

*In the opinion of bond counsel, assuming compliance by the Issuer with certain covenants, under existing statutes, regulations, and judicial decisions, the interest on the Series 2023A Bonds will be excluded from gross income for federal income tax purposes of the holders thereof and will not be an item of tax preference for purposes of the federal alternative minimum tax; however, for tax years beginning after December 31, 2022, interest on the Series 2023A Bonds may be included in the "adjusted financial statement income" of certain "applicable corporations" that are subject to the 15-percent alternative minimum tax under section 55 of the Internal Revenue Code of 1986, as amended. See "TAX MATTERS" herein for a description of other tax consequences to holders of the Series 2023A Bonds.*

**\$590,325,000****FLORIDA INSURANCE ASSISTANCE INTERLOCAL AGENCY****\$465,325,000****Insurance Assessment Revenue Bonds,  
Series 2023A-1****\$125,000,000****Insurance Assessment Revenue Bonds,  
Series 2023A-2  
(Variable Rate)****Dated: Date of Delivery****Due: September 1, as shown on the inside cover**

The Florida Insurance Guaranty Association, Incorporated ("FIGA") is financing Covered Claims of claimants or policyholders arising through the insolvency of an insurer by and through the Florida Insurance Assistance Interlocal Agency (the "Issuer"), a State of Florida interlocal agency formed pursuant to an Interlocal Agreement, dated September 7, 2007, between the City of Callaway, Florida and the City of Panama City Beach, Florida (collectively, the "Cities"). In connection therewith, the Issuer is issuing its (i) Insurance Assessment Revenue Bonds, Series 2023A-1 (the "Series 2023A-1 Bonds") and (ii) Insurance Assessment Revenue Bonds, Series 2023A-2 (Variable Rate) (the "Series 2023A-2 Bonds," and together with the Series 2023A-1 Bonds, the "Series 2023A Bonds") pursuant to Section 631.695, Florida Statutes, and other applicable provisions of law.

The Series 2023A Bonds will be issued pursuant to a Trust Indenture, as supplemented by Supplemental Indenture No. 1 and Supplemental Indenture No. 2, each dated as of July 1, 2023 (collectively, the "Indenture"), between the Issuer and The Bank of New York Mellon Trust Company, N.A., Jacksonville, Florida, as trustee (the "Trustee"). The terms and details of the Series 2023A-1 Bonds are set forth in Supplemental Indenture No. 1, and the terms and details of the Series 2023A-2 Bonds are set forth in Supplemental Indenture No. 2. Capitalized terms used but not otherwise defined on this cover page shall have the meanings ascribed thereto in the Indenture.

Interest on the Series 2023A-1 Bonds will be payable semiannually on March 1 and September 1 of each year, commencing March 1, 2024, at the rates set forth on the inside cover. The Series 2023A-1 Bonds will mature on September 1 in the years and principal amounts set forth on the inside cover. Certain of the Series 2023A-1 Bonds are subject to optional redemption as described herein. See "DESCRIPTION OF THE SERIES 2023A-1 BONDS" herein.

The Series 2023A-2 Bonds will bear interest at the Weekly Interest Rate determined by BofA Securities, Inc., as Remarketing Agent. Interest on the Series 2023A-2 Bonds will be payable on the first Business Day of each month beginning August 1, 2023. The Series 2023A-2 Bonds are subject to tender for purchase at the option of the Holders of the Series 2023A-2 Bonds upon seven days' notice to the Trustee and Remarketing Agent and, under certain circumstances, are subject to mandatory tender for purchase, in the manner and at the times described herein. The Series 2023A-2 Bonds are also subject to optional redemption in the manner and at the times described herein. See "DESCRIPTION OF THE SERIES 2023A-2 BONDS" herein.

Liquidity support in connection with tenders for purchase of Series 2023A-2 Bonds (in an amount equal to the principal amount thereof plus 35 days' interest thereon computed at a rate equal to 8% per annum) will be provided by State of Florida Department of Financial Services, Division of Treasury (the "Treasury" or "Liquidity Facility Provider"), pursuant to a Revolving Standby Bond Purchase Agreement, dated as of the date of delivery of the Series 2023A-2 Bonds, among the Treasury, the Trustee and the Issuer (the "Liquidity Facility").



The obligation of the Treasury to purchase Series 2023A-2 Bonds under the Liquidity Facility is subject to certain conditions, and such obligation may be immediately terminated by the Treasury without prior notice under certain circumstances described herein. The Liquidity Facility has a stated expiration date of September 9, 2032. Supplemental Indenture No. 2 contains provisions for obtaining an Alternate Liquidity Facility in substitution for the Liquidity Facility. **The purchase price of Series 2023A-2 Bonds tendered for purchase and not remarketed is payable solely from moneys drawn under the Liquidity Facility or any Alternate Liquidity Facility then in effect. The Issuer is not obligated to pay the purchase price of the Series 2023A-2 Bonds tendered for purchase. See "LIQUIDITY FOR THE SERIES 2023A-2 BONDS" herein.**

Individual purchases of Series 2023A-1 Bonds will be made in denominations of \$5,000 or any integral multiple thereof. Individual purchases of the Series 2023A-2 Bonds will be made in denominations of \$100,000 or any integral multiple of \$5,000 in excess of \$100,000. The Trustee will also serve as Bond Registrar and Paying Agent with respect to the Series 2023A Bonds. So long as Cede & Co. is the registered owner of the Series 2023A Bonds, principal of and interest on the Series 2023A Bonds will be payable by the Trustee to The Depository Trust Company ("DTC"), which will in turn remit such payments to its participants for subsequent disbursement to Beneficial Owners of the Series 2023A Bonds, as more fully described herein. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The proceeds of the Series 2023A Bonds will be used to (i) pay Covered Claims of an insolvent insurer, (ii) repay the Issuer's Series 2023A Bond Anticipation Note, the proceeds of which were used to pay Covered Claims, (iii) pay all or a portion of the interest on the Series 2023A-2 Bonds through March 1, 2024 and (iv) pay the costs of issuance of the Series 2023A Bonds. See "PLAN OF FINANCE" herein.

The Series 2023A Bonds are payable from and secured by a pledge of the Pledged Revenues under the Indenture, including the Pledged Emergency Assessments levied by the Florida Office of Insurance Regulation, as certified by FIGA, as more fully described herein. **No Additional Assessments are currently pledged to the payment of the Series 2023A Bonds.** See "SECURITY FOR THE SERIES 2023A BONDS" and "PLEDGED EMERGENCY ASSESSMENTS" herein.

**THE SERIES 2023A BONDS AND THE OBLIGATION TO PAY PRINCIPAL OF, REDEMPTION PREMIUM, IF ANY, AND INTEREST THEREON AND ALL OTHER OBLIGATIONS OF THE ISSUER UNDER THE INDENTURE DO NOT AND WILL NOT BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, THE CITIES, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER, OR A LIEN UPON THE REAL OR PERSONAL PROPERTY OF THE ISSUER, THE CITIES, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF, OR ANY PART THEREOF, OR AS A PLEDGE OF THE GENERAL CREDIT, FAITH OR TAXING POWER OF THE ISSUER, THE CITIES, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF, BUT SHALL BE SECURED AS AFORESAID, AND SHALL BE PAYABLE SOLELY FROM THE PLEDGED REVENUES. THE ISSUER HAS NO TAXING POWER.**

This cover page contains certain information for quick reference only. It is not intended to be a summary of all factors relating to an investment in the Series 2023A Bonds. Investors are advised to read the entire Official Statement, including the appendices hereto, in their entirety before making an investment decision.

*The Series 2023A Bonds are offered when, as and if issued by the Issuer and accepted by the Underwriters, subject to receipt of an approving legal opinion of Bryant Miller Olive P.A., Tallahassee, Florida, Bond Counsel. Certain legal matters will be passed upon for the Issuer by Hand Arendall Harrison Sale LLC, Panama City, Florida and for FIGA by Meenan P.A., Tallahassee, Florida. Certain legal matters will be passed upon for the Office of Insurance Regulation by its General Counsel and for the Treasury by its General Counsel. Nabors, Giblin & Nickerson, P.A., Tampa, Florida, is serving as Disclosure Counsel. The Underwriters are represented by Greenberg Traurig, P.A., Miami, Florida. Raymond James & Associates, Inc. is serving as Financial Advisor to the Issuer and FIGA. The Series 2023A Bonds are expected to be available for delivery through the facilities of DTC in New York, New York, on or about July 13, 2023.*

**BofA Securities****(Lead Bookrunner for the Series 2023A-1 Bonds)****Citigroup****J.P. Morgan****Wells Fargo  
Securities****BofA Securities****(Sole Underwriter for the Series 2023A-2 Bonds)**

**\$590,325,000**  
**Florida Insurance Assistance Interlocal Agency**

**MATURITY SCHEDULE**

**\$465,325,000**  
**Insurance Assessment Revenue Bonds, Series 2023A-1**

<u>Maturity (September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Initial CUSIP No.<sup>(1)</sup></u>
2024	\$ 50,530,000	5.00%	3.45%	101.704	34074EAA7
2025	115,765,000	5.00	3.38 <sup>(2)</sup>	102.549 <sup>(2)</sup>	34074EAB5
2026	121,905,000	5.00	3.31 <sup>(2)</sup>	104.224 <sup>(2)</sup>	34074EAC3
2027	100,000,000	5.00	3.25 <sup>(2)</sup>	105.169 <sup>(2)</sup>	34074EAD1
2028	77,125,000	5.00	3.26 <sup>(2)</sup>	105.139 <sup>(2)</sup>	34074EAE9

**\$125,000,000**  
**Insurance Assessment Revenue Bonds, Series 2023A-2**  
**(Variable Rate)**

<u>Maturity</u>	<u>Price</u>	<u>Initial Rate Determination Date</u>	<u>Interest Rate Mode</u>	<u>Initial Interest Payment Date</u>	<u>Rate Determination Date Generally</u>	<u>Interest Payment Date</u>	<u>Initial CUSIP No.<sup>(1)</sup></u>
September 1, 2032	100%	Business Day prior to Date of Delivery	Weekly Interest Rate	August 1, 2023	Each Wednesday	First Business Day of each Month	34074EAF6

<sup>(1)</sup> CUSIP® is a registered trademark of the American Bankers Association. The CUSIP data herein are provided by S&P Global Market Intelligence. The CUSIP numbers are not intended to create a database and do not serve in any way as a substitute for CUSIP Service. CUSIP numbers have been assigned by an independent company not affiliated with the Issuer and are provided solely for convenience and reference. The CUSIP numbers for the Series 2023A Bonds of a specific maturity are subject to change after the issuance of the Series 2023A Bonds. None of the Issuer, the Financial Advisor, the Underwriters, the Trustee or their agents takes any responsibility for the accuracy of such CUSIP numbers.

<sup>(2)</sup> Callable premium Series 2023A-1 Bonds. Yield and Price calculated to first optional redemption date applicable thereto.

**FLORIDA INSURANCE GUARANTY ASSOCIATION, INCORPORATED**

**BOARD OF DIRECTORS**

Kimberly Blackburn, Chairwoman	Carly Hermanson, Member
Pamela Matthews, Vice Chairman	Rene Hernandez, Member
Paula Lutes, Secretary/Treasurer	Charles Lydecker, Member
Brent Brummer, Member	Raymond Waugh, Member

**ADMINISTRATION**

Corey Neal, Executive Director  
Holly Newell, Chief Operating Officer

**COUNSEL TO FIGA**

Meenan, P.A.  
Tallahassee, Florida

**FLORIDA INSURANCE ASSISTANCE INTERLOCAL AGENCY**

**BOARD OF DIRECTORS**

Pamn Henderson, Chair  
Mark Sheldon, Vice-Chair  
Corey Neal, Secretary-Treasurer  
Ed Cook  
Drew R. Whitman

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Panama City, Florida

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**DISCLOSURE COUNSEL**

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Tampa, Florida

**FINANCIAL ADVISOR**

Raymond James & Associates, Inc.  
St. Petersburg, Florida

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THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE CAPTIONS AND HEADINGS IN THIS OFFICIAL STATEMENT ARE FOR CONVENIENCE ONLY AND IN NO WAY DEFINE, LIMIT OR DESCRIBE THE SCOPE OR INTENT, OR AFFECT THE MEANING OR CONSTRUCTION, OF ANY PROVISIONS OR SECTIONS IN THIS OFFICIAL STATEMENT. THE OFFERING OF THE SERIES 2023A BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS OFFICIAL STATEMENT CONSTITUTE "FORWARD-LOOKING STATEMENTS." SUCH STATEMENTS GENERALLY ARE IDENTIFIABLE BY THE TERMINOLOGY USED, SUCH AS "PLAN," "EXPECT," "ESTIMATE," "BUDGET" OR OTHER SIMILAR WORDS. SUCH FORWARD-LOOKING STATEMENTS INCLUDE BUT ARE NOT LIMITED TO CERTAIN STATEMENTS CONTAINED IN THE INFORMATION UNDER THE CAPTION "ESTIMATED SOURCES AND USES OF FUNDS." THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS.

THE SERIES 2023A BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS.

THE SERIES 2023A BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE

UNDERWRITERS MAY OFFER AND SELL THE SERIES 2023A BONDS TO CERTAIN DEALERS (INCLUDING DEPOSITING SUCH SERIES 2023A BONDS INTO INVESTMENT TRUSTS) AND OTHERS AT PRICES LOWER THAN THE PRICES SET FORTH ON THE COVER PAGE OF THIS OFFICIAL STATEMENT, AND SUCH PRICES MAY BE CHANGED FROM TIME TO TIME, AFTER THE INITIAL OFFERING TO THE PUBLIC, BY THE UNDERWRITERS.

THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH AND AS PART OF THEIR RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

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## **OFFICIAL STATEMENT**

**\$590,325,000**

**Florida Insurance Assistance Interlocal Agency**

**\$465,325,000**

**Insurance Assessment Revenue Bonds,  
Series 2023A-1**

**\$125,000,000**

**Insurance Assessment Revenue Bonds,  
Series 2023A-2  
(Variable Rate)**

## **INTRODUCTION**

The purpose of this Official Statement, including the cover page and appendices hereto, is to furnish certain information in connection with the issuance and sale of (i) \$465,325,000 aggregate principal amount of Florida Insurance Assistance Interlocal Agency Insurance Assessment Revenue Bonds, Series 2023A-1 (the "Series 2023A-1 Bonds") and (ii) \$125,000,000 aggregate principal amount of Florida Insurance Assistance Interlocal Agency Insurance Assessment Revenue Bonds, Series 2023A-2 (Variable Rate) (the "Series 2023A-2 Bonds," and together with the Series 2023A-1 Bonds, the "Series 2023A Bonds") by the Florida Insurance Assistance Interlocal Agency (the "Issuer"). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture or in the Program Agreement (each as defined herein).

The Series 2023A Bonds are being issued by the Issuer in accordance with the Act and pursuant to Resolution No. 23-02 adopted by the Issuer on May 22, 2023 (the "Resolution") and the Trust Indenture, dated as of July 1, 2023 (the "Trust Indenture"), between the Issuer and The Bank of New York Mellon Trust Company, N.A., Jacksonville, Florida, as trustee (the "Trustee"), as supplemented by Supplemental Indenture No. 1, dated as of July 1, 2023, between the Issuer and the Trustee ("Supplemental Indenture No. 1") and Supplemental Indenture No. 2, dated as of July 1, 2023, between the Issuer and the Trustee ("Supplemental Indenture No. 2," together with the Trust Indenture and Supplemental Indenture No. 1, the "Indenture"). Supplemental Indenture No. 1 sets forth the terms and details of the Series 2023A-1 Bonds and Supplemental Indenture No. 2 sets forth the terms and details of the Series 2023A-2 Bonds. See "DESCRIPTION OF THE SERIES 2023A-1 BONDS" and "DESCRIPTION OF THE SERIES 2023A-2 BONDS" herein.

Liquidity support in connection with tenders for purchase of Series 2023A-2 Bonds (in an amount equal to the principal amount thereof plus 35 days' interest thereon computed at a rate of 8% per annum) will be provided by the State of Florida Department of Financial Services Division of Treasury (the "Treasury" or the "Liquidity Facility Provider"), pursuant to a Revolving Standby Bond Purchase Agreement, dated as of the date of delivery of the Series 2023A-2 Bonds, among the Treasury, the Trustee and the Issuer (the "Liquidity Facility"). The obligation of the Treasury to purchase Series 2023A-2 Bonds under the Liquidity Facility is subject to certain conditions, and such obligation may be immediately terminated by the Treasury without prior notice under certain circumstances described herein. The Liquidity Facility has a stated expiration date of September 9, 2032. Supplemental Indenture No. 2 contains provisions for obtaining an Alternate Liquidity

Facility in substitution for the Liquidity Facility. **The purchase price of Series 2023A-2 Bonds tendered for purchase and not remarketed is payable solely from moneys drawn under the Liquidity Facility or any Alternate Liquidity Facility then in effect. The Issuer is not obligated to pay the purchase price of Series 2023A-2 Bonds tendered for purchase.** See "LIQUIDITY FOR THE SERIES 2023A-2 BONDS" herein and "APPENDIX F - FORM OF REVOLVING STANDBY BOND PURCHASE AGREEMENT" hereto.

The Series 2023A Bonds are being issued for the principal purpose of funding a program (the "Assistance Program") established to pay to claimants or policyholders Covered Claims arising through the insolvency of various insurers, which insolvency is determined by the Florida Insurance Guaranty Association, Incorporated ("FIGA") to have been a result of a hurricane. See "PLAN OF FINANCE" and "THE INSURANCE ACT AND THE ASSISTANCE PROGRAM" herein.

FIGA is an insurance guaranty fund and non-profit corporation created under the authority of Part II of Chapter 631, Florida Statutes, as amended (the "Insurance Act"), to provide a mechanism for payment of Covered Claims of insolvent property and casualty insurance companies in the State. In this regard, FIGA serves an essential function in the State insurance market. The Insurance Act was enacted in the State to ensure that insurance contracts would be honored, even when the insurance company fails. FIGA is notified when there is a court filing for a liquidation order against an insolvent insurance company impacting policyholders in the State. Following liquidation, Covered Claims of the insolvent insurer are transferred to FIGA for adjustment and payment. See "FIGA AND THE MEMBER INSURERS" and "OVERVIEW OF FLORIDA PROPERTY AND CASUALTY INSURANCE MARKET" herein.

FIGA will serve as Program Administrator for the Assistance Program in accordance with a Covered Claims Payment Assistance Program Agreement, dated as of July 1, 2023 (the "Program Agreement") among the Issuer, the Trustee, FIGA and the State of Florida Office of Insurance Regulation (the "Office"). Pursuant to the Program Agreement, FIGA and the Office will cause the assessment, levy, collection and payment of Pledged Emergency Assessments, including the 1% Emergency Assessment, over to the Trustee and will process Covered Claims to be requisitioned from the Trustee for payment from the Claims Payment Account. See "SECURITY FOR THE SERIES 2023A BONDS," "THE PROGRAM AGREEMENT" and "PLEDGED EMERGENCY ASSESSMENTS" herein.

Pursuant to the Indenture, Pledged Emergency Assessments shall consist of Emergency Assessments pledged to the payment of the Bonds as designated in the Indenture or a Supplemental Indenture (the "Pledged Emergency Assessments"). The Bonds may be additionally secured by any Regular Assessments pledged to the payment of Bonds as designated as such in a Supplemental Indenture (the "Additional Assessments").

On March 31, 2023, the Board of Directors of FIGA certified to the Office the need to levy an Emergency Assessment in the amount of 1% on insurance written on all new and renewal policies for the account specified in Section 631.55(2)(b), Florida Statutes (the "All Other Account"), issued between October 1 and September 30 (each, an "Assessment Year"), commencing with the Assessment Year beginning October 1, 2023 and continuing for each

subsequent Assessment Year until all of the Series 2023A Bonds have been paid in full and are no longer outstanding (the "1% Emergency Assessment"). On April 10, 2023, the Office issued an Order levying the 1% Emergency Assessment. Pursuant to the Indenture, the 1% Emergency Assessment is pledged to the security and payment of the Series 2023A Bonds. The 1% Emergency Assessment constitutes the Pledged Emergency Assessments for purposes of the Indenture and the Program Agreement. Additionally, pursuant to the Program Agreement, FIGA has covenanted to certify to the Office the need to levy additional Pledged Emergency Assessments up to the maximum amount permitted by applicable law, for so long as is needed, if required to ensure the full and timely payment of the principal of and interest on the Bonds.

The Series 2023A Bonds are payable from and secured solely by the Pledged Revenues, which are comprised of (i) the Pledged Emergency Assessments (which currently are comprised solely by the 1% Emergency Assessment), and (ii) all other moneys held from time to time in the funds and accounts established under the Indenture as provided therein (except for amounts held to the credit of the Rebate Fund), including, without limitation, the proceeds of the Bonds held in the Claims Fund pending the application thereof to the payment of Covered Claims or Costs of Issuance. **Pursuant to the Supplemental Indentures for the Series 2023A Bonds, no Additional Assessments are currently pledged to the payment of the Series 2023A Bonds.** The Series 2023A Bonds and any Additional Bonds and Refunding Bonds issued from time to time pursuant to the Indenture are referred to herein as the "Bonds." See "THE INSURANCE ACT AND THE ASSISTANCE PROGRAM - 1% Emergency Assessment," "SECURITY FOR THE SERIES 2023A BONDS" and "PLEDGED EMERGENCY ASSESSMENTS" herein.

FIGA has agreed and undertaken for the benefit of the holders of the Series 2023A Bonds, to provide certain financial information relating to FIGA and the Series 2023A Bonds on a continuing basis pursuant to Rule 15c2-12 of the Securities and Exchange Act of 1934, as amended. See "CONTINUING DISCLOSURE" herein.

This Official Statement and the Appendices attached hereto contain brief descriptions of, among other things, the Series 2023A Bonds, the Indenture, the Supplemental Indentures, the Program Agreement, the Liquidity Facility, FIGA and the Assistance Program. Such information, descriptions and summaries do not purport to be complete or definitive, and reference is made to each such document for the complete details of all the terms and conditions thereof. All references herein to the Series 2023A Bonds, the Trust Indenture, the Supplemental Indentures, the Program Agreement and the Liquidity Facility are qualified in their entirety by such documents. Copies of the forms of the Trust Indenture, the Supplemental Indentures and the Program Agreement are attached as Appendices B and C hereto. Copies of the final executed documents will be on file at the corporate office of the Trustee in Jacksonville, Florida.

## THE ISSUER

### General

The Issuer is a public body corporate and politic and interlocal agency of the State formed pursuant to Section 163.01(7)(g), Florida Statutes, and an Interlocal Agreement, dated September 7, 2007, between the City of Callaway, Florida and the City of Panama City Beach, Florida

(collectively, the "Cities") in order to assist FIGA to expedite the payment of Covered Claims to policyholders or claimants of insurance companies that are insolvent due to the impact of hurricanes and that have been ordered into liquidation by a court of competent jurisdiction. The Issuer's sole purpose is to serve as a conduit issuer for FIGA's debt. The Issuer is governed by a Board of Directors consisting of representatives from FIGA and the Cities.

### **Validation of Bonds**

The issuance of up to \$750 million in aggregate principal amount of the Bonds pursuant to the Indenture was validated by the Circuit Court of the Second Judicial Circuit, in and for Leon County, pursuant to a Final Judgment entered on April 15, 2008. The appeal period for such Final Judgment expired on May 15, 2008, without an appeal having been filed.

### **Series 2023A Bonds Not an Obligation of the Cities**

The Series 2023A Bonds shall not constitute an indebtedness of the Cities. Neither the full faith and credit nor the taxing powers of the Cities shall be pledged to the payment of the principal of or interest on the Series 2023A Bonds. The Series 2023A Bonds are payable, as to principal and interest, solely from the Pledged Revenues, as described in the Indenture.

## **DESCRIPTION OF THE SERIES 2023A-1 BONDS**

### **General**

Interest on the Series 2023A-1 Bonds will be payable semiannually on March 1 and September 1 of each year, commencing March 1, 2024, at the rates set forth on the inside cover page of this Official Statement (computed on the basis of a 360-day year consisting of twelve 30-day months). The Series 2023A-1 Bonds will mature on September 1 in the years and the principal amounts set forth on the inside cover page of this Official Statement. Individual purchases of the Series 2023A-1 Bonds will be made in denominations of \$5,000 or any integral multiple thereof. The Trustee will also serve as Bond Registrar with respect to the Series 2023A-1 Bonds.

While the Series 2023A-1 Bonds are registered through the book-entry only system described below, principal of and interest on the Series 2023A-1 Bonds will be payable in lawful money of the United States of America by wire transfer of The Bank of New York Mellon Trust Company, N.A., as Paying Agent and Bond Registrar, to Cede & Co., as registered owner of the Series 2023A-1 Bonds. Interest on the Series 2023A-1 Bonds will be payable in lawful money of the United States of America by check or draft of the Paying Agent, mailed to the registered owners thereof; provided, however, at the request and expense of the registered owner of \$1,000,000 or more in aggregate principal amount of Series 2023A-1 Bonds, interest may be paid by wire transfer to a bank account located in the continental United States and designated in writing by such registered owner to the Bond Registrar at least five days prior to the applicable Interest Payment Date. Principal of and redemption premium, if any, on the Series 2023A-1 Bonds will be payable at maturity or earlier redemption thereof in lawful moneys of the United States of America, upon presentation and surrender thereof at the office of the Bond Registrar.

## Redemption Provisions

***Optional Redemption.*** The Series 2023A-1 Bonds maturing on September 1, 2024 are not subject to optional redemption prior to maturity. The Series 2023A-1 Bonds maturing on September 1, 2025 and September 1, 2026 may be redeemed prior to maturity at the option of the Issuer, as a whole or in part, on any date within 6 months prior to the applicable maturity date, or on any date thereafter, if in part, from such maturity or maturities as the Issuer shall designate and by lot within a maturity at the redemption price of 100% of the principal amount of such Series 2023A-1 Bonds to be redeemed, plus accrued interest to the redemption date. The Series 2023A-1 Bonds maturing on and after September 1, 2027 may be redeemed prior to maturity at the option of the Issuer, as a whole or in part, on September 1, 2026, or on any date thereafter, if in part, from such maturity or maturities as the Issuer shall designate and by lot within a maturity at the redemption price of 100% of the principal amount of such Series 2023A-1 Bonds to be redeemed, plus accrued interest to the redemption date.

## Notice of Redemption

Notice of redemption will be given by the deposit in first class mail, postage prepaid, of a copy of said redemption notice, postage prepaid, at least 30 and not more than 60 days before the redemption date to all registered owners of the Series 2023A-1 Bonds or portions of Series 2023A-1 Bonds to be redeemed at their addresses as they appear on the registration books to be maintained in accordance with the provisions of the Indenture.

Each such notice shall specify the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Series 2023A-1 Bonds are to be redeemed, the numbers or other distinguishing marks of such Series 2023A-1 Bonds to be redeemed in part only, such notice shall also specify the portions thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each of the Series 2023A-1 Bonds to be redeemed the redemption price or the specified portions thereof in the case of Series 2023A-1 Bonds to be redeemed in part only, together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable on such Series 2023A-1 Bonds or portions thereof so redeemed.

Any notice of redemption given may state that it is conditioned upon receipt by the Trustee of moneys sufficient to pay the redemption price, plus interest accrued to the redemption date, or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such redemption price and accrued interest if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission shall be given by the Trustee to affected Holders of such Bonds as promptly as practicable upon the failure of such condition or the occurrence of such other event.

Failure to give any such notice to a registered owner of a Series 2023A-1 Bond shall not affect the validity of the proceedings for redemption of any Series 2023A-1 Bond or portion thereof where notice was properly mailed.

## **Effect of Notice of Redemption**

On the date so designated for redemption, notice having been filed and given in the manner and under the conditions provided in the Indenture, the Series 2023A-1 Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Series 2023A-1 Bonds on such date. Upon moneys for payment of such redemption price being held in accounts by the Trustee in trust for the Holders of the to be redeemed Series 2023A-1 Bonds, all as provided in the Indenture, interest on the Series 2023A-1 Bonds so called for redemption shall cease to accrue, such Series 2023A-1 Bonds shall cease to be entitled to any lien, benefit or security under the Indenture, and the Holders or registered owners of such Series 2023A-1 Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof and accrued interest thereon.

## **Selection of Series 2023A-1 Bonds for Redemption**

The Issuer shall, in accordance with the terms and provisions of the Series 2023A-1 Bonds and of the Indenture, select the Series 2023A-1 Bonds or portions thereof to be purchased or redeemed in such manner as the Issuer, in its sole discretion, shall determine. If less than all of the Series 2023A-1 Bonds of a maturity are to be redeemed, the Trustee shall select the Series 2023A-1 Bonds to be redeemed by lot or such other manner as the Trustee shall determine. In redeeming less than all of the Series 2023A-1 Bonds, each Series 2023A-1 Bond shall be treated as representing that number of Series 2023A-1 Bonds as is obtained by dividing the principal amount of such Series 2023A-1 Bond by \$5,000.

## **DTC Procedures Relating to Partial Redemptions**

Investors should note that while DTC is the registered owner of the Series 2023A-1 Bonds, partial redemptions of the Series 2023A-1 Bonds will be determined in accordance with DTC's procedures. The Issuer intends that redemption allocations made by DTC, the DTC Participants or such other intermediaries that may exist between the Issuer and the Beneficial Owners of the Series 2023A-1 Bonds be made in accordance with the method of selection of Series 2023A-1 Bonds for a partial redemption described above. However, the selection of the Series 2023A-1 Bonds for redemption in DTC's book-entry only system is subject to DTC's practices and procedures as in effect at the time of any such partial redemption. The Issuer can provide no assurance that DTC or the DTC Participants or any other intermediaries will allocate redemptions among Beneficial Owners in accordance with the method of selection of Series 2023A-1 Bonds for a partial redemption described above.

## **Payment of Series 2023A-1 Bonds Upon Discontinuance of Book-Entry Only System**

Upon discontinuance of the book-entry only system for the Series 2023A-1 Bonds, the principal or redemption price of the Series 2023A-1 Bonds will be payable at the designated corporate trust office of The Bank of New York Mellon Trust Company, N.A., as Paying Agent. Upon such discontinuance, interest on the Series 2023A-1 Bonds will be payable by check or draft of the Paying Agent, mailed to the registered owner at the address shown on the Series 2023A-1 Bond register maintained by the Paying Agent as of the 15th day of the month (whether or not a Business Day) preceding the applicable Interest Payment Date (the "Regular Record Date"). Such

interest may be paid by wire transfer within the United States to registered owners of \$1,000,000 or more in aggregate principal amount of Series 2023A-1 Bonds, upon their written request received no later than the Regular Record Date prior to an Interest Payment Date.

## **DESCRIPTION OF THE SERIES 2023A-2 BONDS**

### **General**

The Series 2023A-2 Bonds will bear interest at the Weekly Interest Rate and be issued in Authorized Denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof. The Series 2023A-2 Bonds will mature on September 1, 2032, subject to earlier redemption as described under "- Redemption Provisions" below. Interest on the Series 2023A-2 Bonds will accrue on the basis of the actual number of days elapsed during the Interest Rate Period and a year of 365 days (366 days in a leap year).

The Series 2023A-2 Bonds will be issued in book-entry only form, as described below under "BOOK-ENTRY ONLY SYSTEM" and the method and place of payment will be as provided in and by the book-entry only system. In the event that the use of the book-entry only system for the Series 2023A-2 Bonds is discontinued, the method and place of payment will be as described in "- Payment of Series 2023A-2 Bonds Upon Discontinuance of Book-Entry Only System" below. So long as the Series 2023A-2 Bonds are in book-entry only form, Cede & Co., as nominee of DTC, will be the sole registered owner of the Series 2023A-2 Bonds. Transfers of beneficial interests in the Series 2023A-2 Bonds will be made as described below under "BOOK-ENTRY ONLY SYSTEM."

