Bonds (including any Sinking Fund Installments) shall constitute the 2013 Refunded Bonds.

(9) The General Manager shall have selected, upon advice of the Issuer's Financial Advisor, the Escrow Agent for the Refunded Bonds; and

(10) Receipt by the Issuer from the Lender of a disclosure statement and truth-in-bonding information complying with Section 218.385, Florida Statutes.

Upon satisfaction of all of the requirements set forth in the Purchase Agreement and this Section 6, the Master Bond shall be delivered to the Lender or its designee in exchange for the Loan.

(D) In the event of any conflict between the terms contained in the Purchase Agreement and the provisions of this Supplemental Resolution or the Master Bond, the terms of this Supplemental Resolution and the Master Bond shall prevail.

**SECTION 7. APPLICATION OF MASTER BOND PROCEEDS.** The proceeds derived from the sale of the Master Bond shall be applied by the Issuer as follows:

(A) On each Draw Date, a sufficient amount of the respective Tranche proceeds, together with other legally available moneys of the Issuer, shall be deposited

irrevocably in trust in the applicable Escrow Fund established under the terms and provisions of the hereinafter defined Escrow Deposit Agreements and shall be either invested in Refunding Securities or held uninvested in cash in the manner set forth in the applicable Escrow Deposit Agreement, which investments shall mature at such times and in such amounts as shall be sufficient, together with any cash deposit, to pay the principal of, redemption premium, if applicable, and interest on the applicable Refunded Bonds as the same mature or are redeemed in accordance with the terms thereof;

(B) On the Initial Draw Date, a sufficient amount of initial Tranche proceeds shall be applied by the Issuer to pay certain costs associated with the issuance of the Master Bond; and

(C) On each Draw Date subsequent to the Initial Draw Date, a sufficient amount of the applicable Tranche proceeds shall be applied by the Issuer to pay certain costs associated with the issuance of the Master Bond.

**SECTION 8. TRANSFER OF CERTAIN MONEYS.** The Refunded Bonds will be refunded from proceeds of the Master Bond and other legally available moneys of the Issuer. Any excess moneys on deposit in the funds or accounts established pursuant to the Resolution not required by the terms of the Resolution to be on deposit therein and which are allocated to the Refunded Bonds shall be transferred to the respective Escrow Fund or shall be utilized to pay a portion of the interest on the Master Bond. The General Manager shall determine whether any excess moneys should be transferred to the respective Escrow Fund as provided in this Section 8.

**SECTION 9. AUTHORIZATION TO EXECUTE ESCROW DEPOSIT AGREEMENTS.** Subject in all respects to the satisfaction of the conditions set forth in Section 6 hereof, the Issuer hereby authorizes and directs the Chairman and the Secretary to execute an escrow deposit agreement for each Series of the Refunded Bonds (each, an "Escrow Deposit Agreement" and collectively, the "Escrow Deposit Agreements") and to deliver the Escrow Deposit Agreements to such banking institution or trust company (the "Escrow Agent") as shall be selected by the General Manager pursuant to Section 6 hereof. The Escrow Deposit Agreements shall be in substantially the form attached as Exhibit D hereto with such changes, amendments, modifications, omissions and additions, including the date of such Escrow Deposit Agreement, as may be approved by said Chairman and Secretary. Execution by the Chairman and the Secretary of each Escrow Deposit Agreement shall be deemed to be conclusive evidence of approval of such changes.

**SECTION 10. ADDITIONAL COVENANTS.** (A) So long as the Master Bond is Outstanding, the Issuer agrees to provide to the Holder:

(1) As soon as available and in any event not later than 270 days after the end of each Fiscal Year, commencing with Fiscal Year ending September 30, 2020, a comprehensive annual financial report, certified by the Issuer's independent public accountants and prepared in accordance with Generally Accepted Accounting Principals. Delivery shall be deemed satisfied by posting such comprehensive annual financial report on the Issuer's website; and

(2) Such other information respecting the affairs, condition and/or operations, financial or otherwise, of the Issuer as the Holder may reasonably request from time to time.

(B) At the request of the Lender, at any time after funding of Tranche 3 (as defined in the Purchase Agreement), the Issuer will obtain a CUSIP number for the Master Bond. At the request of the Lender, if at any time after the issuance of the Master Bond there is not a long-term public credit rating assigned by a nationally recognized rating agency (without regard to credit or liquidity enhancement) to the Master Bond or to any other Bonds of the Issuer payable on a parity with the Master Bond, the Issuer will take reasonable steps to obtain a rating of the Master Bond.

**SECTION 11. GENERAL AUTHORITY.** The members of the Governing Body, the Secretary and the officers, attorneys and other agents or employees of the Issuer are hereby authorized to do all acts and things required of them by this Supplemental Resolution, the Resolution, the Term Sheet or the Purchase Agreement, or desirable or consistent with the requirements hereof or the Resolution or the Term Sheet or the Purchase Agreement for the full punctual and complete performance of all the terms, covenants and agreements contained herein or in the Master Bond, the Resolution, the Term Sheet or the Purchase Agreement and each member, employee, attorney and officer of the Issuer or the Governing Body and the Secretary is hereby authorized and directed to execute and deliver any and all papers and instruments and to do and cause to be done any and all acts and things necessary or proper for executing the transactions contemplated hereunder. If the Chairman is unavailable or unable at any time to perform any duties or functions hereunder, the Vice Chairman is hereby authorized to act on his or her behalf. If the General Manager is unavailable or unable at any time to perform any duties or functions hereunder, including, but not limited to, those described in Section 6 hereof, the Chairman is hereby authorized to act on his behalf.

**SECTION 12. SEVERABILITY AND INVALID PROVISIONS.** If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and

shall in no way affect the validity of any of the other provisions hereof or of the Master Bond.

**SECTION 13. RESOLUTION TO CONTINUE IN FORCE.** Except as herein expressly provided, the Resolution and all the terms and provisions thereof are and shall remain in full force and effect.

**SECTION 14. EFFECTIVE DATE.** This Supplemental Resolution shall become effective immediately upon its adoption.

**ADOPTED** at a meeting of the Board of Directors on the 17th day of February, 2020.

**TAMPA BAY WATER, A Regional Water  
Supply Authority**

(SEAL)

By: \_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Matt Jordan, Secretary

APPROVED AS TO FORM:

Date: \_\_\_\_\_

\_\_\_\_\_  
Barrie S. Buenaventura, General Counsel

**EXHIBIT A**  
**TERM SHEET**

**EXHIBIT B**

**FORM OF PURCHASE AGREEMENT**



**EXHIBIT C**

**FORM OF MASTER BOND**

**EXHIBIT D**

**FORM OF ESCROW DEPOSIT AGREEMENT**

## SUMMARY OF TERMS AND CONDITIONS

Submission date: January 23, 2020

### Parties to the Transaction

**Authority / Borrower:** Tampa Bay Water Authority (the “Authority” or “Borrower”).

**Lender:** Bank of America, N.A. or an affiliate of Bank of America Corporation (the “Lender” or “Bank”).

### General Terms

**Description:** Forward Starting, Non-Bank Qualified Tax-Exempt Term Loan (the “Loan” or “Facility”).

**Use of Proceeds:** To refund on a current basis via a forward starting bank loan certain of the Authority’s outstanding bonds:

Option #1: Series 2010, Series 2011A and Series 2013.

Option #2: Series 2010 and Series 2011A.

**Amount:** The total of all draws under the Facility shall not exceed \$135,000,000 (“Principal Amount”).

**Expected Closing:** March 2020 (“Closing”).

**Funding Date:** Funding shall be made in three draws (Option #1) or two draws (Option #2) to correspond with the current-refunding of the Utility System Refunding Revenue Bonds, Series 2010 (“Funding #1”), Utility System Refunding Revenue Bonds, Series 2011A (“Funding #2”) and Utility System Revenue Bonds, Series 2013 (“Funding #3”) as applicable. Each amount of the Facility scheduled to be funded on a particular funding date is a “Tranche”. Funding dates are as follows:

Option #1  
Funding Date #1 – July 3, 2020  
Funding Date #2 – July 5, 2021  
Funding Date #3 – July 3, 2023

Option #2  
Funding Date #1 – July 3, 2020  
Funding Date #2 – July 5, 2021

**Maturity Date:** Option #1: October 1, 2038  
Option #2: October 1, 2025

**Amortization:** Proportionate to that of refunded bonds, subject to change prior to Closing based on fluctuation in interest rates. Any change in the amortization shall be acceptable to the Bank at the Bank’s sole discretion.

<b>Indicative Tax-Exempt Interest Rate:</b>	<p>Option #1: The Indicative Tax-Exempt Interest Rate as of January 16, 2020, is 2.46%.</p> <p>Option #2: The Indicative Tax-Exempt Interest Rate as of January 16, 2020, is 1.75%.</p> <p>The actual Tax-Exempt Rate will be determined two business days prior to Closing of the Facility.</p>
<b>Alternative Taxable Rate:</b>	The Tax-Exempt Rate multiplied by the Taxable Rate Factor (currently, 1.27). (See Determination of Taxability, below.)
<b>Failure to Qualify Interest as Tax-Exempt:</b>	If for any reason the interest rate for each Tranche of the Facility does not qualify as tax-exempt on the respective Funding Date, such Tranche of the Facility will bear interest at an alternative taxable rate (the "Alternative Taxable Rate") from and after the respective Funding Date until the earlier of (i) a subsequent tax exempt qualifying date, (ii) a prepayment date (if any) and (iii) the Maturity Date.
<b>Default Rate:</b>	12%
<b>Liquidated Damages for Prepayments:</b>	A liquidated damages fee ("Prepayment Fee") will be calculated in accordance with Exhibit A if any Tranche fails to fund for any reason not permitted by the Forward Delivery Agreement (as hereinafter defined) and whenever the Facility is prepaid in whole or in part (exclusive of scheduled amortization) prior to Maturity.
<b>Termination Fee:</b>	In addition to the Prepayment Fee above, if any Tranche fails to fund for any reason not permitted by the Forward Delivery Agreement, the Borrower shall pay a termination fee equal to 25 basis points of the amount of the Tranche for the period from the Closing Date to the applicable Funding Date (or earlier termination date) based on the actual number of days elapsed and a 360 day year.
<b>Security:</b>	The Facility will be secured on a parity basis by the Pledged Funds as defined in Tampa Bay Water's Composite Utility System Revenue Bond Resolution adopted August 31, 1998, as amended thru December 15, 2015 (the "Resolution").

#### Closing Fees and Expenses

<b>Expenses:</b>	The Borrower will be responsible for all costs and expenses relating to the Facility, including fees and disbursements of Bank's counsel, Bond Counsel, Borrower's counsel, and the Borrower's financial advisor and any other expenses incidental to the transaction contemplated by the Facility or this term sheet.
<b>Bank Counsel:</b>	<p>Fixed fee for Option 1: \$60,000</p> <p>Fixed fee for Option 2: \$45,000</p> <p>Borrower will also pay reasonable actual out of pocket expenses</p> <p>The fee will be paid on Funding Date #1, except for \$2500 per Tranche after #1, to be reserved and paid on the funding date of the future Tranche(s).</p>
<b>Administrative Fees:</b>	Amendments, transfers, standard waivers or consents: \$2,500 plus attorney's fees and expenses.
<b>Fees and Expenses Valid for 90 days:</b>	All fees and expenses, including those of the Bank's Counsel, are subject to increase if the transaction is not closed by April 23, 2020.

## Calculation and Payment of Interest

**Day Count:** Interest on the Facility shall be calculated on the basis of twelve 30 day months and a 360 day year.

**Interest Payments:** Interest on the Facility will be payable semiannually, accruing from the Funding Date and initially payable on October 1, 2020.

**Tax Gross-Up:** In the event that after funding, a Determination of Taxability occurs, the Facility (or affected Tranche) will bear interest from the date that taxability commences at a rate equal to the product of the otherwise applicable rate and the Taxable Rate Factor (currently 1.27).

Determination of Taxability will only include circumstances resulting from the action or inaction of the Authority.

The Taxable Rate Factor is the amount by which the tax-exempt rate must be multiplied to achieve the equivalent taxable rate given the highest marginal federal corporate tax rate, currently 21%. "Taxable Rate Factor" means for each day that the Taxable Rate is determined, the quotient of (i) one divided by (ii) one minus the Maximum Federal Corporate Tax Rate in effect as of such day, rounded upward to the second decimal place.

The Authority is also responsible for payment of any interest, penalties and other charges owed by the Bank as a result of interest on the Facility becoming includable in the gross income of the Bank, together with any and all attorneys' fees, court costs, or other out-of-pocket costs incurred by the Bank in connection therewith.

## The Loan Agreement

**Documentation:** At Closing, the Borrower and the Lender will enter into a forward delivery agreement (the "Forward Delivery Agreement" or "Agreement") pursuant to which the Lender will agree to lend the Principal Amount (the "Loan") to the Borrower to be advanced on each Funding Date based on the terms and conditions described herein, and including the conditions to funding at each Funding Date and other customary terms and conditions and including compliance with the U.S. Qualified Financial Contracts Resolution Stay Regulation.

If the Authority elects Option 1, then: (i) at the request of the Bank at any time after funding of the final Tranche, the Authority will obtain a CUSIP number for the 2020 Forward Bond and (ii) if at any time after the issuance of the 2020 Forward Bond, there is not a long-term public credit rating assigned by a nationally recognized rating agency (without regard to credit or liquidity enhancement) to any other bonds of the Authority payable on a parity with the 2020 Forward Bond, the Authority will take, at the request of the Bank, reasonable steps to obtain a rating of the 2020 Forward Bond.