Interest will be paid on the Series 2023A-2 Bonds on the first Business Day of each calendar month (each a "2023A-2 Interest Payment Date"), commencing August 1, 2023, and on any redemption date and on the Maturity Date. The Series 2023A-2 Bonds will bear interest from the Interest Accrual Date immediately preceding the date of authentication thereof and, thereafter, each 2023A-2 Interest Payment Date during such Weekly Interest Rate Period (each an "Interest Accrual Date") immediately preceding the date of authentication thereof or, if such date of authentication is an Interest Accrual Date to which interest on the Series 2023A-2 Bonds has been paid in full or duly provided for, from such date of authentication or, if it is the first payment of interest on the Series 2023A-2 Bonds, the date thereof. However, if, as shown by the records of the Trustee, interest on the Series 2023A-2 Bonds is in default, the Series 2023A-2 Bonds issued in exchange for the Series 2023A-2 Bonds surrendered for registration of transfer or exchange will bear interest from the date to which interest has been paid in full on the Series 2023A-2 Bonds so surrendered or, if no interest has been paid on such Series 2023A-2 Bonds so surrendered, from the date thereof; provided, however, that at no time will the Series 2023A-2 Bonds bear interest at a rate in excess of the Maximum Bond Interest Rate.

Subject to the provisions of the Indenture relating to Bank Bonds, interest on the Series 2023A-2 Bonds will be payable on each 2023A-2 Interest Payment Date for the period commencing on the immediately preceding Interest Accrual Date and ending on and including the day immediately preceding such 2023A-2 Interest Payment Date.

## **Weekly Interest Rate**

The Series 2023A-2 Bonds will bear interest at the Weekly Interest Rate, which will be determined by the Remarketing Agent (initially, BofA Securities, Inc.) by 5:00 p.m. on Wednesday of each week during the Weekly Interest Rate Period, or if such day is not a Business Day, then on the next succeeding Business Day. The first Weekly Interest Rate will be determined on or prior to the date of initial issuance and delivery of the Series 2023A-2 Bonds and will apply to the period commencing on the date of initial issuance and delivery of the Series 2023A-2 Bonds and ending on and including the next succeeding Wednesday. Thereafter, each Weekly Interest Rate will apply to the period commencing on and including Thursday of each week and ending on and including the next succeeding Wednesday.

Each Weekly Interest Rate with respect to the Series 2023A-2 Bonds will be the rate of interest per annum determined by the Remarketing Agent (based on an examination of obligations comparable, in the judgment of the Remarketing Agent, to the Series 2023A-2 Bonds and known by the Remarketing Agent to have been priced or traded under then-prevailing market conditions) to be the minimum interest rate which, if borne by such Series 2023A-2 Bonds, would enable the Remarketing Agent to sell all of the Series 2023A-2 Bonds on the effective date of that rate at a price (without regard to accrued interest) equal to the principal amount thereof.

If the Remarketing Agent fails to establish a Weekly Interest Rate for any week with respect to the Series 2023A-2 Bonds bearing interest at such rate, then the Weekly Interest Rate for such week with respect to such Series 2023A-2 Bonds will be the same as the immediately preceding Weekly Interest Rate if such Weekly Interest Rate was determined by the Remarketing Agent. If the immediately preceding Weekly Interest Rate was not determined by the Remarketing Agent, or if the Weekly Interest Rate determined by the Remarketing Agent is held to be invalid or unenforceable by a court of law, then the Weekly Interest Rate for such week, as determined by the Remarketing Agent, will be equal to 110% of the SIFMA Swap Index, or if such index is no longer available, 85% of the interest rate on thirty (30) day high grade unsecured commercial paper notes sold through dealers by major corporations as reported in *The Wall Street Journal* on the day such Weekly Interest Rate would otherwise be determined as described herein for such Weekly Interest Rate Period.

## **Redemption Provisions**

***Optional Redemption.*** The Series 2023A-2 Bonds will be subject to redemption prior to their stated maturity by the Issuer, in whole or in part, at a redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the date of redemption, at any time upon giving the notice as provided in the Indenture.

***Mandatory Redemption of Bank Bonds.*** Bank Bonds will be redeemed as set forth in the Liquidity Facility.

## **Selection of Series 2023A-2 Bonds to be Redeemed**

In the case of any redemption in part of the Series 2023A-2 Bonds, the Series 2023A-2 Bonds to be redeemed under the Indenture will be selected by the Trustee, subject to any requirements of the Indenture. A redemption of Series 2023A-2 Bonds will be a redemption of



the whole or of any part of the Series 2023A-2 Bonds, provided, that there will be no partial redemption in less than \$5,000 principal amount. If less than all the Series 2023A-2 Bonds will be called for redemption under any provision of the Indenture permitting such partial redemption, the particular Series 2023A-2 Bonds to be redeemed will be selected by the Trustee, in such manner as the Trustee in its discretion may deem fair and appropriate; provided, however (a) that the portion of any Series 2023A-2 Bond to be redeemed under any provision of the Indenture will be in the principal amount of \$5,000 or any multiple thereof, (b) that, in selecting Series 2023A-2 Bonds for redemption, the Trustee will treat each Series 2023A-2 Bond as representing that number of Series 2023A-2 Bonds which is obtained by dividing the principal amount of such Series 2023A-2 Bond by \$5,000, (c) that, to the extent practicable, the Trustee will not select any Series 2023A-2 Bond for partial redemption if the amount of such Series 2023A-2 Bond remaining Outstanding would be reduced by such partial redemption to less than the Authorized Denomination and (d) Bank Bonds will be redeemed prior to any Series 2023A-2 Bonds which are not Bank Bonds. If there will be called for redemption less than all of a Series 2023A-2 Bond, the Issuer will execute and deliver and the Trustee will authenticate, upon surrender of such Series 2023A-2 Bond, without charge to the owner thereof, a replacement Series 2023A-2 Bond in the principal amount of the unredeemed balance of the Series 2023A-2 Bond so surrendered.

### **Procedure for Redemption**

In the event any of the Series 2023A-2 Bonds are called for redemption, the Trustee will give notice, in the name of the Issuer, of the redemption of such Series 2023A-2 Bonds, which notice will (i) specify the Series 2023A-2 Bonds to be redeemed, the redemption date, the redemption price, and the place or places where amounts due upon such redemption will be payable (which will be the designated corporate trust office of the Trustee) and, if less than all of the Series 2023A-2 Bonds are to be redeemed, the numbers of the Series 2023A-2 Bonds, and the portions of the Series 2023A-2 Bonds, to be redeemed, (ii) state any condition to such redemption, and (iii) state that on the redemption date, and upon the satisfaction of any such condition, the Series 2023A-2 Bonds to be redeemed will cease to bear interest. CUSIP number identification will accompany all redemption notices. Such notice may set forth any additional information relating to such redemption. Such notice will be given by mail, postage prepaid, at least 30 days but not more than 60 days prior to the date fixed for redemption to each Holder of Series 2023A-2 Bonds to be redeemed at its address shown on the registration books kept by the Trustee; provided, however, that failure to give such notice to any Series 2023A-2 Bondholder or any defect in such notice will not affect the validity of the proceedings for the redemption of any of the other Series 2023A-2 Bonds.

Any Series 2023A-2 Bonds and portions of Series 2023A-2 Bonds which have been duly selected for redemption and for which the Trustee holds sufficient funds to pay the redemption price will cease to bear interest on the specified redemption date in accordance with the Indenture.

### **Tender and Purchase of Bonds**

***Optional Tender for Purchase.*** Any Series 2023A-2 Bond (other than a Bank Bond or an Issuer Owned Bond) will be purchased in an Authorized Denomination (provided that the amount of any such Series 2023A-2 Bonds not to be purchased will also be in an Authorized Denomination) from its Series 2023A-2 Bondholder at the option of the Series 2023A-2

Bondholder on any Business Day at a purchase price equal to the Tender Price, payable in immediately available funds, upon delivery to the Trustee at its designated corporate trust office for delivery of the Series 2023A-2 Bonds, and to the Remarketing Agent of an irrevocable written notice which states the principal amount of such Series 2023A-2 Bonds, the principal amount thereof to be purchased and the date on which the same will be purchased, which date will be a Business Day not prior to the seventh day after the date of the delivery of such notice to the Trustee and the Remarketing Agent. Any notice delivered to the Trustee and the Remarketing Agent after 4:00 p.m. will be deemed to have been received on the next succeeding Business Day. Bank Bonds and Issuer Owned Bonds may not be tendered for purchase at the option of the Holder thereof. For payment of the Tender Price on the Tender Date, such Series 2023A-2 Bonds must be delivered at or prior to 10:00 a.m. on the Tender Date to the Trustee at its designated corporate trust office for delivery of Series 2023A-2 Bonds accompanied by an instrument of transfer, in form satisfactory to the Trustee executed in blank by the Series 2023A-2 Bondholder or its duly-authorized attorney, with such signature guaranteed by a commercial bank, trust company, or member firm of the New York Stock Exchange.

During any Weekly Interest Rate Period for which the book-entry-only system described in the Indenture is in effect, any Series 2023A-2 Bonds or portion thereof (provided that the principal amount of such Series 2023A-2 Bonds to be purchased and the principal amount to be retained will each be an Authorized Denomination) will be purchased on the date specified in the notice referred to below at the Tender Price. The irrevocable written notice, executed by the Securities Depository participant through which such Series 2023A-2 Bonds are held, will be delivered on any Business Day by the Securities Depository participant for such Series 2023A-2 Bonds to the Trustee at its designated corporate trust office for the delivery of such Series 2023A-2 Bonds and to the Remarketing Agent. That notice will state the principal amount of such Series 2023A-2 Bonds (or interest therein), the portion thereof to be purchased and the date on which the same will be purchased, which date will be a Business Day at least seven days after the date of delivery of such notice to the Trustee and the Remarketing Agent. Upon confirmation by the Securities Depository to the Trustee that such Securities Depository participant has an ownership interest in the Series 2023A-2 Bonds at least equal to the amount of Series 2023A-2 Bonds specified in such irrevocable written notice, payment of the Tender Price of such Series 2023A-2 Bonds will be made by 3:00 p.m., or as soon as practicably possible thereafter, upon the receipt by the Trustee of the Tender Price as set forth in the Indenture on the Business Day specified in the notice upon the transfer on the registration books of the Securities Depository of the beneficial ownership interest in such Series 2023A-2 Bonds tendered for purchase to the account of the Trustee, or a Securities Depository participant acting on behalf of such Trustee, at or prior to 10:00 a.m., on the date specified in such notice.

***Mandatory Tender for Purchase upon Termination, Replacement or Expiration of Liquidity Facility; Mandatory Standby Tender.*** If at any time the Trustee gives notice, in accordance with the Indenture, that Series 2023A-2 Bonds tendered for purchase will, on the date specified in such notice, cease to be subject to purchase pursuant to the Liquidity Facility then in effect as a result of (i) the termination, replacement or expiration of the term, as extended, of that Liquidity Facility, including but not limited to termination at the option of the Issuer in accordance with the terms of such Liquidity Facility, or (ii) the occurrence of a Mandatory Standby Tender, then each such Series 2023A-2 Bond will be purchased or deemed purchased at the Tender Price. Any purchase of such Series 2023A-2 Bonds pursuant to this subsection of the Indenture will

occur: (1) on the fifth Business Day preceding any such expiration or termination of such Liquidity Facility without replacement by an Alternate Liquidity Facility or upon any termination of a Liquidity Facility as a result of a Mandatory Standby Tender, and (2) on the date of the replacement of a Liquidity Facility, in any case where a Liquidity Facility or an Alternate Liquidity Facility has been delivered to the Trustee in accordance with the requirements of the Indenture or a Liquidity Facility or Alternate Liquidity Facility is to be delivered to the Trustee in accordance with the requirements of the Indenture. In the case of any replacement of an existing Liquidity Facility, the existing Liquidity Facility will be drawn to pay the Tender Price, if necessary, rather than the Alternate Liquidity Facility.

Payment of the Tender Price of any such Series 2023A-2 Bonds will be made in immediately available funds on the Tender Date upon delivery of such Series 2023A-2 Bonds to the Trustee at its designated corporate trust office for delivery of Series 2023A-2 Bonds, accompanied by an instrument of transfer, in form satisfactory to the Trustee, executed in blank by the Series 2023A-2 Bondholder with the signature of such Series 2023A-2 Bondholder guaranteed by a commercial bank, trust company or member firm of the New York Stock Exchange, at or prior to 12:00 noon on the Tender Date specified in the notice delivered by the Trustee with respect to such termination, replacement or expiration of such Liquidity Facility. If, as a result of any such Mandatory Standby Tender, expiration, termination with notice or replacement of such a Liquidity Facility, any Series 2023A-2 Bond is no longer subject to purchase pursuant to a Liquidity Facility, the Trustee (upon receipt from the Holder thereof in exchange for payment of the Tender Price thereof) will make notation of such fact thereon.

***Mandatory Tender for Purchase at the Direction of the Issuer.*** The Series 2023A-2 Bonds are subject to mandatory tender for purchase on any Business Day designated by written notice by the Issuer, with the prior written consent of the Remarketing Agent and the Liquidity Facility Provider, at the Tender Price, payable in immediately available funds. Such purchase date will be a Business Day not earlier than the 30<sup>th</sup> nor later than the 60<sup>th</sup> day following the fifth Business Day after receipt by the Trustee of such designation.

For payment of the Tender Price on the Tender Date, Series 2023A-2 Bonds must be delivered at or prior to 10:00 a.m. on the Tender Date. If delivered after that time, the Tender Price will be paid on the next succeeding Business Day. The Tender Price will be payable only upon surrender of such Series 2023A-2 Bonds to the Trustee at its designated corporate trust office for delivery of Series 2023A-2 Bonds, accompanied by an instrument of transfer, in form satisfactory to the Trustee, executed in blank by the Series 2023A-2 Bondholder or its duly authorized attorney, with such signature guaranteed by a commercial bank, trust company or member firm of the New York Stock Exchange.

***Notice of Mandatory Tender for Purchase.*** The Trustee will give the notice of mandatory tender for purchase required by the Indenture as a part of the notice required to be given in connection with (i) the termination replacement or expiration of a Liquidity Facility, or (ii) the delivery of an Alternate Liquidity Facility. In case of a mandatory tender for purchase of Series 2023A-2 Bonds at the direction of the Issuer, the Trustee will give notice of a Mandatory Tender for purchase by first-class mail for the Holders, with a copy to the Issuer, the Remarketing Agent and the Liquidity Facility Provider or the Liquidity Facility Provider, not less than fifteen (15) days prior to the Tender Date. In connection with any Mandatory Tender for purchase of Series

2023A-2 Bonds at the direction of a Liquidity Facility Provider, the Trustee will give a Notice of Mandatory Tender for Purchase by first-class mail to the Holders, with a copy to the Issuer and Remarketing Agent, not less than three (3) days prior to the Tender Date. Such notice will state (i) in the case of a mandatory tender for purchase upon the termination, replacement or expiration of a Liquidity Facility, that the Liquidity Facility will expire, terminate or be replaced and that the Series 2023A-2 Bonds will no longer be payable from the Liquidity Facility then in effect and that any rating applicable to such Series 2023A-2 Bonds may be reduced or withdrawn; (ii) that the Tender Price of any Series 2023A-2 Bonds subject to mandatory tender for purchase will be payable only upon surrender of that Series 2023A-2 Bond to the Trustee at its designated corporate trust office for delivery of Series 2023A-2 Bonds, accompanied by an instrument of transfer, in form satisfactory to the Trustee, executed in blank by the Series 2023A-2 Bondholder or its duly-authorized attorney, with such signature guaranteed by a commercial bank, trust company or member firm of the New York Stock Exchange; (iii) otherwise not less than fifteen (15) days prior to the Tender Date with respect to a Mandatory Standby Tender that, provided that moneys sufficient to effect such purchase will have been provided through the remarketing of such Series 2023A-2 Bonds by the Remarketing Agent, through the Liquidity Facility or funds provided by the Issuer (in its sole discretion), all Series 2023A-2 Bonds subject to mandatory tender for purchase will be purchased on the mandatory Tender Date; and (iv) that if any Holder of a Series 2023A-2 Bond subject to mandatory tender for purchase does not surrender that Series 2023A-2 Bond to the Trustee for purchase on the mandatory Tender Date, then that Series 2023A-2 Bond will be deemed to be an Undelivered Bond, that no interest will accrue on that Series 2023A-2 Bond on and after the mandatory Tender Date and that the Holder will have no rights under the Indenture other than to receive payment of the Tender Price.

***Irrevocable Notice Deemed to be Tender of Bonds; Undelivered Bonds.*** The giving of notice by a Holder of Series 2023A-2 Bonds (or a Securities Depository participant) of optional will constitute the irrevocable tender for purchase of each Series 2023A-2 Bond with respect to which such notice is given regardless of whether the Series 2023A-2 Bonds are delivered to the Trustee for purchase on the relevant Tender Date.

The Trustee may refuse to accept delivery of any Series 2023A-2 Bonds for which a proper instrument of transfer has not been provided. However, such refusal will not affect the validity of the purchase of such Series 2023A-2 Bonds as described in the Indenture. If any Holder of a Series 2023A-2 Bond who has given notice (or on whose behalf notice has been given) of optional tender pursuant to the Indenture, any Holder of a Series 2023A-2 Bond subject to mandatory tender for purchase on (i) upon the termination, replacement or expiration of a Liquidity Facility, if any, or (ii) upon the direction of the Issuer or the Liquidity Facility Provider, if applicable, will fail to deliver that Series 2023A-2 Bond to the Trustee at the place and on the Tender Date and at the time specified, or will fail to deliver that Series 2023A-2 Bond properly endorsed, that Series 2023A-2 Bond will constitute an Undelivered Bond. If funds in the amount of the purchase price of the Undelivered Bond are available for payment to the Holder thereof on the Tender Date and at the time specified, then from and after the Tender Date and time of that required delivery (A) the Undelivered Bond will be deemed to be purchased and will no longer be deemed to be Outstanding under the Indenture; (B) interest will no longer accrue on the Undelivered Bond; and (C) funds in the amount of the Tender Price of the Undelivered Bond will be held uninvested and without liability for interest by the Trustee for the benefit of the Holder thereof (provided that the Holder will have no right to any investment proceeds derived from such funds), to be paid on delivery

(and proper endorsement) of the Undelivered Bond to the Trustee at its designated corporate trust office for delivery of Series 2023A-2 Bonds.

***Notice of Termination, Event of Default or Other Change in Liquidity Facility.*** The Trustee will give notice by mail to the Holders of the Series 2023A-2 Bonds which may be secured by a Liquidity Facility (i) on or before the 30th day preceding the replacement, termination or expiration of such Liquidity Facility (except in the case of a termination resulting from an event described in the following paragraph) in accordance with its terms, or (ii) in the case of any Mandatory Standby Tender under such Liquidity Facility, as soon as reasonably possible, but no later than the Business Day following the receipt by the Trustee of notice of the Mandatory Standby Tender. The notice shall be accompanied by directions for the purchase of such Series 2023A-2 Bonds pursuant to the Indenture. The notice will (A) state the date of such termination or expiration and, if applicable, the date of the proposed replacement of such Liquidity Facility, (B) state that the Series 2023A-2 Bonds will be purchased pursuant to the Indenture as a result of such replacement, termination or expiration, including any termination as a result of a Mandatory Standby Tender, (C) state the date on which such purchase will occur pursuant to the Indenture and set forth the Tender Price and the place of delivery for the purchase of such Series 2023A-2 Bonds, and (D) provide any other information required in the notice to the Holders of the Series 2023A-2 Bonds by the Indenture.

If there should occur any event resulting in the immediate termination or suspension of the obligation of the Liquidity Facility Provider to purchase Series 2023A-2 Bonds under the terms of any Liquidity Facility of which a Responsible Officer of the Trustee has actual notice, then the Trustee shall as soon as practicably possible thereafter notify the Issuer, the Remarketing Agent and the Holders of all the Series 2023A-2 Bonds then Outstanding that: (i) the Liquidity Facility has been terminated or suspended, as the case may be; (ii) the Trustee will no longer be able to purchase Series 2023A-2 Bonds with moneys available under the Liquidity Facility; and (iii) the Liquidity Facility Provider is under no obligation to purchase Series 2023A-2 Bonds or to otherwise advance moneys to fund the purchase Series 2023A-2 Bonds. **The Issuer is not obligated to pay the purchase price of Series 2023A-2 Bonds tendered for purchase.**

***Payment of Tender Price by Issuer.*** If all or a portion of the Series 2023A-2 Bonds tendered for purchase cannot be remarketed and the Liquidity Facility Provider fails to purchase all or any part of the unremarketed portion of such tendered Series 2023A-2 Bonds in accordance with the Liquidity Facility on a Tender Date, the Issuer may at its option, **but will not be obligated to**, pay to the Trustee as soon as practicable on a Tender Date immediately available funds (together with any remarketing proceeds and any funds provided under the Liquidity Facility then in effect) sufficient to pay the Tender Price of the Series 2023A-2 Bonds tendered for purchase. The Trustee will deposit the amount paid by the Issuer, if any, in the Issuer Purchase Account of the Bond Purchase Fund established under the Indenture pending application of the money to the payment of the Tender Price.

#### **Payment of Series 2023A-2 Bonds Upon Discontinuance of Book-Entry Only System**

Upon discontinuance of the book-entry only system for the Series 2023A-2 Bonds, the principal, Tender Price or redemption price of the Series 2023A-2 Bonds will be payable at the designated corporate trust office of The Bank of New York Mellon Trust Company, N.A., as

Paying Agent. Upon such discontinuance, interest on the Series 2023A-2 Bonds will be payable by wire transfer of the Paying Agent, mailed to the registered owner at the address shown on the Series 2023A-2 Bond register maintained by the Paying Agent as of the Business Day preceding the applicable 2023A-2 Interest Payment Date.

## **LIQUIDITY FOR THE SERIES 2023A-2 BONDS**

### **General**

In the event any Series 2023A-2 Bonds are tendered by the Holders thereof for purchase under the Indenture and such Series 2023A-2 Bonds are not remarketed prior to the Purchase Date (in the event of optional tender) or the Mandatory Tender Date (in the event of a mandatory tender), as the case may be, the Purchase Price for such Series 2023A-2 Bonds will be provided by the Treasury pursuant to the Liquidity Facility. The Treasury is providing this liquidity support at no cost.

### **The Liquidity Facility**

The Liquidity Facility provides for the purchase of Series 2023A-2 Bonds which have been tendered by the Holders thereof to the Trustee but have not been remarketed prior to the Purchase Date (in the event of optional tender) or the Mandatory Tender Date (in the event of a mandatory tender), as the case may be (each an "Eligible Bond"). The obligation of the Liquidity Facility Provider to purchase such bonds is subject to certain conditions set forth below. The Series 2023A-2 Bonds held by the Liquidity Facility Provider will constitute Bank Bonds and will bear interest at the Base Rate for 270 days and at the Liquidity Rate thereafter, in accordance with the Liquidity Facility. Upon purchasing a Bank Bond, the Liquidity Facility Provider will be entitled to and, where necessary, will be deemed assigned all rights, privileges and security accorded to Series 2023A-2 Bondholders as provided in the Series 2023A-2 Bonds and the Indenture other than the right to tender such Series 2023A-2 Bonds for purchase pursuant to the Indenture and have such Series 2023A-2 Bond purchased under the terms of the Liquidity Facility.

### **Purchase of Tendered Series 2023A-2 Bonds by the Liquidity Facility Provider**

**General.** Upon compliance with the provisions of the Liquidity Facility, and subject to the terms and conditions described therein, the Liquidity Facility Provider will provide legally available funds for the purchase of the Series 2023A-2 Bonds that are tendered for purchase, whether at the option of the Holder of a 2023A-2 Bond or upon mandatory tender, and that are not remarketed. The Liquidity Facility Provider will initially make available an amount equal to 100% of the principal amount of the Series 2023A-2 Bonds, plus 35 days' interest, computed as if the Series 2023A-2 Bonds bore interest at 8% per annum, on the basis of a 365-day year (366 days in a leap year) (the "Available Commitment"). To the extent that the Liquidity Facility Provider advances funds under the Liquidity Facility to purchase Series 2023A-2 Bonds, the Available Commitment will be reduced by the principal amount of and accrued interest on the Series 2023A-2 Bonds so purchased, and will be reinstated (but not in excess of the initial Available Commitment) upon the remarketing or repayment of the Series 2023A-2 Bonds.

The term of the Liquidity Facility will be from the delivery date of the Series 2023A-2 Bonds until 5:00 p.m. New York City time, on the earliest to occur of (i) September 9, 2032, (ii) the date on which no Series 2023A-2 Bonds are Outstanding and the Issuer advises the Liquidity Facility Provider that no Series 2023A-2 Bonds will be issued in the future, (iii) the Available Commitment is mandatorily reduced to zero pursuant to the terms of the Liquidity Facility, and (iv) the date of any termination permitted under the Liquidity Facility.

THE OBLIGATIONS AND LIABILITIES OF THE ISSUER AND TREASURY UNDER THE LIQUIDITY FACILITY AND THE OBLIGATIONS AND LIABILITIES OF THE ISSUER UNDER THE SERIES 2023A-2 BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER AND TREASURY (AS APPLICABLE) AND THE OBLIGATIONS AND LIABILITIES OF THE ISSUER UNDER THE SERIES 2023A-2 BONDS ARE PAYABLE SOLELY FROM THE PROPERTIES AND FUNDS PLEDGED FOR PAYMENT THEREOF UNDER THE INDENTURE. NEITHER THE DIRECTORS, OFFICERS NOR EMPLOYEES OF THE ISSUER OR THE TREASURY OR ANY PERSON EXECUTING THE LIQUIDITY FACILITY OR ANY SERIES 2023A-2 BONDS SHALL BE LIABLE PERSONALLY ON THE OBLIGATIONS OF THE ISSUER OR THE TREASURY UNDER THE LIQUIDITY FACILITY OR THE INDENTURE OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE EXECUTION THEREOF. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER NOR ANY MORAL OBLIGATION OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE OBLIGATIONS OF THE ISSUER OR THE TREASURY UNDER THE LIQUIDITY FACILITY OR UNDER THE SERIES 2023A-2 BONDS. HOLDERS OF SERIES 2023A-2 BONDS SHALL HAVE NO POWER TO COMPEL THE STATE TO LEVY ANY TAX OR APPROPRIATE ANY FUNDS IN SATISFACTION OF THE TREASURY'S OBLIGATIONS AND LIABILITIES UNDER THE LIQUIDITY FACILITY.

### **Events of Termination or Suspension**

The Treasury will terminate the Liquidity Facility with advance notice to Holders of the Series 2023A-2 Bonds upon Moody's Investors Services ("Moody's," and together with any other rating agency then rating the Series 2023A-2 Bonds, the "Rating Agencies") reducing their ratings on Series 2023A-2 Bonds to "Baa" (or its equivalent) or below. Upon such termination with notice, the affected Series 2023A-2 Bonds will be subject to mandatory tender under the Indenture, and the Treasury will provide any necessary liquidity for the purchase of Series 2023A-2 Bonds.

In the event of a termination resulting from a reduction in ratings described in the preceding paragraph, the Liquidity Facility Provider will give immediate written notice of termination to the Trustee, the Issuer, the Division of Bond Finance of the State Board of Administration of Florida (the "Division") and the Remarketing Agent, specifying that (i) the notice is being provided pursuant to an Event of Default described in Section 6.02(a) of the Liquidity Facility and (ii) the date on which the Liquidity Facility will terminate, which date will not be later than fifteen (15) Business Days from the date the Trustee receives or is deemed to have received notice of such mandatory tender. On and after such date of termination, the Liquidity Facility Provider will be under no further obligation to purchase Series 2023A-2 Bonds except to the extent necessary to provide liquidity for a mandatory tender under the Indenture resulting from the termination of the Liquidity Facility pursuant to Section 6.03(b) of the Liquidity Facility.

In addition, the Liquidity Facility Provider will have the right to terminate or suspend its obligations to purchase Series 2023A-2 Bonds under the Liquidity Facility upon the occurrence of any of the following events of default (each an "Event of Default"). As discussed in "Remedies" below, certain Events of Default permit the Treasury to terminate or suspend the Liquidity Facility immediately and without notice to Holders of Series 2023A-2 Bonds. In such case, the Treasury will not purchase any Series 2023A-2 Bonds tendered subsequent to the termination or suspension of the Liquidity Facility.

(a) *Non-Payment.* Any principal or interest due on the Series 2023A-2 Bonds is not paid by the Issuer when due under Supplemental Indenture No. 2; or

(b) *Ratings Downgrade.* Upon the occurrence of each of the Rating Agencies reducing their rating on the Series 2023A-2 Bonds to "Baa3" (or its equivalent) or below; or

(c) *Invalidity of Series 2023A-2 Bonds.* The Series 2023A-2 Bonds, the Resolution, the Trust Indenture or Supplemental Indenture No. 2 is found to be invalid and/or unenforceable in a final, non-appealable judgment by a court of competent jurisdiction; or

(d) *Ratings Downgrade Not Below Investment Grade.* The occurrence of each of the Rating Agencies reducing their ratings on the Series 2023A-2 Bonds to "Baa" (or its equivalent) or below; or

(e) *Representations.* Any material representation or warranty made by or on behalf of the Issuer in the Liquidity Facility or in any Financing Document or in any certificate or statement delivered thereunder will prove to have been incorrect or untrue in any material respect when made or deemed to have been made; or

(f) *Other Covenants.* The Issuer defaults in the due performance or observance of any term, covenant or agreement contained in the Liquidity Facility (other than those referred to in paragraphs (a) through (c) above) or any Financing Document and such default will remain unremedied for a period of thirty (30) days after the Liquidity Facility Provider will have transmitted written notice thereof to the Issuer; or

(g) *Invalidity.* Any material provision of the Liquidity Facility or any Financing Document (other than the Resolution, the Trust Indenture or any Supplemental Indenture) shall at any time for any reason cease to be valid and binding on the Issuer or any other party thereto or is declared to be null and void, or the validity or enforceability thereof is contested by the Issuer or such other party or by any governmental agency or authority, or the Issuer or such other party denies that it has any or further liability or obligation under any such document; or

(h) *Substitution of Liquidity Facility.* The substitution of an Alternate Liquidity Facility for the Liquidity Facility while any amounts are owed to the Liquidity Facility Provider under the Liquidity Facility without the payment of such amounts at the time of such substitution; or



- (i) *Insolvency.* An Event of Insolvency will have occurred with respect to the Issuer.

## **Remedies**

The following remedies are available to the Liquidity Facility Provider after the occurrence of certain Events of Termination described above:

(i) *Immediate Termination.* In the case of an Event of Default specified in (a) through (c) above (each an "Immediate Termination Event") the Available Commitment, and the obligation of the Liquidity Facility Provider to purchase Series 2023A-2 Bonds will immediately terminate without notice or demand, and thereafter the Liquidity Facility Provider will be under no obligation to purchase Series 2023A-2 Bonds.

(ii) *Termination with Notice Pursuant to an Event of Default Described in (d) Above.* In the case of an Event of Default specified in (d) above, the Liquidity Provider will terminate the Available Commitment by giving immediate written notice to the Issuer, the Division, the Remarketing Agent, and the Trustee, specifying that (A) the notice is being provided pursuant to an Event of Default described in Section 6.02(a) of the Liquidity Facility, and (B) the date on which the Available Commitment will terminate, which date will be not less than fifteen (15) Business Days from the date of receipt of such notice by the Trustee. On and after the date of termination, the Liquidity Provider shall be under no further obligation to purchase Series 2023A-2 Bonds, except to the extent necessary to purchase Series 2023A-2 Bonds pursuant to a mandatory tender under Supplemental Indenture No. 2 resulting from a termination of the Liquidity Facility.

(iii) *Termination with Notice for all Other Events of Default.* In the case of an Event of Default specified in (e) through (i) above, the Liquidity Facility Provider may terminate the Available Commitment by giving written notice to the Trustee, the Issuer, the Division and the Remarketing Agent, specifying the date on which the Available Commitment will terminate, which date must be not less than thirty (30) days from the date of receipt of such notice by the Trustee. On and after such date of termination, the Liquidity Facility Provider will be under no further obligation to purchase Series 2023A-2 Bonds except to the extent necessary to provide liquidity for a mandatory tender under the Indenture resulting from the termination of the Liquidity Facility pursuant to Section 6.03(c) of the Liquidity Facility.

(iv) *Other Remedies.* In addition to the rights and remedies set forth in (i), (ii) and (iii) above, in the case of any Event of Default, upon the election of the Liquidity Facility Provider: (A) all amounts payable under the Liquidity Facility (other than payments of principal and redemption price of and interest on the Series 2023A-2 Bonds) will upon notice to the Issuer become immediately due and payable without presentment, demand, protest or further notice of any kind; and (B) the Liquidity Facility Provider will have all the rights and remedies available to it under the Liquidity Facility, the Financing Documents or otherwise pursuant to law or equity; provided, however, that the Liquidity Facility Provider will not have the right to terminate its obligation to purchase Series 2023A-2 Bonds or to declare any amount under the Liquidity Facility due and payable

except as expressly provided in the Liquidity Facility, or to accelerate the maturity date of any Series 2023A-2 Bonds.

### **Liquidity Facility Provider**

The Treasury serves as the Liquidity Facility Provider for the Series 2023A-2 Bonds. All of the investments that support the liquidity provided by the Liquidity Facility are invested by and managed by the Treasury.

Funds held in the State Treasury are invested by internal and external investment managers. As of December 31, 2022, the ratio was approximately 54% internally managed funds, 40% externally managed funds, 1% Certificates of Deposits, and 5% in an externally managed Security Lending program. The total portfolio market value on April 30, 2023, was approximately \$67.503 billion.

Under State law, the Treasury is charged with investing funds of each State agency and the judicial branch. As of April 30, 2023, approximately \$57.0 billion of the investments in the Treasury consisted of accounts held by State agencies that are required by law to maintain their investments in the Treasury. Additionally, approximately \$7.2 billion as of such date consisted of moneys held by certain boards, associations, or entities created by the State Constitution or by State law that are not required to maintain their investments with the Treasury and are permitted to withdraw these funds from the Treasury.

As provided by State law, the Treasury must be able to timely meet all disbursement needs of the State. Accordingly, the Treasury allocates its investments to provide for estimated disbursements plus a cushion for liquidity in instances of greater than expected disbursement demand. To this end, a portion of Treasury's investments are managed for short term liquidity and preservation of principal. The remainder is managed to obtain maximum yield, given the safety parameters of State law and Treasury's Comprehensive Investment Policy. Investments managed for short term liquidity and preservation of principal are managed "internally" by Treasury personnel. The majority of investments managed for a maximum return are managed by "external" investment companies hired by the State.

The Externally Managed Investment Program provides long term value while limiting risk appropriately and provides a backup source of liquidity. External investment strategy focuses on medium term and long-term fixed income securities, rather than money market instruments, in order to take advantage of higher returns historically achieved by such securities. Portfolio managers are hired to actively manage funds. These funds may be invested in U.S. Treasury government agency obligations, investment grade corporate debt, municipal debt, mortgage-backed securities, asset backed securities, and U.S. dollar denominated investment grade foreign bonds that are registered with the Securities and Exchange Commission. The managers may also use leveraging techniques such as forward purchase commitments, and interest rate futures.

In general, to maintain optimum liquidity, the Treasury has established an internal, informal policy to maintain a minimum of 30% of the pool in highly-liquid investments. As a result of this policy, the Treasury typically maintains a balance of approximately \$20 to \$25 billion in

highly liquid investments. For this purpose, investments generally must have maturities of two years or less, with approximately 90% being in U.S. Treasury obligations.

Should the Treasury ever be required to meet short term obligations, and should such short term obligations exceed the available uninvested cash held by the Treasury, the Treasury has a number of potential sources of funds which includes liquidations of securities within any Treasury portfolio. The Treasury would access the sources of funds most favorable to the Treasury at the time of liquidation. Unexpected liquidation of assets could result in loss of principal.

The Treasury has adopted appropriate modifications to applicable investment policies, including applicable maturity limitations, to permit the purchase of the Series 2023A-2 Bonds under the Liquidity Facility; provided, however, that such Series 2023A-2 Bonds comply with the minimum rating requirements applicable to all investments purchased by the Treasury.

Below is the historical weighted average daily investment cost balance of internally managed and externally managed assets.

**State Treasury Investment Portfolio  
Weighted Average Daily Investment Cost Balance  
Fiscal Years 2014 through 2023**

<b>Fiscal Year</b>	<b>CDs</b>	<b>Internal</b>	<b>External</b>	<b>Total</b>
2014	\$ 595,782,466	\$10,841,777,404	\$ 9,377,199,284	\$20,814,759,153
2015	542,478,630	11,570,378,759	10,141,100,607	22,253,957,996
2016	758,806,831	12,354,907,134	10,430,048,400	23,543,762,365
2017	979,284,348	13,102,116,668	10,734,120,701	24,815,521,716
2018	1,036,855,068	11,457,342,761	10,998,927,475	23,493,125,304
2019	1,002,289,041	11,825,397,555	11,258,146,122	24,085,832,717
2020	733,918,033	14,070,061,973	11,701,426,274	26,505,406,280
2021	536,194,521	19,813,455,101	12,461,746,014	32,811,395,635
2022	244,956,164	28,987,907,803	18,991,697,323	48,224,561,290
2023 <sup>(1)</sup>	132,263,158	36,006,845,835	25,885,298,680	62,024,407,673

<sup>(1)</sup> Amounts as of April 30, 2023

Source: Florida Treasury

Assets invested with the Treasury are used by the State in meeting its short and long-term cash needs.

### **Alternate Liquidity Facility**

Prior to the expiration or termination of a Liquidity Facility relating to the Series 2023A-2 Bonds in accordance with the terms of that Liquidity Facility, the Issuer may provide for the delivery to the Trustee of an Alternate Liquidity Facility which has a term of at least 364 days. Any such Alternate Liquidity Facility delivered to the Trustee will be delivered and become effective not later than ten (10) days prior to the date on which the former Liquidity Facility terminates or expires and will contain administrative provisions reasonably acceptable to the Trustee and the Remarketing Agent. If at any time the Issuer delivers an Alternate Liquidity Facility in accordance with the terms of the Indenture, then the Tender Agent will accept such Alternate Liquidity Facility and, after the date of the mandatory tender for purchase established

under the Indenture and the honoring of any draw on the existing Liquidity Facility with respect to such mandatory tender, promptly surrender the Liquidity Facility then in effect to the issuer thereof in accordance with its terms or deliver any document necessary to reduce the coverage of such Liquidity Facility due to the delivery of such Alternate Liquidity Facility. As provided for under the Indenture, the Issuer will give advance notice to the Trustee and the Remarketing Agent and the Holders of the Series 2023A-2 Bonds of any termination or expiration of any Liquidity Facility in accordance with its terms.

See also, "RISK FACTORS - Special Considerations Relating to the Tender and Remarketing Practices of the Remarketing Agent" herein and "APPENDIX F - FORM OF REVOLVING STANDBY BOND PURCHASE AGREEMENT" herein.

### **BOOK-ENTRY ONLY SYSTEM**

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE ISSUER BELIEVES TO BE RELIABLE, BUT THE ISSUER TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

DTC will act as securities depository for the Series 2023A Bonds. The Series 2023A Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of each sub-series of the Series 2023A Bonds and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). DTC has a Standard and Poor's rating of AA+. The DTC

rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Series 2023A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2023A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2023A Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2023A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2023A Bonds, except in the event that use of the book-entry system for the Series 2023A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2023A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2023A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2023A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2023A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping an account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements made among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Redemption notices will be sent to DTC. If less than all of the Series 2023A Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series 2023A Bonds, as the case may be, to be redeemed. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2023A Bonds, such as defaults, and proposed amendments to the documents. For example, Beneficial Owners of Series 2023A Bonds may wish to ascertain that the nominee holding the Series 2023A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Series 2023A Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2023A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer

as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2023A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2023A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Issuer or the Bond Registrar on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Registrar or the Issuer, subject to any statutory and regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer and/or the Paying Agent for the Series 2023A Bonds. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of the Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2023A Bonds at any time by giving reasonable notice to the Issuer. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2023A Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the book-entry transfers through DTC (or a successor securities depository). In that event, Series 2023A Bond certificates will be printed and delivered to DTC.

## **SECURITY FOR THE SERIES 2023A BONDS**

### **Limited Obligation**

The Bonds, including the Series 2023A Bonds, together with interest thereon and redemption premiums, if any, with respect thereto and all other obligations of the Issuer under the Indenture, are special, limited obligations of the Issuer and will always be payable solely from the Pledged Revenues, which amounts will be used for no other purpose than to pay the principal of, redemption premium, if any, and interest on the Bonds, except as may be expressly authorized in the Indenture. The Bonds and the obligation to pay principal of, redemption premium, if any, and interest thereon and all other obligations of the Issuer under the Indenture do not and will not be construed to constitute an indebtedness of the Issuer, the State of Florida or any political subdivision thereof within the meaning of any constitutional or statutory provision whatsoever, or a lien upon the real or personal property of the Issuer, the Cities, the State of Florida or any political subdivision thereof, or any part thereof, or as a pledge of the general credit, faith or taxing power of the Issuer, the Cities, the State of Florida or any political subdivision thereof, but will be secured as aforesaid, and will be payable solely from the Pledged Revenues.

The issuance of the Bonds will not directly or indirectly or contingently obligate or require the Issuer, the Cities, the State of Florida or any political subdivision thereof to levy or pledge any tax whatsoever or to make any appropriation for the payment of the Bonds or any other obligation of the Issuer under the Indenture other than from the Pledged Revenues. Further, nothing in the Indenture gives the Holders of the Bonds, and they will never have the right to require or compel the Issuer, the Cities, the State of Florida or any political subdivision to levy or appropriate any taxes for the payment of redemption premium, if any, and interest on the Bonds or other payment required under the Indenture. The Issuer has no taxing power.

### **Pledged Revenues**

Pursuant to the Indenture, the Issuer will assign and pledge its right, title and interest in and to the following Pledged Revenues to the Trustee as security for the repayment of the Series 2023A Bonds:

- (1) the Pledged Emergency Assessments; and
- (2) all other moneys held from time to time in the Funds and Accounts established under the Indenture as provided therein (except for amounts held to the credit of the Rebate Fund), including, without limitation, the proceeds of the Series 2023A Bonds held in the Claims Fund pending the application thereof to the payment of Covered Claims or Costs of Issuance, in the manner and to the extent provided in the Indenture.

### **Pledged Emergency Assessments**

The Insurance Act authorizes Emergency Assessments to be levied upon insurers, to the extent necessary to secure funds for the All Other Account, to be pledged to the payment of the principal of, premium, if any, and interest on the Bonds and Program Expenses and to fund any reserves or other payments required under the Indenture. See "PLEDGED EMERGENCY ASSESSMENTS - Emergency Assessments," "PLEDGED EMERGENCY ASSESSMENTS - Assessment Process," and "RISK FACTORS" for further information with respect to the Pledged Emergency Assessments. The Insurance Act specifically authorizes the pledge of the Emergency Assessments to the payment of Bonds.

The Office has covenanted in the Program Agreement to levy and assess the Pledged Emergency Assessments in compliance with the Insurance Act and the Program Agreement in the full amount certified to it by FIGA so long as the Series 2023A Bonds are outstanding or Program Expenses remain unpaid.

FIGA covenants in the Program Agreement to take all actions necessary to cause the assessment, levy, collection and payment of Pledged Emergency Assessments, including the 1% Emergency Assessment, over to the Trustee to pay the principal of, redemption premium, if any, and interest on the Bonds and to pay Program Expenses. Additionally, pursuant to the Program Agreement, FIGA has covenanted to certify to the Office the need to levy additional Pledged Emergency Assessments up to the maximum amount permitted by applicable law, for so long as is needed, if required to ensure the full and timely payment of the principal of and interest on the Bonds. In the event FIGA certifies the need to levy additional Pledged Emergency Assessments as described in the preceding sentence, and the Office levies such assessment, the Issuer and the

Trustee agree in the Program Agreement to enter into or amend a Supplemental Indenture to make such amounts part of the Pledged Revenues. Moreover, pursuant to the Program Agreement, FIGA has covenanted not to pledge Emergency Assessments except in connection with Bonds issued pursuant to the Indenture. With respect to the Series 2023A Bonds, the Issuer has pledged the 1% Emergency Assessment to the payment of the Series 2023A Bonds pursuant to the Indenture, and such 1% Emergency Assessment constitute the Pledged Emergency Assessments for purposes of the Indenture and the Program Agreement. No Regular Assessments are currently pledged to the payment of the Series 2023A Bonds. Generally, Pledged Emergency Assessments are due either in a single lump sum, semi-annually, or at the option of the Office, in quarterly installments or in twelve equal installments and deposited by each insurer directly with the Trustee each month. Pursuant to the Order of the Office levying the 1% Emergency Assessment, payment of the 1% Emergency Assessment are to be collected from policyholders on a pass-through basis and remitted to FIGA on a quarterly basis, with the first installment remitted to FIGA due by January 31, 2024.

As reasonably timely as possible, FIGA agrees in the Program Agreement to pay over to the Trustee for deposit into the Revenue Fund any and all Pledged Emergency Assessments received by or on behalf of FIGA. All such Pledged Emergency Assessments will be applied by the Trustee to the payment of the Bonds secured thereby.

### **Additional Assessments**

Regular Assessments may be pledged to the payment of the principal of, premium, if any, or interest on a Series of Bonds and amounts due and owing to any Credit Facility therefor pursuant a Supplemental Indenture of the Issuer. **Pursuant to the Supplemental Indentures for the Series 2023A Bonds, no Regular Assessments are currently pledged to pay debt service on the Series 2023A Bonds.**

### **State Covenant Not to Impair Assessments**

The Insurance Act provides that the State covenants with holders of the Bonds that the State will not take any action that will have a material adverse effect on the holders of the Bonds and will not repeal or abrogate the power of the Board of Directors of FIGA to direct the Office to levy the assessments and collect the proceeds of the revenues pledged to the payment of the Bonds as long as any Bonds remain outstanding, unless adequate provision has been made for the payment of the Bonds in accordance with the Indenture.

### **Funds and Accounts**

In addition to the Pledged Emergency Assessments, the Indenture provides that certain Funds and Accounts (other than the Rebate Fund) held by the Trustee secure payment of the Series 2023A Bonds prior to the application thereof in accordance with the Indenture. See "APPENDIX B - FORMS OF TRUST INDENTURE, SUPPLEMENTAL INDENTURE NO. 1 AND SUPPLEMENTAL INDENTURE NO. 2" hereto.



The Indenture requires the Trustee to maintain the following Funds and Accounts, in each case to be held in trust and administered by the Trustee:

- (1) the Debt Service Fund and within the Debt Service Fund, the Interest Account, the Principal Account, the Sinking Fund Account;
- (2) the Claims Fund and within the Claims Fund, a Claims Payment Account and Costs of Issuance Account;
- (3) the Debt Service Reserve Fund;
- (4) the Rebate Fund; and
- (5) the Surplus Fund.

Pursuant to the Indenture, Series 2023A Subaccounts are established in the Interest Account, Principal Account, Claims Payment Account and Costs of Issuance Account with respect to the Series 2023A Bonds. **The Series 2023A Bonds are not secured by the Debt Service Reserve Fund or any account therein or the Rebate Account.**

Pursuant to Supplemental Indenture No. 2, the Bond Purchase Fund is created as a separate trust fund for the benefit of tendering Series 2023A-2 Bondholders. Within the Bond Purchase Fund, a Remarketing Account, Liquidity Facility Purchase Account and Issuer Purchase Account will be established.

Upon receipt of the proceeds of a remarketing of Series 2023A-2 Bonds on a Tender Date pursuant to the Indenture, the Trustee will deposit such proceeds in the Remarketing Account of the Bond Purchase Fund for application to the Tender Price of such Series 2023A-2 Bonds in accordance with the Indenture. Notwithstanding the foregoing, upon receipt of the proceeds of a remarketing of Bank Bonds, the Trustee will immediately pay such proceeds to the Liquidity Facility Provider.

Upon receipt from the Liquidity Facility Provider of the immediately available funds transferred to the Trustee pursuant to the Indenture, the Trustee shall deposit such money in the Liquidity Facility Purchase Account of the Bond Purchase Fund for application to the Tender Price of the Series 2023A-2 Bonds required to be purchased on a Tender Date in accordance with the Indenture to the extent that the money on deposit in the Remarketing Account of the Bond Purchase Fund will not be sufficient. Any amounts deposited in the Liquidity Facility Purchase Account and not needed with respect to any Tender Date for the payment of the Tender Price for any Series 2023A-2 Bonds will be immediately returned to the Liquidity Facility Provider.

Upon receipt from the Issuer of any funds for the purchase of tendered Series 2023A-2 Bonds, the Trustee shall deposit such money, if any, in the Issuer Purchase Account of the Bond Purchase Fund for application to the Tender Price of the Series 2023A-2 Bonds required to be purchased on a Tender Date in accordance with the Indenture to the extent that the money on deposit in the Remarketing Account and the Liquidity Facility Purchase Account of the Bond Purchase Fund shall not be sufficient. Only moneys received from the Issuer will be deposited into the Issuer Purchase Account and such moneys will not be commingled with moneys derived

from any other sources. Any amounts deposited in the Issuer Purchase Account and not needed with respect to any Tender Date for the payment of the Tender Price for any Series 2023A-2 Bonds will be immediately returned to the Issuer. **The Issuer is not obligated to pay the purchase price of Series 2023A-2 Bonds tendered for purchase.**

### **Flow of Funds**

The Indenture creates an Insurance Assessment Revenue Bond Revenue Fund (the "Revenue Fund") into which the Trustee will immediately deposit any and all Pledged Emergency Assessments and Additional Assessments, if any. **There are no Additional Assessments as of the date of delivery of the Series 2023A Bonds.** The Revenue Fund is held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee. On the fifth (5<sup>th</sup>) Business Day preceding each Interest Payment Date, the Trustee will transfer from amounts on deposit in the Revenue Fund to the Funds and Accounts designated below, the following amounts in the following order of priority:

(1) to the Interest Account of the Debt Service Fund, an amount equal to the amount of interest payable on all Bonds then Outstanding for the current Bond Year for such Outstanding Bonds, until such interest is fully funded for such Bond Year (for variable rate Bonds, interest will be calculated at the actual interest rate, if known, and at the maximum interest rate as provided in the applicable Supplemental Indenture, to the extent not known), less any amount already on deposit in the Interest Account not previously credited;

(2) to the Principal Account of the Debt Service Fund, with respect to Serial Bonds having annual principal payment dates, an amount equal to the principal amount of all Serial Bonds then Outstanding and maturing within the current Bond Year, until such principal is fully funded for such Bond Year, less any amount already on deposit in the Principal Account not previously credited; provided, however, that for Bonds having other than annual principal payment dates, the required deposits to the Principal Account will be as set forth in the corresponding Supplemental Indenture;

(3) to the Sinking Fund Account of the Debt Service Fund, with respect to any Term Bonds having annual principal payment dates, an amount equal to the Amortization Requirement of all Term Bonds then Outstanding and subject to mandatory sinking fund redemption through the current Bond Year, until such Amortization Requirement is fully funded for such Bond Year, less any amount already on deposit in the Sinking Fund Account not previously credited; provided, however, that for Term Bonds having other than annual principal payment dates, the required deposits to the Sinking Fund Account will be as set forth in the corresponding Supplemental Indenture;

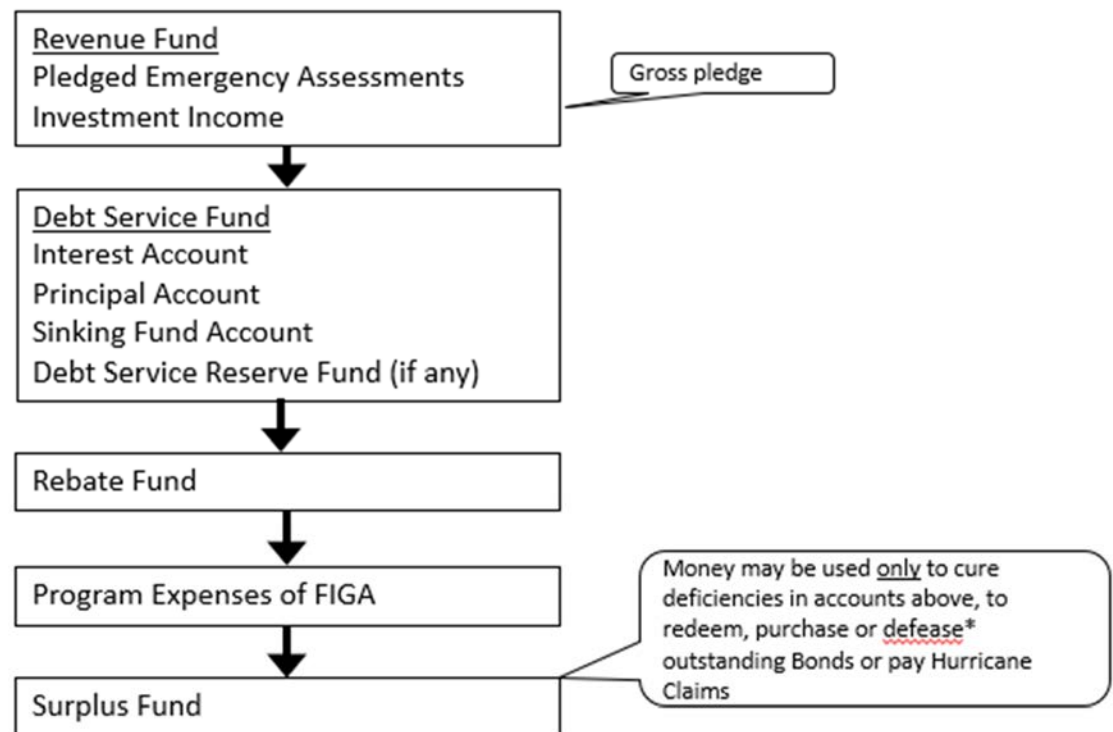
(4) to the Debt Service Reserve Fund or the applicable reserve account(s) therein, the amount which is necessary to make the amount on deposit therein equal to the applicable Debt Service Reserve Requirement; provided that in calculating the amount on deposit in the Debt Service Reserve Fund or the applicable reserve account(s) therein, the Trustee will include the amount covered by any Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit on deposit therein.

(5) to the Rebate Fund, such amounts, if any, as will be specified to the Trustee in writing by an Authorized Issuer Representative; and

(6) amounts remaining in the Revenue Fund after the deposits described above will be applied by the Trustee (i) to the payment of any and all ongoing Costs of Issuance associated with the issuance of the Bonds and (ii) to the payment of Program Expenses under the Assistance Program Agreement; provided that any such amounts for Costs of Issuance will only be paid upon presentation to the Trustee of a requisition as provided in the Indenture.

Any amounts remaining in the Revenue Fund after making the aforementioned deposits and applications will be deposited in the Surplus Fund, as more fully described under " - Surplus Fund" below and applied in accordance with the requirements of the Indenture.

The following diagram presents a summary of the application of the Pledged Emergency Assessments to the various funds and accounts as provided in the Indenture:



\*Pursuant to Supplemental Indenture No. 2, the Series 2023A-2 Bonds are not subject to defeasance prior to maturity pursuant to the Indenture.

### No Debt Service Reserve Funding

The Debt Service Reserve Requirement with respect to the Series 2023A Bonds is zero (\$0.00). **Accordingly, the Series 2023A Bonds will not be secured by the Debt Service Reserve**

**Fund or any account therein.** See "APPENDIX B - FORMS OF TRUST INDENTURE, SUPPLEMENTAL INDENTURE NO. 1 AND SUPPLEMENTAL INDENTURE NO. 2" hereto.

### **Surplus Fund**

All Pledged Emergency Assessments and other moneys available after payment of principal of, premium, if any, and interest on the Bonds and Program Expenses (and replenishment of the Debt Service Reserve Fund, if applicable) will be deposited in the Surplus Fund. Amounts held in the Surplus Fund shall be part of the Pledged Revenues subject to the lien and pledge of the Indenture for the benefit of all Bonds from time to time Outstanding thereunder. Whenever for any reason on an Interest Payment Date or mandatory redemption date, the amount in the Interest Account, the Principal Account or the Sinking Fund Account, as the case may be, is insufficient to pay all amounts payable on the Bonds therefrom on such payment dates, the Trustee will, without further instructions, transfer the amount of any such deficiency from the Surplus Fund into the Interest Account, the Principal Account or the Sinking Fund Account, as the case may be, with priority to the Interest Account and then, proportionately according to the respective deficiencies therein, to the Principal Account and the Sinking Fund Account, to be applied to pay the Bonds. Any deficiencies in the amounts available in the Interest Account, Principal Account or Sinking Fund Account will be made up from amounts available in the Surplus Fund before any amounts are withdrawn from the Debt Service Reserve Fund or any reserve account therein to cure any such deficiencies. After all deficiencies in the Accounts of the Debt Service Fund or any reserve account therein are cured, amounts in the Surplus Fund will be applied to cure any deficiency in the Debt Service Reserve Fund or any reserve account therein. If there are no such deficiencies then existing, amounts in the Surplus Fund may be used, at the discretion of the Issuer and/or FIGA, where applicable, for the purpose of either (i) purchasing Bonds, (ii) redeeming Bonds, (iii) defeasing Bonds (however, see " - No Defeasance of Series 2023A-2 Bonds" herein) or (iv) payment of Covered Claims. See "APPENDIX B - FORMS OF TRUST INDENTURE, SUPPLEMENTAL INDENTURE NO. 1 AND SUPPLEMENTAL INDENTURE NO. 2" hereto.

### **Additional Bonds**

In addition to the Series 2023A Bonds, Additional Bonds (excluding any Refunding Bonds), may be issued under and secured by the Indenture on a parity as to the pledge of Pledged Revenues with the Series 2023A Bonds, subject to the conditions contained in the Indenture, from time to time for the purpose of funding all or any part of the Assistance Program. Before such Additional Bonds may be delivered, the following, among other things, must be filed with the Trustee:

(1) a certificate delivered by FIGA consenting to the issuance of the Series of Additional Bonds pursuant to Section 631.695(2), Florida Statutes;

(2) a certificate of the Authorized Program Administrator Representative that an amount equal to 1.25 times the maximum Principal and Interest Requirement for the Outstanding Bonds including the Series of Additional Bonds proposed to be issued does not exceed the projected amount of the Pledged Emergency Assessments and Additional Assessments, if any, that have already been properly noticed and levied under the Act in such Bond Year based on the direct

written premiums, net of refunds, during the preceding year for the kinds of insurance within the Pledged Account;

(3) an opinion of counsel to the Issuer stating that the issuance of such Series of Additional Bonds has been duly authorized and that all conditions precedent to the delivery of such Series of Additional Bonds have been fulfilled;

(4) a certificate of the Authorized Issuer Representative to the effect that no Event of Default, as defined in the Indenture, and no event which with the passage of time, the giving of notice or both would become an Event of Default has occurred within the twelve (12) consecutive calendar months prior to the date of such certificate and is continuing, or, if any such event or Event of Default has occurred and is continuing, that the issuance of such Series of Additional Bonds will cure the same;

(5) a copy of the certification regarding the need for Pledged Emergency Assessments delivered by FIGA to the Office pursuant to the requirements of the Assistance Program Agreement; and

(6) a copy of the order issued by the Office imposing such Pledged Emergency Assessments.

### **Refunding Bonds Requirements**

Refunding Bonds may be issued under and secured by the Indenture on a parity as to the pledge of Pledged Revenues with the Series 2023A Bonds and any Additional Bonds then Outstanding, subject to the conditions contained in the Indenture, from time to time for the purpose of refunding all or any portion of the Outstanding Bonds of any one or more Series. Before such Refunding Bonds may be delivered, the following, among other things, must be filed with the Trustee:

(1) either (i) a certificate of the Authorized Issuer Representative that issuance of the Refunding Bonds will not result in an increase in the aggregate Principal and Interest Requirements for all Bonds to be Outstanding upon the issuance of such Refunding Bonds or (ii) the certificates required by the Indenture for the issuance of Additional Bonds, as described in clause (2) under "- Additional Bonds" above.

### **PLAN OF FINANCE**

FIGA's funding to pay Covered Claims consists of three primary sources: (1) asset liquidation of insolvent insurers, including collection from private reimbursements and Florida Hurricane Catastrophe Fund ("FHCF") reimbursements, if any; (2) investment income; and (3) assessments levied on Member Insurers. From 2013 to 2020, approximately 87% of FIGA's funding came from asset liquidation of insolvent insurers, 7% from investment income and the remaining 6% from Regular Assessments. However, since October 2019, ten property insurance companies writing approximately 441,350 policies in the State were declared insolvent and their Covered Claims were transferred to FIGA. Initially, FIGA primarily utilized Regular Assessments, including proceeds of the direct loans, to process the increased number of Covered

Claims resulting from such insolvencies. With the recent insolvency of United Property & Casualty Insurance Company and further increase in the number of Covered Claims expected to result therefrom, FIGA determined that its current funding sources were insufficient to allow it to quickly and efficiently process Covered Claims and that the issuance of the Series 2023A Bonds secured by the Pledged Emergency Assessments was necessary. In order to provide an interim funding source to FIGA prior to the issuance of the Series 2023A Bonds, the Issuer issued its \$150,000,000 Insurance Assessment Revenue Bond Anticipation Note, Series 2023A (Hurricane Covered Claims Assistance Program) (the "Series 2023A BAN") in April 2023. The proceeds of the Series 2023A BAN were used by FIGA to process Covered Claims. Upon issuance of the Series 2023A Bonds, the Series 2023A BAN will be fully repaid with proceeds of the Series 2023A-1 Bonds and will no longer be Outstanding.

The proceeds of the Series 2023A Bonds will be used to (i) pay Covered Claims, (ii) repay the Issuer's Series 2023A BAN, (iii) pay all or a portion of the interest on the Series 2023A-2 Bonds through March 1, 2024 and (iv) pay the costs of issuance of the Series 2023A Bonds. The Series 2023A BAN was issued in April 2023 as an interim financing mechanism prior to the issuance of the Series 2023A Bonds in order to allow FIGA to pay Covered Claims on an expedited basis and will be repaid, in full, from proceeds of the Series 2023A Bonds.

Pursuant to the Program Agreement, FIGA, in its capacity as Program Administrator, will process the Covered Claims and submit them to the Trustee for payment in accordance with the requisition procedure established under the Indenture. Any claimant or policyholder receiving payment under the Assistance Program will be deemed to have assigned his rights under the policy to FIGA to the extent of the recovery. FIGA will also be responsible for collecting the Pledged Emergency Assessments and delivery of such Pledged Emergency Assessments and other funds constituting Pledged Revenues to the Trustee.

In 2022, FIGA incurred certain outstanding loans each secured by certain Regular Assessments. Such prior loans will not be refunded with proceeds of the Series 2023A Bonds and will remain outstanding upon the issuance of the Series 2023A Bonds. See "FIGA AND THE MEMBER INSURERS - FIGA Debt" herein.

## **OVERVIEW OF FLORIDA PROPERTY AND CASUALTY INSURANCE MARKET**

### **General**

While the property insurance market in Florida is unique due to the State's geography and exposure to hurricanes, insurers have been impacted more by litigation, fraud and social inflation than by storm activity. In 2021, the State represented 6.9% of total homeowners' claims nationally, but 76% of homeowners' lawsuits. As a result, insurance companies have faced a higher risk of losses in Florida compared to other states, which has made the property insurance market in Florida more volatile and challenging for insurers to profitably operate in. In recent years, the Florida property insurance market has faced a number of challenges, including rising premiums, increased claims frequency, and a surge in fraudulent claims. In some cases, these challenges have led to many insurance companies withdrawing from the market, resulting in concerns regarding homeowner access to insurance. The State has responded to these challenges with several statutory

changes approved during special and regular sessions in order to eliminate abusive litigation practices, curtail insured losses, and promote long-term market stability. See " - Insolvencies - Rehabilitation and Liquidation" and " - Recent Legislative Actions" below.

As of December 31, 2022, there were approximately 7.3 million residential property insurance policies in Florida. Insurance companies in the State can be broadly categorized into four main groups: (i) large national carriers - e.g. Liberty Mutual, USAA; (ii) Florida-only subsidiaries of large national carriers - e.g. State Farm, Allstate, Travelers, and Nationwide all have Florida-only subsidiaries; (iii) stand-alone Florida-only companies that write business primarily in, or only in, Florida; and (iv) Citizens Property Insurance Corporation ("Citizens"), the State-run insurer of last resort. In addition to these admitted market carriers, which are regulated as to premium rates and other matters by the Office, surplus lines carriers, which have unregulated rates and which are otherwise subject to less regulatory oversight by the Office, also write residential property insurance in Florida.