**Investment Representations:** In connection with its entering into the Forward Delivery Agreement, the Bank will make usual and customary representations to the Borrower, including (a) its knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of making the Loan; (b) its receipt of, or access to, all information from the Borrower or otherwise that it deems necessary to make such Loan; and (c) making the Loan for its own account or for resale to an affiliated entity

in which Bank of America Corporation will retain an interest, and not with a view to, or for resale in connection with, any distribution of the Loan.

**Transfers:**

While the Bank is making the Loan for its own account without a current intent to transfer or assign the same, the bank reserves the right in its sole discretion, to assign, sell, pledge or participate interests in the Loan without the consent of the Borrower.

**Conditions Precedent to Closing:**

The negotiation, execution and delivery of the Forward Delivery Agreement and definitive documentation in form and substance satisfactory to the Bank, which will include but not be limited to the forms of the supplemental resolution, bond, bond counsel and Authority counsel opinions.

**Conditions Precedent to Funding:**

The Forward Delivery Agreement will include conditions to funding that are usual and customary for forward delivery transactions including, but not limited to, (i) certification of the continuing validity of the Resolution and other related documents; (ii) the absence of any event of default and (iii) the delivery of the related documents, including Bond counsel and Authority Counsel opinions, in the forms attached to the Forward Delivery Agreement.

Conditions to funding a Tranche at the Tax-Exempt Rate will include delivery of an unqualified opinion of a nationally recognized bond counsel that interest on the Bond will be excludable from gross income for federal income tax purposes from and after the Funding Date and evidence of the filing of an IRS Form 8038. If an unqualified opinion is not received, the Tranche will bear interest at the taxable rate described above.

If any Tranche is not funded due to failure to meet any applicable condition, the prepayment and termination fees shall nevertheless apply.

**Representations, Warranties and Covenants:**

To be substantially similar to those in the Resolution to include but not limited to rate covenant, additional bonds test and debt service reserve requirements.

**Reporting Requirements:**

The Borrower shall provide, within 270 days after the close of each fiscal year of the Authority, the completed audited financial statements of the Borrower. In addition, upon request by the Bank, the Borrower shall provide such other information respecting the affairs, condition and/or operations, financial or otherwise, of the Borrower as the Bank may from time to time reasonably request.

**Events of Default:**

To be substantially similar to those in the Resolution.

Downgrade below Baa2/BBB/BBB (or equivalent) by Moody's, S&P or Fitch, respectively, shall not be an event of default but shall trigger the Default rate.

**Remedies:**

To be substantially similar to those in the Resolution.

The Bank may, among other things, cause the Default Rate to apply to all outstanding obligations of the Borrower to the Bank and pursue any other remedies to which it is entitled.

## Choice of Law / Jury Trial / Venue

<b>Governing Law:</b>	This proposed Summary of Terms and Conditions, the Forward Agreement, and any other documents to which the Bank shall become a party shall be governed by, and construed and interpreted in accordance with, the laws of the State of Florida.
<b>Jury Trial:</b>	The Borrower agrees, to the extent permitted under applicable law, to waive any right to a trial by jury in any action or proceeding with respect to any dispute or controversy under the Bond Documents. In any litigation arising out of the proposed transaction the prevailing party shall be entitled to recover its attorney's fees, including on appeal.
<b>Venue:</b>	Any disputes or legal actions arising out of this transaction shall be brought in the courts of Florida, and each party, to the fullest extent permitted by law, shall consent to the jurisdiction of such courts.

## Contacts

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### Lender's Counsel:

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## Proposed Terms and Conditions Subject to Certain Events

*This Summary of Terms is intended only as an outline of certain of the material terms of the Facility and does not purport to summarize all of the conditions, covenants, representations, warranties and other provisions that would be contained in definitive documentation for the Facility contemplated hereby. This Summary of Terms is not a commitment. It represents a willingness on the part of the Bank to seek approval to provide the commitment indicated herein and consummate a transaction based upon the terms and conditions outlined in this term sheet and is subject to:*

Final credit approval (see “Credit Process Timeframe” below),

Absence of any material adverse change in the financial condition, operations or prospects of the Borrower, or in any law, rule or regulation (or their interpretation or administration), that, in each case, may adversely affect the consummation of the transaction, to be determined in the sole discretion of the Bank,

Such additional due diligence as the Bank may require, and

Agreement as to all final terms and conditions and satisfactory documentation thereof (including satisfactory legal opinions).

### **Credit Process Timeframe:**

The credit process will take 5 business days from the point at which the Bank is officially awarded the transaction and has in its possession all materials necessary to undertake a full credit analysis.

### **Expiration of Terms and Conditions:**

Consideration of a financing based on the terms and conditions presented in this term sheet shall automatically expire 14 calendar days from the date hereof unless this proposal is accepted by the Borrower (communicated to the Lender). If this proposal is accepted by the Borrower, the subject transaction must close by April 23, 2020.

### **Future Modifications:**

The terms, conditions, pricing levels and fees (including legal fees and expenses) cited herein reference the financing and the Facility Amount as described in this Summary of Terms and Conditions and are subject to revision in the event that (i) the Facility Amount changes, (ii) the security or transaction structure is modified, (iii) the transaction deviates materially from what was initially described, or (iv) the proposed financing does not closed by April 23, 2020.

## Use of Information

This Summary of Terms and Conditions contains structuring and pricing information. It is the expectation of the Bank that until the business is awarded, this information will not be disclosed in whole or in part to any person, other than to your accountants, attorneys and professional advisors retained by you in connection with the Facility, without our prior written consent. Nothing herein shall restrict disclosure of information relating to tax structure or tax treatment of the proposed transaction or as required by law.

## No Advisory or Fiduciary Role

The Authority acknowledges and agrees that: (i) the transaction contemplated by this Summary of Terms and Conditions is an arm’s length, commercial transaction between the Authority and the Bank in which the Bank is acting solely as a principal and for its own interest; (ii) the Bank is not acting as a municipal advisor or financial



advisor to the Authority; (iii) the Bank has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the Authority with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Bank has provided other services or is currently providing other services to the Authority on other matters); (iv) the only obligations the Bank has to the Authority with respect to the transaction contemplated hereby expressly are set forth in this Summary of Terms and Conditions; and (v) the Bank is not recommending that the Authority take an action with respect to the transaction contemplated by this Summary of Terms and Conditions, and before taking any action with respect to the contemplated transaction, Authority should discuss the information contained herein with its own legal, accounting, tax, financial and other advisors, as it deems appropriate. If Authority would like a municipal advisor in this transaction that has legal fiduciary duties to Authority, Authority is free to engage a municipal advisor to serve in that capacity. This Summary of Terms and Conditions is provided to Authority pursuant to and in reliance upon the “bank exemption” provided under the municipal advisor rules of the Securities and Exchange Commission, Rule 15Ba1-1 *et seq.*

## Exhibit A

The Borrower may prepay the credit in full or in part at any time.

The prepayment will be applied to the most remote payment of principal due under this Agreement. Each prepayment, whether voluntary, by reason of acceleration or otherwise, will be accompanied by the amount of accrued interest on the amount prepaid and a prepayment fee calculated by the Bank.

The prepayment fee will be equal to the present value (discounted by the Reinvestment Rate) of the difference, if positive, between:

(a) the sum of the interest payments that would have accrued on each prepaid installment of principal at a fixed interest rate for such installment equal to  $X^{**}$  plus 25 basis points, as if the prepayment had not been made, less

(b) the sum of the interest payments that would have accrued on each prepaid installment of principal at a fixed interest rate for such installment equal to the Reinvestment Rate, as if the prepayment had not been made.

The following definitions will apply to the calculation of the prepayment fee:

(i) "Reinvestment Rate" means with respect to each prepaid installment of principal, the Swap Rate on the date the prepayment fee is calculated by the Bank for a term corresponding to the period of time remaining until such principal installment was scheduled to be paid, interpolated on a linear basis, if necessary, and

(ii) "Swap Rate" means, as of any date, the offered U.S. Dollar interest rate swap rate that a fixed rate receiver would receive in return for paying a floating rate equal to the three month Libor (or a comparable or successor rate that is approved by the Bank) determined by the Bank on such date by reference to the Bloomberg service or such other similar data source then used by the Bank for determining such rate.

**\*\* X will approximate the Swap Rate for a swap with a scheduled notional amount at all times equal to the scheduled principal of the bonds determined on the date the interest rate was fixed by Bank. This rate is provided by the Bank prior to closing of the transaction and is not subject to future modification.**

## FORWARD DELIVERY AGREEMENT

This Forward Delivery Agreement (this "Agreement") is dated February \_\_, 2020 and is between Bank of America, N.A. (together with its successors, the "Bank"), a national banking association organized under the laws of the United States of America, and Tampa Bay Water, a Regional Water Supply Authority (formerly known as West Coast Regional Water Supply Authority, and together with its successors, the "Authority"), a separate legal entity and a regional water supply authority, duly created and validly existing under the Interlocal Agreement (hereinafter defined) and the laws of the State of Florida, including Section 163.01 and 373.713(1), Florida Statutes.

### W I T N E S S E T H:

WHEREAS, pursuant to Resolution No. 98-07 TBW adopted by the Authority on August 31, 1998, as amended and supplemented (the "Base Resolution"), the Authority on February 17, 2020 adopted Resolution No. 2020-\_\_ (the "Series Resolution") (the Base Resolution and Series Resolution being collectively referred to as the "Resolution") authorizing the issuance of the Authority's Utility System Refunding Revenue Master Bond (the "Master Bond"); and

WHEREAS, the Master Bond is authorized to be issued for the principal purpose of providing funds, together with other legally available moneys of the Authority, to refinance the Authority's Utility System Refunding Revenue Bonds, Series 2010 (the "2010 Bonds"), Utility System Refunding Revenue Bonds, Series 2011A (the "2011A Bonds") and Utility System Revenue Bonds, Series 2013 (the "2013 Bonds," and collectively with the 2010 Bonds and 2011A Bonds, the "Refunded Bonds") maturing after October 1, 2021; and

WHEREAS, this Agreement provides for the purchase by the Bank of the Master Bond and for the payment of the purchase price in three installments, referred to herein as "Tranche 1," "Tranche 2" and "Tranche 3," respectively, to be paid by the Bank upon and subject to the terms and provisions hereof;

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged by the Bank and the Authority, the Bank and the Authority agree as follows:

**Section 1. Definitions.** Words and phrases used herein in capitalized form that are not otherwise defined herein have the same meanings as in the Resolution and Master Bond form attached hereto as Exhibit "D." As used herein, the following words and phrases have the following meanings:

"Break Funding Event" means any of the T1 Break Funding Event, the T2 Break Funding Event or the T3 Break Funding Event.

"Breakage Fee" means the amount payable by the Authority to the Bank upon the occurrence of a Break Funding Event.

"Determination of Taxability" is defined in the Master Bond form attached hereto as Exhibit "D."

"Event of Default" is defined in Section 7.01 of the Base Resolution.

"Funding Dates" means the Tranche 1 Funding Date, the Tranche 2 Funding Date and the Tranche 3 Funding Date.

"Interlocal Agreement" means the Amended and Restated Interlocal Agreement, dated as of May 1, 1998, as amended, among Hillsborough County, Florida, Pasco County, Florida, Pinellas County, Florida, the City of New Port Richey, Florida, the City of St. Petersburg, Florida and the City of Tampa, Florida.

"Purchase Price" means the sum of the Tranche 1 Purchase Price, the Tranche 2 Purchase Price and the Tranche 3 Purchase Price.

"Taxable Rate" is defined in the Master Bond form attached hereto as Exhibit "D."

"T1 Break Funding Event" is defined in Section 5(C)(a) hereof.

"T2 Break Funding Event" is defined in Section 6(C)(a) hereof.

"T3 Break Funding Event" is defined in Section 7(C)(a) hereof.

"T1 Closing" is defined in Section 5(A) hereof.

"T2 Funding" is defined in Section 6(A) hereof.

"T3 Funding" is defined in Section 7(A) hereof.

"Tranche 1" refers to a \$\_\_\_\_\_ portion of the principal amount of the Master Bond, having the interest rate, amortization and other characteristics provided therefor in the Master Bond.

"Tranche 2" refers to a \$\_\_\_\_\_ portion of the principal amount of the Master Bond, having the interest rate, amortization and other characteristics provided therefor in the Master Bond.

"Tranche 3" refers to a \$\_\_\_\_\_ portion of the principal amount of the Master Bond, having the interest rate, amortization and other characteristics provided therefor in the Master Bond.

"Tranche 1 Funding Date" means 10:00 a.m. Tampa, Florida time on July 3, 2020, or at such other time or on such other date as may be mutually agreed upon in writing by the Authority and the Bank.

"Tranche 2 Funding Date" means 10:00 a.m. Tampa, Florida time on July 5, 2021, or at such other time or on such other date as may be mutually agreed upon in writing by the Authority and the Bank.

"Tranche 3 Funding Date" means 10:00 a.m. Tampa, Florida time on July 3, 2023, or at such other time or on such other date as may be mutually agreed upon in writing by the Authority and the Bank.

"Tranche 1 Purchase Price" means \$\_\_\_\_\_.

"Tranche 2 Purchase Price" means \$\_\_\_\_\_.