The dynamics of Florida's property and casualty insurance market are significantly influenced by the hurricane risks faced by the State. As a result, private insurance carriers, especially large national carriers, have long sought to manage their exposure in the State. The market today consists mainly of smaller companies who write all or most of their business in Florida (about 68% of the market as measured by direct written premium for personal lines in the State) and Citizens, whose Personal Accounts Line, Commercial Lines Account and Coastal Account aggregately write approximately 22% of the direct written premium for personal lines in the State). Large national carriers and their Florida-only subsidiaries account for the other 10% of the direct written premium of personal lines in the State.

In order to address the unique characteristics of its insurance market, the State has implemented a market framework designed to promote long-term market stability, including longstanding mechanisms and property insurance entities. FIGA, Citizens, and the FHCF all serve as distinct, yet integral parts of a highly regulated marketplace. See " - Citizens Property Insurance Corporation" and " - Florida Hurricane Catastrophe Fund" below.

## **Regulation**

The insurance market in the State is primarily regulated by the Office, which is a part of the State Department of Financial Services (the "Department"). The Office is responsible for regulating and overseeing the insurance industry in the State, including monitoring insurance company solvency, reviewing insurance rates and policies, and ensuring compliance with State insurance laws and regulations. The Office conducts an Annual Reinsurance Data Call and Catastrophic Stress Test to evaluate reinsurance programs that companies have in place. Results are used to estimate an insurer's surplus amounts following modeled storm events and determine if the insurer would be able to continue to meet its minimum surplus requirements.

The Property Insurer Stability Unit (the "Stability Unit") of the Office aids in the detection and prevention of property insurer insolvencies. The Stability Unit provides enhanced monitoring whenever the Office identifies significant concerns about an insurer's solvency, rates, proposed contracts, claims handling, litigation practices and outcomes, or any other issue related to compliance with the insurance code. Certain events outlined in the applicable statute trigger a

referral to the Stability Unit, including rate increases above a certain percentage, notice from an insurer to the Office of the insurer's intent to not renew more than 10,000 residential policies in a twelve month period and an insurer failing to file timely financials. As of January 1, 2023, there were 19 insurers subject to the Stability Unit's enhanced monitoring. See "THE OFFICE OF INSURANCE REGULATION" herein.

In addition to the Office, there are other State agencies that may have some regulatory authority over specific types of insurance products. For example, the Florida Department of Agriculture and Consumer Services oversees the regulation of insurance policies related to agricultural businesses and products.

### **Insolvencies - Rehabilitation and Liquidation**

Insurance companies that become financially impaired or insolvent are exempted from federal bankruptcy jurisdiction and are subject to state laws regarding receivership. A receivership is the legal process by which the affairs of an insurance company are administered by a court appointed entity for purposes of rehabilitation or liquidation. Under Florida law, the Second Judicial Circuit Court in and for Leon County, Florida (the "Receivership Court" or the "Court") has jurisdiction over insurance receivership matters. The Department is appointed by the Court as receiver for insurers placed into receivership in Florida. The role of the Division of Rehabilitation and Liquidation is to administer the receiverships on behalf of the Department and protect claimant interests. The Division of Rehabilitation and Liquidation plans, coordinates, and directs the affairs of the companies placed into receivership for purposes of carrying out the rehabilitation or liquidation order of the Court.

In rehabilitation, the Division of Rehabilitation and Liquidation plans has significant discretion to conduct all business of the insurer, including taking possession and managing the assets of the insurer. If possible, the Division of Rehabilitation and Liquidation plans prepares and implements a plan that aims to return the company to the marketplace, but rehabilitation is also frequently used to prepare an insolvent insurer for liquidation, as discussed below. The rehabilitation is successful when the insurance company meets the solvency criteria set forth in the Florida Insurance Code and the Receivership Court finds the causes that required rehabilitation have been corrected. The Court then enters an order discharging the Department from its duties and closes the rehabilitation receivership. If the rehabilitation process is unable to return the insurance company to solvency, the Department will petition the court to place the insurer into liquidation.

In liquidation, the insurance company is closed, outstanding policies are usually cancelled, and the process of collecting and selling the company's assets begins. The goal of liquidation is to use the money acquired from selling the company's assets to pay off the company's debts and outstanding insurance claims. Major tasks associated with a liquidation order include marshaling and liquidating insurer assets, identifying and paying claims, distributing assets to claimants, and responding to consumer inquiries about the receivership process. The Department works with FIGA to ensure claims are resolved in a timely manner. When an insurance company is liquidated, FIGA steps into the shoes of the failed insurer for the purpose of reimbursing unearned premium and resolving covered claims. Policies of insolvent companies are transferred to, or written by, other private insurers or Citizens while the liability for any outstanding claims is transferred to



FIGA, providing no disruption to coverage or payment of outstanding claims for policyholders. See "THE INSURANCE ACT AND THE ASSISTANCE PROGRAM" and "FIGA AND THE MEMBER INSURERS" herein.

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## Recent Property Insurer Insolvencies

Since October 2019, several factors, most notably insurance litigation costs and hurricanes, have led to an increased number of property insurer insolvencies. Over this period, ten property insurers writing an aggregate of approximately 441,350 policies in the State have been declared insolvent. Below is a summary of property insurance company insolvencies since October 2019 and information regarding claims related thereto:

### PROPERTY INSURER INSOLVENCIES AND RELATED CLAIM INFORMATION SINCE 2019<sup>(1)(2)</sup>

<u>Company</u>	<u>Year of Insolvency</u>	<u>Number of Policyholders</u>	<u>Number of Claims</u>	<u>Claims Losses</u>	<u>Premium Refunds</u>	<u>Estate Distributions</u>	<u>Net Cost to FIGA</u>
United Property & Casualty Insurance Company	2023	55,000	16,691	\$624,000,000	\$35,000,000	\$(75,000,000)	\$584,000,000
FedNat Insurance Company	2022	2,000	3,370	45,215,665	1,470,769	-	46,686,434
Weston Property & Casualty Insurance Company	2022	23,000	403	17,202,928	37,128,145	-	54,331,073
Southern Fidelity Insurance Company	2022	78,000	6,420	80,325,621	90,884,386	(30,000,000)	141,210,007
Lighthouse Property Insurance Corporation	2022	27,000	1,231	21,039,115	29,026,327	-	50,065,442
Avatar Property & Casualty Insurance	2022	32,000	3,131	57,581,295	31,446,828	(20,000,000)	69,028,123
St. Johns Insurance Company	2022	147,000	5,597	90,746,152	170,917,497	(45,513,142)	216,150,507
Gulfstream Property & Casualty Insurance	2021	30,000	2,313	48,797,052	36,531,560	(33,530,777)	51,797,835
American Capital Assurance Corporation	2021	1,350	336	367,766,293	27,750,160	(33,336,300)	362,180,153
Florida Specialty Insurance Company	2019	46,000	3,677	53,860,405	33,452,398	(66,911,653)	20,401,150
Total	10 Companies	441,350	43,169	\$1,406,534,526	\$493,608,070	\$(304,291,872)	\$1,595,850,724

<sup>(1)</sup> Data includes estimates and preliminary information, subject to change

<sup>(2)</sup> Certain insolvent insurers operated in multiple states, and data in the table represents Florida policies only

Source: FIGA

Displaced policies represent a small and manageable percentage of the State insurance market (approximately 6% based on 7.3 million total property insurance policies written in the State as of December 31, 2022). The State has mechanisms in place to help stabilize the property insurance market during periods of volatility, including FIGA, and has recently implemented the legislative reforms and temporary State reinsurance programs described below.

### **Citizens Property Insurance Corporation**

Citizens is a legislatively-created government entity which provides residential and commercial property and casualty insurance coverage for the owners of certain property in the State who are unable to procure insurance in the voluntary market. Citizens currently has three accounts, the Coastal Account, the Personal Lines Account and the Commercial Lines Account. The Coastal Account is generally for wind-storm only coverage and includes personal residential, commercial residential and commercial non-residential policies within a defined geographic (i.e., coastal) area of the State. The Personal Lines Account covers multi-peril personal residential policies outside the geographic boundaries of the Coastal Account. The Commercial Lines Account covers commercial residential and commercial non-residential policies outside the Coastal Account territory. However, due to recent changes in law, Citizens is authorized to merge its three accounts into a single account which will reduce deficits and potentially decrease the need for assessments, improve flexibility and operational efficiency, and increase risk transfer program efficiency. Citizens' policy count historically expands and contracts in direct correlation to industry profitability. Usually the number of Citizens' policies grow during periods of volatility, then as industry profitability improves, Citizens' policy count reduces. As of December 31, 2022, Citizens wrote \$3.2 billion of direct written premium and, given current market volatility, anticipates that it will write more than \$5.1 billion in direct written premium by the end of 2023. For a description of the overlapping assessment bases of Citizens and FIGA, see "PLEDGED EMERGENCY ASSESSMENTS - Overlapping Assessment Bases" herein.

### **Florida Hurricane Catastrophe Fund**

The FHCF is a tax-exempt trust fund created by the State Legislature during a special session in November 1993 to address the after-effects from Hurricane Andrew on the insurance market. Hurricane Andrew caused insured and uninsured losses in excess of \$30 billion in the State in August 1992. As a result of these losses, 11 insurers were rendered insolvent, and numerous insurers announced plans to cancel or discontinue writing policies covering residential property in the State, threatening approximately 900,000 policyholders with loss of property coverage.

In recognition of these circumstances and the general trend of contraction in domestic and international reinsurance capacity in existence at that time, the State Legislature passed legislation creating the FHCF in November 1993 for the purpose of reimbursing insurers writing substantially all of the policies covering residential property in the State for a portion of their catastrophic hurricane losses. FHCF plays an essential role in the State's insurance market by providing a stable and ongoing source of loss reimbursement for residential property insurers. FHCF helps to spread the risk of catastrophic losses from hurricanes across multiple insurers and can help ensure that Floridians have access to affordable insurance coverage. The FHCF is administered by the State Board of Administration of Florida (the "SBA"). The Internal Revenue Service has issued a private

letter ruling concluding that the FHCF is an integral part of the State and is therefore not subject to federal income taxation. FHCF's tax-exempt status and operational efficiencies have generally allowed it to provide reimbursement coverage for less than the cost of comparable layers of private reinsurance, generating premium savings for Florida policyholders. The FHCF is not a regulated insurance or reinsurance company under State law, does not issue insurance or reinsurance policies and is not required to have the loss reserves which are required of insurers or reinsurers under State law.

FHCF coverage is mandatory for substantially all insurers that write residential property insurance policies in the State, including Citizens, certain commercial self-insurance funds and any joint underwriting association or similar entity created pursuant to law, and is a condition of doing business in the State. Insurers with less than \$10 million in aggregate exposure under certain residential property insurance policies are not required to participate in the FHCF. The maximum statutory liability or coverage being provided by the FHCF for the current Contract Year is \$17 billion. However, the maximum coverage provided by the FHCF has been changed by the legislature from time to time. For a description of the overlapping assessment bases of FHCF and FIGA, see "PLEDGED EMERGENCY ASSESSMENTS - Overlapping Assessment Bases" herein.

### **Recent Legislative Actions**

To address many of the issues facing the Florida insurance market, the Florida Legislature has passed various laws aimed at maintaining a stable and healthy private property insurance market in the State. For example, in 2021, the Florida Legislature passed a bill that aimed to crack down on fraudulent insurance claims by increasing penalties for those who commit insurance fraud. Additionally, the State has also implemented measures to encourage insurers to stay in the market, such as providing tax credits and reducing regulatory burdens for insurers. The Florida Legislature also held two Special Sessions in 2022 relating to property insurance.

During a Special Session of the Florida Legislature held in May 2022, Senate Bill 2-D ("SB 2D") was passed and signed into law by the Governor. SB 2D included a \$150 million appropriation for the My Safe Florida Home Program, which provides hurricane mitigation inspections and matching grants for hurricane retrofitting for residential structures under a certain value. SB 2D also sought to alleviate perceived abuse in the residential insurance market in connection with roof replacements by regulating contractor solicitations and providing for separate roof deductibles. In addition, SB 2D made various changes relating to assignment of benefits by revising the definition of "assignment agreement" to include assignments executed by a party that inspects the property, clarifying that public adjuster fees are not an assignment agreement, clarifying the requirement to provide a notice of intent to initiate litigation before filing suit, requiring that a valid assignment of benefits must specify that the assignee will hold harmless the assignor from all liabilities, including attorney's fees and by prohibiting the right to obtain attorney fees in suits arising out of a property insurance policy to persons other than a named or omnibus insured or a name beneficiary under the policy. SB 2D also provided that attorney fee multipliers may only be awarded under rare and exceptional circumstances with evidence that competent counsel could not be hired in a reasonable manner and that a defendant insurer may obtain attorney fees and costs associated with securing a dismissal without prejudice for failure to provide the required notice of intent to initiate litigation at least ten (10) days before filing a suit against a

property insurer. The intended impact of these changes is to reduce the incentives to file frivolous lawsuits relating to property insurance in the State. SB 2D also created the Reinsurance to Assist Policyholders ("RAP") Program that was funded through an appropriation from the State's general revenue fund and offered insurers a \$2 billion reimbursement layer of reinsurance for hurricane losses below the mandatory layer of the FHCF. The RAP Program is administered and managed by the SBA. All eligible insurers are required to participate in the RAP Program for one year (either in 2022-23 or 2023-24). Approximately \$885 million of RAP coverage was utilized for the 2022 hurricane season, with the remaining \$1.1 billion of coverage available for the 2023 hurricane season. Insurers in the RAP Program do not pay a premium for RAP Program coverage, but must reduce rates to reflect savings resulting from their participation in the RAP Program. The RAP Program does not change the coverage offered by, or the liabilities of, the FHCF. In addition, SB 2D made various other changes relating to the Office's regulation of insurers.

During a Special Session of the Florida Legislature held in December 2022, Senate Bill 2-A ("SB 2A") was passed and signed into law by the Governor. SB 2A was a comprehensive piece of legislation that was intended to ensure that policyholders in the State have access to quality, affordable private market insurance. SB 2A created the Florida Optional Reinsurance ("FORA") Program that offered insurers four layers of temporary reinsurance below the mandatory layer of the FHCF, with the total amount of coverage limited to \$1 billion of funding provided from State general revenues plus the premiums paid to the program by participating insurers for the 2023 hurricane season. The FORA Program is administered by the SBA, and does not change the coverage offered by, or the liabilities of, the FHCF.

The State's bad faith law and jurisprudence are designed to hold insurers accountable for failing to fulfill their contractual obligation to indemnify the insured or beneficiary on a valid claim. SB 2A required an adverse adjudication that an insurer has breached an insurance contract before an insured can file bad faith litigation and provided a safe harbor within which an insurer may correct alleged bad faith acts and attempt settlement. The bill provided that acceptance of an offer of judgment or the payment of an appraisal award does not constitute an adverse adjudication. This is intended to have the effect of prohibiting a bad faith failure to settle action solely on the basis of the policyholder's successful recovery of additional claim proceeds through the insurance contract's appraisal process or acceptance of an offer of judgment. Moreover, SB 2A prohibited the assignment, in whole or in part, of any post-loss insurance benefit under any residential or commercial property insurance policy issued on or after January 1, 2023. The bill specified that assignment agreements under a residential property insurance policy or under a commercial property insurance policy are only valid on policies issued on or after July 1, 2019, and before January 1, 2023. SB 2A also reduced the claim filing deadline from two years to one year for a new or reopened claim, and from three years to 18 months for a supplemental claim. The bill also strengthened the regulatory authority of the Office by allowing the Office to subject any authorized insurer to a market condition examination after a hurricane under certain conditions relating to property insurance claims. The bill aimed to reduce excessive litigation by providing that one-way attorney fee statutes no longer apply to lawsuits related to residential or commercial insurance policies and reinstating the civil judgment statute to civil actions arising under a residential or commercial property insurance policy, thereby allowing joint offers of settlement in property insurance litigation contingent on acceptance from all joint offerees.

SB 2A also made various changes relating to Citizens, including creating uniform eligibility thresholds for new and renewal policyholders, prohibiting Citizens coverage for those with an offer of comparable insurance from an authorized insurer if that premium is not more than 20% greater than Citizens' rate, requiring flood insurance to qualify for Citizens' coverage (phased in over the next four years, with all policies requiring flood insurance by January 1, 2027) and allowing Citizens to combine its three accounts into one account upon eliminating all outstanding financial obligations.

Some initial benefits of the legislative changes described above are already being felt in the State insurance market. There are new insurers looking to enter the State, which is expected to increase competition among insurers and reduce the number of Citizens' policies.

## **THE INSURANCE ACT AND THE ASSISTANCE PROGRAM**

### **General**

The Insurance Act was enacted in 1970 for the stated purposes of providing a mechanism for the payment of Covered Claims under certain insurance policies which are unpaid due to the insolvency of the insurer, to avoid excessive delay in payment, avoiding financial loss to claimants or policy holders because of the insolvency of an insurer, assisting in the detection and prevention of insurer insolvencies, and assessing the cost of such protection among insurers. All insurers licensed to transact insurance in the State which write any kind of insurance within the scope of the Insurance Act (each a "Member Insurer") are required to be members of FIGA. The Insurance Act defines "Member Insurer" as any person who writes any kind of insurance to which the Insurance Act applies, including the exchange of reciprocal or inter-insurance contracts and is licensed to transact insurance in the State. Effectively, all admitted insurance companies doing business in the State, excluding workers' compensation, are required to be members of FIGA as a condition of their authority to write insurance in the State.

### **Claims Covered by FIGA**

Pursuant to the Indenture, "Covered Claim" is defined as an unpaid claim, including one of unearned premiums, which arises out of, and is within the Claims Fund, and not in excess of, the applicable limits of an insurance policy to which the Insurance Act applies, issued by an insurer, if such insurer becomes an insolvent insurer because of the effects of a past or future hurricane and the claimant or insured is a resident of the State at the time of the insured event or the property from which the claim arises is permanently located in the State. For entities other than individuals, the residence of a claimant, insured or policyholder is the state in which the entity's principal place of business is located at the time of the insured event.

"Covered Claim" does not include:

(a) any amount due any reinsurer, insurer, insurance pool, or underwriting association, sought directly or indirectly through a third party, as subrogation, contribution, indemnification or otherwise;

(b) any claim that would otherwise be a Covered Claim under the Insurance Act that has been rejected or denied by any other state guaranty fund based upon that state's statutory exclusions, including, but not limited to, those based on coverage, policy type, or an insured's net worth. Member insurers have no right of subrogation, contribution, indemnification, or otherwise, sought directly or indirectly through a third party, against the insured of any insolvent member; or

(c) any amount payable for a sinkhole loss other than testing deemed appropriate by FIGA or payable for the actual repair of the loss, except that FIGA may not pay for attorney's fees or public adjuster's fees in connection with a sinkhole loss or pay the policyholder. FIGA may pay for actual repairs to the property but is not liable for amounts in excess of policy limits.

For purposes of the Indenture, "Covered Claims" is limited to those arising through the insolvency of an insurer, which insolvency is determined by FIGA to have been a result of a hurricane, regardless of whether the claimants or policyholders are residents of the municipalities that comprise the Issuer or the property to which the claim relates is located within or outside the territorial jurisdiction of the municipalities that comprise the Issuer.

For purposes of the Indenture, "Covered Claims" includes all costs incurred by or on behalf of FIGA in connection with the processing and settlement of any such claims in conformity with the Act.

Pursuant to the Insurance Act, FIGA is only obligated to pay Covered Claims less than \$300,000, except that policies providing coverage for homeowner's insurance allow for an additional \$200,000 for the portion of the Covered Claim which relates only to the damage to the structure and contents. With respect to condominium association or homeowners' association Covered Claims, FIGA is obligated to pay no more than \$200,000 times the number of condominium units or residential units in such condominium association or homeowners' association, as applicable; provided, that with respect to homeowners' associations such limitation applies only to claims for damages or losses to residential units and structures attached to residential units. FIGA is typically able to settle claims cheaper than private insurers because it does not cover certain legal fees. FIGA has historically used asset liquidation of insolvent insurers (i.e., estate distributions), investment income, and assessments (typically, without any associated debt issuance) to pay Covered Claims. FIGA assumes responsibility for the Covered Claims of an insurer following liquidation but does not offer replacement policies or coverage. If sufficient funds are not available to pay Covered Claims, FIGA will pay Covered Claims on a prorated basis.

### **Assistance Program History**

The first guaranty funds in the United States were developed in the 1940's and 1950's. They were narrowly focused on a particular line or area of insurance, with the earliest guaranty funds covering such lines as workers' compensation and automobile coverage. In 1969, the National Association of Insurance Commissioners proposed a model act for guaranty funds for states to use as a guide for their own legislative purposes in the creation of state specific legislation. The State adopted guaranty fund legislation in 1970, and FIGA was created.

The Insurance Act uses a post-assessment model. In this type of model, FIGA responds to the demands of unpaid Covered Claims caused by a Member Insurer's insolvency through the levy of assessments when it becomes necessary to pay the Covered Claims. The Insurance Act defines "Insolvent Insurer" as a Member Insurer authorized to transact business in the State, either at the time the policy was issued or when the insured event occurred, and against which an order of liquidation with the finding of insolvency has been entered by a court of competent jurisdiction if such order has become final by exhaustion of appellate review.

FIGA has the ability to levy assessments against Member Insurers pursuant to the Insurance Act, which assessments are generally collected from policyholders on a pass-through basis. The assessments are calculated and, as considered necessary, levied against Member Insurers on the basis of direct written premiums in the State in the classes protected by the Insurance Act. FIGA obtains the amount of the direct written premiums, by company and class of protection, which is used as the basis for assessment calculations.

### **Assessment Authority - All Other Account and Auto Account**

For assessment purposes, the Insurance Act divides FIGA's operations into two accounts, (1) the auto liability and auto physical damage account (the "Auto Account"), which includes automobile policies and (2) the All Other Account, which includes all other insurance policies. Each account has separate assessment authority that applies only to policies within the respective account, and the revenues generated by assessments levied on a specific account can only be used to pay claims of the account on which the assessment is levied.

The maximum regular assessment for each account is 2%. In addition to the regular assessment, FIGA has the authority to levy an emergency assessment of up to 4% of direct written premiums in the All Other Account of Member Insurers for the payment of Covered Claims arising through the insolvency of insurers rendered insolvent by the effects of a hurricane, to pay reasonable costs to administer such claims and to pay debt service on bonds issued for such purpose. In 2020, the Insurance Act was amended to increase the maximum amount of Emergency Assessments from 2% to 4%. **No Emergency Assessments may be levied on the Auto Account.** Prior to 2015, insurance companies paid the assessment to FIGA and added a surcharge to each policy issued until they recouped the payment made to FIGA. However, in 2015, the Florida Legislature amended the Insurance Act to provide additional flexibility in FIGA's assessment program. While retaining FIGA's ability to obtain funds quickly, the legislation also introduced an option for Member Insurers to remit assessments as they are collected (pass-through) over a 12-month policy term. In accordance with the order of the Office levying the same, the 1% Emergency Assessment will be collected on a pass-through basis. Member Insurers will remit the 1% Emergency Assessment quarterly to FIGA as it is collected from policyholders over the policy term, which separates assessment collections from credit of insurance companies and mitigates financial impact on insurers. See " - 1% Emergency Assessment" below and "PLEDGED EMERGENCY ASSESSMENTS" herein.

Annually, each account is assessed at the rate determined by FIGA to be necessary depending upon the number and amount of claims within that account. See "PLEDGED EMERGENCY ASSESSMENTS - Emergency Assessments" and "PLEDGED EMERGENCY



ASSESSMENTS - Regular Assessments" herein for the historical assessments levied on the All Other Account since 1992.

No Emergency Assessments or Regular Assessments levied on the All Other Account are available to pay claims on the Auto Account, and no Regular Assessments levied on the Auto Account are available to pay claims of the All Other Account or to secure the Bonds.

### **State Covenant Not to Impair Assessments**

The Insurance Act provides that the State covenants with holders of the Bonds that the State will not take any action that will have a material adverse effect on the holders of the Bonds and will not repeal or abrogate the power of the Board of Directors of FIGA to direct the Office to levy the assessments and collect the proceeds of the revenues pledged to the payment of the Bonds as long as any Bonds remain outstanding, unless adequate provision has been made for the payment of the Bonds in accordance with the Indenture.

### **Recent Hurricanes**

As a result of various named storms impacting the State in recent years, certain insurers have been rendered insolvent. On September 10, 2017, Hurricane Irma struck the Florida Keys as a Category 4 hurricane before entering the Gulf of Mexico and making a second landfall in the southwestern portion of the State as a Category 3 hurricane. On October 10, 2018, Hurricane Michael struck the Florida Panhandle, near Mexico Beach, as a Category 5 hurricane. On September 22, 2022, Hurricane Ian struck Fort Myers, and Sanibel, Captiva and Pine Islands as a Category 4 hurricane. These hurricanes caused extensive property damage in the State and generated insurance claims in a sufficient amount to render certain insurers insolvent and unable to satisfy Covered Claims. See " - Recent Property Insurer Insolvencies" above.

### **1% Emergency Assessment**

On March 31, 2023, the Board of Directors of FIGA certified to the Office the need for the 1% Emergency Assessment on insurance written in the All Other Account for each Assessment Year, commencing with the Assessment Year beginning October 1, 2023 and continuing for each subsequent Assessment Year until all of the Series 2023A Bonds have been paid in full and are no longer outstanding. The Office approved FIGA's certification of the 1% Emergency Assessment through an Order dated April 10, 2023. Pursuant to such Order, the 1% Emergency Assessment is to be collected from policyholders on a pass-through basis and remitted to FIGA on a quarterly basis, with the first installment due by January 31, 2024. The 1% Emergency Assessment currently constitutes the only Pledged Emergency Assessments for purposes of the Indenture and the Program Agreement. However, pursuant to the Program Agreement, FIGA has covenanted to certify to the Office the need to levy additional Pledged Emergency Assessments up to the maximum amount permitted by applicable law, for so long as is needed, if required to ensure the full and timely payment of the principal of and interest on the Bonds. In the event FIGA certifies the need to levy additional Pledged Emergency Assessments as described in the preceding sentence, and the Office levies such assessment, the Issuer and the Trustee agree in the Program Agreement to enter into or amend a Supplemental Indenture to make such amounts part of the Pledged Revenues.

See also, "FIGA AND THE MEMBER INSURERS," "PLEDGED EMERGENCY ASSESSMENTS," "THE OFFICE OF INSURANCE REGULATION" and "OVERVIEW OF FLORIDA PROPERTY AND CASUALTY INSURANCE MARKET" herein.

## **THE PROGRAM AGREEMENT**

### **General**

The Issuer, the Trustee, the Office and FIGA will enter into the Program Agreement in connection with the issuance of the Series 2023A Bonds to provide for, among other things, the pledging and paying over of the Pledged Emergency Assessments and the processing of Covered Claims. See "APPENDIX C - FORM OF COVERED CLAIMS PAYMENT ASSISTANCE PROGRAM AGREEMENT" hereto for the form of the Program Agreement.

### **Pledged Emergency Assessments**

Pursuant to the Program Agreement, FIGA represents that it has certified to the Office the need to levy and assess the Pledged Emergency Assessments in amounts sufficient to make the deposits to the Revenue Fund provided for in the Indenture and to pay Program Expenses. FIGA also covenants in the Program Agreement to take such actions as may be required by the Act and the Program Agreement, including certifying to the Office the need to levy additional Pledged Emergency Assessments up to the maximum amount permitted by applicable law, for so long as is needed, if required to ensure the full and timely payment of the principal of and interest on the Bonds, for so long as Bonds are Outstanding or Program Expenses remain unpaid. If, pursuant to the Program Agreement, FIGA certifies the need to levy Additional Pledged Assessments and the Office so certifies, the Issuer and the Trustee have agreed in the Program Agreement to enter into or amend a Supplemental Indenture to make such amounts become part of the Pledged Revenues. Additionally, pursuant to the Program Agreement, FIGA has covenanted not to pledge Emergency Assessments except in connection with Bonds issued pursuant to the Indenture. With respect to the Series 2023A Bonds, the FIGA certification specified that the 1% Emergency Assessment will be imposed annually for each Assessment Year, beginning October 1, 2023, and automatically extended thereafter until the Series 2023A Bonds are no longer outstanding.

### **Payment of Bonds and the Program Expenses**

In order to provide a source of revenue for the payment of the Bonds and the Program Expenses, FIGA unconditionally and irrevocably agrees in the Program Agreement (i) to timely collect the Pledged Emergency Assessments from each Insurance Company, as applicable, and to deliver such Pledged Emergency Assessments via wire transfer to the Trustee, as security for and for the full and prompt payment when due whether by redemption, maturity or otherwise, of the Bonds and the Program Expenses howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, or now or hereafter existing or due or to become due; and (ii) to administer the Program to permit the expeditious and effective payment of Covered Claims and to otherwise perform the obligations of the Program Administrator as set forth in the Program Agreement.

## **Security Interest in Pledged Emergency Assessments**

To secure the payment of the Bonds and the payment of all Program Expenses, pursuant to the Program Agreement, FIGA grants a security interest to the Trustee for the benefit of the Bondholders, the Trustee and the Issuer as their respective interests appear, in the Pledged Emergency Assessments and Additional Assessments, if any, and all proceeds thereof, including all investments and proceeds thereof. The pledge and security interest granted to the Trustee extends to all Pledged Emergency Assessments and Additional Assessments, if any, paid over by FIGA to the Trustee for deposit in the Revenue Fund or which FIGA may acquire at any time during the term of the Program Agreement, whether such Pledged Emergency Assessments and Additional Assessments, if any, are in transit or in FIGA's, the Trustee's or any other Person's constructive, actual or exclusive possession. See "RISK FACTORS - Risks Related to Pledged Emergency Assessments" herein.

Pursuant to the Program Agreement, FIGA and the Issuer agree to sign and file such financing statements, in form suitable to reflect the security interests granted under the Program Agreement, as are necessary or desirable to establish and maintain a valid and enforceable security interest in the Pledged Revenues as provided in the Program Agreement, to the extent that such security interest may be established and maintained by such filing, all in accordance with the Uniform Commercial Code as enacted in any and all relevant jurisdictions or any other relevant law. See "RISK FACTORS - Security Interest in Pledged Emergency Assessments" herein.

Pursuant to the Program Agreement, all rights of the Trustee and the assignment, pledge and security interest in the Pledged Emergency Assessments and Additional Assessments, if any, under the Program Agreement are absolute and unconditional irrespective of (a) any lack of validity or enforceability of the Program Agreement, any Financing Document or any other agreement or instrument relating thereto; (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Bonds, or any other amendment or waiver of or any consent to any departure from the Program Agreement, or any other Financing Document; (c) any exchange, release or non-perfection of any other Pledged Revenues, or any release or amendment or waiver of or consent to departure from any guaranty, for all or any of the Issuer Obligations; or (d) any other circumstances which might otherwise constitute a defense available to, or a discharge of, FIGA as to the FIGA Obligations or a third party pledgor.

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## ESTIMATED SOURCES AND USES OF FUNDS

The table that follows summarizes the estimated sources and uses of funds to be derived from the sale of the Series 2023A Bonds.

	Series 2023A-1 Bonds	Series 2023A-2 Bonds	Total
<b>SOURCES:</b>			
Principal Amount.....	\$465,325,000.00	\$125,000,000.00	\$590,325,000.00
Plus: Bond Premium Discount.....	18,093,602.00	-	18,093,602.00
<b>TOTAL SOURCES.....</b>	<b>\$483,418,602.00</b>	<b>\$125,000,000.00</b>	<b>\$608,418,602.00</b>
<b>USES:</b>			
Deposit to Series 2023A Claims			
Payment Subaccount <sup>(1)</sup> .....	\$331,642,118.46	\$118,357,881.54	\$450,000,000.00
Repayment of Interim			
Indebtedness.....	150,000,000.00	-	150,000,000.00
Deposit to Series 2023A Interest			
Subaccount <sup>(2)</sup> .....	-	6,353,993.58	6,353,993.58
Costs of Issuance <sup>(3)</sup> .....	1,776,483.54	288,124.88	2,064,608.42
<b>TOTAL USES.....</b>	<b>\$483,418,602.00</b>	<b>\$125,000,000.00</b>	<b>\$608,418,602.00</b>

<sup>(1)</sup> Shall be utilized to pay Covered Claims. See "PLAN OF FINANCE" and "THE INSURANCE ACT AND THE ASSISTANCE PROGRAM" herein.

<sup>(2)</sup> To be applied to pay all or a portion of the interest on the Series 2023A-2 Bonds through March 1, 2024. The amount of capitalized interest is based on the Maximum Bond Interest Rate of 8% per annum applicable to the Series 2023A-2 Bonds.

<sup>(3)</sup> Includes Underwriters' discount, legal, financial advisory and other miscellaneous costs of issuance.

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## DEBT SERVICE SCHEDULE

The annual payment requirements for the Series 2023A Bonds are shown on the following table:

Year (September 1)	Series 2023A-1 Bonds			Series 2023A-2 Bonds			Annual Debt Service
	Principal	Interest	Subtotal	Principal	Interest <sup>(1)</sup>	Subtotal	
2024	\$ 50,530,000	\$26,368,417	\$76,898,417	-	\$ 759,328	\$ 759,328	\$ 77,657,745
2025	115,765,000	20,739,750	136,504,750	-	6,242,842	6,242,842	142,747,592
2026	121,905,000	14,951,500	136,856,500	-	6,250,000	6,250,000	143,106,500
2027	100,000,000	8,856,250	108,856,250	-	6,250,000	6,250,000	115,106,250
2028	77,125,000	3,856,250	80,981,250	-	6,257,158	6,257,158	87,238,408
2029	-	-	-	-	6,242,842	6,242,842	6,242,842
2030	-	-	-	-	6,250,000	6,250,000	6,250,000
2031	-	-	-	-	6,250,000	6,250,000	6,250,000
2032	-	-	-	\$125,000,000	6,257,158	\$131,257,158	131,257,158
Total <sup>(2)</sup>	<u>\$465,325,000</u>	<u>\$74,772,167</u>	<u>\$540,097,167</u>	<u>\$125,000,000</u>	<u>\$50,759,328</u>	<u>\$175,759,328</u>	<u>\$715,856,495</u>

<sup>(1)</sup> Assumes the Series 2023A-2 Bonds bear interest at 5% per annum. Interest on the Series 2023A-2 Bonds is net of capitalized interest.

<sup>(2)</sup> Totals may not add due to rounding.

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## FIGA AND THE MEMBER INSURERS

### General

FIGA's powers, duties and procedures are set forth in its plan of operations (the "Plan of Operations"), which is subject to approval by the Department. Any amendments to the Plan of Operations must also be approved by the Department. FIGA is governed by a Board of Directors (the "Board" or "Board of Directors"), which currently consists of nine insurers recommended by the Member Insurers and subsequently appointed by the Florida Insurance Commissioner. Each Member Insurer holding a Board position assigns a designated officer to act in this capacity. The current Member Insurers holding Board positions are as follows:

<u>Name/Office</u>	<u>Insurance Company</u>	<u>Term Ending Date</u>
Kimberly Blackburn, Chairwoman	Florida Farm Bureau Casualty Ins. Co.	February 29, 2024
Pamela Matthews, Vice Chairman	United Services Automobile Assoc.	February 29, 2024
Paula Lutes, Secretary/Treasurer	State Farm Insurance Company	February 29, 2024
Brent Brummer, Member	Florida Family Insurance	February 22, 2027
Carly Hermanson, Member	Allstate Insurance Company	February 29, 2024
Rene Hernandez, Member	Travelers Property/Casualty Ins Co.	February 29, 2024
Charles Lydecker, Member	Citizens Property Insurance Corp.	February 22, 2027
Raymond Waugh, Member	Nationwide Insurance Co.	February 29, 2024

FIGA will serve as Program Administrator under the Program Agreement as described more fully under "THE PROGRAM AGREEMENT" and in "APPENDIX C - FORM OF COVERED CLAIMS PAYMENT ASSISTANCE PROGRAM AGREEMENT" hereto. In such capacity, FIGA will be responsible for causing the assessment, levy, collection and payment over to the Trustee of the Pledged Emergency Assessments and processing Covered Claims to be requisitioned from the Trustee for payment from the Claims Payment Account.

The management staff of FIGA administers all activities of FIGA in accordance with its Plan of Operations and policies established by the Board. Biographical information for certain key management staff follows:

Corey Neal, Executive Director. Mr. Neal is responsible for the day-to-day operations of FIGA consistent with the interests of both the insurance industry and the Insurance Act. Prior to his current role, Mr. Neal worked in a variety of insurance fields. In 2006, he was tapped to help launch an insurance startup named SageSure Insurance Managers, which grew to become one of the largest privately owned Managing General Underwriters in the country. At SageSure, Mr. Neal helped design and develop a successful business model as Chief Operating Officer that served over 250,000 customers across twelve states. Mr. Neal began his insurance career over 20 years ago as the Controller of Citizens Property Insurance Corporation, where he first gained experience managing claim operations. At Citizens, Mr. Neal helped establish Citizens' Catastrophe Claims Center that handled more than 200,000 hurricane claims between 2004 and 2005. Before joining Citizens, Mr. Neal worked as an audit manager at Thomas Howell Ferguson, P.A., providing financial services to insurance companies, agencies, and third party administrators. Mr. Neal holds a Bachelor of Science in Accounting and Finance from Florida State University and received his Florida CPA license in 1997.

Holly Newell, Chief Operating Officer. Ms. Newell is responsible for the day to day operations of FIGA, including claims support, information technology, data reporting, and accounting services. Ms. Newell is a graduate of Florida State University with a Bachelor of Science in Accounting and a Master of Business Administration. Prior to joining FIGA in March 2022, Ms. Newell was the Chief Financial Officer for the Florida State University Foundation from 2015 to 2022 and the Chief Financial Officer for Florida State University Research Foundation from 2008-2015. Prior to working for Florida State University, Ms. Newell was an audit manager for Thomas Howell Ferguson, P.A., providing financial and assurance services to insurance companies, governmental entities, and not for profits.

FIGA is managed by the American Guaranty Fund Group ("AGFG") through a management and administrative services agreement. AGFG also has an agreement with the Florida Workers' Compensation Insurance Guaranty Association ("FWCIGA"), a related party through common management, for these services. FIGA and FWCIGA are equal members of AGFG, but control is maintained by the members through equal representation on the board of directors.

FIGA and FWCIGA have entered into agreements with AGFG to provide management and administrative services. Under the terms of FIGA's agreement, AGFG provides management and administrative services, including but not limited to general management responsibility, finance and accounting, overseeing and managing FIGA's claims division, managing and supervising the day-to-day activities of FIGA, and other management or administrative services. FIGA and FWCIGA reimburse AGFG for all amounts paid by AGFG. Costs incurred by AGFG that are directly attributable to a specific entity are charged to the applicable entity. All other costs incurred by AGFG are distributed equitably to FIGA and FWCIGA based on various allocation methods.

Over the past five years, FIGA employed an average of 26 full-time employees per year, with the number fluctuating based upon workload requirements. Temporary personnel are utilized as needed. FIGA currently has 27 employees and 17 additional temporary contractors, with their main priority being the oversight of approximately 300 adjusters working for third-party administrators for claims services. The third-party administrators are selected through a competitive solicitation process and have authority to adjust claims below certain amounts. Amounts above their authority level are reviewed directly by FIGA staff.

## **FIGA Debt**

FIGA's funding to pay Covered Claims consists of three primary sources: (1) asset liquidation of insolvent insurers, including collection from private reimbursements and FHCF reimbursements, if any; (2) investment income; and (3) assessments levied on Member Insurers. From 2013 to 2020, approximately 87% of FIGA's funding came from asset liquidation of insolvent insurers, 7% from investment income and the remaining 6% from Regular Assessments. However, with the increase in insolvencies and Covered Claims paid, FIGA utilized Regular Assessments, including proceeds of the direct loans described below, for approximately 78% of its funding for 2021 and 2022, with asset liquidation accounting for 21% and investment income the remaining 1% of FIGA funding during such time.

In 2022, FIGA entered into separate loan agreements with Bank of America, N.A. ("Bank of America") and Wells Fargo Bank, National Association ("Wells Fargo"), respectively, for the principal purpose of timely paying Covered Claims of insolvent insurers. The loan agreement with Bank of America provides for two loan facilities allowing FIGA to borrow up to a total of \$250 million for such purpose. The loan agreement with Wells Fargo provides for two loan facilities allowing FIGA to borrow up to a total of \$150 million for such purpose. The loans with Bank of America are secured by a 1.3% Regular Assessment on policies in the All Other Account issued or renewed from July 1, 2022 to June 30, 2023 (the "2022A FIGA Regular Assessment"). The loans with Wells Fargo are secured by a 0.7% Regular Assessment on policies in the All Other Account issued or renewed from January 1, 2023 to December 31, 2023 (the "2022B FIGA Regular Assessment," and together with the 2022A FIGA Regular Assessment, the "2022 FIGA Regular Assessments"). The two loans with Bank of America have a final maturity of December 1, 2023 and the two loans with Wells Fargo have a final maturity of March 1, 2024 and September 1, 2024, respectively. Currently, the loan facilities with Bank of America are outstanding in the principal amount of \$50 million and the loan facilities with Wells Fargo are outstanding in the amount of \$125 million. Such loan facilities will remain outstanding upon issuance of the Series 2023A Bonds. **The 2022 FIGA Regular Assessments are not legally available to pay debt service on the Series 2023A Bonds and the Pledged Emergency Assessments are not legally available to pay debt service on such loans.**

#### **Previous FIGA Bond Transactions**

The only prior bond transaction issued for the benefit of FIGA was \$472.6 million of tax-exempt bonds issued through the City of Homestead in 1993 to fund claims of insolvent insurers resulting from the impacts of Hurricane Andrew. The 1993 bonds were secured by Emergency Assessments. The bonds had an original final maturity in 2003, but were fully defeased in 1997.

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## FIGA Financial Operations

The following table sets forth FIGA's Schedule of Activities and Changes in Net Assets for the All Other Account for the past five years ended December 31:

### FIGA ALL OTHER ACCOUNT SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS 2018-2022

	2018	2019	2020	2021	2022
Revenues:					
Assessments	\$ 311,128	\$ 3,669	-	\$168,000,000	\$490,000,000
Other revenue	67,734	-	-	-	-
Investment income, net of related expenses	3,512,275	4,748,198	\$ 3,455,065	\$ 2,845,623	1,510,707
Estate distributions* and claim recoveries	18,257,602	16,991,223	23,601,082	49,914,881	132,672,723
Total revenues	<u>22,148,739</u>	<u>21,743,090</u>	<u>27,056,147</u>	<u>220,760,504</u>	<u>624,183,430</u>
Expenses:					
Claims and claims adjustment expenses paid	6,083,398	40,774,982	28,450,385	120,673,199	666,009,753
Direct estate expenses	50,242	164,427	217,479	213,636	691,753
General and administrative	771,778	1,067,363	376,210	993,675	2,493,702
Total expenses	<u>6,905,418</u>	<u>42,006,772</u>	<u>29,044,074</u>	<u>121,880,510</u>	<u>669,195,208</u>
Changes in net assets	15,243,321	(20,263,682)	(1,987,927)	98,879,994	(45,011,778)
Statutorily designated net assets at beginning of year	183,388,660	198,631,981	178,368,299	176,380,372	275,260,366
Statutorily designated net assets at end of year	<u>\$198,631,981</u>	<u>\$178,368,299</u>	<u>\$176,380,372</u>	<u>\$275,260,366</u>	<u>\$230,248,588</u>

\*Represents asset liquidation of insolvent insurers

Source: Financial Statements of the Florida Insurance Guaranty Association, Inc. for the years ended December 31, 2018-2022

## Top Member Insurers

As of December 31, 2022, there were at least 471 insurers writing insurance within the All Other Account. The following table presents the percentage of direct written premiums in the All Other Account for each of the top ten Member Insurers for the past five years.

### TOP TEN ALL OTHER ACCOUNT INSURERS

Company	Percentage of Direct Written Premium				
	2018	2019	2020	2021	2022
American Bankers Insurance Company of Florida	10%	12%	11%	11%	8%
Citizens Property Insurance Corporation	4	4	5	7	11
Universal Property & Casualty Insurance Company	5	5	5	6	5
State Farm Florida Insurance Company	4	4	3	4	4
Heritage Property & Casualty Insurance Company	3	2	2	2	2
ASI Preferred Insurance Corp.	1	2	2	2	2
First Protective Insurance Company	2	2	2	2	2
Federal Insurance Company	2	2	2	2	2
American Integrity Insurance Company of Florida	2	2	2	2	2
American Coastal Insurance Company	1	1	1	2	2
Total	34%	36%	35%	40%	40%

Source: FIGA

## Historical Covered Claim Payments

The following table sets forth the Covered Claims paid by FIGA, net of costs of recovery, for the All Other Account for each of the past five years:

### ALL OTHER ACCOUNT HISTORICAL NET COVERED CLAIMS PAYMENTS (Dollars In Thousands)

Year	Net Covered Claims Paid
2018	\$(12,961,249)*
2019	22,821,009
2020	4,729,566
2021	69,886,547
2022	525,167,598

\*Represents recoveries received in such year for Covered Claims paid in a prior year.

Source: FIGA

See "THE INSURANCE ACT AND THE ASSISTANCE PROGRAM - Recent Property Insurer Insolvencies" herein for information regarding recent property insurer insolvencies due to Hurricanes Michael, Irma and Ian.

## PLEDGED EMERGENCY ASSESSMENTS

### Emergency Assessments

General. The Insurance Act authorizes Emergency Assessments to be levied upon insurers writing insurance in the All Other Account and pledged to the payment of the principal of and interest on the Bonds, Program Expenses and to fund any reserves or other payments required under the Indenture. Pursuant to the Insurance Act, Emergency Assessments payable by any insurer cannot exceed in any one year more than 4% of that insurer's direct written premiums in the State for the kinds of insurance covered by the All Other Account. No legislative approval is required for FIGA to levy assessments. FIGA's Board certifies the need for assessments and the Office is statutorily required to levy them.

Upon certification of the need for the levy of Emergency Assessments by FIGA, the Office will order and levy the Emergency Assessments on all insurers holding a certificate of authority at the time of the levy. The order of the Office levying the Emergency Assessments will specify the actual percentage amount to be collected uniformly from all policyholders of insurers subject to the Emergency Assessments and the date on which the assessment year begins, which date may not be less than 90 days after the Board of Directors of FIGA certifies the need for such Emergency Assessments. Although an Emergency Assessment is not a tax, it functions like a broad-based insurance premium tax in many respects. It is essentially a charge on all assessable policies that is collected with the premium and various taxes on all assessable policies and insurers are required to treat non-payment thereof as a failure to pay premium, permitting an insurer to cancel the policy. The assessment mechanism has been used repeatedly and proven highly effective. Assessments must be paid by the policyholder to have the policy deem paid. After certification of the need to levy Emergency Assessments by FIGA, and the corresponding Order of the Office levying such Emergency Assessments, there is no requirement for additional legislation to levy or approve Emergency Assessments in future years. Prior to 2015, insurance companies paid the assessment to FIGA and added a surcharge to each policy issued until they recouped the payment made to FIGA. However, in 2015, the Florida Legislature amended the Insurance Act to provide additional flexibility in FIGA's assessment program. While retaining FIGA's ability to obtain funds quickly, the legislation also introduced an option for Member Insurers to remit assessments as they are collected (pass-through) over a 12-month policy term. Emergency Assessments are collected from policyholders and are calculated as a percentage of premium. The same assessment percentage applies to all policies in the All Other Account issued or renewed during the 12-month period beginning on the effective date of the Emergency Assessment. The 1% Emergency Assessment was levied by an Order of the Office dated April 10, 2023 and goes into effect on October 1, 2023, with the first quarterly payment remitted to FIGA by January 31, 2024. See "THE INSURANCE ACT AND THE ASSISTANCE PROGRAM - 1% Emergency Assessment" herein.

Collection of Emergency Assessments by Insurers. Insurers collect the Emergency Assessments from policyholders. While an insurer is liable under the Insurance Act for all Emergency Assessments it collects from policyholders, the policyholders, not insurers, are required to pay the Emergency Assessments. Policyholders are liable for Emergency Assessments only to the extent policyholders wish to retain the insurance on which the Emergency Assessment is based. **Insurers are required to treat the failure of a policyholder to pay the Emergency Assessments as a failure to pay premium, which permits an insurer to cancel the policy.** Other

than having their insurance policy cancelled for non-payment of premium, policyholders are not personally liable for payment of Emergency Assessments and are not subject to collection proceedings to pay the Emergency Assessments due.

Each insurer is liable for all Emergency Assessments it collects from policyholders except to the extent the insurer is required to return collected Emergency Assessments when returning unearned premium. When an insurer is required to return unearned premium, it will also return any collected Emergency Assessments attributable to the unearned premium. A credit adjustment to the collected Emergency Assessments may be made by such insurer to future remittances of Emergency Assessments, but the insurer is not entitled to a refund.

Payment of Pledged Emergency Assessments. The Insurance Act generally provides that Pledged Emergency Assessments to be used to pay Bonds may be paid in a single lump sum on or before the date specified in the order of the Office levying the Pledged Emergency Assessment, semi-annually, in quarterly installments or in twelve monthly installments. **Pursuant to the Order levying the 1% Emergency Assessment, the 1% Emergency Assessment is to be collected from policyholders on a pass-through basis and remitted to FIGA in quarterly installments, with the first installment due on or before January 31, 2024.**

The Office has covenanted in the Program Agreement to assess and levy Pledged Emergency Assessments in the full amount certified by FIGA for so long as the Bonds are outstanding or any Program Expenses are unpaid. **Additionally, pursuant to the Program Agreement, FIGA has covenanted to certify to the Office the need to levy additional Pledged Emergency Assessments up to the maximum amount permitted by applicable law, for so long as is needed, if required to ensure the full and timely payment of the principal of and interest on the Bonds.** In the event FIGA certifies the need to levy additional Pledged Emergency Assessments as described in the preceding sentence, and the Office levies such assessment, the Issuer and the Trustee agree in the Program Agreement to enter into or amend a Supplemental Indenture to make such amounts part of the Pledged Revenues. Moreover, pursuant to the Program Agreement, FIGA has covenanted not to pledge Emergency Assessments except in connection with Bonds issued pursuant to the Indenture. Pledged Emergency Assessments are payable directly to FIGA quarterly and will be transferred to the Trustee as reasonably timely as possible after receipt thereof for deposit to the Revenue Fund established under the Indenture.

Since 1992, Emergency Assessments have been levied six times. The 1% Emergency Assessment will be levied on new or renewal policies in the All Other Account in each Assessment Year, beginning with the Assessment Year commencing October 1, 2023, and continuing for each subsequent Assessment Year until the Series 2023A Bonds are paid in full and no longer Outstanding.

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The table below shows the historical Emergency Assessments levied since 1992:

### **HISTORICAL EMERGENCY ASSESSMENTS**

<u>Year Payable</u>	<u>Percent</u>	<u>Amount (\$MM)</u>
1993	2.000%	\$ 68
1994	2.000	86
1995	2.000	101
1996	2.000	112
1997	0.123	7
2006	2.000	235
Total		<u>\$609</u>

Source: FIGA

### **Regular Assessments**

In addition to the Pledged Emergency Assessments which are authorized to be levied for the payment of the Bonds and Program Expenses and to fund any reserves or other payments required under the Indenture, the Insurance Act authorizes the levy of assessments to the extent necessary to secure funds for the two accounts described above for the payment of Covered Claims and the reasonable costs of FIGA's operations. See "FIGA AND THE MEMBER INSURERS" herein. To the extent levied with respect to the All Other Account, such assessments are hereinafter referred to as "Regular Assessments." Assessments levied with respect to the Auto Account do all not constitute Regular Assessments.

Regular Assessments are not pledged to the payment of the principal of or interest on the Bonds and Program Expenses unless and until as from time to time determined by a Supplemental Indenture of the Issuer to be pledged to the security and payment of Bonds (the "Additional Assessments"). **No Additional Assessments are currently pledged to the payment of the Series 2023A Bonds.**

Regular Assessments are levied at a uniform percentage of each insurer's direct written premiums in the State for the All Other Account. Regular Assessments levied against any insurer cannot exceed in any one year more than 2% of that insurer's direct written premiums in the State for the lines of insurance included in the All Other Account. Each insurer so assessed is to be provided with at least 30 days' written notice as to the date on which the Regular Assessment is due and payable, whether in a single lump sum payment, or at the option of FIGA, in quarterly installments as directed by the applicable order.

Since 1992, Regular Assessments have been levied upon All Other Account insurers on 13 occasions as shown in the table below, in addition to the levies of Emergency Assessments described above. Regular Assessments can be imposed to provide funding for insolvencies and have been imposed routinely without associated debt. The process for levying and collecting Emergency Assessments is identical to that for Regular Assessments. FIGA has a stable, durable, and growing Statewide assessment base, with a 10-year compound growth rate of 6.25%. See " - Assessment Base" herein.

The table below shows the historical Regular Assessments levied since 1992:

### **HISTORICAL REGULAR ASSESSMENTS**

<u>Year Payable</u>	<u>Percent</u>	<u>Amount (\$MM)</u>
1992	2.000%	\$70
1993	1.000	69
1994	0.750	30
1996	0.125	6
1997	0.125	7
2002	1.000	66
2006	2.000	235
2007	2.000	341
2009	0.800	124
2012	0.900	142
2022	0.700	172
2022	1.300 <sup>(1)</sup>	319
2023	0.700 <sup>(2)</sup>	172
Total		<u>\$1,753</u>

<sup>(1)</sup> Levied upon new and renewal policies with effective dates beginning July 1, 2022 through June 30, 2023

<sup>(2)</sup> Levied upon new and renewal policies with effective dates beginning January 1, 2023 through December 1, 2023

Source: FIGA

### **Assessment Process**

As part of its regulatory oversight, the Office requires each Member Insurer to file an annual report by March 31 of each year. This information is obtained by the National Conference of Insurance Guaranty Funds and provided to FIGA annually.

Pursuant to the Program Agreement, FIGA's Board of Directors is required to certify to the Office the need to levy and assess Pledged Emergency Assessments, and any Additional Assessments, if pledged to the payment of Bonds pursuant to a Supplemental Indenture, in amounts sufficient to make deposits to the Reserve Fund as provided for in the Indenture and to pay Program Expenses, in compliance with the Act and the Program Agreement, including levying additional Pledged Emergency Assessments up to the 4 percent limit in order to provide for the full and timely payment of the principal, interest, and redemption premium on the Bonds, while Bonds are outstanding or Program Expenses remain unpaid. The FIGA Board must confirm to the Office the need to levy and assess Pledged Emergency Assessments in an amount not more than 4% of direct written premiums for the All Other Account and Additional Assessments in an amount not to exceed 2% of direct written premiums for the All Other Account if pledged to the repayment of Bonds pursuant to a Supplemental Indenture. The Office will then cause a levy of assessment to be prepared, executed and delivered to FIGA on or before October 1 of each year.

Member Insurers will first collect and then remit to FIGA the assessments levied on a quarterly basis. Pursuant to the Insurance Act, the FIGA assessments are required to be separately

shown on premium statements in order to enable policyholders to determine the amount charged for FIGA assessments. Assessments collected for each quarter will be remitted on or before 30 days after each calendar quarter. Alternatively, Member Insurers may make the quarterly payments to FIGA equal to the amount of premium written in the previous quarter multiplied by the Emergency Assessment if the Member Insurer elects not to recoup the assessment.

Pursuant to Insurance Act, Member Insurers are also required to file reconciliation reports with FIGA which indicate, among other things, the amount of assessments remitted to FIGA and the amount actually collected from policyholders during the Assessment Year. If the Member Insurer collected more assessments from policyholders than the amount initially paid, the Member Insurer will pay the excess amount to FIGA. If the Member Insurer collected assessments from policyholders in an amount that is less than the amount initially paid to FIGA, FIGA will credit the Member Insurer that amount against future assessments. Such payment reconciliation report, and any payment of excess amounts collected from policyholders, are required to be completed and remitted to FIGA within 90 days after the end of the Assessment Year. In turn FIGA is required to send a final reconciliation report on all insurers to the Office within 120 days after each Assessment Year.

In the event that any insurer fails to pay Emergency Assessments or Regular Assessments when due, the Office may suspend or revoke the certificate of authority to transact insurance in the State or may levy a fine in an amount up to 5% of the unpaid assessment per month. An affected insurer may also file an appeal with the Office on the basis of hardship. Since 2003, the claim of hardship has not been invoked in connection with a FIGA assessment. The Office has covenanted in the Program Agreement to diligently pursue any and all actions it may lawfully take in order to enforce the collection of the Pledged Emergency Assessments levied and assessed on member insurers and to take the action prescribed in Section 631.59(4), Florida Statutes, in order to enforce the collection of the Pledged Emergency Assessments, which actions are described in the first sentence of this paragraph.

### **Overlapping Assessment Bases**

The FHCF and Citizens also have the power under State law to levy assessments on substantially the same lines of insurance assessable by FIGA and certain other lines of insurance not assessable by FIGA. Pursuant to the applicable enabling statutes for such entities, such assessments vary in amounts. With respect to the FHCF's emergency assessments, there is a cap of 6% of direct written premium that may be assessed in any one year, and an overall cap of 10%. With respect to Citizens, the amounts range from not-to-exceed 2% for regular assessments for certain of Citizen's accounts to not-to-exceed exceed 10% for emergency assessments in each of Citizens' three accounts.

To the extent that the assessment bases of the FHCF, Citizens and FIGA overlap, policyholders will incur the cost of cumulative assessments imposed by such entities. **Neither FHCF nor Citizens currently levies any assessments and none are expected to be needed for Hurricane Ian losses. However, no assurance can be given that such entities will not levy assessments due to Hurricane Ian or otherwise in the future.**

## Assessment Base

FIGA's assessments are levied on a stable, durable and growing base of property and casualty insurance policies in the State, totaling approximately \$28.6 billion in 2022. FIGA's assessment base has grown approximately 55% over the last five years, 83% over the last decade and more than tripled since 2003. The following table shows the total direct written premiums, annual percentage change in direct written premiums, maximum assessment capacity and annual assessment capacity for Member Insurers writing insurance in the All Other Account for the last twenty years.

### ASSESSMENT BASE - ALL OTHER ACCOUNT HISTORICAL DIRECT WRITTEN PREMIUMS AND ASSESSMENT AUTHORITY (In Billions)

Year	Total Direct Written Premiums	Annual % Change	Maximum Assessment	Annual Assessment Capacity
2003	\$ 9.4	-	4%	\$0.4
2004	10.1	7%	4	0.4
2005	11.2	12	4	0.4
2006	17.1	52	4	0.7
2007	17.7	4	4	0.7
2008	15.6	(12)	4	0.6
2009	14.6	(6)	4	0.6
2010	15.3	5	4	0.6
2011	15.2	(1)	4	0.6
2012	15.6	3	4	0.6
2013	16.4	5	4	0.7
2014	16.6	1	4	0.7
2015	18.0	8	4	0.7
2016	18.2	1	4	0.7
2017	18.4	1	4	0.7
2018	19.5	6	4	0.8
2019	20.7	6	4	0.8
2020	22.8	10	4	0.9
2021	24.5	8	6	1.5
2022	28.6	17	6	1.7

Source: FIGA

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The table below sets forth the lines of business and direct written premiums included within the All Other Account subject to Emergency Assessments under the Insurance Act for the last five years.

**ALL OTHER ACCOUNT DIRECT WRITTEN PREMIUMS  
BY ACCESSIBLE LINE  
(In Millions)**

Accessible Lines in All Other Account	2018 Direct Written Premium	2019 Direct Written Premium	2020 Direct Written Premium	2021 Direct Written Premium	2022 Direct Written Premium
Fire	\$ 741	\$ 790	\$ 838	\$ 803	\$ 863
Allied Lines	1,678	1,791	2,030	2,124	3,003
Private Crop	1	1	1	0	1
Private Flood	56	52	64	89	131
Farmowners Multiple Peril	23	21	20	22	24
Homeowners Multiple Peril	9,139	9,465	10,522	11,341	13,743
Commercial Multiple Peril (Non-Liability)	897	917	634	852	1,108
Commercial Multiple Peril (Liability)	588	631	1,002	705	796
Inland Marine	1,402	1,492	1,478	1,764	1,995
Medical Malpractice	366	396	442	468	482
Earthquake	4	6	6	5	8
Other Liability - Occurrence	3,609	4,097	4,493	4,909	4,900
Other Liability - Claims-Made	650	715	888	1,031	1,105
Products Liability	118	125	122	118	131
Aircraft (All Perils)	110	131	152	191	228
Burglary and Theft	19	21	22	21	23
Boiler and Machinery	61	59	68	72	81
Total	\$19,462	\$20,710	\$22,782	\$24,515	\$28,622
Annual Growth Percentage (%)	6.0	6.4	10.0	7.6	16.8

Source: FIGA

While no Emergency Assessments have been levied for any of the prior five years shown above, in the event such an Emergency Assessment would have been levied at the statutory maximum rate of 4%, the revenues from such Emergency Assessment would be approximately \$778.5 million, \$828.4 million, \$911.3 million, \$980.6 million and \$1.1 billion for 2018, 2019, 2020, 2021 and 2022, respectively.

**Estimated Debt Service Coverage  
(In Millions)**

<u>Bond Year</u>	<u>Pledged Revenues<sup>(1)</sup></u>	<u>Series 2023A Bonds<sup>(2)</sup></u>			<u>Estimated Debt Service Coverage</u>	<u>Remaining Pledged Revenues<sup>(4)</sup></u>
		<u>Principal</u>	<u>Interest<sup>(3)</sup></u>	<u>Debt Service</u>		
9/1/2024	\$178.2	\$ 50.5	\$ 27.1	\$ 77.7	2.29x	\$ 100.5
9/1/2025	285.5	115.8	27.0	142.7	2.00x	142.8
9/1/2026	286.2	121.9	21.2	143.1	2.00x	143.1
9/1/2027	286.2	100.0	15.1	115.1	2.49x	171.1
9/1/2028	286.2	77.1	10.1	87.2	3.28x	199.0
9/1/2029	286.2	-	6.2	6.2	45.85x	280.0
9/1/2030	286.2	-	6.3	6.3	45.80x	280.0
9/1/2031	286.2	-	6.3	6.3	45.80x	280.0
9/1/2032	286.2	125.0	6.3	131.3	2.18x	155.0
Total		\$590.3	\$125.5	\$715.9		\$1,751.4

<sup>(1)</sup> Represents estimated Pledged Revenues generated by the 1% Emergency Assessment securing the Series 2023A Bonds and is based on the 2022 assessment base, which is held constant in future years. The pledged 1% Emergency Assessment will remain in place until the Series 2023A Bonds are no longer Outstanding. Due to collection timing, the first bond year does not represent a full year of assessment collections.

<sup>(2)</sup> Interest shown also includes estimated interest on the Series 2023A-2 Bonds of approximately \$6.25 million per year. The \$125.0 million principal amount of the Series 2023A-2 Bonds are expected to be redeemed prior to maturity using excess annual Pledged Revenues.

<sup>(3)</sup> Estimated interest on the Series 2023A-2 Bonds has been calculated at 5%. Debt service in the Bond Year ending 9/1/2024 is net of capitalized interest. See "ESTIMATED SOURCES AND USES OF FUNDS" herein.

<sup>(4)</sup> Remaining Pledged Revenues after payment of debt service on the Series 2023A-1 Bonds and interest on the Series 2023A-2 Bonds is expected to be used to redeem Outstanding Series 2023A Bonds prior to maturity or to pay additional Covered Claims.