"Tranche 3 Purchase Price" means \$\_\_\_\_\_.

**Section 2. Purchase and Sale.** Upon the terms and conditions set forth herein, the Bank agrees to purchase the Master Bond from the Authority, and the Authority agrees to sell the Master Bond to the Bank, on the Tranche 1 Funding Date. Subject to the provisions hereof, the Purchase Price of the Master Bond will be paid in three installments: (i) the Tranche 1 Purchase Price to be paid on the Tranche 1 Funding Date; (ii) the Tranche 2 Purchase Price to be paid on the Tranche 2 Funding Date; and (iii) the Tranche 3 Purchase Price to be paid on the Tranche 3 Funding Date.

Upon payment by the Bank to or upon the order of the Authority of an installment of the Purchase Price of the Master Bond corresponding to the Tranche 1 Purchase Price, the Tranche 2 Purchase Price and the Tranche 3 Purchase Price, respectively, the outstanding principal balance of the

Master Bond shall be simultaneously increased by an amount equal to the amount of the installment so paid, such principal to constitute Tranche 1, Tranche 2 and Tranche 3, respectively.

**Section 3. Representations, Warranties and Agreements.** The Authority acknowledges, and represents and warrants to the Bank, that as of the date hereof: (i) the transaction contemplated by this Agreement is an arm's length, commercial transaction between the Authority and the Bank in which the Bank is acting solely as a principal and for its own interest; (ii) the Bank is not acting as a municipal advisor or financial advisor to the Authority; (iii) the Bank has no fiduciary duty to the Authority with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Bank or any entity affiliated with the Bank has provided other services or is currently providing other services to the Authority on other matters); (iv) the only obligations the Bank has to the Authority with respect to the transaction contemplated hereby are set forth in this Agreement; (v) the Bank is not recommending that the Authority take any action with respect to the transaction contemplated by this Agreement, and before taking any action with respect hereto the Authority has consulted with its own legal, financial and other advisors to the extent it has deemed appropriate; (vi) the audited financial statements of the Authority for the fiscal year ended September 30, 2018 are accurate and complete in all material respects as of the date and for the period set forth therein; (vii) since September 30, 2018, no material adverse change has occurred in the financial position or results of operations of the Authority, and the Authority has not incurred any material liabilities payable from or secured by the Pledged Funds except as has been disclosed to the Bank in writing by the Authority; (viii) the Authority is not in breach of or default under any law by which it is bound, any applicable judgment or decree binding upon it or any contract to which the Authority is a party or by which the Authority is bound; (ix) the execution and delivery of this Agreement and compliance with the provisions on the Authority's part contained herein, do not and will not conflict with or constitute a breach of or default under any law by which the Authority is bound, any applicable judgment or decree binding upon the Authority or any contract to which the Authority is a party or by which the Authority is bound; (x) the Authority has duly adopted the Resolution, and has duly authorized, executed and delivered this Agreement and each constitutes the legal, binding and valid obligation of the Authority, enforceable in accordance with its terms; provided, however, the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity; and (xi) the Authority is a separate legal entity and a regional water supply authority, duly created and validly existing under the Interlocal Agreement and the laws of the State, including Section 163.01 and 373.713(1), Florida Statutes.

**Section 4. Conditions to be Satisfied at Execution of this Agreement.** At or before the execution of this Agreement, the Authority and the Bank shall each have received the following documents, which shall be in form and substance acceptable to the Authority and Bank, execution hereof being deemed conclusive evidence of such acceptance:

(a) A copy of the Resolution, certified as accurate, complete and in effect by the Secretary of the Authority.

(b) A copy of the Interlocal Agreement, certified as accurate, complete and in effect by the Secretary of the Authority.

(c) A certificate of the Secretary of the Authority attesting to the incumbency in office of the individual(s) executing this Agreement on behalf of the Authority.

(d) An opinion of counsel to the Authority.

- (e) An opinion of Bond Counsel to the Authority.
- (f) The notice of sale required by Section 218.38, Florida Statutes.

(g) The Bank's Truth-in-Bonding, Disclosure and Investor Certificate in the form attached hereto as Exhibit A, executed by a Senior Vice President of the Bank, together with a certificate of the Secretary or an Assistant Secretary of the Bank attesting to the incumbency in office of the individual executing this Agreement and such Certificate and the authority of the holder of such office to execute this Agreement and such Certificate on behalf of the Bank.

**Section 5. Provisions Applicable to Tranche 1.**

(A). The Tranche 1 Closing. On the Tranche 1 Funding Date, subject to the terms and conditions hereof, the Authority shall deliver to the Bank the documents described in Section 5(B) and the Bank shall pay the Tranche 1 Purchase Price in immediately available funds to or upon the order of the Authority (such delivery of and payment is herein referred to as the "T1 Closing"). The T1 Closing shall occur at the offices of \_\_\_\_\_ in \_\_\_\_\_, or such other place as shall have been mutually agreed upon by the Authority and the Bank.

(B). Tranche 1 Closing Conditions. The Bank's obligation to pay the Tranche 1 Purchase Price is conditioned upon the performance by the Authority of its agreements to be performed hereunder and under such other documents and instruments to be delivered at or prior to the T1 Closing, and shall also be subject to the following additional conditions:

(a) As of the Tranche 1 Funding Date, the Resolution shall be in full force and effect and shall not have been amended or modified subsequent to the date of this Agreement, except to the extent the Bank shall have given its prior written consent thereto.

(b) As of the Tranche 1 Funding Date, there will be no pending or, to the knowledge of the Authority or Bank, threatened, litigation or proceeding of any nature (i) seeking to restrain or enjoin the issuance, sale or delivery of the Master Bond, or the collection or application of the Gross Revenues in the manner specified in the Resolution or (ii) in any way contesting or affecting the validity or enforceability of the Master Bond, the Resolution or this Agreement.

(c) As of the Tranche 1 Funding Date there is no Event of Default or event which with the passage of time or the giving of notice, or both, would constitute an Event of Default.

(d) At the T1 Closing, the Bank shall receive all of the applicable documents required by the Resolution to be delivered for the issuance of the Master Bond as a "Bond" thereunder, and the following documents, each dated as of the Tranche 1 Funding Date, fully completed and executed by all required parties and in the form specified herein or otherwise in form and substance satisfactory to the Bank:

(i) The opinion of Nabors, Giblin & Nickerson, P.A., or another attorney or firm of attorneys licensed to practice law in the State chosen by the Authority and reasonably acceptable to the Bank, as Bond Counsel, in the form attached hereto as Exhibit "B";

(ii) The opinion of \_\_\_\_\_, or another attorney or firm of attorneys licensed to practice law in the State chosen by the Authority and reasonably acceptable to the Bank, as counsel to the Authority, in the form attached hereto as Exhibit "C";

(iii) A certificate of the Authority, signed by the Chairman or Vice Chairman of the Board of Directors of the Authority and the Secretary or and Assistant Secretary of the Authority, to the effect that as of the Tranche 1 Funding Date (1) the representations of the Authority in clauses (x) and (xi) of Section 3 hereof are true and correct in all respects and (2) the

Authority has performed all of its obligations and has satisfied all conditions (including but not limited to the conditions set forth in Section 5(B)(b) and 5(B)(c)) on its part required by this Agreement and the Resolution to have been performed and satisfied as of the Tranche 1 Funding Date;

(iv) An agreement between the Authority and a depository institution selected by the Authority, to provide, upon the deposit and investment of money as described therein, for the defeasance of the 2010 Bonds on the Tranche 1 Funding Date and the redemption thereof on October 1, 2020;

(v) A certificate of the Secretary of the Authority attesting to the incumbency in office of the individual(s) executing the documents of the Authority required to be provided to the Bank pursuant to this Section 5(B);

(vi) Unless the interest rate to be borne by Tranche 1 as of the Tranche 1 Funding Date is the Taxable Rate, a properly completed and executed Internal Revenue Service Form 8083-G with respect to the Master Bond;

(vii) The original fully executed and authenticated Master Bond in the form attached hereto as Exhibit "D"; and

(viii) A closing memorandum, dated the Tranche 1 Funding Date and signed by the Chairman or Vice Chairman of the Board of Directors of the Authority, authorizing and directing the Bank to pay the Tranche 1 Purchase Price to or at the direction of the Authority pursuant to wire transfer instructions set forth in such memorandum.

(e) On the Tranche 1 Funding Date, upon receipt of the Tranche 1 Purchase Price, the Authority shall pay the fee and expenses of counsel to the Bank in connection with the preparation and execution of this Agreement and the T1 Closing in the amount of \$55,000.00, plus reasonable and actual out-of-pocket expenses.

(C). T1 Break Funding Event; Breakage Fee.

(a) The following events shall be "T1 Break Funding Events," and if any shall occur a T1 Break Funding Event shall be deemed to have occurred on the Tranche 1 Funding Date, except that in the case of the events described in Section 5(C)(a)(i), (iv) or (v) the T1 Break Funding Event shall be deemed to have occurred on the date set forth therein:

(i) An "Event of Default" described in Section 7.01(A) or (B) of the Base Resolution shall occur, in which case a T1 Break Funding Event shall be deemed to have occurred immediately upon the occurrence of such event;

(ii) The Authority shall on the Tranche 1 Funding Date be in breach of the due performance of any provision of the Resolution which is not also described in Section 5(C)(a)(i) of this Agreement;

(iii) any representation or warranty made by the Authority herein was untrue in any material respect as of the date of this Agreement and is also untrue on the Tranche 1 Funding Date;

(iv) the Authority shall in writing assert that any of the provisions of this Agreement or any of the provisions of the Resolution relevant to the Master Bond are not valid or binding on the Authority, in which case a T1 Break Funding Event shall be deemed to have occurred immediately upon the occurrence of such event;

(v) on or before the Tranche 1 Funding Date, the Authority shall notify the Bank in writing, which notice shall be irrevocable, that the Authority has determined that the Master Bond shall not be issued, acknowledging the same to be a "T1 Break Funding Event" and specifying the effective date of such T1 Break Funding Event (which date shall not be later than the Tranche 1 Funding Date, and which shall be deemed to be the Tranche 1 Funding Date if no earlier date is specified); or

(vi) on the Tranche 1 Funding Date, the Authority shall not have satisfied the conditions of the obligation of the Bank to pay the Tranche 1 Purchase Price as set forth in Section 5(B) hereof. Notwithstanding the foregoing, no T1 Break Funding Event shall occur pursuant to this clause (vi) if (1) no other T1 Break Funding Event under this Section 5 shall have occurred, (2) the Authority shall have satisfied all conditions of Section 5(B) hereof, including provision to the Bank of the opinion of Bond Counsel in the form described in Section 5(B)(d)(i) hereof, except that such opinion does not include paragraph \_\_ of such form, and the Authority agrees in writing on or prior to the Tranche 1 Funding Date that a Determination of Taxability has occurred with respect to Tranche 1 and (3) the Authority shall agree in writing that the Master Bond shall be delivered and that the principal amount of Tranche 1 shall bear interest at the Taxable Rate.

(b) Immediately upon and after the date of occurrence of any T1 Break Funding Event (the "T1 Break Funding Date"), the Bank shall thereafter have no further obligation to purchase the Master Bond or to pay any portion of the Purchase Price or any other obligation or liability to the Authority pursuant to this Agreement.

(c) If a T1 Break Funding Event occurs, then (i) on the T1 Break Funding Date the Authority shall pay the Bank a Breakage Fee in the amount determined pursuant to the provisions of Exhibit "E" attached hereto and (ii) upon receipt by the Bank of the Breakage Fee, the provisions of Section 6 and Section 7 of this Agreement shall thereafter be of no force or effect. The provisions of Exhibit E are a part of this Agreement to the same extent as if set forth in the body hereof.

(d) If a T1 Break Funding Event occurs, then on the T1 Break Funding Date the Authority shall pay the fee and expenses of counsel to the Bank in connection with the preparation and execution of this Agreement in the amount of \$60,000.00, plus reasonable and actual out-of-pocket expenses.

#### **Section 6. Provisions Applicable to Tranche 2.**

(A). The Tranche 2 Closing. On the Tranche 2 Funding Date, subject to the terms and conditions hereof, the Authority shall deliver to the Bank the documents described in Section 6(B) and the Bank shall pay the Tranche 2 Purchase Price in immediately available funds to or upon the order of the Authority (such delivery of and payment is herein referred to as the "T2 Funding"). The T2 Funding shall occur at the offices of \_\_\_\_\_ in \_\_\_\_\_, or such other place as shall have been mutually agreed upon by the Authority and the Bank.

(B). T2 Funding Conditions. The Bank's obligation to pay the Tranche 2 Purchase Price is conditioned upon the performance by the Authority of its agreements to be performed hereunder and under such other documents and instruments to be delivered at or prior to the T2 Funding, and shall also be subject to the following additional conditions:

(a) As of the Tranche 2 Funding Date, (i) the Resolution shall be in full force and effect, the Base Resolution shall not have been amended after the date of this Agreement except in accordance with its terms and the Series Resolution shall not have been amended after the date of



this Agreement except with the prior written consent of the Bank and (ii) the Master Bond shall be a valid and binding obligation of the Authority.

(b) As of the Tranche 2 Funding Date, there shall be no pending or, to the knowledge of the Authority or Bank, threatened, litigation or proceeding of any nature in any way contesting or affecting the validity or enforceability of the Master Bond, the Resolution or this Agreement unless the Bank shall have received a written opinion, in form and substance reasonably acceptable to the Bank, of an attorney or firm of attorney's licensed to practice law in the State and reasonably acceptable to the Bank, to the effect that such litigation or proceeding is without legal merit.