## THE OFFICE OF INSURANCE REGULATION

The Office is headed by Michael Yaworsky, who was nominated by Florida Governor Ron DeSantis to serve as Insurance Commissioner of the State on February 10, 2023. Mr. Yaworsky was confirmed by the Financial Services Commission (the "Commission") as Insurance Commissioner on March 13, 2023. Prior to his nomination, Mr. Yaworsky served as the Vice Chairman of the Florida Gaming Control Commission and served as the Office's Chief of Staff from 2017-2021. As the Office's Chief of Staff, Mr. Yaworsky assisted in overseeing one of the largest insurance markets in the world by serving as a policy advisor to the Insurance Commissioner and managing agency fiscal matters and administrative operations. Prior to joining the Office, Mr. Yaworsky served as Legal Counsel for the Georgia Office of Insurance and Safety Fire Commissioner, where he was responsible for advising the Insurance Commissioner and senior staff on policy decisions and performing administrative, regulatory and litigation duties associated with the legal unit. He also served as Counsel for the Office of President Pro Tempore in the Georgia Senate from 2014-2015. Mr. Yaworsky has a Bachelor's degree in Social Science from

Florida State University and a Juris Doctor degree from Samford University's Cumberland School of Law. He has been a member of the Georgia Bar since 2014.

The Commission is comprised of the Governor, Chief Financial Officer of the State, the State Attorney General and the Commissioner of Agriculture. The Office regulates all activities concerning insurers and other risk bearing entities in the State. The Office is directly involved in the licensing and regulation of insurance companies and other risk bearing entities.

The Office was the first state insurance office in the nation to receive accreditation from the National Association of Insurance Commissioners. This accreditation program has been designed to assure that states enact laws essential for financial regulation of insurance companies and that administration of those laws is carried out by trained and credentialed regulatory staff.

One of the key elements of the Office's financial regulatory oversight of insurance companies operating in the State is a review of quarterly and annual financial statements which, among other important requirements, assures that an insurance company is maintaining minimum levels of capital and surplus sufficient to meet its financial obligations. To obtain a certificate of authority to transact the business of residential property insurance in the State, insurance companies are required to have initial capital and surplus of \$15 million. To maintain a valid certificate of authority, insurance companies are required to maintain minimum capital and surplus equal to the greater of \$15 million or 10% of liabilities. To manage growth of new business that could require additional capital for additional risk, insurers are restricted to writing ratios that compare actual or projected annual written premiums to current or projected surplus as to policyholders. If annual or quarterly reports indicate new premium written has adversely affected this ratio, the Office will take action to see that the company returns to statutory compliance.

To help ensure the accuracy of the Office's annual report, the insurance company's financial statement must be audited by a certified public accountant. Financial information provided by the insurance companies is augmented by data available through the Insurance Regulatory Information System of the National Association of Insurance Commissioners. The financial condition of an insurance company is further evaluated through a program of periodic on-site examinations of insurer records and accounts.

Concurrently with on-going financial monitoring, evaluation, and enforcement of financial solvency requirements, the Office employs credentialed actuaries, actuarial analysts, and contract specialists to review and enforce policy forms and rate regulation. Policy form regulation assures that language used is in compliance with the intent of laws defining the contractual obligations and liabilities implied thereunder. Rate regulation seeks to assure that rates charged for coverage under the insurance contract are neither inadequate for the liability incurred nor excessively priced for the benefits received. Rate filing justification is an important regulatory mechanism to avoid the proliferation of inadequate rates characteristic of predatory price competition in an insurance market.

State law also grants the Office regulatory powers which enable the Office to remove officers, directors, or contractors found to have harmed the financial status of an insurance

company, require more frequent financial reports, conduct special on-site audits, and act to place the company in a status of administrative supervision. Under administrative supervision, the company functions under an approved business and financial plan until all conditions of concern in its financial condition or management operations are restored to statutory compliance.

When an insurance company becomes insolvent and is liquidated, the Office and FIGA work together closely. It is the responsibility of the Office to levy assessments to pay the claims of the insolvent insurer's policyholders when the need for an assessment is certified by the FIGA Board. **If any insurer fails to pay the levied assessment, it is the Office's responsibility to enforce payment of the assessment with authority to levy a fine in an amount up to 5% of the unpaid assessment per month or to suspend or revoke the insurer's certificate of authority to transact insurance in the State for failure to pay the assessment.**

See "THE PROGRAM AGREEMENT" herein and "APPENDIX C - FORM OF COVERED CLAIMS PAYMENT ASSISTANCE PROGRAM AGREEMENT" hereto.

## **RISK FACTORS**

Investment in the Series 2023A Bonds involves risk. The following information should be considered by prospective investors in evaluating the Series 2023A Bonds. The following does not purport to be an exhaustive listing of risks and other considerations which may be relevant to investing in the Series 2023A Bonds, and the order in which the following information is presented is not intended to reflect the relative importance of any such risks. Certain factors which could result in a reduction of Pledged Revenues available to FIGA and the Trustee are discussed herein.

### **Special, Limited Obligations; Limitation of Remedies**

The Pledged Revenues held under the Indenture are the sole source of payment for the Series 2023A Bonds. The payment by FIGA and the Office of the amounts provided in the Program Agreement is the sole source from which the Trustee will pay the principal of, premium, if any, and interest on the Series 2023A Bonds. There can be no representation or assurance that the Trustee will receive sufficient moneys to pay the amounts required under the Program Agreement when due.

The remedies available to the Trustee or to the owners of the Series 2023A Bonds upon an Event of Default under the Indenture or under the terms of the Program Agreement are in many respects dependent up on judicial actions, which are often subject to discretion or delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the United States Bankruptcy Code), the remedies provided in the Indenture and under the Program Agreement may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2023A Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, moratorium, insolvency or other similar laws affecting the rights of creditors generally.

## **Secondary Market**

There can be no assurance that there will be a secondary market for the purchase or sale of the Series 2023A Bonds, and there may be no market for the Series 2023A Bonds depending upon prevailing market conditions, the financial condition or market position of firms who make up the secondary market and the insurance landscape in the State. The Underwriters are not obligated to create a secondary market for the purchase or sale of the Series 2023A Bonds. The Series 2023A Bonds should therefore be considered long-term investments in which funds are committed to maturity.

If such secondary market exists after the issuance of the Series 2023A Bonds, events such as decreases in benchmark interest rate indices, downward revisions or withdrawals of ratings on the Series 2023A Bonds, and general market turmoil, among others, may adversely affect the liquidity of the Series 2023A Bonds or the value of the Series 2023A Bonds on such secondary market. Owners of Series 2023A Bond may experience a loss of value of such Series 2023A Bond prior to maturity.

## **Issuance of Additional Bonds**

Under the Indenture, the Issuer is permitted to issue Additional Bonds on a parity with the lien of the Series 2023A Bonds. See "SECURITY FOR THE SERIES 2023A BONDS - Additional Bonds" herein." Debt service on all Outstanding Bonds will be payable from the Pledged Revenues on a pro-rata basis, unless Additional Assessments are pledged to secure the Bonds. Accordingly, to the extent that future Bonds are issued on a parity with the lien of the Series 2023A Bonds, the security for the Series 2023A Bonds, including the Pledged Emergency Assessments, may be diluted.

## **Risks Related to Pledged Emergency Assessments**

General. The payment of debt service on the Series 2023A Bonds is largely dependent upon the revenues generated by the Pledged Emergency Assessments certified by FIGA and levied by the Office. Numerous factors discussed in this "RISK FACTORS" section and throughout the Official Statement may impact the generation of Pledged Emergency Assessments. Certain of those factors are discussed below.

Timely Remittance of Pledged Emergency Assessments. A business failure or other event causing a disruption in operations with respect to any Member Insurer could result a delay in the collection and remittance of the Pledged Emergency Assessments, or a failure to collect or to remit the Pledged Emergency Assessments. Those events could adversely affect the payment of the Series 2023A Bonds on a timely basis. Pledged Emergency Assessments are required to pay debt service on the Series 2023A Bonds on the next payment date prior to being available for other purposes. FIGA and the Office have covenanted in the Program Agreement to take all actions to cause the assessment, levy, collection and payment to the Trustee of the Pledged Emergency Assessments. However, delays in the payment of Pledged Emergency Assessments may result in the amounts in the Revenue Fund being insufficient, particularly during any period when there is an extended delay in collection of the Pledged Emergency Assessments.

Imposition of Pledged Emergency Assessments May Not Yield Sufficient Assessment Revenues to Meet Coverage Requirement. FIGA and the Office have covenanted in the Program Agreement to levy the Pledged Emergency Assessments annually, including certifying to the Office the need to levy additional Pledged Emergency Assessments up to the maximum amount permitted by applicable law, for so long as needed, if required to ensure the full and timely payment of the principal of and interest on the Bonds, for so long as Bonds remain Outstanding or Program Expenses remain unpaid. Although the Pledged Emergency Assessments have been sized in an amount that is expected to be more than sufficient to pay debt service on the Series 2023A Bonds, no assurance can be given that such Pledged Emergency Assessments will in fact be so sufficient. In addition, FIGA does not have authority to levy the Pledged Emergency Assessments in excess of the rate established by the State Legislature (currently 4% of direct written premiums for Covered Claims in the All Other Account of Member Insurers). Should the amount of such direct written premiums decrease significantly, it is possible that the imposition of the Pledged Emergency Assessments will not result in sufficient Pledged Emergency Assessments to meet this requirement. **Notwithstanding the foregoing, the Insurance Act provides that the State covenants with holders of the Bonds that the State will not take any action that will have a material adverse effect on the holders of the Bonds and will not repeal or abrogate the power of the Board of Directors of FIGA to direct the Office to levy the assessments and collect the proceeds of the revenues pledged to the payment of the Bonds as long as any Bonds remain Outstanding, unless adequate provision has been made for the payment of the Bonds in accordance with the Indenture.**

The Office May Exempt or Defer Assessments in Certain Circumstances. The Insurance Act provides that the Office may exempt or temporarily defer any insurer from any Regular Assessments or Emergency Assessments if the Office finds that the insurer is impaired or insolvent or if an assessment would result in such insurer's financial statement reflecting an amount of capital or surplus less than the sum of the minimum amount required by any jurisdiction in which the insurer is authorized to transact insurance. The authority to exempt or defer the Pledged Emergency Assessments is not limited to financial circumstances occurring in the State; the exemption may be applied due to business requirements in other states. Should the Office determine to exempt or defer Pledged Emergency Assessments, the amount of Pledged Revenues may not be sufficient to pay debt service on the Series 2023A Bonds in any given year. Notwithstanding the foregoing, the Office covenants in the Program Agreement to take the action prescribed in Section 631.59(4), Florida Statutes, in order to enforce collection of Pledged Emergency Assessments, which action can include the suspension or revocation of the certificate of authority of the Member Insurer to transact insurance in the State, or, in the alternative, levying a fine not to exceed 5% of the unpaid assessment per month. Since 2003, a claim of hardship has not been invoked in connection with a FIGA assessment.

### **Security Interest in Pledged Emergency Assessments**

The enforceability of the Trustee's security interest in the Pledged Emergency Assessments may be limited by a number of factors and may not be perfected under the Florida Uniform Commercial Code or may require additional action by the Trustee to be perfected. Under current law, such security interest may be further limited by the following, among other factors: (i) statutory liens; (ii) rights arising in favor of the United States of America or any agency thereof; (iii) constructive trusts, equitable liens or other rights

impressed or conferred by any state or federal court in the exercise of its equitable jurisdiction; (iv) federal bankruptcy laws and other laws affecting the rights of creditors generally; and (v) the requirement that appropriate continuation statements be filed in accordance with the Florida Uniform Commercial Code as from time to time in effect.

## **Bankruptcy**

The rights and remedies of Bondholders are subject to various provisions of the federal Bankruptcy Code. A filing under the United States Bankruptcy Code would operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against the Issuer, FIGA and the Office, and their respective properties, and as an automatic stay of any act or proceeding to enforce a lien upon its property.

## **Special Considerations Relating to the Tender and Remarketing Practices of the Remarketing Agent**

The following information has been obtained from the Remarketing Agent for the Series 2023A-2 Bonds. No representation is made by the Issuer as to the accuracy, completeness or adequacy of such information.

***The Remarketing Agent Is Paid by the Issuer.*** The Remarketing Agent's responsibilities include determining the interest rate from time to time and using best efforts to remarket Series 2023A-2 Bonds that are optionally or mandatorily tendered by the owners thereof (subject, in each case, to the terms of the Remarketing Agreement and the Indenture), as further described in this Official Statement. The Remarketing Agent is appointed by the Issuer and is paid by the Issuer for its services. As a result, the interests of the Remarketing Agent may differ from those of existing holders and potential purchasers of Series 2023A-2 Bonds.

***The Remarketing Agent May Purchase Series 2023A-2 Bonds for Its Own Account.*** The Remarketing Agent acts as remarketing agent for a variety of variable rate demand obligations and, in its sole discretion, may purchase such obligations for its own account. The Remarketing Agent is permitted, but not obligated, to purchase tendered Series 2023A-2 Bonds for its own account and, in its sole discretion, may acquire such tendered Series 2023A-2 Bonds in order to achieve a successful remarketing of the Series 2023A-2 Bonds (*i.e.*, because there otherwise are not enough buyers to purchase the Series 2023A-2 Bonds) or for other reasons. However, the Remarketing Agent is not obligated to purchase Series 2023A-2 Bonds and may cease doing so at any time without notice. The Remarketing Agent may also make a market in the Series 2023A-2 Bonds by routinely purchasing and selling Series 2023A-2 Bonds other than in connection with an optional or mandatory tender and remarketing. Such purchases and sales may be at or below par. However, the Remarketing Agent is not required to make a market in the Series 2023A-2 Bonds. The Remarketing Agent may also sell any Series 2023A-2 Bonds it has purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce its exposure to the Series 2023A-2 Bonds. The purchase of Series 2023A-2 Bonds by the Remarketing Agent may create the appearance that there is greater third party demand for the Series 2023A-2 Bonds in the market than is actually the case. The practices described above also may result in fewer Series 2023A-2 Bonds being tendered in a remarketing.

***Series 2023A-2 Bonds May Be Offered at Different Prices on Any Date Including a Rate Determination Date.*** Pursuant to the Indenture and the Remarketing Agreement, the Remarketing Agent is required to determine the applicable rate of interest that, in its judgment, is the lowest rate that would permit the sale of the Series 2023A-2 Bonds at a price of par, plus accrued interest, if any, on and for the applicable Interest Accrual Period (the "Rate Determination Date"). The interest rate will reflect, among other factors, the level of market demand for the Series 2023A-2 Bonds (including whether the Remarketing Agent is willing to purchase Series 2023A-2 Bonds for its own account). There may or may not be Series 2023A-2 Bonds tendered and remarketed on a Rate Determination Date, the Remarketing Agent may or may not be able to remarket any Series 2023A-2 Bonds tendered for purchase on such date at par and the Remarketing Agent may sell Series 2023A-2 Bonds at varying prices to different investors on such date or any other date. The Remarketing Agent is not obligated to advise purchasers in a remarketing if it does not have third party buyers for all of the Series 2023A-2 Bonds at the remarketing price. In the event the Remarketing Agent owns any Series 2023A-2 Bonds for its own account, it may, in its sole discretion in a secondary market transaction outside the tender process, offer such Series 2023A-2 Bonds on any date, including the Rate Determination Date, at a discount to par to some investors.

***The Ability to Sell the Series 2023A-2 Bonds Other Than through Tender Process May Be Limited.*** The Remarketing Agent may buy and sell Series 2023A-2 Bonds other than through the tender process. However, it is not obligated to do so and may cease doing so at any time without notice and may require holders that wish to tender their Series 2023A-2 Bonds to do so through the Tender Agent with appropriate notice. Thus, investors who purchase the Series 2023A-2 Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their Series 2023A-2 Bonds other than by tendering the Series 2023A-2 Bonds in accordance with the tender process.

In addition, the Liquidity Facility Provider may fail to purchase tendered Series 2023A-2 Bonds even when it is obligated to do so. It is not certain that following such a failure, a secondary market for the Series 2023A-2 Bonds will develop.

***Under Certain Circumstances, the Remarketing Agent May be Removed, Resign or Cease Remarketing the Series 2023A-2 Bonds, Without a Successor Being Named.*** Under certain circumstances the Remarketing Agent may be removed or have the ability to resign or cease its remarketing efforts, without a successor having been named, subject to the terms of the Remarketing Agreement and the Indenture. Upon removal or resignation of the Remarketing Agent, the Issuer will cause the Trustee to give notice of such removal or resignation to all Holders of the Series 2023A-2 Bonds and the Issuer will use its best efforts to appoint a successor Remarketing Agent. In the event there is no Remarketing Agent, the Trustee may assume such duties as described in the Indenture.

## **Cybersecurity**

FIGA is dependent on electronic information technology systems to operate its day to day business activities. Such information technology systems may contain sensitive information or support critical operational functions which may be valued for unauthorized purposes. As a result, the electronic systems and networks of FIGA may be the target of a cyberattack. FIGA has taken, and continues to take, measures to protect its information technology systems, and the private,



confidential information that those systems may contain, against cyberattack. While FIGA employs information technology professionals and utilizes operational safeguards that are tested periodically, no assurance can be given that such measures will protect FIGA against all cybersecurity threats or attacks or the severity or consequences of any such attack.

Additionally, the availability of funds to pay debt service on the Series 2023A Bonds is likewise dependent upon technology systems of various third parties, including financial institutions and the Member Insurers, over which the Issuer, the Office and FIGA have no control.

## **Environmental and Hurricane Risk**

The State is susceptible to flooding from rain and tropical events. In recent years, hurricanes, along with less intense tropical storms and tropical depressions, have impacted the State, and multiple non-tropical rain events have resulted in State and federal emergency declarations in many counties. These events, along with rising sea levels and unrelated economic activities impose environmental risk on the State.

With more than 2,000 linear miles of coastline, Florida's weather and natural resources affect its economy in a variety of ways. Economic activity attributable to in-migration and tourism represents a significant part of the State's economy, and the State's warm weather and beaches are responsible for attracting seasonal and permanent residents and tourists to the State. Because of the State's reliance on its natural resources to generate business and sustain in-migration, its economy and financial condition may be vulnerable to the impacts of environmental events, especially hurricanes. The State has mitigated its vulnerability to the impacts of hurricanes with a robust emergency response system, hardened infrastructure through building codes and coastal setbacks, and the establishment of FIGA, the FHCF and Citizens to stabilize the property insurance market in the State. Notwithstanding multiple hurricanes, State finances and the economy have only experienced temporary economic disruption.

The State has effectively responded to past environmental events, such as multiple hurricanes and the 2010 oil spill in the Gulf of Mexico from the Deepwater Horizon oil drilling rig, and has a variety of resources available to respond to damage caused by such events. The State has financial reserves available to cover response-related expenditures, and, in most cases, the State can request reimbursement from federal relief funds to pay for a portion of such expenditures. In addition, upon a declaration of a state of emergency, Florida law provides the Governor broad spending authority to meet financial needs resulting from a disaster. The Division of Emergency Management ("DEM") was established as part of the State's structure to plan for and respond to both natural and manmade disasters. In addition to coordinating disaster response activities, DEM prepares and implements a statewide Comprehensive Emergency Management Plan and routinely conducts extensive exercises to test state and county emergency response capabilities. In January 2019, the Governor created the Office of Environmental Accountability and Transparency, led by the State's Chief Science Officer, within the Department of Environmental Protection to, in part, conduct scientific research that focuses on current and emerging environmental concerns most pressing to Floridians.

In 2019, the Governor created the position of Chief Resilience Officer to work with state agencies to, in part, develop and coordinate the implementation of a comprehensive statewide

resilience plan with goals designed to mitigate and adapt to the environmental challenges facing Florida's communities.

The magnitude of the impact on the State's operations, economy, or financial condition from environmental risks is indeterminate and is unpredictable for future natural disasters like hurricanes, tropical storms, and naturally occurring phenomena like red tide.

The Issuer and FIGA cannot predict if or when any hurricane or other tropical event will occur or the effect any such hurricane or tropical event may have on its operations, economic or financial stability, or the sufficiency of Pledged Emergency Assessments to repay the Series 2023A Bonds.

### **Future Insolvencies**

As described above, Florida will continue to be vulnerable to the effects of tropical storms and hurricanes. This includes the potential for future catastrophic events and damages not limited to wind, tides, and storm surge. Although insurance carriers in the State have adjusted rates and provided for estimated claim values since Hurricanes Irma, Michael and Ian, no assurance can be given that liabilities that may be incurred by Member Insurers in the future won't cause some Member Insurers to become insolvent or determine to no longer provide insurance coverage in the State. Additionally, some Member Insurers which operate in the State, but also have significant operations in other states, may be impacted by events (including, but not limited to, tropical storms and hurricanes) occurring in such other states that could lead to the insolvency of a Member Insurer. A reduction in the financial viability or number of Member Insurers could impact the ability of FIGA to collect Emergency Assessments in the future. See "RISK FACTORS - Risks Related to Pledged Emergency Assessments" herein.

### **Changes in Law**

Various state constitutional provisions, laws and regulations apply to the operation and finances of FIGA, the Office and the insurance industry in the State. Various federal laws and regulations also apply to the operation of FIGA and the Office. There is no assurance that there will not be any change in, interpretation of, or addition to the applicable laws, provisions and regulations which would have a material effect, directly or indirectly, on the affairs of FIGA and the general condition of the insurance market within the State in the future.

Additionally, FIGA is an entity created by the State Legislature and governed by a nine-member board of directors, which are selected by Member Insurers and subject to the approval of the State Commissioner of Insurance. There can be no assurance that the State Legislature will not attempt to amend the Insurance Act, the insurance laws or regulations, or other laws of the State in a manner that would adversely affect the operations of FIGA. Also, an interpretation of, or a change in the interpretation of, any law or regulation binding upon FIGA by the Department could adversely affect the financial condition or operations of FIGA. Regardless of any potential future legislative activity, the Insurance Act provides that "the State covenants with holders of bonds of the assistance program that the State will not take any action that will have a material adverse effect on the holders and will not repeal or abrogate the power of the board of directors of the association to direct the Office of Insurance Regulation to levy the assessments and to collect the

proceeds of the revenues pledged to the payment of the bonds as long as any of the bonds remain outstanding, unless adequate provision has been made for the payment of the bonds in the documents authorizing the issuance of the bonds." FIGA's ability to meet its obligations with respect to the Series 2023A Bonds is further protected by Article I, Section 10 of the Florida Constitution, which prohibits laws impairing the obligation of contracts. Therefore, based on the foregoing, any legislation that may be enacted in the future is not expected to have a material effect on FIGA's ability to meet future obligations with respect to the Series 2023A Bonds.

### **Overlapping Assessment Bases**

The FHCF and Citizens also have the power under State law to levy assessments on substantially the same lines of insurance assessable by FIGA, as well as certain other lines of insurance not assessable by FIGA. Pursuant to Citizens' enabling statutes, such assessments vary in amounts from not to exceed 2% for regular assessments related to the Coastal Account to not to exceed 10% for emergency assessments in each of Citizens' three accounts. Under the Citizens statute, policies and insurers subject to assessment (referred to as "subject lines of business") are all property and casualty insurance except for workers' compensation, medical malpractice, accident and health insurance, and insurance written under the National Flood Insurance Program or the National Crop Insurance Program.

FHCF is another statutorily created entity with the power to levy assessments on various property and casualty insurers and their policyholders. FHCF makes reimbursement payments to participating insurers for reimbursable losses caused by hurricanes. FHCF assessments are subject to a cap of 6% of premiums that may be assessed in any one year with respect to obligations arising out of losses attributable to any one contract year. The overall cap is 10% of premiums.

To the extent that the assessment bases of the FHCF, Citizens and FIGA overlap, policyholders will incur the cost of cumulative assessments imposed by such entities. **Neither FHCF nor Citizens currently levies any assessments and none are expected to be needed for Hurricane Ian losses. However, no assurance can be given that such entities will not levy assessments due to Hurricane Ian or otherwise in the future.**

## **LITIGATION**

### **The Issuer**

There is no litigation of any nature now pending against the Issuer, or, to the best knowledge of Counsel to the Issuer, threatened, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2023A Bonds or in any way contesting or affecting the validity of the Series 2023A Bonds or any proceedings of the Issuer taken with respect to the issuance or sale thereof. There is no litigation of any nature now pending against the Issuer, or, to the best knowledge of Counsel to the Issuer, threatened, that in any way questions or affects the validity of the pledge or application of any moneys or security provided for the payment of the Series 2023A Bonds.

## **FIGA**

To the extent General Counsel to FIGA has been advised or for which service of process has been made, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending (and concerning which service of process or other adequate legal notice has been made) or threatened against FIGA, affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Series 2023A Bonds or the collection of the Pledged Revenues or the lien on the Pledged Revenues, or contesting the completeness or accuracy of this Official Statement or contesting the powers of FIGA or the authority for the issuance of the Series 2023A Bonds.

## **LEGAL MATTERS**

Certain legal matters in connection with the authorization, issuance and sale of the Series 2023A Bonds are subject to the approval of Bryant Miller Olive P.A., Tallahassee, Florida, Bond Counsel, whose approving opinion will be available at the time of delivery of the Series 2023A Bonds. Nabors, Giblin, & Nickerson, P.A., Tampa, Florida, is serving as Disclosure Counsel to the Issuer. Certain legal matters will be passed upon for the Issuer by Hand Arendall Harrison Sale LLC, Panama City, Florida, for FIGA by Meenan, P.A., Tallahassee, Florida, for the Office by its General Counsel and for the Liquidity Provider by its General Counsel. Greenberg Traurig, P.A., Miami, Florida is serving as counsel to the Underwriters.

The proposed form of the Bond Counsel opinion is attached hereto as APPENDIX D and reference is made to such form of opinion for the complete text thereof. The actual legal opinion to be delivered may vary from the form if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of the Official Statement or otherwise will create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion subsequent to its date.

Bond Counsel has not been engaged to, nor has it undertaken to, review (1) the accuracy, completeness or sufficiency of this Official Statement or any other offering material relating to the Series 2023A Bonds; provided, however, that Bond Counsel will render an opinion to the Underwriters and the Issuer relating to the accuracy of certain statements contained herein under the heading "TAX MATTERS" and certain statements which summarize provisions of the Indenture and the Series 2023A Bonds, and (2) the compliance with any federal or state law with regard to the sale or distribution of the Series 2023A Bonds.

## **FINANCIAL ADVISOR**

Raymond James & Associates, Inc., St. Petersburg, Florida is serving as Financial Advisor to the Issuer and FIGA with respect to the issuance of the Series 2023A Bonds. The Financial Advisor will not engage in any underwriting activities with regard to the issuance and sale of the Series 2023A Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement and is not obligated to review or

ensure compliance with the undertaking by the Issuer to provide continuing secondary market disclosure.

## **TAX MATTERS**

### **General**

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met subsequent to the issuance of the Series 2023A Bonds in order that interest on the Series 2023A Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the Series 2023A Bonds to be included in federal gross income retroactive to the date of issuance of the Series 2023A Bonds, regardless of the date on which such non-compliance occurs or is ascertained. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the Series 2023A Bonds and the other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The Issuer has covenanted in the Indenture with respect to the Series 2023A Bonds to comply with such requirements in order to maintain the exclusion from federal gross income of the interest on the Series 2023A Bonds.

In the opinion of Bond Counsel, assuming compliance with certain covenants, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2023A Bonds is excluded from gross income for purposes of federal income taxation. Interest on the Series 2023A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax; however, for tax years beginning after December 31, 2022, interest on the Series 2023A Bonds may be included in the "adjusted financial statement income" of certain "applicable corporations" that are subject to the 15-percent alternative minimum tax under section 55 of the Code.

Except as described above, Bond Counsel will express no opinion regarding other federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of Series 2023A Bonds. Prospective purchasers of Series 2023A Bonds should be aware that the ownership of Series 2023A Bonds may result in collateral federal income tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Series 2023A Bonds; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including interest on Series 2023A Bonds; (iii) the inclusion of interest on Series 2023A Bonds in earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the inclusion of interest on Series 2023A Bonds in passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; and (v) the inclusion of interest on Series 2023A Bonds in "modified adjusted gross income" by recipients of certain Social Security and Railroad Retirement benefits for the purposes of determining whether such benefits are included in gross income for federal income tax purposes.

As to questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations and covenants made on behalf of the Issuer, certificates of appropriate

officers and certificates of public officials (including certifications as to the use of proceeds of the Series 2023A Bonds and of the property financed or refinanced thereby), without undertaking to verify the same by independent investigation.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2023A BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE SERIES 2023A BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

### **Information Reporting and Backup Withholding**

Interest paid on tax-exempt bonds such as the Series 2023A Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2023A Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2023A Bonds, under certain circumstances, to "backup withholding" at the rate specified in the Code with respect to payments on the Series 2023A Bonds and proceeds from the sale of Series 2023A Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2023A Bonds. This withholding generally applies if the owner of Series 2023A Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2023A Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

### **Other Tax Matters**

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2023A Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2023A Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2023A Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Series 2023A Bonds.

Prospective purchasers of the Series 2023A Bonds should consult their own tax advisors as to the tax consequences of owning the Series 2023A Bonds in their particular state or local jurisdiction and regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

## **Tax Treatment of Bond Premium**

The difference between the principal amount of the Series 2023A-1 Bonds (the "Premium Bonds"), and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Premium Bonds of the same maturity and, if applicable, interest rate, was sold constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each of the Premium Bonds, which ends on the earlier of the maturity or call date for each of the Premium Bonds which minimizes the yield on such Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. Bondholders of the Premium Bonds are advised that they should consult with their own tax advisors with respect to the state and local tax consequences of owning such Premium Bonds.

## **RATINGS**

S&P Global Ratings, Inc. ("S&P") has assigned a long-term rating of "A" (stable outlook) to the Series 2023A-1 Bonds. Moody's Investors Service ("Moody's") has assigned a long-term rating of "A2" (stable outlook) to each of the Series 2023A-1 Bonds and the Series 2023A-2 Bonds. In addition, Moody's has assigned a short-term rating of "VMIG 1" to the Series 2023A-2 Bonds based on the Liquidity Facility. Such ratings and outlooks reflect the views of the respective rating agencies and an explanation of the significance of such ratings and outlooks may be obtained only from the rating agencies at the following addresses: Moody's Investors Service, Inc., 99 Church Street, New York, New York 10007, and S&P Global Ratings, Inc., 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such ratings and outlooks will continue for any given period of time or that such ratings and outlooks will not be revised downward or withdrawn entirely by the rating agency concerned, if, in the judgment of such agency, circumstances so warrant. Any such downward revision or withdrawal of such ratings and outlooks may have an adverse effect upon the market price of the Series 2023A Bonds.

## **UNDERWRITING**

The Series 2023A-1 Bonds are being purchased from the Issuer by BofA Securities, Inc., on behalf of itself and Citigroup Global Markets Inc., J.P. Morgan Securities LLC and Wells Fargo Bank, National Association (collectively, the "Series 2023A-1 Underwriters") at an aggregate purchase price of \$482,497,268.42 (representing the par amount of the Series 2023A-1 Bonds of \$465,325,000.00, less an underwriters' discount of \$921,333.58 and plus bond premium of

\$18,093,602.00), and the Series 2023A-2 Bonds are being purchased from the Issuer by BofA Securities, Inc. (the "Series 2023A-2 Underwriter," and together with the Series 2023A-1 Underwriters, the "Underwriters") at an aggregate purchase price of \$124,920,076.66 (representing the par amount of the Series 2023A-2 Bonds of \$125,000,000.00, less an underwriter's discount of \$79,923.34), each subject to approval of certain legal matters by counsel and certain other conditions. The Underwriters' obligations are subject to certain conditions precedent, and they will be obligated to purchase all of the Series 2023A Bonds of a sub-series, if any Series 2023A Bonds of such sub-series are purchased. The Series 2023A Bonds may be offered and sold to certain dealers (including dealers depositing such Series 2023A Bonds into investment trusts) and others at prices lower than the initial public offering prices shown on the cover hereof, and such initial public offering prices may be changed, from time to time, by the Underwriters.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the Underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the Issuer and/or FIGA and to persons and entities with relationships with the Issuer and/or FIGA, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Issuer and/or FIGA (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Issuer and/or FIGA. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

BofA Securities, Inc., one of the Underwriters of the Series 2023A-1 Bonds, and the sole Underwriter and initial Remarketing Agent for the Series 2023A-2 Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Series 2023A Bonds.