(c) As of the Tranche 2 Funding Date there shall be no Event of Default or event which with the passage of time or the giving of notice, or both, would constitute an Event of Default.

(d) At the T2 Funding, the Bank shall receive the following documents, each dated as of the Tranche 2 Funding Date, fully completed and executed by all required parties and in the form specified herein or otherwise in form and substance satisfactory to the Bank:

(i) The opinion of Nabors, Giblin & Nickerson, P.A., or another attorney or firm of attorneys licensed to practice law in the State chosen by the Authority and reasonably acceptable to the Bank, as Bond Counsel, in the form attached hereto as Exhibit "F";

(ii) The opinion of \_\_\_\_\_, or another attorney or firm of attorneys licensed to practice law in the State chosen by the Authority and reasonably acceptable to the Bank, as counsel to the Authority, in the form attached hereto as Exhibit "G";

(iii) A certificate of the Authority, signed by the Chairman or Vice Chairman of the Board of Directors of the Authority and the Secretary or and Assistant Secretary of the Authority, to the effect that as of the Tranche 2 Funding Date (1) the representations of the Authority in clauses (x) and (xi) of Section 3 hereof are true and correct in all respects, (2) the Authority has performed all of its obligations and has satisfied all conditions (including but not limited to the condition set forth in Sections 6(B)(b) and 6(B)(c)) on its part required by this Agreement and the Resolution to have been performed and satisfied as of the Tranche 2 Funding Date and (3) the Master Bond is a valid and binding obligation of the Authority, enforceable in accordance with its terms; provided, however, the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity;

(iv) An agreement between the Authority and a depository institution selected by the Authority, to provide, upon the deposit and investment of money as described therein, for the defeasance of the 2011 Bonds on the Tranche 2 Funding Date and the redemption thereof on October 1, 2021;

(v) A certificate of the Secretary of the Authority attesting to the incumbency in office of the individual(s) executing the documents of the Authority required to be provided to the Bank pursuant to this Section 6(B); and

(vi) A closing memorandum, dated the Tranche 2 Funding Date, and signed by the Chairman or Vice Chairman of the Board of Directors of the Authority, authorizing and directing the Bank to pay the Tranche 2 Purchase Price to or at the direction of the Authority pursuant to wire transfer instructions set forth in such memorandum.

(e) On the Tranche 2 Funding Date, upon receipt of the Tranche 2 Purchase Price, the Authority shall pay the fee and expenses of counsel to the Bank in connection with the preparation

and execution of this Agreement and the T2 Funding in the amount of \$2,500.00, plus reasonable and actual out-of-pocket expenses.

(C). T2 Break Funding Event; Breakage Fee.

(a) The following events shall be "T2 Break Funding Events," and if any shall occur a T2 Break Funding Event shall be deemed to have occurred on the Tranche 2 Funding Date, except that in the case of the events described in Section 6(C)(a)(i), (iv) or (v) the T2 Break Funding Event shall be deemed to have occurred on the date set forth therein:

(i) An "Event of Default" described in Section 7.01(A) or (B) of the Base Resolution shall occur, in which case a T2 Break Funding Event shall be deemed to have occurred immediately upon the occurrence of such event;

(ii) The Authority shall on the Tranche 2 Funding Date be in breach of the due performance of any provision of this Agreement or of the Resolution which is not also described in Section 6(C)(a)(i) of this Agreement;

(iii) any representation or warranty made by the Authority herein was untrue in any material respect as of the date of this Agreement and is also untrue on the Tranche 2 Funding Date;

(iv) the Authority shall in writing assert that any of the provisions of this Agreement or the Master Bond or any of the provisions of the Resolution relevant to the Master Bond are not valid or binding on the Authority, in which case a T2 Break Funding Event shall be deemed to have occurred immediately upon the occurrence of such event;

(v) on or before the Tranche 2 Funding Date, the Authority shall notify the Bank in writing, which notice shall be irrevocable, that the Authority has determined not to proceed with the T2 Funding or the T3 Funding, acknowledging the same to be a "T2 Break Funding Event" and specifying the effective date of such T2 Break Funding Event (which date shall not be later than the Tranche 2 Funding Date, and which shall be deemed to be the Tranche 2 Funding Date if no earlier date is specified); or

(vi) on the Tranche 2 Funding Date, the Authority shall not have satisfied the conditions of the obligation of the Bank to pay the Tranche 2 Purchase Price as set forth in Section 6(B) hereof. Notwithstanding the foregoing, no T2 Break Funding Event shall occur pursuant to this clause (vi) if (1) no other T2 Break Funding Event under this Section 6 shall have occurred, (2) the Authority shall have satisfied all conditions of Section 6(B) hereof, including provisions to the Bank of the opinion of Bond Counsel in the form described in Section 6(B)(d)(i) hereof, except that such opinion does not include paragraph \_\_ of such form, and the Authority agrees in writing on or prior to the Tranche 2 Funding Date that a Determination of Taxability has occurred with respect to Tranche 2 and (3) the Authority shall agree in writing that the principal amount of Tranche 2 shall bear interest at the Taxable Rate.

(b) Immediately upon and after the date of occurrence of any T2 Break Funding Event (the "T2 Break Funding Date"), the Bank shall thereafter have no further obligation to pay the Tranche 2 Purchase Price or the Tranche 3 Purchase Price or any other obligation or liability to the Authority pursuant to this Agreement.

(c) If a T2 Break Funding Event occurs, then (i) on the T2 Break Funding Date the Authority shall pay the Bank a Breakage Fee in the amount determined pursuant to the provisions of Exhibit "E" attached hereto and (ii) upon receipt by the Bank of the Breakage Fee, the provisions of Section 7 of this Agreement shall thereafter be of no force or effect.

(d) If a T2 Break Funding Event occurs, then on the T2 Break Funding Date the Authority shall pay the fee and expenses of counsel to the Bank in connection with this Agreement in the amount of \$5,000.00, plus reasonable and actual out-of-pocket expenses.

**Section 7. Provisions Applicable to Tranche 3.**

(A). The Tranche 3 Closing. On the Tranche 3 Funding Date, subject to the terms and conditions hereof, the Authority shall deliver to the Bank the documents described in Section 6(B) and the Bank shall pay the Tranche 3 Purchase Price in immediately available funds to or upon the order of the Authority (such delivery of and payment is herein referred to as the "T3 Funding"). The T3 Funding shall occur at the offices of \_\_\_\_\_ in \_\_\_\_\_, or such other place as shall have been mutually agreed upon by the Authority and the Bank.

(B). T3 Funding Conditions. The Bank's obligation to pay the Tranche 3 Purchase Price is conditioned upon the performance by the Authority of its agreements to be performed hereunder and under such other documents and instruments to be delivered at or prior to the T3 Funding, and shall also be subject to the following additional conditions:

(a) As of the Tranche 3 Funding Date, (i) the Resolution shall be in full force and effect, the Base Resolution shall not have been amended after the date of this Agreement except in accordance with its terms and the Series Resolution shall not have been amended after the date of this Agreement except with the prior written consent of the Bank and (ii) the Master Bond shall be a valid and binding obligation of the Authority.

(b) As of the Tranche 3 Funding Date, there shall be no pending or, to the knowledge of the Authority or Bank, threatened, litigation or proceeding of any nature in any way contesting or affecting the validity or enforceability of the Master Bond, the Resolution or this Agreement, unless the Bank shall have received a written opinion, in form and substance reasonably acceptable to the Bank, of an attorney or firm of attorney's licensed to practice law in the State and reasonably acceptable to the Bank, to the effect that such litigation or proceeding is without legal merit.

(c) As of the Tranche 3 Funding Date there shall be no Event of Default or event which with the passage of time or the giving of notice, or both, would constitute an Event of Default.

(d) At the T3 Funding, the Bank shall receive the following documents, each dated as of the Tranche 3 Funding Date, fully completed and executed by all required parties and in the form specified herein or otherwise in form and substance satisfactory to the Bank:

(i) The opinion of Nabors, Giblin & Nickerson, P.A., or another attorney or firm of attorneys licensed to practice law in the State chosen by the Authority and reasonably acceptable to the Bank, as Bond Counsel, in the form attached hereto as Exhibit "F";

(ii) The opinion of \_\_\_\_\_, or another attorney or firm of attorneys licensed to practice law in the State chosen by the Authority and reasonably acceptable to the Bank, as counsel to the Authority, in the form attached hereto as Exhibit "G";

(iii) A certificate of the Authority, signed by the Chairman or Vice Chairman of the Board of Directors of the Authority and the Secretary or and Assistant Secretary of the Authority, to the effect that as of the Tranche 3 Funding Date (1) the representations of the Authority in clauses (x) and (xi) of Section 3 hereof are true and correct in all respects, (2) the Authority has performed all of its obligations and has satisfied all conditions (including but not limited to the condition set forth in Sections 7(B)(b) and 7(B)(c)) on its part required by this Agreement and the Resolution to have been performed and satisfied as of the Tranche 3 Funding Date and (3) the Master Bond is a valid and binding obligation of the Authority, enforceable in

accordance with its terms; provided, however, the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity;

(iv) An agreement between the Authority and a depository institution selected by the Authority, to provide, upon the deposit and investment of money as described therein, for the defeasance of the 2013 Bonds on the Tranche 3 Funding Date and the redemption thereof on October 1, 2023;

(v) A certificate of the Secretary of the Authority attesting to the incumbency in office of the individual(s) executing the documents of the Authority required to be provided to the Bank pursuant to this Section 7(B); and

(vi) A closing memorandum, dated the Tranche 3 Funding Date, and signed by the Chairman or Vice Chairman of the Board of Directors of the Authority, authorizing and directing the Bank to pay the Tranche 3 Purchase Price to or at the direction of the Authority pursuant to wire transfer instructions set forth in such memorandum.

(e) On the Tranche 3 Funding Date, upon receipt of the Tranche 3 Purchase Price, the Authority shall pay the fee and expenses of counsel to the Bank in connection with the preparation and execution of this Agreement and the T3 Funding in the amount of \$2,500.00, plus reasonable and actual out-of-pocket expenses.

(C). T3 Break Funding Event; Breakage Fee.

(a) The following events shall be "T3 Break Funding Events," and if any shall occur a T3 Break Funding Event shall be deemed to have occurred on the Tranche 3 Funding Date, except that in the case of the events described in Section 7(C)(a)(i), (iv) or (v) the T3 Break Funding Event shall be deemed to have occurred on the date set forth therein:

(i) An "Event of Default" described in Section 7.01(A) or (B) of the Base Resolution shall occur, in which case a T3 Break Funding Event shall be deemed to have occurred immediately upon the occurrence of such event;

(ii) The Authority shall on the Tranche 3 Funding Date be in breach of the due performance of any provision of this Agreement or of the Resolution which is not also described in Section 7(C)(a)(i) of this Agreement;

(iii) any representation or warranty made by the Authority herein was untrue in any material respect as of the date of this Agreement and is also untrue on the T3 Funding Date;

(iv) the Authority shall in writing assert that any of the provisions of this Agreement or the Master Bond or any of the provisions of the Resolution relevant to the Master Bond are not valid or binding on the Authority, in which case a T3 Break Funding Event shall be deemed to have occurred immediately upon the occurrence of such event;

(v) on or before the Tranche 3 Funding Date, the Authority shall notify the Bank in writing, which notice shall be irrevocable, that the Authority has determined not to proceed with the T3 Funding, acknowledging the same to be a "T3 Break Funding Event" and specifying the effective date of such T3 Break Funding Event (which date shall not be later than the Tranche 3 Funding Date, and which shall be deemed to be the Tranche 3 Funding Date if no earlier date is specified); or

(vi) on or before the Tranche 3 Funding Date, the Authority shall not have satisfied the conditions of the obligation of the Bank to pay the Tranche 3 Purchase Price as set

forth in Section 7(B) hereof. Notwithstanding the foregoing, no T3 Break Funding Event shall occur pursuant to this clause (vi) if (1) no other T3 Break Funding Event under this Section 7 shall have occurred, (2) the Authority shall have satisfied all conditions of Section 7(B) hereof, including provisions to the Bank of the opinion of Bond Counsel in the form described in Section 7(B)(d)(i) hereof, except that such opinion does not include paragraph \_\_\_ of such form, and the Authority agrees in writing on or prior to the Tranche 3 Funding Date that a Determination of Taxability has occurred with respect to Tranche 3 and (3) the Authority shall agree in writing that the principal amount of Tranche 3 shall bear interest at the Taxable Rate.

(b) Immediately upon and after the date of occurrence of any T3 Break Funding Event (the "T3 Break Funding Date"), the Bank shall thereafter have no further obligation to pay the Tranche 3 Purchase Price or any other obligation or liability to the Authority pursuant to this Agreement.

(c) If a T3 Break Funding Event occurs, then on the T3 Break Funding Date the Authority shall pay the Bank a Breakage Fee in the amount determined pursuant to the provisions of Exhibit "E" attached hereto.

(d) If a T3 Break Funding Event occurs, then on the T3 Break Funding Date the Authority shall pay the fee and expenses of counsel to the Bank in connection with this Agreement in the amount of \$2,500.00, plus reasonable and actual out-of-pocket expenses.

**Section 8. Waiver of Jury Trial; Venue; Attorney's Fee.** The Bank and the Authority irrevocably waive, to the fullest extent permitted by applicable law, any right to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Agreement, the Resolution, the Master Bond or any other document executed in connection herewith or the transactions contemplated hereby or thereby (whether based on contract, tort or any other theory). In the event of any judicial proceedings arising out of or related to the Master Bond or this Agreement, the Authority and the Bank waive any objection to venue in, and to the extent legally effective agree that venue shall be in, any State or federal court located in or having jurisdiction over Pinellas County, Florida. In any litigation arising out of this Agreement or the Master Bond, including any appeal, the prevailing party shall be entitled to recover its attorney's fees.

**Section 9. Counterparts.** This Agreement may be executed in several counterparts, which together shall constitute one and the same instrument.

**Section 10. Governing Law.** The validity, interpretation and performance of this Agreement shall be governed by the laws of the State.

**Section 11. Notices.** Any notice, demand, direction or request authorized or required by this Agreement to be given to the Authority or the Bank shall be in writing, shall be effective upon receipt and shall be sent by United States certified mail, return receipt requested, or by overnight common courier, addressed as follows (unless changed as hereinafter provided):

As to the Authority: Tampa Bay Water  
2575 Enterprise Road  
Clearwater, FL 33763  
Attn: General Manager

As to the Bank: Bank of America, N.A.  
NC1-001-05-13  
One Independence Center  
101 North Tryon St  
Charlotte, NC 28255-0001

with a copy to:

Bank of America, N.A.  
Suite 10110  
9128 Strada Place  
Naples, FL 34108  
Attention: Holly L. Kuhlman

Upon written notice to the other party given in the manner provided above, the Bank and the Authority may change their addresses for purposes hereof.

**Section 12. Non-Assignability.** This Agreement may not be assigned by either party hereto.

TAMPA BAY WATER

By: \_\_\_\_\_  
Name:  
Title:

Attest:

By: \_\_\_\_\_  
Name:  
Title:

BANK OF AMERICA, N.A.

By: \_\_\_\_\_  
Name: Holly L. Kuhlman  
Title: Senior Vice President

EXHIBIT "A"

FORM OF TRUTH-IN-BONDING, DISCLOSURE AND INVESTOR CERTIFICATE

February \_\_, 2020

Tampa Bay Water, a Regional Water Supply Authority

Re: \$\_\_\_\_\_ Tampa Bay Water (the "Authority") Utility System Refunding Revenue Master Bond (the "Master Bond")

Ladies and Gentlemen:

Bank of America, N.A. (the "Lender") represents and warrants to you and agrees with you as follows:

1. The Lender acknowledges that the Master Bond (i) has not been registered pursuant to the Securities Act of 1933, as amended (the "1933 Act"), (ii) is not being registered or otherwise qualified for sale under the "blue sky" laws of any state, (iii) will not be listed on any securities exchange and (iv) will not carry a rating from any rating agency.
2. The Lender has not entered into a written agreement with any person or entity providing for the sale of the Master Bond to any person.
3. The Lender has sufficient knowledge and experience in financial and business matters to be able to evaluate the risks and merits of the investment represented by the purchase of the Master Bond.
4. The Lender is a national bank.
5. The Lender acknowledges that no official statement or other comprehensive offering document is being provided with respect to the Master Bond and the Lender has made its own inquiry and analysis with respect to the Authority, the Master Bond and the security therefor, and other material factors affecting the security for and payment of the Master Bond.
6. The Master Bond is being acquired by the Lender for investment for its own account and not with a present view toward resale or distribution; provided, however, that the Lender reserves the right to sell, transfer or redistribute the Master Bond in compliance with applicable law.
7. The Lender is not on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, except as permitted by applicable law does not have business operations in Cuba or Syria and it is not participating in a boycott of Israel, all within the meaning of Section 287.135, Florida Statutes.
8. This Section 8 is provided pursuant to the provisions of Section 218.385, Florida Statutes and the statements herein are intended to affect or control the actual terms and conditions of the Master Bonds. The Lender, hereby makes the following disclosures to the Authority:
  - (a) There are no expenses to be incurred by the Lender in connection with the purchase of the Master Bond except for Lender's counsel, whose fee in the amount of \$60,000 is expected to be paid by the Authority.
  - (b) No person has entered into an understanding with the Lender, or to the knowledge of the Lender, with the Authority for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the Authority

and the Lender or to exercise or attempt to exercise any influence to effect any transaction in the purchase of the Master Bond.

(c) There is no "underwriting spread" in connection with the Master Bond.

(d) There is no "management fee" in connection with the Master Bond.

(e) No other fee, bonus or other compensation has been or will be paid by the Lender in connection with the issuance of the Master Bond to any person not regularly employed or retained by the Lender, including any "finder" as defined in Section 218.386(1)(a), Florida Statutes, as amended. The fees and expenses of Lender's Counsel, Mark E. Raymond is to be paid by the Authority.

(f) The name and address of the Lender is:

Bank of America, N.A.  
NC1-001-05-13  
One Independence Center  
101 North Tryon St  
Charlotte, NC 28255-0001

(g) Truth-in-bonding Statement

The Authority is proposing to issue the Master Bond for the purpose of providing funds to (i) refinance the Authority's Utility System Refunding Revenue Bonds, Series 2010 (the "2010 Bonds"), Utility System Refunding Revenue Bonds, Series 2011A (the "2011A Bonds") and Utility System Revenue Bonds, Series 2013 (the "2013 Bonds," and collectively with the 2010 Bonds and 2011A Bonds, the "Refunded Bonds") maturing after October 1, 2021 and (ii) pay certain costs of issuance relating to the Master Bond. The Master Bond is expected to be repaid over a period of approximately 18 years and \_\_\_ months. At the interest rate of \_\_\_% for the Master Bond, total interest paid over the life of the Master Bond will be \$ \_\_\_\_\_. The source of repayment or security for the Master Bond consists of the Pledged Funds (as described in the Bond Resolution). Authorizing the Master Bond will not result in any adverse change in the amount of Authority moneys available to finance other services of the Authority.

BANK OF AMERICA, N.A.

By: \_\_\_\_\_  
Name: Holly L. Kuhlman  
Title: Senior Vice President



EXHIBIT "B"

FORM OF TRANCHE 1 BOND COUNSEL OPINION

EXHIBIT "C"

FORM OF TRANCHE 1 AUTHORITY COUNSEL OPINION

EXHIBIT "D"

FORM OF MASTER BOND

## EXHIBIT "E"

### BREAK FUNDING PROVISIONS

**Exhibit E Section 1.** This Section 1 sets forth provisions applicable to all Break Funding Events.

- (a) Computations of interest and present value with respect to the Breakage Fee shall be performed on the basis of a 360-day year for the actual number of days elapsed.
- (b) If any Breakage Fee is not paid to the Bank when due, the unpaid amount shall thereafter bear interest, payable on demand, at the Default Rate, until paid. "Default Rate" means 12% per annum.
- (c) Payment by the Authority to the Bank of the Breakage Fee, and any interest thereon, shall constitute full liquidated damages for the failure of the Authority to satisfy the conditions to the funding of the Purchase Price set forth herein and such payment shall constitute a full release and discharge of all claims by the Bank against the Authority arising out of such failure.
- (d) The obligation of the Authority to pay the Breakage Fee and any interest thereon constitutes an Operating Expense payable pursuant to Section 4.05(A)(3) of the Base Resolution, and until any Breakage Fee due from the Authority, together with interest thereon, has been paid in full, the Authority covenants to at the earliest lawful opportunity appropriate Gross Revenues in amounts sufficient to pay the Breakage Fee and such interest as the same become due.
- (e) The Bank shall determine the Breakage Fee reasonably and in good faith. The Bank's determination of the Breakage Fee shall be conclusive and binding absent manifest error. The Bank shall provide the Authority with information supporting its calculation of the Breakage Fee.
- (f) The Interest Payment Dates, principal payment dates and amortization of the Master Bond, including of Tranche 1, Tranche 2 and Tranche 3, shall be as set forth in Exhibit "D," regardless whether the Master Bond is executed and delivered by the Authority.

**Exhibit E Section 2.** This Section 2 sets for the Break Funding provisions that are applicable only to a T1 Break Funding Event:

The Breakage Fee shall be the amount calculated as follows:

- (i) The Bank will first determine the amount of interest which would have been payable on each Scheduled Payment Amount of each of Tranche 1, Tranche 2 and Tranche 3, as if all installments of the Purchase Price had been funded on the applicable Funding Dates and remained outstanding until the Scheduled Payment Dates, using [A]% \*\* as the interest rate.

\*\*[[A] will approximate the mid-market fixed rate for an interest rate swap, with a floating rate of three month LIBOR and having a notional amount and term at all times equal to the scheduled outstanding principal amount of the Master Bond, as of two business days prior to date of Forward Delivery Agreement plus .25%. This rate will be completed prior to execution of the Agreement and will not thereafter change.]

- (ii) The Bank will then subtract from each interest amount for each Scheduled Payment Amount determined in (i), above, the amount of interest which would have been payable on such Scheduled Payment Amount using as the interest rate for such Scheduled Payment Amount the Swap Rate as of the T1 Break Funding Date.

(iii) If the difference of (i) minus (ii) for an Scheduled Payment Amount is greater than zero, the Bank will calculate the present value of the differences from the applicable Interest Payment Dates to the T1 Break Funding Date using the Swap Rate for such Scheduled Payment Amount as the discount rate.

(iv) The Bank will then add together all of the discounted differences determined in (iii) and the sum of such differences plus the amount determined pursuant to clause (v) will be the Breakage Fee.

(v) As part of the Breakage Fee, the Authority will also pay the Bank an amount equal to the Purchase Price multiplied by .0025, divided by 365, multiplied by the number of days from and including the date of the Forward Delivery Agreement to but not including the T1 Breakage Date, multiplied by 360/365.

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

(i) "Scheduled Payment Amount" means the amount of principal of each of Tranche 1, Tranche 2 and Tranche 3, respectively, of the Master Bond scheduled to be paid on each Scheduled Payment Date.

(ii) "Scheduled Payment Date" means each date on which the principal of Tranche 1, Tranche 2 and Tranche 3 of the Master Bond is scheduled to be paid.

(iii) "Swap Rate" means, for a Scheduled Payment Amount, the mid-market fixed rate for an interest rate swap with a floating rate of three month LIBOR (or a comparable or successor rate approved by the Bank) and having a notional amount equal to the Scheduled Payment Amount and a term coterminous with the Scheduled Payment Date, determined by the Bank as of and from the T1 Break Funding Date using the Bloomberg service or other commercially reasonable source. If no interest rate swap term exactly corresponding to the applicable Scheduled Payment Date is reported, the Swap Rate will be determined by linear interpolation between the reported terms that are the closest shorter and longer terms reported.

**Exhibit E Section 3.** This Section 3 sets for the Break Funding provisions that are applicable only to a T2 Break Funding Event:

The Breakage Fee shall be the amount calculated as follows:

(i) The Bank will first determine the amount of interest which would have been payable on each Scheduled Payment Amount of each of Tranche 2 and Tranche 3, as if the Tranche 2 Purchase Price and the Tranche 3 Purchase Price had been funded on the applicable Funding Dates and remained outstanding until the Scheduled Payment Dates, using [A]% as the interest rate.

(ii) The Bank will then subtract from each interest amount for each Scheduled Payment Amount determined in (i), above, the amount of interest which would have been payable on such Scheduled Payment Amount using as the interest rate for such Scheduled Payment Amount the Swap Rate as of the T2 Break Funding Date.

(iii) If the difference of (i) minus (ii) for an Scheduled Payment Amount is greater than zero, the Bank will calculate the present value of the differences from the applicable Interest Payment Dates to the T2 Break Funding Date using the Swap Rate for such Scheduled Payment Amount as the discount rate.

(iv) The Bank will then add together all of the discounted differences determined in (iii) and the sum of such differences plus the amount determined pursuant to clause (v) will be the Breakage Fee.

(v) As part of the Breakage Fee, the Authority will also pay the Bank an amount equal to the sum of the Tranche 2 Purchase Price and the Tranche 3 Purchase Price multiplied by .0025, divided by 365, multiplied by the number of days from and including the date of the Forward Delivery Agreement to but not including the T2 Breakage Date, multiplied by 360/365.

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

(i) "Scheduled Payment Amount" means the amount of principal of both of Tranche 2 and Tranche 3, respectively, of the Master Bond scheduled to be paid on each Scheduled Payment Date.

(ii) "Scheduled Payment Date" means each date on which the principal of Tranche 2 and Tranche 3 of the Master Bond is scheduled to be paid.

(iii) "Swap Rate" means, for a Scheduled Payment Amount, the mid-market fixed rate for an interest rate swap with a floating rate of three month LIBOR (or a comparable or successor rate approved by the Bank) and having a notional amount equal to the Scheduled Payment Amount and a term coterminous with the Scheduled Payment Date, determined by the Bank as of and from the T2 Break Funding Date using the Bloomberg service or other commercially reasonable source. If no interest rate swap term exactly corresponding to the applicable Scheduled Payment Date is reported, the Swap Rate will be determined by linear interpolation between the reported terms that are the closest shorter and longer terms reported.