Upon issuance of the Series 2023A Bonds, a portion of the proceeds of the Series 2023A-1 Bonds will be used to retire certain interim indebtedness of the Issuer which is held by Bank of America, an affiliate of BofA Securities, Inc.



Citigroup Global Markets Inc. ("Citigroup"), an Underwriter of the Series 2023A-1 Bonds, has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, "Fidelity"). Under this distribution agreement, Citigroup may distribute municipal securities to retail investors at the original issue price through Fidelity. As part of this arrangement, Citigroup will compensate Fidelity for its selling efforts with respect to the Series 2023A-1 Bonds.

J.P. Morgan Securities LLC ("JPMS"), one of the Underwriters of the Series 2023A-1 Bonds, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Series 2023A-1 Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Series 2023A-1 Bonds that such firm sells.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Finance Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Wells Fargo Bank, National Association, acting through its Municipal Finance Group ("WFBNA"), one of the Underwriters of the Series 2023A-1 Bonds, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") ("WFA"), for the distribution of certain municipal securities offerings, including the Series 2023A-1 Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Series 2023A-1 Bonds with WFA. WFBNA has also entered into an agreement (the "WFSLLC Distribution Agreement") with its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the Series 2023A-1 Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

## **FINANCIAL STATEMENTS**

Financial Statements of FIGA for the Year ended December 31, 2022 included in this Official Statement as APPENDIX A hereto have been audited by Thomas Howell Ferguson, P.A., certified public accountants, as stated in their report appearing in APPENDIX A. Such financial statements, including the report of Thomas Howell Ferguson, P.A., have been included in this Official Statement as public documents and the consent from the auditors was not requested. Thomas Howell Ferguson, P.A. has not performed any services in connection with the issuance of the Series 2023A Bonds and has not reviewed any of the information contained in this Official Statement.

## **DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS**

Pursuant to Section 517.051, Florida Statutes, as amended, no person may directly or indirectly offer or sell securities of the Issuer except by an offering circular containing full and fair disclosure of all defaults as to principal or interest on its obligations since December 31, 1975, as provided by rule of the Florida Department of Banking and Finance (the "DBF"). Pursuant to the Florida Administrative Code, the DBF has required the disclosure of the amounts and types of defaults, any legal proceedings resulting from such defaults, whether a trustee or receiver has been appointed over the assets of the Issuer, and certain additional financial information, unless the Issuer believes in good faith that such information would not be considered material by a reasonable investor. The Issuer is not and has not been in default on any bond issued since December 31, 1975 which it believes would be considered material by a reasonable investor of the Series 2023A Bonds.

## **FORWARD LOOKING STATEMENTS**

This Official Statement contains certain "forward-looking statements" concerning the Issuer and FIGA's operations, performance and financial condition, including, but not limited to, its future financial performance, assessment collections, debt service coverage and financing plan. These statements are based upon a number of assumptions and estimates which are subject to significant uncertainties, many of which are beyond the control of the Issuer. The words "may," "would," "could," "will," "expect," "anticipate," "believe," "intend," "plan," "estimate" and similar expressions are meant to identify these forward-looking statements. Actual results may differ materially from those expressed or implied by these forward-looking statements.

## **CONTINUING DISCLOSURE**

FIGA has covenanted for the benefit of the Series 2023A Bondholders to provide certain financial information and operating data relating to FIGA and the Series 2023A Bonds in each year, and to provide notices of the occurrence of certain enumerated material events. Such covenant will only apply so long as the Series 2023A Bonds remain Outstanding under the Indenture. The covenant will also cease upon the termination of the continuing disclosure requirements of S.E.C. Rule 15c2-12(b)(5) (the "Rule") by legislative, judicial or administrative action. FIGA has agreed to file annual financial information and operating data and its audited financial statements (collectively, the "Annual Report") with the Municipal Services Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access system ("EMMA"), as described in "APPENDIX E - Form of Continuing Disclosure Agreement." FIGA agreed to file notices of certain enumerated material events, when and if they occur, with the MSRB through EMMA.

The specific nature of the financial information, operating data, and of the type of events which trigger a disclosure obligation, and other details of the undertaking are described in "APPENDIX E - Form of Continuing Disclosure Agreement" attached hereto. The Continuing Disclosure Agreement will be executed by FIGA and the Division, as dissemination agent, prior to the issuance of the Series 2023A Bonds. These covenants have been made in order to assist the Underwriters in complying with the continuing disclosure requirements of the Rule. With respect

to the Series 2023A Bonds, no party other than FIGA is obligated to provide, nor is expected to provide, any continuing disclosure information with respect to the aforementioned Rule. FIGA has not previously entered into any prior continuing disclosure undertakings pursuant to the Rule.

### **CONTINGENT FEES**

The Issuer has retained Bond Counsel, Disclosure Counsel and the Financial Advisor with respect to the authorization, sale, execution and delivery of the Series 2023A Bonds. Payment of the fees of Bond Counsel, Disclosure Counsel, the Financial Advisor and an underwriting discount to the Underwriters, including the fees of their counsel are each contingent upon the issuance of the Series 2023A Bonds.

### **MISCELLANEOUS**

All information included herein has been provided by the Issuer or FIGA, except where attributed to other sources. The summaries of and references to all documents, statutes, reports and other instruments referred to herein do not purport to be complete, comprehensive or definitive, and each such reference or summary is qualified in its entirety by reference to each such document, statute, report or other instrument. The information herein has been compiled from official and other sources and, while not guaranteed by the Issuer or FIGA, is believed to be correct. So far as any statements made in this Official Statement and the appendices attached hereto involve matters of opinion or of estimates, whether or not expressly stated, they are set forth as such and not as representation of fact, and no representation is made that any of the estimates will be realized.

## **AUTHORIZATION OF OFFICIAL STATEMENT**

The delivery of this Official Statement has been duly authorized by the Issuer. At the time of delivery of the Series 2023A Bonds, the Chair of the Board of Directors of the Issuer and the Executive Director of FIGA will each furnish a certificate to the effect that the Chair does not have any knowledge or reason to believe that this Official Statement, as of its date and as of the date of delivery of the Series 2023A Bonds, contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they are made, not misleading.

### **FLORIDA INSURANCE ASSISTANCE INTERLOCAL AGENCY**

By: /s/ Pamn Henderson  
Chair, Board of Directors

### **FLORIDA INSURANCE GUARANTY ASSOCIATION, INC.**

By: /s/ Corey Neal  
Executive Director

**APPENDIX A**

**AUDITED FINANCIAL STATEMENTS OF THE FLORIDA INSURANCE GUARANTY  
ASSOCIATION, INC. FOR THE YEAR ENDED DECEMBER 31, 2022**

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Financial Statements – Modified Cash Basis  
and Other Financial Information



**Florida Insurance Guaranty Association, Inc.**

*Year ended December 31, 2022  
with Report of Independent Auditors*



Florida Insurance Guaranty Association, Inc.

Financial Statements – Modified Cash Basis  
and Other Financial Information

Year ended December 31, 2022

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## Report of Independent Auditors

The Board of Directors  
Florida Insurance Guaranty Association, Inc.

### ***Opinion***

We have audited the financial statements of Florida Insurance Guaranty Association, Inc. (the Association) which comprise the statement of financial position - modified cash basis as of December 31, 2022, the related statements of activities and changes in net assets - modified cash basis and statements of functional expenses - modified cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the assets and liabilities arising from cash transactions of Florida Insurance Guaranty Association, Inc. as of December 31, 2022, and its revenue collected and expenses paid during the year then ended in accordance with the modified basis of cash receipts and disbursements described in Note 1.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Emphasis of Matters***

As discussed in Note 1 of the financial statements, which describes the basis of accounting, the financial statements are prepared on the modified basis of cash receipts and disbursements, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 10 to the financial statements, the Association has elected to change its method of accounting for recognizing assessment receivables under the modified cash basis effective January 1, 2022. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified basis of cash receipts and disbursements described in Note 1; this includes determining that the modified basis of cash receipts and disbursements is an acceptable basis of accounting for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern within one year after the date that the financial statements are issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Page Three

***Auditor's Responsibilities for the Audit of the Financial Statements (continued)***

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of activities and changes in net assets is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Thomas Howell Ferguson P.A.*

Tallahassee, Florida  
May 31, 2023

Florida Insurance Guaranty Association, Inc.

Statement of Financial Position  
- Modified Cash Basis

December 31, 2022

**Assets**

Cash and short-term investments:

Cash and cash equivalents	\$ 132,157,820
Short-term investments	29,345,754
Total cash and short-term investments	<u>161,503,574</u>

Assessment receivable	449,982,537
Accrued interest income	155,914
Investments	19,843,665
Property and equipment, net	899,399
Total assets	<u><u>\$ 632,385,089</u></u>

**Liabilities and net assets**

Liabilities:

Amounts held for others	\$ 69,299
Notes payable	350,000,000
Accrued interest	2,691,841
Total liabilities	<u>352,761,140</u>

Net assets:

Without donor restrictions:	
Statutorily designated for automobile liability and physical damage	49,375,361
Statutorily designated for other covered lines	230,248,588
Total net assets	<u><u>279,623,949</u></u>

Total liabilities and net assets	<u><u>\$ 632,385,089</u></u>
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*See accompanying notes.*

Florida Insurance Guaranty Association, Inc.

Statement of Activities and Changes in Net Assets  
- Modified Cash Basis

Year ended December 31, 2022

Revenues:	
Assessments	\$ 490,000,000
Investment income, net of related expenses	1,766,808
Estate distributions and claim recoveries	154,300,623
Total revenues	<u>646,067,431</u>
Expenses:	
Claims and claims adjustment expenses paid	673,622,392
Direct estate services	738,054
General and administrative	2,587,875
Total expenses	<u>676,948,321</u>
Change in net assets	(30,880,890)
Net assets at December 31, 2021	142,504,839
Cumulative effect of change in accounting principle (Note 10)	168,000,000
Net assets at January 1, 2022, as adjusted	<u>310,504,839</u>
Net assets at December 31, 2022	<u><u>\$ 279,623,949</u></u>

*See accompanying notes.*

Florida Insurance Guaranty Association, Inc.

Statement of Functional Expenses  
- Modified Cash Basis

Year ended December 31, 2022

	<b>Claims and Claims Adjustment Expenses Paid</b>	<b>Direct Estate Services</b>	<b>General and Administrative</b>	<b>Total Expenses</b>
Bank loan interest	\$ 7,196,658	\$ -	\$ -	\$ 7,196,658
Claims and claims adjustment expense	664,792,567	-	-	664,792,567
Salaries and benefits	1,370,041	59,471	1,122,928	2,552,440
Premises	10,500	2,834	28,610	41,944
Accounting and auditing	-	-	55,048	55,048
Bank fees	-	-	15,811	15,811
Board meeting travel	-	-	248	248
Consulting	-	-	649,399	649,399
Dues and publications	4,981	182	171,479	176,642
Technology	218,907	327,590	243,314	789,811
Insurance	9,535	-	84,348	93,883
Legal and legislative fees	798	166,145	110,354	277,297
Office supplies	-	19,332	8,239	27,571
Postage and shipping	-	149,471	22,433	171,904
Travel and staff development	4,755	-	19,419	24,174
Taxes and licenses	-	-	19,160	19,160
Communication	13,650	13,029	37,085	63,764
	<u>\$ 673,622,392</u>	<u>\$ 738,054</u>	<u>\$ 2,587,875</u>	<u>\$ 676,948,321</u>

See accompanying notes.

# Florida Insurance Guaranty Association, Inc.

## Notes to Financial Statements – Modified Cash Basis

Year ended December 31, 2022

### **1. Organization and Significant Accounting Policies**

The Florida Insurance Guaranty Association, Inc. (the Association), a not-for-profit corporation, was established by the Florida Legislature through the Florida Insurance Guaranty Act of 1970 (the Act). The Association was created to provide a mechanism for the payment of covered claims of insolvent insurers and to assist in the detection and prevention of insurer insolvencies. The Association operates under the supervision and approval of a board of directors, comprised of not less than five and no more than nine persons, recommended by member insurers pursuant to Chapter 631.56, Florida Statutes, and subsequently appointed by the Florida Department of Financial Services.

The Association is managed by the American Guaranty Fund Group (AGFG) through a management and administrative services agreement (see Note 6). AGFG also has an agreement with the Florida Workers' Compensation Insurance Guaranty Association (FWCIGA), a related party through common management, for these services. The Association and FWCIGA are equal members of AGFG, but control is maintained by the members through equal representation on the board of directors.

The members of the Association are all insurers that provide property and casualty coverages in the state of Florida. The funding of the Association's activities is provided by distributions from the estates of insolvent insurers, assessments of members, and investment income.

The accounting policies and methods of their application that significantly affect the assets and liabilities arising from cash transactions and changes in the modified cash basis net assets of the Association are as follows:

#### **Basis of Accounting**

The financial statements of the Association are prepared on a modified basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). This basis of presentation differs from GAAP in that certain revenues are recognized when received rather than earned and certain expenses are recognized when paid rather than when the obligation is incurred. Specifically, the variances from GAAP include omission of accruals for loss and loss adjustment expense reserves of insolvent insurance companies assumed by the Association. Such variances are presumed to be material. However, similar to financial statements prepared in accordance with GAAP, these financial statements reflect the capitalized cost of property and equipment and related depreciation, accrued interest income, assessment receivables and amounts held by the Association for others in a fiduciary capacity. The accompanying financial statements are not intended to present the financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

# Florida Insurance Guaranty Association, Inc.

## Notes to Financial Statements – Modified Cash Basis

### **1. Organization and Significant Accounting Policies (continued)**

#### **Cash and Cash Equivalents**

Cash and cash equivalents consist of deposits with financial institutions and deposits in highly liquid money market funds with original maturities of three months or less. Deposits with financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per FDIC-insured financial institution. Bank deposits at times may exceed federally insured limits. The Association has not experienced any losses in such accounts.

#### **Investments**

Investments are reported at amortized cost. Short-term investments include securities with original maturity dates of one year or less.

#### **Concentration of Credit Risk**

The financial instruments exposed to concentrations of credit risk consist primarily of its cash, cash equivalents, investments, and assessment revenue.

All investment transactions have credit exposure to the extent that a counterparty may default on an obligation of the Association. Credit risk is a consequence of carrying investment positions. To manage credit risk, the Association focuses primarily on highly liquid cash equivalent investments, limits its exposure in any one investment, and monitors quality.

#### **Property and Equipment**

Property and equipment is stated at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method over an estimated useful life of three to 39 years. The Association's policy is to capitalize asset acquisitions greater than \$1,000.

#### **Net Assets**

The Association's modified cash basis net assets represent funds held from assessments, and other sources to pay covered property and casualty claims of insolvent insurers and administrative costs as they come due.

All net assets of the Association are designated by the Florida Insurance Guaranty Act of 1970 for the organizational purposes described above.



# Florida Insurance Guaranty Association, Inc.

## Notes to Financial Statements – Modified Cash Basis

### 1. Organization and Significant Accounting Policies (continued)

#### Income Taxes

The Association is exempt from federal income taxes under Section 501 of the Internal Revenue Code as a 501(c)(6) organization. The Association elects to pay the proxy tax on lobbying expenditures instead of reporting a portion of member assessments as non-deductible. There was no income tax expense for the year ending December 31, 2022. With few exceptions, the Association is no longer subject to examinations by major tax jurisdictions for years ended December 31, 2018 and prior.

#### Assessments

Assessment receivables and revenue are recorded at the time they are levied. Original estimates are decreased or increased in the period additional information becomes known regarding the estimated assessments.

The assessments are calculated and, as considered necessary, levied against member insurers on the basis of direct written premiums in the state of Florida in the classes protected by the Act. The Association obtains the amount of the direct written premiums, by company and by class of protection, which is used as the basis for assessment calculations. The maximum regular assessment rate is 2%. In addition to the regular assessment, during 2020, the Florida Legislature granted the Association the authority to levy an emergency assessment up to an additional 4% of direct written premiums for the account specified in Section 631.55(2)(b). In 2006, the Association was granted the authority to work with an affected municipality, county, or financing conduit organization under Chapter 163, Florida Statutes, to issue tax-exempt bonds should the funding need arise for the account specified in Section 631.55(2)(b). As of December 31, 2022, the Association has not issued any tax-exempt bonds.

On August 26, 2021, a regular assessment (2021 Assessment) of 0.7% totaling \$168,000,000 was levied on the “all other” line of business. Member insurers will collect an equivalent surcharge on new and renewal policies with 2022 effective dates and will remit assessments quarterly on or before July 1, 2022, October 1, 2022, and December 1, 2022. Members will remit their final assessment installment on or before March 31, 2023.

On February 28, 2022, a regular assessment (2022A Assessment) of 1.3% totaling \$318,500,000 was levied for the “all other” line of business. Member insurers will collect an equivalent surcharge on new and renewal policies and will remit assessments over the assessment year starting July 1, 2022 through June 30, 2023.

On August 26, 2022, a regular assessment (2022B Assessment) of 0.7% totaling \$171,500,000 was levied for the “all other” line of business. Member insurers will collect an equivalent surcharge on new and renewal policies and will remit assessments over the assessment year starting January 1, 2023 through December 31, 2023.

# Florida Insurance Guaranty Association, Inc.

## Notes to Financial Statements – Modified Cash Basis

### **1. Organization and Significant Accounting Policies (continued)**

#### **Assessments (continued)**

As of December 31, 2022, the Association has collected approximately \$208,017,000 of the assessments levied in 2022 and 2021. Assessments receivable at December 31, 2022, is approximately \$449,983,000.

#### **Investment Income**

The Association allocates interest income earned from investments to the individual net asset classification based on the ratio of each classification's average monthly balance to the average monthly balance for all classifications. Interest income is recorded in the period earned.

#### **Estate Distributions and Claim Recoveries**

Amounts received by the Association for estate distributions and claim recoveries are recognized in the period received. Estate distributions and claim recoveries include reinsurance recoveries by the receivers, Florida Hurricane Catastrophe Fund reimbursements, direct claim recoveries, and any other distributions of estate assets.

#### **Claims and Claims Adjustment Expenses Paid**

Claims and claims adjustment expenses paid consist of the amounts paid on claims of insolvent insurers.

#### **Direct Estate Services**

Direct estate expenses are expenses paid by the Association related directly to the protection of the Association's interest in the administration of specific insolvent insurers' estates.

#### **General and Administrative Expenses**

The Association records general and administrative expenses when paid. General and administrative expenses are allocated monthly based on a formula that incorporates the amounts paid for claims and claims handling as well as the changes in outstanding reserves for each estate by line of business in their proportion to the total activity for that month.

#### **Use of Estimates**

The preparation of financial statements in conformity with the modified basis of cash receipts and disbursements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

# Florida Insurance Guaranty Association, Inc.

## Notes to Financial Statements – Modified Cash Basis

### 1. Organization and Significant Accounting Policies (continued)

#### Functional Allocation of Expenses

The cost of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. The statement of functional expenses contains certain categories of expenses that are attributable to one or more program or supporting functions of the Association. These expenses include depreciation, which is allocated on a direct method for assets directly related to the program and allocated based on estimates of time and effort for assets acquired for all departments. The Association's executive office expenses, including salaries of senior management, are all allocated based on estimates of time and effort.

#### Subsequent Events

The Association has evaluated subsequent events through May 31, 2023, the date the financial statements were available to be issued. During the period from December 31, 2022 to May 31, 2023, the Association did not have any material recognizable subsequent events other than those described in Note 11.

### 2. Investments

The Association invests in government and corporate bonds, commercial paper, and other fixed maturity obligations. The fair values of investments are estimated based on their quoted market values for the specific investments. The amortized cost and fair value of these investments are as follows at December 31, 2022:

	<b>Amortized Cost</b>	<b>Fair Value</b>
U.S. Government agency obligations	\$ 25,944,147	\$ 25,733,735
U.S. Agency mortgage-backed securities	3,215,603	3,167,740
Municipal obligations	5,508,840	5,187,878
Corporate bonds	13,402,369	12,880,793
Repurchase agreements	1,118,460	1,041,556
	<u>49,189,419</u>	<u>48,011,702</u>
Less short-term investments	29,345,754	29,383,059
Investments	<u>\$ 19,843,665</u>	<u>\$ 18,628,643</u>

A summary of the amortized cost and fair value of the Association's bonds and other investments at December 31, 2022, by maturity is as follows:

	<b>Amortized Cost</b>	<b>Fair Value</b>
Due in one year or less	\$ 29,345,754	\$ 29,383,059
Due after one year through five years	19,843,665	18,628,643
Total	<u>\$ 49,189,419</u>	<u>\$ 48,011,702</u>

# Florida Insurance Guaranty Association, Inc.

## Notes to Financial Statements – Modified Cash Basis

### 2. Investments (continued)

The foregoing data is based on the expected maturities for bonds. These expected maturities might differ from the contractual maturities because certain borrowers have the right to call or prepay obligations with or without call or prepayment penalties.

Investment income consists of interest income and net realized gains (losses) and is reported net of investment management expenses of \$102,541 for the year ended December 31, 2022. Net realized (losses) gains for the year ended December 31, 2022, were \$(682,411).

### 3. Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial assets and liabilities carried at fair value are classified and disclosed in one of the following three categories:

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data.

The Association utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

The tables below present the balances of assets and liabilities measured at fair value on a recurring basis.

	December 31, 2022			
	Total	Level 1	Level 2	Level 3
U.S. Government and government agency bonds	\$ 25,733,735	\$ —	\$ 25,733,735	\$ —
Asset-backed securities	3,167,740	—	3,167,740	—
Corporate bonds	12,880,793	—	12,880,793	—
Municipal obligations	5,187,878	—	5,187,878	—
Repurchase agreements	1,041,556	—	1,041,556	—
	<u>\$ 48,011,702</u>	<u>\$ —</u>	<u>\$ 48,011,702</u>	<u>\$ —</u>

Fair values of the Association's debt securities (bonds) reported in Level 2 are based on average bid prices of identical or similar issues with the same life and expected yields. There have been no changes in the methodologies used at December 31, 2022.

# Florida Insurance Guaranty Association, Inc.

## Notes to Financial Statements – Modified Cash Basis

### 4. Available Resources and Liquidity

The Association's modified cash basis net assets represent funds held from assessments and other sources to pay covered property and casualty claims of insolvent insurers, monitor the administrations of insolvent insurers estates and protect the Association's interest, and administrative costs as they come due. As such, net assets are segregated into two designations specified under the Act: automobile and other covered lines.

Financial assets at December 31, 2022:

Cash and cash equivalents	\$ 132,157,820
Investments	49,189,419
Accrued interest income	<u>155,914</u>
Total financial assets	181,503,153

Less:

Amounts held for others	<u>69,299</u>
Financial assets available for statutorily designated use	<u>\$ 181,433,854</u>

### 5. Property and Equipment

Property and equipment consists of the following at December 31, 2022:

Land	\$ 310,000
Building	883,463
Office furniture and equipment	33,191
Computer equipment and software	747,992
Leasehold improvements	<u>133,477</u>
	2,108,123
Less accumulated depreciation	<u>1,208,724</u>
	<u>\$ 899,399</u>

During the year ended December 31, 2022, the Association recorded depreciation expense of \$54,899.

The Association and FWCIGA are the owners of real property together with certain tangible property. The Association owns an undivided 50% interest in the property which is reported above as land and building.

# Florida Insurance Guaranty Association, Inc.

## Notes to Financial Statements – Modified Cash Basis

### **6. Management Services Agreement**

The Association and FWCIGA have entered into agreements with AGFG to provide management and administrative services. Under the terms of the Association's agreement, AGFG provides management and administrative services, including but not limited to general management responsibility, finance and accounting, overseeing and managing the Association's claims division, managing and supervising the day-to-day activities of the Association, and other management or administrative services. The Association and FWCIGA reimburse AGFG for all amounts paid by AGFG. Costs incurred by AGFG that are directly attributable to a specific entity are charged to the applicable entity. All other costs incurred by AGFG are distributed equitably to the Association and FWCIGA based on various allocation methods. The Association's contract may be terminated with 30 days written notice by either party, with or without cause. The Association and FWCIGA each pay AGFG in advance of each calendar year an amount equal to the two month average budget for that entity projected for the upcoming calendar year. The operating advance paid to AGFG was \$752,628 at December 31, 2022.

Amounts paid to AGFG under this agreement totaled \$6,664,443 for the year ended December 31, 2022, and are reported in general and administrative expenses, claims and claims adjustment expenses, and direct estate expenses.

### **7. Commitments and Contingencies**

As more fully described in Note 1, the Association has assumed the outstanding claims and claims adjustment expense liabilities of insolvent property and casualty insurers in the state of Florida. The case-basis claims and claim adjustment expense reserves for known insolvent insurers at December 31, 2022, are approximately \$337,307,000. An actuarial determination of the ultimate value of the outstanding claim liabilities has not been made. In addition to the Association's obligation to pay the outstanding claims and claims adjustment expenses of insolvent insurers, the Association is also obligated to pay the unearned premium liabilities of insolvent insurers. There is no known outstanding unearned premium obligation of insolvent insurers at December 31, 2022.

The Association receives early access distributions from the receivers of insolvent insurers. Some of these distributions have been received pursuant to agreements that provide that in the event the distributions exceed the Association's final pro rata distribution from the insolvencies, the Association will return any excess to the receiver.

The Association is involved in various legal actions in its capacity as the provider of funds for the settlement of covered claims and return of unearned premiums under certain insurance policies of insolvent companies. The costs of such legal actions to the Association are recorded as claims and claims handling expenses when paid.

# Florida Insurance Guaranty Association, Inc.

## Notes to Financial Statements – Modified Cash Basis

### 7. Commitments and Contingencies (continued)

The Association has filed contingent proofs of claims with the Florida Department of Financial Services, Division of Rehabilitation and Liquidation and with out-of-state receivers to protect its right of recovery from the various insolvent companies for claims and expenses paid. General and administrative expenses are a priority claim with the receivers in most states.

During the ordinary course of business, the Association is involved in various litigation. The ultimate outcome of such litigation is uncertain. However, management and legal counsel are of the opinion that any resulting unfavorable outcomes would have minimal adverse economic impact on the Association.

### 8. Notes Payable

On March 8, 2022, the Board recognized that the Association would need to borrow funds from a financial institution in order to meet the claim obligations for insolvent members during 2022.

On April 26, 2022, the Association entered into a loan agreement with a financial institution. The loan agreement was for \$250,000,000, with \$130,000,000 of the outstanding principal at a variable rate of the Secured Overnight Financing Rate (SOFR) plus .70% annually, and \$120,000,000 of the outstanding principal at a fixed rate of 3.04% annually. The loan is secured by the 2022A Assessment collections and any future assessments needed to repay the debt. Interest and principal payments are due quarterly beginning on December 1, 2022, with a final maturity date of December 1, 2023.

On August 31, 2022, the Association entered into a loan agreement with a financial institution. The loan agreement was for \$150,000,000, with \$60,000,000 of the outstanding principal at a variable rate of the Secured Overnight Financing Rate (SOFR) plus .81% annually, and \$90,000,000 of the outstanding principal at a fixed rate of 4.11% annually. The loan is secured by the 2022B Assessment collections and any future assessments needed to repay the debt. Interest and principal payments are due quarterly beginning on June 1, 2023, with a final maturity date of September 1, 2024.

The balance of the notes payable and accrued interest payable at December 31, 2022 was \$350,000,000 and \$2,691,841, respectively.

Principal payments required for subsequent years ending December 31, are as follows:

<b>Year ended</b>	
<b><u>December 31,</u></b>	
2023	\$ 290,000,000
2024	60,000,000
	<u>\$ 350,000,000</u>

# Florida Insurance Guaranty Association, Inc.

## Notes to Financial Statements – Modified Cash Basis

### **9. Retirement Plan**

The Association employees have the option of participating in the AGFG 401(k) Profit Sharing Plan (the Plan). The Plan is available to employees meeting certain entry requirements. The Association makes discretionary employer contributions to the Plan on a matching basis. Employer contributions paid for the year ended December 31, 2022, were \$150,704.

### **10. Change in Accounting Principle**

Effective January 1, 2022, the Association changed its method of accounting for assessments to recognize the assessments in the period levied and record the related assessments receivable as of the end of the financial reporting period. The change in accounting resulted in a cumulative effect adjustment of \$168,000,000 to restate beginning net assets as of January 1, 2022.

### **11. Subsequent Events**

On March 31, 2023, the board voted to approve a resolution requesting that the Florida Insurance Assistance Interlocal Agency (FIAIA) issue tax-exempt revenue bonds to fund the Hurricane Covered Claims Assistance Program to provide for the payment of covered claims resulting from insurance companies that have become insolvent or may become insolvent as a result of losses incurred due to hurricane claims. The Association requested that FIAIA issue a short term debt obligation in the form of a bond anticipation note (Series 2023A Bond Anticipation Note) in an amount of \$150,000,000 to provide interim funding with which to begin processing the payment of hurricane claims on an expedited basis, and thereafter to use its best efforts to issue Insurance Assessment Revenue Bonds, Series 2023A (Series 2023A Bonds) in an amount not to exceed \$750,000,000 to pay or repay the Series 2023A Bond Anticipation Note and to provide additional funding for the payment of covered claims. On April 10, 2023, FIAIA approved the resolution to issue the \$150,000,000 Bond Anticipation Note, Series 2023A (Hurricane Covered Claims Assistance Program). The resolution approved by the Association Board also certified the need for a 1% emergency assessment and provided that the assessment be authorized in advance for each assessment year beginning October 1, 2023 through September 30, 2024, and continuing until the end of the assessment year in which all of the bonds have been paid in full and are no longer outstanding. Members may collect the 1% emergency assessment from policyholders based on the assessment year and remit quarterly. The Office of Insurance Regulation subsequently levied the assessment on April 10, 2023.



## Other Financial Information

Florida Insurance Guaranty Association, Inc.

Schedule of Activities and Changes in Net Assets  
- Modified Cash Basis

Year ended December 31, 2022

	<b>Automobile Liability and Physical Damage</b>	<b>Other Covered Lines</b>	<b>Total</b>
Revenues:			
Assessments	\$ -	\$ 490,000,000	\$ 490,000,000
Investment income, net of related expenses	256,101	1,510,707	1,766,808
Estate distributions and claim recoveries	21,627,900	132,672,723	154,300,623
Total revenues	<u>21,884,001</u>	<u>624,183,430</u>	<u>646,067,431</u>
Expenses:			
Claims and claims adjustment expenses paid	7,612,639	666,009,753	673,622,392
Direct estate expenses	46,301	691,753	738,054
General and administrative	94,173	2,493,702	2,587,875
Total expenses	<u>7,753,113</u>	<u>669,195,208</u>	<u>676,948,321</u>
Change in net assets	14,130,888	(45,011,778)	(30,880,890)
Statutorily designated net assets at beginning of year, adjusted	35,244,473	275,260,366	310,504,839
Statutorily designated net assets at end of year	<u>\$ 49,375,361</u>	<u>\$ 230,248,588</u>	<u>\$ 279,623,949</u>

*See report of independent auditors.*

## **APPENDIX B**

### **FORMS OF TRUST INDENTURE, SUPPLEMENTAL INDENTURE NO. 1 AND SUPPLEMENTAL INDENTURE NO. 2**

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FLORIDA INSURANCE ASSISTANCE INTERLOCAL AGENCY

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

TRUST INDENTURE

in connection with

Florida Insurance Assistance Interlocal Agency

Insurance Assessment Revenue Bonds

Dated as of July 1, 2023

This instrument has been entered into by the within-described Parties in order to secure the Florida Insurance Assistance Interlocal Agency Insurance Assessment Revenue Bonds.