**Exhibit E Section 4.** This Section 4 sets for the Break Funding provisions that are applicable only to a T3 Break Funding Event:

The Breakage Fee shall be the amount calculated as follows:

(i) The Bank will first determine the amount of interest which would have been payable on each Scheduled Payment Amount of Tranche 3, as if the Tranche 3 Purchase Price had been funded on the Tranche 3 Funding Date and remained outstanding until the Scheduled Payment Dates using [A]% as the interest rate.

(ii) The Bank will then subtract from each interest amount for each Scheduled Payment Amount determined in (i), above, the amount of interest which would have been payable on such Scheduled Payment Amount using as the interest rate for such Scheduled Payment Amount the Swap Rate as of the T3 Break Funding Date.

(iii) If the difference of (i) minus (ii) for an Scheduled Payment Amount is greater than zero, the Bank will calculate the present value of the differences from the applicable Interest Payment Dates to the T3 Break Funding Date using the Swap Rate for such Scheduled Payment Amount as the discount rate.

(iv) The Bank will then add together all of the discounted differences determined in (iii) and the sum of such differences plus the amount determined pursuant to clause (v) will be the Breakage Fee.

(v) As part of the Breakage Fee, the Authority will also pay the Bank an amount equal to the Tranche 3 Purchase Price multiplied by .0025, divided by 365, multiplied by the number of days from and including the date of the Forward Delivery Agreement to but not including the T3 Breakage Date, multiplied by 360/365.

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

- (i) "Scheduled Payment Amount" means the amount of principal of Tranche 3 of the Master Bond scheduled to be paid on each Scheduled Payment Date.
- (ii) "Scheduled Payment Date" means each date on which the principal of Tranche 3 of the Master Bond is scheduled to be paid.
- (iii) "Swap Rate" means, for a Scheduled Payment Amount, the mid-market fixed rate for an interest rate swap with a floating rate of three month LIBOR (or a comparable or successor rate approved by the Bank) and having a notional amount equal to the Scheduled Payment Amount and term coterminous with the Scheduled Payment Date, determined by the Bank as of and from the T3 Break Funding Date using the Bloomberg service or other commercially reasonable source. If no interest rate swap term exactly corresponding to the applicable Scheduled Payment Date is reported, the Swap Rate will be determined by linear interpolation between the reported terms that are the closest shorter and longer terms reported.

EXHIBIT "F"

FORM OF TRANCHE AND TRANCHE 3 BOND COUNSEL OPINION



EXHIBIT "G"

FORM OF TRANCHE 2 AND TRANCHE 3 AUTHORITY COUNSEL OPINION

No. R-1

\$ \_\_\_\_\_

**UNITED STATES OF AMERICA  
STATE OF FLORIDA  
TAMPA BAY WATER,  
A REGIONAL WATER SUPPLY AUTHORITY,  
UTILITY SYSTEM REFUNDING REVENUE MASTER BOND  
(BANK OF AMERICA, N.A.)**

Interest Rate*	Maturity Date	Date of Original Issue
_____%	October 1, 2038	July 3, 2020

Registered Holder: BANK OF AMERICA, N.A.

Principal Amount: \_\_\_\_\_ AND NO/100 DOLLARS

**TAMPA BAY WATER, A REGIONAL WATER SUPPLY AUTHORITY**, established pursuant to the laws of the State of Florida (the "Issuer") for value received, hereby promises to pay, solely from the Pledged Funds hereinafter described, to the Registered Holder identified above, or registered assigns as hereinafter provided (herein referred to as the "Bank"), on the Maturity Date identified above, so much of the Principal Amount identified above as shall have been advanced hereunder and remains outstanding on such date (the "Outstanding Principal Amount") and to pay interest on such Outstanding Principal Amount from the applicable Funding Date (as defined in the hereinafter defined Purchase Agreement) or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum identified above (subject to adjustment as herein provided) on April 1 and October 1 of each year commencing October 1 of the year of the applicable Funding Date, until such Outstanding Principal Amount shall have been paid, except as the provisions hereinafter set forth with respect to prepayment prior to maturity may be or become applicable hereto. Interest shall be calculated on the basis of a 360-day calendar year consisting of twelve (12) thirty (30) day months.

Pursuant to the Purchase Agreement, the Principal Amount of this Master Bond may be advanced to the Issuer in three separate installments (each a "Tranche"). The principal repayment schedule for each Tranche and the combined principal repayment schedule for all Tranches are set forth on Appendix I attached hereto. The Outstanding Principal Amount and interest on this Master Bond are payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be

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\* Subject to adjustment as provided herein.

legal tender for the payment of public and private debts and is payable in accordance with written instructions provided to the Issuer by the Registered Holder or its representative.

This Master Bond is an authorized issue in the aggregate principal amount of \$\_\_\_\_\_ (the "Master Bond") issued to secure a loan to the Issuer, the proceeds of which, together with other available funds, are being applied by the Issuer for the principal purposes of refunding all or a portion of the Issuer's Outstanding Utility System Refunding Revenue Bonds, Series 2010, all or a portion of the Issuer's Outstanding Utility System Refunding Revenue Bonds, Series 2011A and all or a portion of the Issuer's Outstanding Utility System Revenue Bonds, Series 2013, under the authority of and in full compliance with the Constitution and laws of the State of Florida, particularly Sections 373.713, 373.715 and 163.01, Florida Statutes, and other applicable provisions of law (collectively, the "Act"), an Amended and Restated Interlocal Agreement, dated as of May 1, 1998, among various Florida local governments, a resolution of the Issuer duly adopted by the Board of Directors of the Issuer on August 31, 1998, as amended and supplemented (the "Resolution") and pursuant to a Forward Delivery Agreement, dated \_\_\_\_\_, 2020 (the "Purchase Agreement") between the Issuer and the Bank, and is subject to all the terms and conditions of the Resolution and the Purchase Agreement. Capitalized terms not defined herein shall have the meanings ascribed to them in the Resolution or the Purchase Agreement.

This Master Bond and the interest hereon are payable solely from and secured by a lien upon and a pledge of (1) the Net Revenues to be derived from the operation of the Issuer's water utility system (the "System") and (2) until applied in accordance with the provisions of the Resolution, all moneys, including investments thereof, in the funds and accounts established by the Resolution, except (A) as for the Rebate Fund, (B) moneys in any fund or account to the extent such moneys shall be required to pay the Operating Expenses in accordance with the terms of the Resolution, and (C) moneys on deposit in a subaccount of the Reserve Account established by the Resolution to the extent such moneys shall be pledged solely for the payment of the Series of Bonds for which it was established in accordance with the provisions of the Resolution (collectively, the "Pledged Funds"), subject in each case to the application thereof for the purposes and on the conditions permitted by the Resolution, on a parity with the other Bonds Outstanding under the Resolution, except as otherwise specifically provided in the Resolution.

### **Adjustments to Interest Rate**

(a) Taxable Rate Upon Funding. If for any reason the interest borne by any Tranche of the Master Bond is not tax-exempt on the applicable Tranche Funding Date, such Tranche will bear interest at the Taxable Rate unless and until such interest is thereafter excluded from the gross income of the Bank for U.S. federal income tax purposes, at which time the interest rate borne by such Tranche shall revert to the Interest Rate set forth above (subject to further adjustment as provided herein).

"Taxable Rate" shall mean the Interest Rate multiplied by the Taxable Rate Factor.

"Taxable Rate Factor" means for any day the quotient of (i) one divided by (ii) one minus the Maximum Federal Corporate Tax Rate in effect as of such day, rounded upward to the second decimal place.

"Maximum Federal Corporate Tax Rate" means the maximum rate of taxation imposed on the taxable income of corporations pursuant to Section 11(b) of the Internal Revenue Code of 1986, as in effect from time to time.

(b) Taxable Rate Upon Determination of Taxability. Upon the occurrence and during the continuance of a Determination of Taxability (defined below) with respect to this Master Bond or a Tranche hereof, as the case may be, this Master Bond or the applicable Tranche of this Master Bond shall bear interest at the Taxable Rate from the date as of which interest on this Master Bond or such Tranche is first includable in the gross income of the Holder. In addition, upon a Determination of Taxability, the Issuer shall, immediately upon demand, pay to the Holder (or prior holders, if applicable) (i) an additional amount equal to the difference between (A) the amount of interest actually paid on this Master Bond or such Tranche, as applicable, during the Taxable Period and (B) the amount of interest that would have been paid during the Taxable Period had this Master Bond or such Tranche borne interest at the Taxable Rate, and (ii) an amount equal to any interest, penalties and additions to tax (as referred to in Subchapter A of Chapter 68 of the Code) owed by the Holder as a result of the Determination of Taxability. This paragraph shall survive the payment of this Master Bond until such time as the federal statute of limitations under which interest on this Master Bond could be declared taxable under the Code shall have expired.

"Determination of Taxability" means the occurrence after the date hereof of a final decree or judgment of any Federal court or a final action of the Internal Revenue Service determining that interest paid or payable on all or a portion of this Master Bond is or was includable in the gross income of a Holder for Federal income tax purposes as a result of conditions arising out of actions by the Issuer or the omission by the Issuer to take certain actions; provided, that no such decree, judgment, or action will be considered final for this purpose, however, unless the Issuer has been given written notice and, if it is so desired and is legally allowed, has been afforded the opportunity at the Issuer's own expense to contest the same, either directly or in the name of any Holder, and until the conclusion of any appellate review, if sought. A Determination of Taxability does not include and is not triggered by a change in law by Congress that causes the interest to be includable under Holder's gross income. For all purposes of this definition, the effective date of any Determination of Taxability will be the first date as of which interest is deemed includable in the gross income of the registered owner of the Master Bond.

"Taxable Period" shall mean the period of time between (a) the date that interest on this Master Bond or the applicable Tranche is deemed to be includable in the gross

income of the Holder thereof for federal income tax purposes as a result of a Determination of Taxability, and (b) the date of the Determination of Taxability and after which such Tranche bears interest at the Taxable Rate.

(c) Default Rate; Credit Event. Notwithstanding the other provisions of this Master Bond, upon the occurrence and during the continuance of an Event of Default or Credit Event, the interest rate per annum payable on this Master Bond shall be equal to 12% from the date of such occurrence.

"Credit Event" means (i) the long term credit rating, assigned without regard to liquidity or credit enhancement to any "Bond" outstanding pursuant to the Resolution, or to this Master Bond, by any Rating Agency is below Baa2/BBB or the equivalent or (ii) the Issuer has failed to pay in full any amount it is required to have paid to the Bank pursuant to the Purchase Agreement.

"Rating Agency" means any of (i) S&P Global Ratings, a Standard & Poor's Financial Services LLC business, and any successor thereto, (ii) Moody's Investors Service, Inc. and any successor thereto and (iii) Fitch, Inc., and any successor thereto.

(d) Adjustment Obligations. The obligations associated with an adjustment in interest rate as provided above are payable solely from the Pledged Funds subject to the terms and provisions of the Resolution.

### **Prepayment**

The Issuer may prepay the Master Bond in full or in part at any time. Such prepayment will be applied to the most remote payment of principal due. Each prepayment, whether voluntary or otherwise, will be accompanied by the amount of accrued interest on the amount prepaid and a prepayment fee calculated by the Bank.

The prepayment fee will be equal to the present value as of the prepayment date (discounted by the Reinvestment Rate) of the difference, if positive, between (a) the sum of the interest payments that would have accrued on each prepaid installment of principal from the prepayment date to the scheduled payment date at a fixed interest rate for such installment equal to \_\_%, as if the prepayment had not been made, less (b) the sum of the interest payments that would have accrued on each prepaid installment of principal from the prepayment date to the scheduled payment date at a fixed interest rate for such installment equal to the Reinvestment Rate, as if the prepayment had not been made.

The following definitions will apply to the calculation of the prepayment fee:

(i) "Reinvestment Rate" means with respect to each prepaid installment of principal, the Swap Rate on the date the prepayment fee is calculated by the Bank for a term corresponding to the period of time remaining until such principal installment was scheduled to be paid, interpolated on a linear basis, if necessary.

(ii) "Swap Rate" means, as of any date, the offered U.S. Dollar interest rate swap rate that a fixed rate receiver would receive in return for paying a floating rate equal to the three month Libor (or a comparable or successor rate that is approved by the Bank) determined by the Bank on such date by reference to the Bloomberg service or such other similar data source then used by the Bank for determining such rate.

In addition to the payment of principal of and interest on this Master Bond, the Issuer shall, upon written notice and demand, reimburse the Registered Holder for all out-of-pocket fees, costs and expenses of the Registered Holder, including, without limitation, reasonable counsel fees, incurred in connection with the administration and enforcement of this Master Bond, the Resolution, the Purchase Agreement and all other documents executed in connection with the transactions contemplated thereby, regardless of whether, or to what extent, any of the transactions contemplated thereby are consummated. Any such notice of demand shall be accompanied by an itemized list of all costs and expenses for which the Registered Holder is requesting reimbursement from the Issuer.

The person in whose name this Master Bond is registered shall be deemed and regarded as the absolute owner hereof for all purposes, and payment of or on account of the principal of or interest or redemption premium, if any, on this Master Bond will be made only to or upon the order of the Registered Holder hereof or its legal representative. No presentment shall be required for any payment or prepayment of this Master Bond, except upon final maturity or prepayment in whole. The registration of this Master Bond may be transferred upon the registration books upon delivery to the Issuer, as Registrar, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Registrar, duly executed by the owner of this Master Bond or by its attorney-in fact or legal representative, containing written instructions as to the details of transfer of this Master Bond, along with the social security number or federal employer identification number of such transferee. In all cases of a transfer of this Master Bond, the Registrar shall at the earliest practical time in accordance with the provisions of the Resolution enter the transfer of ownership in the registration books and shall deliver in the name of the new transferee or transferees a new fully registered Bond or Bonds of the same maturity and of authorized denomination or denominations, for the same aggregate principal amount and payable from the same source of funds. The Issuer, as Registrar, may charge the owner of such Bond for the registration of every such transfer of a Bond an amount sufficient to reimburse them for any tax, fee or any other governmental charge required (other than by the Issuer) to be paid with respect to the registration of such transfer, and may require that such amounts be paid before any such new Bond shall be delivered.

THIS MASTER BOND HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE RESOLUTION BEEN QUALIFIED

UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THIS MASTER BOND IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THIS MASTER BOND HAS BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THIS MASTER BOND. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

IT IS EXPRESSLY AGREED BY THE REGISTERED HOLDER OF THIS MASTER BOND THAT THE FULL FAITH AND CREDIT OF THE ISSUER, ANY OF THE MEMBER GOVERNMENTS, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THIS MASTER BOND AND THAT SUCH HOLDER SHALL NEVER HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF ANY TAXING POWER OF THE ISSUER, ANY OF THE MEMBER GOVERNMENTS, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, TO THE PAYMENT OF SUCH PRINCIPAL AND INTEREST. THIS MASTER BOND AND THE OBLIGATION EVIDENCED HEREBY SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OF THE ISSUER, BUT SHALL CONSTITUTE A LIEN ONLY ON, AND SHALL BE PAYABLE SOLELY FROM, THE PLEDGED FUNDS.

Reference to the Resolution and any and all resolutions supplemental thereto and modifications and amendments thereof and to the Act is made for a description of the pledge and covenants securing this Master Bond, the nature, manner and extent of enforcement of such pledge and covenants, and the rights, duties, immunities and obligations of the Issuer.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Master Bond, exist, have happened and have been performed, in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, and that the issuance of this Master Bond does not violate any constitutional or statutory limitations or provisions.

**IN WITNESS WHEREOF**, Tampa Bay Water, A Regional Water Supply Authority, has issued this Master Bond and has caused the same to be executed by the manual signature of the Chairman of its Board of Directors, and attested and countersigned by the manual signature of the Secretary of its Board of Directors, and its seal to be affixed hereon, all as of the Date of Original Issue.

**TAMPA BAY WATER, A Regional Water  
Supply Authority**

(SEAL)

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Chairman

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Secretary



## ASSIGNMENT

**FOR VALUE RECEIVED**, the undersigned sells, assigns and transfers unto

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Insert Social Security or Other Identifying Number of Assignee

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(Name and Address of Assignee)

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the within Master Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_, as attorneys to register the transfer of the said Master Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature guaranteed:

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**NOTICE:** Signature must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

**NOTICE:** The signature to this assignment must correspond with the name of the Registered Holder as it appears upon the face of the within Master Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or other identifying number of such assignee must be supplied.

The following abbreviations, when used in the inscription on the face of the within Master Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common

TEN ENT -- as tenants by the entirety

JT TEN -- as joint tenants with right of  
survivorship and not as tenants  
in common

UNIF TRANS MIN ACT -- \_\_\_\_\_  
(Cust.)

Custodian for \_\_\_\_\_

under Uniform Transfers to Minors Act of \_\_\_\_\_  
(State)

Additional abbreviations may also be used though not in list above.

**APPENDIX I**  
**PRINCIPAL REPAYMENT SCHEDULE FOR TRANCHE 1**

## **PRINCIPAL REPAYMENT SCHEDULE FOR TRANCHE 2**

## **PRINCIPAL REPAYMENT SCHEDULE FOR TRANCHE 3**

## **PRINCIPAL REPAYMENT SCHEDULE FOR ALL TRANCHES**

**ESCROW DEPOSIT AGREEMENT**

**ESCROW DEPOSIT AGREEMENT**, dated as of \_\_\_\_\_, 20\_\_\_\_, by and between the **TAMPA BAY WATER, A Regional Water Supply Authority** (the "Authority"), and \_\_\_\_\_ (the "Escrow Agent"), a \_\_\_\_\_ organized and existing under the laws of \_\_\_\_\_, having its designated corporate trust office in \_\_\_\_\_, \_\_\_\_\_, as escrow agent hereunder.

**WHEREAS**, the Authority has heretofore issued its Tampa Bay Water, A Regional Water Supply Authority, Utility System [Refunding] Revenue Bonds, Series \_\_\_\_\_ (the "Series \_\_\_\_\_ Bonds"), pursuant to the Authority's Resolution No. 98-07TBW, adopted on August 31, 1998, as amended and supplemented (collectively, the "Resolution"); and

**WHEREAS**, the Authority has determined to exercise its option under the Resolution to refund all/a portion of its outstanding Series \_\_\_\_\_ Bonds as described in Schedule B attached hereto (the "\_\_\_\_\_ Refunded Bonds"); and

**WHEREAS**, the Authority has determined to issue its \$\_\_\_\_\_ Tampa Bay Water, A Regional Water Supply Authority, Utility System Refunding Revenue Bond, Series 2020 (the "Series 2020 Bond") pursuant to the Resolution, a portion of the proceeds of which Series 2020 Bond will be used to purchase certain U.S. Treasury and/or Federal Agency obligations in order to provide payment for the \_\_\_\_\_ Refunded Bonds and discharge and satisfy the pledge of the Pledged Funds (as defined in the Resolution) and all covenants, agreements and other obligations of the Authority under the Resolution in regard to such \_\_\_\_\_ Refunded Bonds; and

**WHEREAS**, the issuance of the Series 2020 Bond, the purchase by the Escrow Agent of the hereinafter defined Escrow Securities, the deposit of such Escrow Securities and cash into an escrow deposit trust fund to be held by the Escrow Agent, the discharge and satisfaction of the pledge of the Pledged Funds and all covenants, agreements and other obligations of the Authority under the Resolution in regard to the \_\_\_\_\_ Refunded Bonds shall occur as a simultaneous transaction; and

**WHEREAS**, this Agreement is intended to effectuate such simultaneous transaction;

**NOW, THEREFORE**, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

**SECTION 1. PREAMBLES.** The Authority represents that the recitals stated above are true and correct, and the same are incorporated herein.

**SECTION 2. RECEIPT OF RESOLUTION AND VERIFICATION REPORT.** Receipt of a true and correct copy of the above-mentioned Resolution and this Agreement is hereby acknowledged by the Escrow Agent. The applicable and necessary provisions of the Resolution, including, without limitation, Section 9.01 thereof, are incorporated herein by reference. The Escrow Agent also acknowledges receipt of the verification report of \_\_\_\_\_, a firm of independent certified public accountants, dated \_\_\_\_\_, 20\_\_ (the "Verification Report"). Reference herein to or citation herein of any provisions of the Resolution or the Verification Report shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if the same were fully set forth herein.

**SECTION 3. DISCHARGE OF PLEDGE OF HOLDERS OF \_\_\_\_\_ REFUNDED BONDS.** In accordance with Section 9.01 of the Resolution, the Authority by this writing exercises its option to have the pledge of the Pledged Funds and all covenants, agreements and other obligations of the Authority under the Resolution to the holders of the \_\_\_\_\_ Refunded Bonds to cease, terminate and become void and be discharged and satisfied.

**SECTION 4. ESTABLISHMENT OF \_\_\_\_\_ ESCROW FUND.** There is hereby created and established with the Escrow Agent a special, segregated and irrevocable escrow deposit trust fund designated the "Tampa Bay Water, A Regional Water Supply Authority, Utility System [Refunding] Revenue Bonds, Series \_\_\_\_\_ Escrow Deposit Trust Fund" (the "\_\_\_\_\_ Escrow Fund"). The \_\_\_\_\_ Escrow Fund shall be held in the custody of the Escrow Agent as a trust fund for the benefit of the holders of the \_\_\_\_\_ Refunded Bonds, separate and apart from other funds and accounts of the Authority and the Escrow Agent. The Escrow Agent hereby accepts the \_\_\_\_\_ Escrow Fund and acknowledges the receipt of and deposit to the credit of the \_\_\_\_\_ Escrow Fund the sum of \$\_\_\_\_\_ from proceeds of the Series 2020 Bond (the "Bond Proceeds") and the sum of \$\_\_\_\_\_ received from the Authority from certain moneys on deposit in the funds and accounts established pursuant to the Resolution for the benefit of the holders of the \_\_\_\_\_ Refunded Bonds (the "Authority Moneys")

**SECTION 5. DEPOSIT OF MONEYS AND SECURITIES IN \_\_\_\_\_ ESCROW FUND.** The Escrow Agent represents and acknowledges that, concurrently with the deposit of the Bond Proceeds and the Authority Moneys under Section 4 above, it has used all of the Bond Proceeds and \$\_\_\_\_\_ of the Authority Moneys to purchase on behalf of and for the account of the Authority certain United States Treasury and Agency obligations, including State and Local Government Series (collectively, together with any other securities which may be on deposit, from time to time, in the \_\_\_\_\_ Escrow Fund, the "Escrow Securities"), which are described in Schedule A hereto, and the Escrow Agent will deposit such Escrow Securities and \$\_\_\_\_\_ of the Authority Moneys (the "Cash Deposit") in the \_\_\_\_\_ Escrow Fund. All Escrow Securities shall be noncallable Refunding Securities (as defined in the Resolution).



**SECTION 6. SUFFICIENCY OF ESCROW SECURITIES AND CASH DEPOSIT.** In reliance upon the Verification Report, the Authority represents that the interest on and the principal amounts successively maturing on the Escrow Securities in accordance with their terms (without consideration of any reinvestment of such maturing principal and interest), together with the Cash Deposit, are sufficient such that moneys will be available to the Escrow Agent in amounts sufficient and at the times required to pay the amounts of principal and interest due and to become due on the \_\_\_\_ Refunded Bonds as described in Schedule B attached hereto. If the Escrow Securities and Cash Deposit shall be insufficient to make such redemption payments, the Authority shall timely deposit to the \_\_\_\_ Escrow Fund, solely from legally available funds of the Authority, such additional amounts as may be required to pay the \_\_\_\_ Refunded Bonds as described in Schedule B hereto. Notice of any insufficiency shall be given by the Escrow Agent to the Authority as promptly as possible, but the Escrow Agent shall in no manner be responsible for the Authority's failure to make such deposits.

**SECTION 7. ESCROW SECURITIES AND CASH DEPOSIT IN TRUST FOR HOLDERS OF \_\_\_\_ REFUNDED BONDS.** The deposit of the Escrow Securities and Cash Deposit in the \_\_\_\_ Escrow Fund shall constitute an irrevocable deposit of Refunding Securities (as defined in the Resolution) and cash in trust solely for the payment of the principal and interest on the \_\_\_\_ Refunded Bonds at such times and in such amounts as set forth in Schedule B hereto, and the principal of and interest earnings on the Escrow Securities and the Cash Deposit shall be used solely for such purpose.

**SECTION 8. ESCROW AGENT TO PAY \_\_\_\_ REFUNDED BONDS FROM \_\_\_\_ ESCROW FUND.** The Authority hereby directs, and the Escrow Agent hereby agrees, that it will take all actions required to be taken by it under the provisions of the Resolution, including the timely transfer of money to the Paying Agent for the \_\_\_\_ Refunded Bonds as provided in the Resolution, in order to effectuate this Agreement and to pay the \_\_\_\_ Refunded Bonds in the amounts and at the times provided in Schedule B hereto. The Escrow Securities and Cash Deposit shall be used to pay the principal and interest on the \_\_\_\_ Refunded Bonds as the same may mature or be redeemed. If any payment date shall be a day on which either the holders of the \_\_\_\_ Refunded Bonds or the Escrow Agent is not open for the acceptance or delivery of funds, then the Escrow Agent may make payment on the next business day. The liability of the Escrow Agent for the payment of the principal of and interest on the \_\_\_\_ Refunded Bonds pursuant to this Agreement shall be limited to the application of the Escrow Securities and the interest earnings thereon, together with the Cash Deposit, available for such purposes in the \_\_\_\_ Escrow Fund.

**SECTION 9. REINVESTMENT OF MONEYS AND SECURITIES IN \_\_\_\_ ESCROW FUND.** Moneys deposited in the \_\_\_\_ Escrow Fund shall be invested only in the Escrow Securities listed in Schedule A hereto and, except as provided in this

Section 9, neither the Authority nor the Escrow Agent shall otherwise invest or reinvest any moneys in the \_\_\_\_ Escrow Fund.

Except as provided in this Section 9, the Escrow Agent may not sell or otherwise dispose of any or all of the Escrow Securities in the \_\_\_\_ Escrow Fund and reinvest the proceeds thereof in other securities nor may it substitute securities for any of the Escrow Securities, except upon written direction of the Authority and where, prior to any such reinvestment or substitution, the Escrow Agent has received from the Authority the following:

(a) a written verification report by a firm of independent certified public accountants to the effect that after such reinvestment or substitution the principal amount of the Escrow Securities, together with the interest thereon and the Cash Deposit, will be sufficient to pay the \_\_\_\_ Refunded Bonds as described in Schedule B hereto (such verification shall not be necessary in the event the Authority shall determine to reinvest cash in Escrow Securities which mature on or before the next principal and/or interest payment date for the \_\_\_\_ Refunded Bonds); and

(b) a written opinion of nationally recognized Bond Counsel (as defined in the Resolution) to the effect that (i) such investment will not cause the \_\_\_\_ Refunded Bonds or the Series 2020 Bond to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder or otherwise cause the interest on such \_\_\_\_ Refunded Bonds or Series 2020 Bond to be included as gross income for purposes of federal income taxation, and (ii) such investment does not violate any provision of Florida law or of the Resolution.

The above-described verification need not be provided in the event the Authority purchases Escrow Securities with the proceeds of maturing Escrow Securities, and such purchased Escrow Securities mature on or before the next interest payment date for the applicable \_\_\_\_ Refunded Bonds. All Escrow Securities into which moneys are reinvested pursuant to the terms of this Section 9 shall be Refunding Securities.

In the event the above-referenced verification concludes that there are surplus moneys in the \_\_\_\_ Escrow Fund, such surplus moneys shall be released to the Authority upon the written direction of the General Manager or such other Authority official authorized by resolution to provide such direction. The \_\_\_\_ Escrow Fund shall continue in effect until the date upon which the Escrow Agent makes the final payment to the Paying Agent for the holders of the \_\_\_\_ Refunded Bonds in an amount sufficient to pay the \_\_\_\_ Refunded Bonds, as described in Schedule B hereto, whereupon the Escrow Agent shall sell or redeem any Escrow Securities remaining in the \_\_\_\_ Escrow Fund and

shall remit to the Authority the proceeds thereof, together with all other money, if any, then remaining in the \_\_\_\_ Escrow Fund.

**SECTION 10. REDEMPTION OF \_\_\_\_ REFUNDED BONDS.** The Authority hereby irrevocably instructs the Escrow Agent to cause the Registrar for the \_\_\_\_ Refunded Bonds to give, on behalf of the Issuer, at the appropriate times the notice or notices, if any, required by the Resolution in connection with the redemption of the \_\_\_\_ Refunded Bonds. The \_\_\_\_ Refunded Bonds shall be redeemed on October 1, 20\_\_ at a redemption price equal to 100% of the principal amount thereof, plus accrued interest.

**SECTION 11. DEFEASANCE NOTICE TO HOLDERS OF \_\_\_\_ REFUNDED BONDS.** Concurrently with the deposit of the Escrow Securities set forth in Section 5 hereof, the \_\_\_\_ Refunded Bonds shall be deemed to have been paid within the meaning and with the effect expressed in Section 9.01 of the Resolution. Within five business days of the deposit of moneys into the \_\_\_\_ Escrow Fund the Escrow Agent, on behalf of the Authority, shall cause the Registrar for the \_\_\_\_ Refunded Bonds to mail to the holders of such \_\_\_\_ Refunded Bonds the notice in the form provided in Schedule C attached hereto.

**SECTION 12. \_\_\_\_ ESCROW FUND IRREVOCABLE.** The \_\_\_\_ Escrow Fund hereby created shall be irrevocable and the holders of the \_\_\_\_ Refunded Bonds shall have an express lien on the Cash Deposit and all Escrow Securities deposited in the \_\_\_\_ Escrow Fund pursuant to the terms hereof and the interest earnings thereon until paid out, used and applied in accordance with this Agreement and the Resolution. Neither the Authority nor the Escrow Agent shall cause nor permit any other lien or interest whatsoever to be imposed upon the \_\_\_\_ Escrow Fund.

**SECTION 13. AMENDMENTS TO AGREEMENT.** This Agreement is made for the benefit of the Authority and the holders from time to time of the \_\_\_\_ Refunded Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such holders and the written consent of the Escrow Agent; provided, however, that the Authority and the Escrow Agent may, without the consent of, or notice to, such holders, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;
- (b) to grant, or confer upon, the Escrow Agent for the benefit of the holders of the \_\_\_\_ Refunded Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and

(c) to subject to this Agreement additional funds, securities or properties.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized Bond Counsel with respect to compliance with this Section 13, including the extent, if any, to which any change, modification or addition affects the rights of the holders of the \_\_\_\_ Refunded Bonds, or that any instrument executed hereunder complies with the conditions and provisions of this Section 13.

**SECTION 14. FEES AND EXPENSES OF ESCROW AGENT; INDEMNIFICATION; LIABILITY.** In consideration of the services rendered by the Escrow Agent under this Agreement, the Authority agrees to and shall pay to the Escrow Agent the fees and expenses as shall be agreed to in writing by the parties hereto. The Escrow Agent shall have no lien whatsoever upon any of the Escrow Securities or the Cash Deposit in said \_\_\_\_ Escrow Fund for the payment of such proper fees and expenses. The Authority further agrees to indemnify and save the Escrow Agent harmless, to the extent allowed by law, against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to the Escrow Agent's negligence or misconduct. Indemnification provided under this Section 14 shall survive the termination of this Agreement.

Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the Authority. The Escrow Agent may conclusively rely, as to the correctness of statements, conclusions and opinions therein, upon any certificate, report, opinion or other document furnished to the Escrow Agent pursuant to any provision of this Agreement; the Escrow Agent shall be protected and shall not be liable for acting or proceeding, in good faith, upon such reliance; and the Escrow Agent shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument. The Escrow Agent may consult with counsel, who may be counsel to the Authority or independent counsel, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith in accordance herewith. Prior to retaining such independent counsel, the Escrow Agent shall notify the Authority of its intention.

The Escrow Agent shall not be liable in connection with the performance of its duties hereunder except for its own negligence or misconduct. The Escrow Agent shall not be liable for any loss or any resulting taxability of interest on the \_\_\_\_ Refunded Bonds or Series 2020 Bond resulting from any investment made pursuant to the terms and provisions of this Agreement.

The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of moneys and of the principal amount of the Escrow Securities and the earnings thereon, to pay the \_\_\_\_ Refunded Bonds.

**SECTION 15. REPORTING REQUIREMENTS OF ESCROW AGENT.**

As soon as practicable after October 1, 20\_\_ and each April 1 and October 1 thereafter, so long as the \_\_\_\_ Escrow Fund is maintained under this Agreement, the Escrow Agent shall forward in writing to the Authority a statement in detail of the activity of the \_\_\_\_ Escrow Fund since the last statement furnished pursuant to this Section 15.

**SECTION 16. RESIGNATION OR REMOVAL OF ESCROW AGENT.**

The Escrow Agent, at the time acting hereunder, may at any time resign and be discharged from the duties and obligations hereby created by giving not less than 60 days written notice to the Authority and mailing notice thereof, specifying the date when such resignation will take effect to the holders of the \_\_\_\_ Refunded Bonds, but no such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the holders of the \_\_\_\_ Refunded Bonds or by the Authority as hereinafter provided and such successor Escrow Agent shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent.

The Escrow Agent may be replaced at any time by an instrument or concurrent instruments in writing, delivered to the Escrow Agent at least 60 days prior to the scheduled replacement date, and signed by either the Authority or the holders of the \_\_\_\_ Refunded Bonds. Such instrument shall provide for the appointment of a successor Escrow Agent, which appointment shall occur simultaneously with the removal of the Escrow Agent.

In the event the Escrow Agent hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case the Escrow Agent shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the holders of the \_\_\_\_ Refunded Bonds by an instrument or concurrent instruments in writing, signed by such holders, or by their attorneys in fact, duly authorized in writing; provided, nevertheless, that in any such event, the Authority shall appoint a temporary Escrow Agent to fill such vacancy until a successor Escrow Agent shall be appointed by the holders of the \_\_\_\_ Refunded Bonds in the manner above provided, and any such temporary Escrow Agent so appointed by the Authority shall immediately and without further act be superseded by the Escrow Agent so appointed by such holders. The Authority shall mail notice of any such appointment made by it at the times and in the manner described in the first paragraph of this Section 16.

In the event that no appointment of a successor Escrow Agent or a temporary successor Escrow Agent shall have been made by such holders or the Authority pursuant to the foregoing provisions of this Section 16 within 60 days after written notice of resignation of the Escrow Agent has been given to the Authority, the holders of the \_\_\_\_\_ Refunded Bonds or any retiring Escrow Agent may apply to any court of competent jurisdiction for the appointment of a successor Escrow Agent, and such court may thereupon, after such notice, if any, as it shall deem proper, appoint a successor Escrow Agent.

In the event of replacement or resignation of the Escrow Agent, the Escrow Agent shall remit to the Authority the prorated portion of prepaid fees not yet incurred or payable, less any termination fees and expenses at the time of discharge, the Authority shall pay all accrued and unpaid fees and expenses of the Escrow Agent and the Escrow Agent shall have no further liability hereunder and the Authority shall indemnify and hold harmless Escrow Agent, to the extent allowed by law, from any such liability, including costs or expenses incurred by the Escrow Agent or its counsel.

No successor Escrow Agent shall be appointed unless such successor Escrow Agent shall be a corporation with trust powers organized under the banking laws of the United States or any State, and shall have at the time of appointment capital and surplus of not less than \$50,000,000.

Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the Authority an instrument in writing accepting such appointment hereunder and thereupon such successor Escrow Agent, without any further act, deed or conveyance, shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor; but such predecessor shall nevertheless, on the written request of such successor Escrow Agent or the Authority execute and deliver an instrument transferring to such successor Escrow Agent all the estates, properties, rights, powers and trust of such predecessor hereunder; and every predecessor Escrow Agent shall deliver all securities and moneys held by it to its successor; provided, however, that before any such delivery is required to be made, all fees, advances and expenses of the retiring or removed Escrow Agent shall be paid in full. Should any transfer, assignment or instrument in writing from the Authority be required by any successor Escrow Agent for more fully and certainly vesting in such successor Escrow Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Escrow Agent, any such transfer, assignment and instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority.

Any corporation into which the corporate trust business of the Escrow Agent, or any successor to it in the trusts created by this Agreement, may be merged or converted or with which it or any successor to it may be consolidated, or any corporation resulting

from any merger, conversion, consolidation or tax-free reorganization to which the corporate trust business of the Escrow Agent or any successor to it shall be a party shall be the successor Escrow Agent under this Agreement without the execution or filing of any paper or any other act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

**SECTION 17. PAYING AGENT AND REGISTRARS.** The Paying Agent and Registrar for the \_\_\_\_ Refunded Bonds is U.S. Bank National Association.

**SECTION 18. TERMINATION OF AGREEMENT.** Except for provisions hereof which are stated to survive the termination hereof, this Agreement shall terminate when all transfers and payments required to be made by the Escrow Agent under the provisions hereof shall have been made. Upon such termination, all moneys remaining in the \_\_\_\_ Escrow Fund shall be released to the Authority.

**SECTION 19. GOVERNING LAW.** This Agreement shall be governed by the applicable laws of the State of Florida.

**SECTION 20. SEVERABILITY.** If any one or more of the covenants or agreements provided in this Agreement on the part of the Authority or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

**SECTION 21. COUNTERPARTS.** This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

**SECTION 22. NOTICES.** Any notice, authorization, request or demand required or permitted to be given in accordance with the terms of this Agreement shall be in writing and sent by registered or certified mail addressed to:

Tampa Bay Water  
2575 Enterprise Road  
Clearwater, Florida 33763-1102  
Attn: General Manager

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

**IN WITNESS WHEREOF**, the parties hereto have each caused this Escrow Deposit Agreement to be executed by their duly authorized officers and appointed officials and their seals to be hereunder affixed and attested as of the date first written herein.

**TAMPA BAY WATER, a Regional Water  
Supply Authority**

(SEAL)

\_\_\_\_\_  
Title: Chairman

ATTEST:

\_\_\_\_\_  
Title: General Manager/Secretary

\_\_\_\_\_, Escrow Agent

By: \_\_\_\_\_  
Authorized Signatory



**SCHEDULE A**

**ESCROW SECURITIES**

**SCHEDULE B**

**DEBT SERVICE REQUIREMENTS FOR \_\_\_\_ REFUNDED BONDS**

**SCHEDULE C**

**NOTICE OF DEFEASANCE**

**Tampa Bay Water, A Regional Water Supply Authority  
Utility System [Refunding] Revenue Bonds, Series \_\_\_\_  
Dated Date: \_\_\_\_\_, 20\_\_**

<b>Original CUSIP</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Principal Amount Outstanding</b>	<b>Refunded Amount</b>
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**NOTICE IS HEREBY GIVEN** pursuant to Resolution No. 98-07TBW, adopted on August 31, 1998, as amended and supplemented (collectively, the "Resolution"), that the outstanding Tampa Bay Water, A Regional Water Supply Authority, Utility System [Refunding] Revenue Bonds, Series \_\_\_\_ (the "\_\_\_\_ Refunded Bonds") as described above, are deemed to be paid within the meaning of Section 9.01 of the Resolution and shall no longer be secured from the Pledged Funds (as defined in the Resolution) and shall be secured solely from the irrevocable deposit of cash, U.S. Treasury obligations made by the Authority with U.S. Bank National Association, as Escrow Agent, in accordance with Section 9.01 of the Resolution. The \_\_\_\_ Refunded Bonds shall be redeemed on October 1, 20\_\_ at a redemption price of 100% of the principal amount thereof, plus accrued interest.

**TAMPA BAY WATER,  
A REGIONAL WATER AUTHORITY**

By: \_\_\_\_\_,  
as Escrow Agent

\_\_\_\_\_

Dated: \_\_\_\_\_, 20\_\_

\*No representation is made as to the correctness of these CUSIP numbers contained in this notice.