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THIS TRUST INDENTURE, dated as of July 1, 2023 (the "Indenture"), by and between the Florida Insurance Assistance Interlocal Agency, and its successors and assigns (the "Issuer"), a State of Florida interlocal agency created pursuant to Section 163.01(7)(g), Florida Statutes, and The Bank of New York Mellon Trust Company, N.A., not in its individual capacity but solely as trustee hereunder, a national banking association duly organized and existing under the laws of the United States of America and having corporate trust offices in Jacksonville, Florida (said banking association and any bank or trust company becoming successor trustee under this Indenture being hereinafter referred to as the "Trustee"):

WHEREAS, capitalized undefined terms used herein shall have the meanings ascribed in Article I hereof or elsewhere herein; and

WHEREAS, thousands of homes in Florida have been damaged or destroyed which were insured by insurance companies that have become insolvent or may become insolvent as a result of losses incurred due to hurricanes, including but not limited to Hurricanes Irma, Michael and Ian; and

WHEREAS, the Florida Insurance Guaranty Association, Incorporated ("FIGA"), a legislatively created nonprofit corporation organized under the laws of the State of Florida (the "State"), was created pursuant to the Florida Insurance Guaranty Association Act, being Chapter 631, Part II, Section 631.50 et seq., Florida Statutes, as amended (the "Florida Insurance Guaranty Association Act"), and was granted the authority to pay Covered Claims, to policyholders of or claimants against insolvent insurers, all pursuant to and subject to the limitations specified in the Florida Insurance Guaranty Association Act; and

WHEREAS, the Florida Insurance Guaranty Association Act creates two separate accounts to be administered by FIGA identified as (a) the auto liability and auto physical damage account, and (b) the account for all other insurance to which the Act applies (the "All Other Account"); and

WHEREAS, all insurers defined as member insurers in the Florida Insurance Guaranty Association Act are members of FIGA as a condition of their authority to transact insurance in the State, and in the event an insurer becomes insolvent, the Florida Insurance Guaranty Association Act provides a mechanism for the payment of Covered Claims under certain insurance policies of such insolvent insurers to avoid excessive delay in payment to claimants or policyholders and to avoid financial loss due to such insolvency; and

WHEREAS, the Legislature of the State (the "Legislature") has provided for alternative programs to allow FIGA to more expeditiously and effectively provide for the payment of Covered Claims; and

WHEREAS, in order to expedite the handling and payment of Covered Claims, the Legislature has authorized pursuant to the Florida Insurance Guaranty Association Act, municipalities, counties and interlocal agencies comprised of municipalities and counties such as

the Issuer ("Interlocal Agencies"), to take such actions in conjunction with FIGA as will provide relief to claimants and policyholders having such claims against insolvent insurers; and

WHEREAS, the Legislature has specifically authorized municipalities, counties and Interlocal Agencies of the State to issue bonds to fund an assistance program, in conjunction with FIGA, for the purpose of paying Covered Claims; and

WHEREAS, in order to provide for the payment of and security for bonds issued by the Issuer to facilitate the payment of Covered Claims, Section 631.57(3)(e) of the Florida Insurance Guaranty Association Act authorizes the Office of Insurance Regulation (the "Office"), upon certification by FIGA, to levy an emergency assessment on Insurance Companies based upon certain premiums received by such Insurance Companies, which assessments may be assigned and pledged pursuant to the Florida Insurance Guaranty Association Act for the payment of and as security for revenue bonds issued by the Issuer to fund any reserves and other payments required under the indenture pursuant to which such bonds have been issued, to facilitate the payment of Covered Claims (said assessments, as more specifically described herein, are hereinafter referred to as the "Emergency Assessments"); and

WHEREAS, in accordance therewith, FIGA certified to the Office the need for a 1% Emergency Assessment levied on premiums written by All Other Account members on all new and renewal All Other Account policies issued between October 1 and September 30 (an "Assessment Year") for each Assessment Year beginning October 1, 2023 until all of the Series 2023A Bonds have been paid in full and are no longer Outstanding (the "1% Emergency Assessment"); and

WHEREAS, the Office approved FIGA's certification, and the Office entered an Order of the Office dated April 10, 2023, in Case No. 308776-23, which levied the 1% Emergency Assessment, beginning October 1, 2023; and;

WHEREAS, the 1% Emergency Assessment may be used to facilitate the payment of Covered Claims in the All Other Account, to pay the reasonable costs to administer such claims, and to retire indebtedness, including, without limitation, the principal of and interest on, and related costs of issuance of, bonds issued under the Florida Insurance Guaranty Association Act and the funding of any reserves and other payments required under the bond resolution or trust indenture pursuant to which such bonds have been issued; and

WHEREAS, as of the date hereof, only the 1% Emergency Assessment constitute Pledged Emergency Assessments; and

WHEREAS, FIGA has requested the Issuer to establish a Program for which FIGA will act as program administrator (in such capacity, the "Program Administrator") to facilitate the payment of Covered Claims in accordance with and subject to the limitations of the Florida Insurance Guaranty Association Act; and

WHEREAS, pursuant to such request from FIGA, the Issuer issued its Bond Anticipation Note, Series 2023A (Hurricane Covered Claims Assistance Program) (the "Series 2023A Bond Anticipation Note") in the amount of \$150,000,000 to provide interim funding with which to begin processing the payment of Covered Claims on an expedited basis; and

WHEREAS, the Issuer now intends to issue its Insurance Assessment Revenue Bonds, Series 2023A (the "Series 2023A Bonds") to prepay the Series 2023A Bond Anticipation Note and provide additional funding for the payment of Covered Claims; and

WHEREAS, the Series 2023A Bonds shall constitute Bonds pursuant to this Indenture which shall also govern the issuance of Bonds pursuant to a Supplemental Indenture thereafter; and

WHEREAS, the Bonds issued hereunder shall be payable from and secured solely by (i) the Pledged Emergency Assessments), (ii) any Additional Assessments identified in a Supplemental Indenture to the extent necessary to sell Bonds at more favorable rates, and (iii) all other moneys held from time to time in the Funds and Accounts established under this Indenture as provided herein (except for amounts held to the credit of the Rebate Fund), including, without limitation, the proceeds of the Bonds held in the Claims Fund or applicable subaccount therein pending the application thereof to the payment of Covered Claims or Costs of Issuance; and

WHEREAS, in the event the Issuer determines to additionally secure Bonds issued hereunder by Additional Assessments pursuant to a Supplemental Indenture, then Pledged Revenues shall include such Additional Assessments; and

WHEREAS, Pledged Emergency Assessments are levied only upon insurance written for the All Other Account specified in Section 631.55(2)(b), Florida Statutes (the "Pledged Account") and Holders of the Bonds shall never have a claim upon any assessments levied upon the auto account specified in Section 631.55(2)(a), Florida Statutes; and

WHEREAS, the Issuer may, to the extent necessary to sell Bonds at more favorable rates, pledge Additional Assessments, to the extent provided herein; and

WHEREAS, pursuant to the authority granted under the Act, the Issuer is authorized to issue revenue bonds in its name, the proceeds from the sale of which shall fund the Program herein described.

NOW, THEREFORE, THIS TRUST INDENTURE WITNESSETH, that to provide for the issuance of Bonds under this Trust Indenture, the security and payment of the principal of, redemption premium, if any, and interest thereon, any reimbursement due to a Credit Facility Issuer, if any, for any drawing on its Credit Facility, as required under the terms of the corresponding Credit Facility Agreement, the rights of the Owners of the Bonds and the performance and observance of all of the covenants contained herein and in said Bonds and in any Credit Facility Agreement, for and in consideration of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Owners thereof, from time to time, the

issuance by any Credit Facility Issuer of its Credit Facility, from time to time, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the Issuer hereby assigns, transfers, sets over and pledges to the Trustee and grants a lien on all of the right, title and interest of the Issuer in and to the Pledged Revenues as security for the payment of the principal of, redemption premium, if any, and interest on any Bonds issued hereunder and any reimbursement due to any Credit Facility Issuer for any drawing on its Credit Facility issued with respect to any Bonds, as required under the terms of the corresponding Credit Facility Agreement, all in the manner hereinafter provided, and the Issuer further hereby agrees with and covenants unto the Trustee as follows.



## ARTICLE I

### DEFINITIONS

Section 101. Meanings of Words and Terms. In this Indenture and any Supplemental Indenture (except as otherwise expressly provided or unless the context otherwise requires) terms used as defined terms in the recitals hereto shall have the same meaning throughout this Indenture, and in addition, the following terms shall have the meanings specified below.

"Act" shall mean the Constitution and laws of the State, particularly Part I of Chapter 159, Florida Statutes, as amended, Part II of Chapter 166, Florida Statutes, as amended, Chapter 163, Part I, Florida Statutes, as amended, the Florida Insurance Guaranty Association Act, and other applicable provisions of law, collectively.

"Additional Assessments" shall mean any Regular Assessments subsequently pledged by a Supplemental Indenture to the payment of Bonds and designated as such in such Supplemental Indenture.

"Amortization Requirements" shall mean the amounts required to be deposited in the Sinking Fund Account for any Series of Bonds for the purpose of redeeming prior to their maturity and paying at their maturity the Term Bonds of any Series, issued pursuant to this Indenture, the specific amounts and times of such deposits to be determined by the Issuer in the applicable Supplemental Indenture relating such Series of Bonds.

"Assistance Program Agreement" shall mean the Covered Claims Payment Assistance Program Agreement, among the Issuer, FIGA, the Trustee and the Office, dated as of July 1, 2023, as amended or supplemented from time to time, providing for the assignment and pledge of the Pledged Emergency Assessments as security for the Bonds and the establishment and administration of the Program.

"Authorized Issuer Representative" shall mean any Person authorized by resolution of the Issuer to act on its behalf in connection with the transactions contemplated under the Financing Documents.

"Authorized Program Administrator Representative" shall mean any Person authorized by resolution of the Program Administrator to act on its behalf in connection with the transactions contemplated under the Financing Documents.

"Bank" shall mean Bank of America, N.A., the original purchaser of the Series 2023A Bond Anticipation Note.

"Beneficiaries" shall mean the Issuer and the Trustee.

"Bond Counsel" shall mean Bryant Miller Olive P.A., or such other bond counsel nationally recognized for skill in matters relating to the exclusion from gross income for federal income tax purposes of interest on municipal bonds selected by the Issuer.

"Bondholders", "Holders", "Holders of Bonds", or "Owners of Bonds" shall mean the registered owners of the Bonds.

"Bond Register" or "Register" shall mean the register in which the Issuer shall provide for the registration of Bonds and the registration of transfers and exchanges of such Bonds.

"Bond Registrar" or "Registrar" shall mean a bank or trust company, either within or without the State of Florida, designated as such by the Issuer, which shall perform such functions as Bond Registrar as are required by this Indenture. The Trustee shall initially serve as Bond Registrar for the Bonds issued hereunder.

"Bonds" shall mean collectively the Bonds issued under the provisions of Article II of this Indenture, including any Interim Bonds or Notes.

"Bond Year" shall mean each twelve month period commencing September 2 and ending the following September 1 while the Bonds are outstanding; provided, however, that with respect to the first Series of Bonds issued hereunder the term "Bond Year" shall mean the period from the date of issuance of the Bonds through September 1.

"Business Day" shall mean, except as otherwise provided in the applicable Supplemental Indenture, any day other than (a) a Saturday or Sunday or legal holiday or a day on which the designated office of the Issuer, Trustee, any Credit Facility Issuer (to the extent applicable to the Series of Bonds in question), the Registrar or any Paying Agent is closed, or (b) a day on which the New York Stock Exchange, Inc. is closed.

"Chair" shall mean the Chair of the Issuer, and in his or her absence, the Vice Chair and any other Person authorized to act on the Chair's behalf.

"Claims Fund" shall mean the Insurance Assessment Revenue Bond Claims Fund, a fund created by Section 401 hereof.

"Claims Payment Account" shall mean the Insurance Assessment Revenue Bond Claims Payments Account, an account within the Claims Fund created by Section 401 hereof.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated thereunder.

"Costs of Issuance" shall mean the various fees, costs and expenses associated with the issuance of a Series of Bonds, including, without limitation, the fees, costs and expenses of the Issuer and its counsel, FIGA and its counsel, the Office and its counsel, Bond Counsel, Disclosure Counsel, the financial advisor to FIGA, the Trustee and its counsel, the underwriters and their

counsel, the Credit Facility Issuer, if any, and its counsel, any liquidity facility provider and its counsel, printing costs, rating agency fees and any other reasonable fees, costs or expenses associated with the issuance of any Series of Bonds incurred in connection with the transactions contemplated under the Financing Documents. The actual amount of Costs of Issuance shall be submitted to the Program Administrator for review and submitted to the Trustee for payment from the Costs of Issuance Account in the Claims Fund, as provided in Article IV hereof.

"Costs of Issuance Account" shall mean the Insurance Assessment Revenue Bond Costs of Issuance Account, an account within the Claims Fund created by Section 401 hereof.

"Covered Claims" shall mean, pursuant to Section 631.54(4), Florida Statutes, an unpaid claim, including one of unearned premiums, which arises out of, and is within the Claims Fund, and not in excess of, the applicable limits of an insurance policy to which the Florida Insurance Guaranty Association Act, applies, issued by an insurer, if such insurer becomes an insolvent insurer because of the effects of a past or future hurricane and the claimant or insured is a resident of the State at the time of the insured event or the property from which the claim arises is permanently located in the State. For entities other than individuals, the residence of a claimant, insured, or policyholder is the state in which the entity's principal place of business is located at the time of the insured event. "Covered Claims" shall not include:

(a) Any amount due any reinsurer, insurer, insurance pool, or underwriting association, sought directly or indirectly through a third party, as subrogation, contribution, indemnification, or otherwise; or

(b) Any claim that would otherwise be a covered claim under the Florida Insurance Guaranty Association Act that has been rejected or denied by any other state guaranty fund based upon that state's statutory exclusions, including, but not limited to, those based on coverage, policy type, or an insured's net worth. Member insurers have no right of subrogation, contribution, indemnification, or otherwise, sought directly or indirectly through a third party, against the insured of any insolvent member; or

(c) Any amount payable for a sinkhole loss other than testing deemed appropriate by FIGA or payable for the actual repair of the loss, except that FIGA may not pay for attorney's fees or public adjuster's fees in connection with a sinkhole loss or pay the policyholder. FIGA may pay for actual repairs to the property but is not liable for amounts in excess of policy limits.

For purposes of this Indenture, "Covered Claims" is limited to those arising through the insolvency of an insurer, which insolvency is determined by FIGA to have been a result of a hurricane, regardless of whether the claimants or policyholders are residents of the municipalities that comprise the Issuer or the property to which the claim relates is located within or outside the territorial jurisdiction of the municipalities that comprise the Issuer.

For purposes of this Indenture, "Covered Claims" includes all costs incurred by or on behalf of FIGA in connection with the processing and settlement of any such claims in conformity with the Act.

"Credit Facility" shall mean any credit enhancement mechanism such as an irrevocable letter of credit, a surety bond, a municipal bond insurance policy, a corporate or other guaranty, a purchase agreement, a credit agreement or other similar facility applicable to any Series of Bonds, as established pursuant to the applicable Supplemental Indenture relating to such Series of Bonds, pursuant to which the entity providing such facility agrees to provide funds to make payment of the principal of and interest on such Series of Bonds. Notwithstanding anything to the contrary contained in this Indenture, any one or more Series of Bonds may be issued without a Credit Facility. The decision to provide a Credit Facility in respect of any Bonds or Series of Bonds shall be within the absolute discretion of the Issuer.

"Credit Facility Agreement" shall mean any agreement pursuant to which a Credit Facility Issuer issues a Credit Facility.

"Credit Facility Issuer" shall mean the issuer or guarantor of any Credit Facility.

"Current Interest Bonds" shall mean Bonds the interest on which is payable to the Bondholder on the Interest Payment Dates with respect thereto and not only at the maturity thereof.

"Debt Service Fund" shall mean the Insurance Assessment Revenue Bond Debt Service Fund, a fund created by Section 504 hereof.

"Debt Service Reserve Fund" shall mean the Insurance Assessment Revenue Bond Debt Service Reserve Fund, a fund created by Section 505 hereof.

"Debt Service Reserve Insurance Policy" shall mean the insurance policy, surety bond or other evidence of insurance, if any, deposited pursuant to the applicable Supplemental Indenture to the credit of the Debt Service Reserve Fund in lieu of, or in partial substitution for cash or securities required to be deposited therein, which policy, bond or the evidence of insurance constitutes an obligation of the issuer thereof. The issuer thereof shall be a municipal bond insurer whose obligations are rated at the time of deposit of such policy, bond or other evidence of insurance to the credit of the Debt Service Reserve Fund in any of the three highest rating categories of each of the Rating Agencies.

"Debt Service Reserve Letter of Credit" shall mean the irrevocable, transferable letter or line of credit, if any, deposited for the credit of the Debt Service Reserve Fund in lieu of or in partial substitution for cash or securities on deposit therein, which letter or line of credit constitutes an unconditional senior obligation of the issuer thereof. The issuer of such letter or line of credit shall be a banking association, bank or trust company or branch thereof whose obligations are rated at the time of deposit of the letter or line of credit to the credit of the Debt Service Reserve Fund in any of the three highest rating categories of each of the Rating Agencies.

"Debt Service Reserve Requirement" shall mean (a) with respect to the Series 2023A Bonds, \$0, and (b) with respect to any Additional Bonds or Refunding Bonds, an amount determined by

the Supplemental Indenture authorizing the issuance of such Additional Bonds or Refunding Bonds.

"Defaulted Interest" shall have the meaning attributed to such term in Section 202 hereof.

"DTC" shall mean The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns.

"Emergency Assessments" shall mean any emergency assessments levied by the Office, upon certification by the Board of Directors of FIGA, pursuant to Section 631.57(3)(e), Florida Statutes, on insurance written for the account specified in Section 631.55(2)(b), Florida Statutes, and nothing herein shall be construed to require FIGA to pledge any or all Emergency Assessments hereunder or to use Emergency Assessments to pay debt service on the Bonds, unless, if and until any, all or a portion of the Emergency Assessments are designated herein or in a Supplemental Indenture to become Pledged Emergency Assessments pursuant to the terms of this Indenture.

"1% Emergency Assessment" shall mean the 1% Emergency Assessment levied by the Office on premiums written by All Other Account members on all new and renewal All Other Account policies issued between October 1 and September 30 (an "Assessment Year") for each Assessment Year beginning October 1, 2023 until all of the Series 2023A Bonds have been paid in full and are no longer Outstanding.

"Event of Default" shall mean any of the events described in Section 1002 hereof.

"FIGA" shall mean the Florida Insurance Guaranty Association, Incorporated, a nonprofit corporation established under Section 631.55, Florida Statutes.

"Financing Documents" shall mean, collectively, this Indenture, the Assistance Program Agreement, the Tax Agreement and all other documents, certificates and other instruments required to be delivered pursuant thereto.

"Fitch" shall mean Fitch Ratings, Inc., and any assigns or successors thereto.

"Funds" and "Accounts" shall mean any fund or account established pursuant to this Indenture.

"Government Obligations" shall mean non-callable direct obligations of, or obligations the timely payment of principal of and interest on which are unconditionally guaranteed by, the United States of America.

"Indenture" means this Trust Indenture, as amended or supplemented from time to time, including any Supplemental Indenture.

"Insurance Company" shall mean a "member insurer" as such term is defined in Section 631.54(9), Florida Statutes.

"Interest Account" shall mean the Insurance Assessment Revenue Bond Interest Account, an account within the Debt Service Fund created by Section 504 hereof.

"Interest Payment Date" shall mean March 1 and September 1 for Bonds that bear interest semi-annually, and in the case of Bonds that bear interest payable on other than a semi-annual basis, the dates for the payment of interest on such Series of Bonds as shall be established by the corresponding Supplemental Indenture.

"Interim Bonds or Notes" shall mean bonds or notes issued by the Issuer with a final maturity that does not exceed any limitations in the provisions of State law relating to the issuance of bond anticipation notes by municipalities, in anticipation of the refinancing thereof from all or a portion of the proceeds of a Series of Bonds issued under this Indenture.

"Investment Obligations" shall mean any of the following, to the extent that the same is legal for the investment of public funds under State law:

- A. Direct obligations of the United States of America or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, including without limitation Demand Deposit SLGS.
- B. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America; provided that securities described in clauses 1., 2., 3. and 6. below may not be used as defeasance investments in refunding escrow accounts:
  - 1. U.S. Export-Import Bank (Eximbank)
    - Direct obligations or fully guaranteed certificates of beneficial ownership
  - 2. Federal Financing Bank
  - 3. Federal Housing Administration Debentures (FHA)
  - 4. General Services Administration
    - Participation certificates
  - 5. Government National Mortgage Association (GNMA or "Ginnie Mae")
    - GNMA – guaranteed mortgage-backed bonds
    - GNMA – guaranteed pass-through obligations

6. U.S. Maritime Administration
  - Guaranteed Title XI Financing
7. U.S. Department of Housing and Urban Development (HUD)
  - Project Notes
  - Local Authority Bonds
  - New Communities Debentures; U.S. government guaranteed debentures
  - U.S. Public Housing Notes and Bonds; U.S. guaranteed public housing notes and bonds
- C. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies:
  1. Federal Home Loan Bank System
    - Senior debt obligations
  2. Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")
    - Senior debt obligations
  3. Federal National Mortgage Association (FNMA or "Fannie Mae")
    - Senior debt obligations
  4. Senior debt obligations of other Government Sponsored Agencies with a rating at least as high as the rating assigned to the Bonds.
- D. Investments in money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating of at least two of the following three: AAA-m or better by S&P, Aaa-mf or better by Moody's, and AAA/mmf or better by Fitch.
- E. U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and maturing not more than 360 calendar days after the date of purchase (ratings on holding companies are not considered as the rating of the bank), OR certificates of deposit secured at all times by collateral in (A) and/or (B) above; provided that such certificates must be issued by commercial banks and the collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral, OR certificates of deposit, savings accounts or money market deposits which are fully insured by FDIC.

- F. Investment Agreements, including guaranteed investment contracts, forward purchase agreements and reserve fund put agreements with a provider with a rating at least as high as the rating assigned to the Bonds.
- G. Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P and which matures not more than 270 calendar days after the date of purchase.
- H. Municipal obligations rated "Aaa/AAA" by Moody's and S&P or general obligations issued by any state which are rated "A2/A" by Moody's and S&P, or bonds or notes of the International Bank for Reconstruction and Development rated "Aaa/AAA" category by Moody's and S&P.
- I. Investments through the Chief Financial Officer pursuant to Florida Statutes, Section 17.61, representing an undivided interest in an investment pool maintained by the Chief Financial Officer consisting of securities described in Florida Statutes, Section 17.57 and investment in the Local Government Surplus Trust Funds Investment Pool administered by the Florida State Board of Administration; and
- J. Other forms of investments, including, without limitation, repurchase agreements with a provider with a rating at least as high as the rating assigned to the Bonds.

"Issuer" shall mean the Florida Insurance Assistance Interlocal Agency, an interlocal agency created pursuant to Section 163.01(g), Florida Statutes, as contemplated under Section 631.695(6), Florida Statutes.

"Maximum Principal and Interest Requirements" shall mean the maximum amount of Principal and Interest Requirements for any Bond Year.

"Moody's" shall mean Moody's Investors Service, Inc., its successors and their assigns, and, if for any reason such corporation shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

"Office" shall mean the Florida Office of Insurance Regulation.

"Outstanding" shall mean, when used with respect to the Bonds, all Bonds theretofore delivered except:

(a) Bonds paid, redeemed or delivered to or acquired by the Issuer or the Trustee on its behalf and canceled;

(b) Bonds deemed to have been paid in accordance with Section 307 or Section 1401 of this Indenture (including, without limitation, Bonds defeased with moneys deposited to the credit of the Surplus Fund as provided in Section 508 of this Indenture); and

(c) Bonds of a Series deemed paid and not Outstanding in accordance with the terms of a Supplemental Indenture.

"Paying Agent" shall mean, in respect of a particular Series of Bonds, the Person or Persons authorized by the Issuer in a Supplemental Indenture as such, to pay the principal or redemption price of and interest on such Bonds on behalf of the Issuer. The Trustee shall initially serve as Paying Agent for Bonds issued hereunder.

"Person" shall mean any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, governmental body, political subdivision, municipality, municipal authority or any other group or organization of individuals.

"Plan of Operation" shall mean FIGA's Plan of Operation approved by the Department of Financial Services as required by Section 631.58, Florida Statutes, as the same may be amended from time to time.

"Pledged Account" shall mean the account specified in Section 631.55(2)(b), Florida Statutes.

"Pledged Emergency Assessments" shall mean the Emergency Assessments to the extent designated herein or in a Supplemental Indenture to become Pledged Emergency Assessments pursuant to the terms of this Indenture. As of the date hereof, the 1% Emergency Assessment is hereby designated to the Pledged Emergency Assessments.

"Pledged Revenues" shall mean, collectively, (i) the Pledged Emergency Assessments, and (ii) all other moneys held from time to time in the Funds and Accounts established under this Indenture as provided herein (except for amounts held to the credit of the Rebate Fund) including, without limitation, the proceeds of the Bonds held in the Claims Fund pending the application thereof to the payment of Covered Claims or Costs of Issuance, in the manner and to the extent provided herein. In the event the Issuer determines by Supplemental Indenture to pledge Additional Assessments for the payment and security of Bonds issued hereunder, then the term "Pledged Revenues" shall also include such Additional Assessments.

"Principal" or "principal" shall mean the stated principal amount of any Bonds.

"Principal Account" shall mean the Insurance Assessment Revenue Bond Principal Account, an account within the Debt Service Fund created by Section 504 hereof.

"Principal and Interest Requirements" shall mean the respective amounts which are required in each Bond Year to provide:

- (i) for paying the interest on all Bonds then Outstanding which is payable on each Interest Payment Date in such Bond Year except to the extent that such interest is to be paid from deposits in the Interest Account in the Debt Service Fund made from proceeds of the Bonds; and

- (ii) for paying the principal of all Serial Bonds then Outstanding which is payable upon the maturity of Serial Bonds in such Bond Year; and

- (iii) the Amortization Requirements for the Term Bonds of such Series for such Bond Year.

Principal and Interest Requirements for any Bond Year shall be determined as follows:

- (a) with respect to Interim Bonds or Notes, interest only and not the principal shall be included in Principal and Interest Requirements if the Series of Bonds all or a portion of the proceeds of which are expected to be used to refinance such Interim Bonds or Notes have been duly authorized by the Issuer;

- (b) with respect to fixed rate Bonds, such Bonds will bear interest at the actual interest during such Bond Year;

- (c) with respect to variable rate Bonds, such Bonds shall be deemed to bear interest at 8%; and

- (d) if interest on a Series of Bonds is payable from the proceeds of such Bonds or from other amounts set aside irrevocably for such purpose at the time such Bonds are issued, interest on such series of Bonds shall be included in Principal and Interest Requirements only to the extent interest payable in the then current Bond Year from amounts other than amounts so funded to pay such interest.

"Program" shall mean the assistance program established by the Issuer and FIGA under the Assistance Program Agreement for the payment of Covered Claims in conformity with the Act.

"Program Administrator" shall mean initially FIGA and any other Person subsequently approved by each of the parties to the Assistance Program Agreement to replace or succeed FIGA as the administrator of the Program.

"Program Completion Date" shall have the meaning specified in Section 404 hereof.

"Program Expenses" shall mean the various fees, costs and expenses associated with the establishment or operation of the Program, including, without limitation, Costs of Issuance relating to the issuance of any Series of Bonds, any amounts owed to the United States Government as arbitrage rebate, the fees, costs and expenses in connection with arbitrage rebate calculations, any amounts payable to the Issuer or Trustee under the provisions of the Assistance Program Agreement, including amounts payable under Section 3.3 thereof, and any other reasonable fees, costs or expenses associated with the establishment or operation of the Program, administration of the Funds and Accounts established hereunder, and administration of Covered Claims.

"Rating Agencies" shall mean each of Moody's, S&P, and Fitch and their respective successors and assigns, to the extent that Moody's, S&P and Fitch then having ratings issued and outstanding in respect of any Bonds.

"Rebate Fund" shall mean the Insurance Assessment Revenue Bond Rebate Fund, a fund created by Section 507 hereof. The moneys in the Rebate Fund are not subject to a lien or charge in favor of Holders of any Bonds and are not pledged as security for the payment of any Bonds.

"Refunding Bonds" shall mean the Bonds, excluding the Series 2023A Bonds, issued at any time under the provisions of Section 210 of this Indenture.

"Regular Assessments" shall mean any assessments levied by the Office, upon certification by the board of directors of FIGA, pursuant to Section 631.57(3)(a), Florida Statutes, on insurance written for the All Other Account specified in Section 631.55(2)(b), Florida Statutes, to the extent designated in a Supplemental Indenture to become Additional Assessments pursuant to the terms of this Indenture, and nothing herein shall be construed to require FIGA to pledge any or all Regular Assessments hereunder or to use Regular Assessments to pay debt service on the Bonds, unless, if and until any, all or a portion of the Regular Assessments are designated in a Supplemental Indenture to become Additional Assessments pursuant to the terms of this Indenture.

"Regular Record Date" shall mean the 15<sup>th</sup> day (whether or not a Business Day) of the month preceding any Interest Payment Date; provided, however, that a different Regular Record Date may be provided for a Series of Bonds pursuant to the Supplemental Indenture related to such Series.

"Resolution" shall mean Resolution No. 23-02 adopted by the Issuer on May 22, 2023, authorizing issuance of the Series 2023A Bonds and execution of this Indenture.

"Responsible Officer" means, when used with respect to the Trustee, any vice president, assistant vice president or other officer of the Trustee within the corporate trust office specified in Section 1505 (or any successor corporate trust office) having direct responsibility for the administration of this Indenture.

"Revenue Fund" shall mean the Insurance Assessment Revenue Bond Revenue Fund, a fund created by Section 503 hereof.

"Secretary-Treasurer" shall mean the secretary-treasurer of the Issuer, and in his or her absence, any Person authorized to act on his or her behalf.

"Securities Depository" shall mean a securities depository registered with the Securities and Exchange Commission under the Securities Exchange Act of 1934.

"Serial Bonds" shall mean the Bonds of a Series which shall be stated to mature in annual installments.

"Series" shall mean the Bonds delivered at any one time under the provisions of Sections 208, 209 and 210 of this Indenture.

"Series 2023A Bond Anticipation Note" shall mean the \$150,000,000 Insurance Assessment Revenue Bond Anticipation Note, Series 2023A (Hurricane Covered Claims Assistance Program).

"Series 2023A Bonds" shall mean the Insurance Assessment Revenue Bonds, Series 2023A authorized to be issued by the Issuer pursuant to Section 208 of this Indenture to finance the Program, including the payment or repayment of the Series 2023A Bond Anticipation Note.

"Sinking Fund Account" shall mean the Insurance Assessment Revenue Bond Sinking Fund Account, an account in the Debt Service Fund created by Section 504 hereof.

"SLGS" shall mean United States Treasuries – State and Local Government Series.

"Special Record Date" shall mean a date fixed by the Trustee for the payment of Defaulted Interest pursuant to Section 202 hereof.

"S&P" shall mean S&P Global Ratings, Inc., its successors and their assigns, and, if such corporation shall for any reason no longer perform the functions of rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

"State" shall mean the State of Florida.

"Supplemental Indenture" means the Supplemental Indenture that is required by Article II of this Indenture to be executed prior to the issuance of any Series of Bonds under this Indenture and/or pursuant to Article XIII hereunder. Each Supplemental Indenture shall (a) determine the details of the Bonds of such Series, including, among other things, the principal amount of such Series, the date thereof, the method of payment of interest thereon, the maturity thereof, the redemption provisions relating thereto, including the Amortization Requirements for the Term Bonds, if any, and whether the Bonds of such Series shall be issuable in book entry or certificated, (b) provide for the application of the proceeds of the Bonds to which such Supplemental Indenture relates, (c) create a separate Debt Service Fund for such Series and determine the method of funding of the Debt Service Fund for such Series, (d) for each Series of Bonds issued after the Series 2023A Bonds, establish the Debt Service Reserve Requirement for such Series, and (e) set forth additional covenants and provisions with respect to any Series in connection with the obtaining of a Credit Facility, a Debt Service Reserve Insurance Policy or a Debt Service Reserve Letter of Credit, including any special provisions designed to comply with repayment requirements under reimbursement or repayment agreements with the entities providing such credit enhancement and such other matters as the Issuer shall determine.

"Surplus Fund" shall mean the Insurance Assessment Revenue Bond Surplus Fund, a fund created by Section 508 hereof.

"Tax Agreement" shall mean the agreement between the Issuer and FIGA delivered on the date of issuance of a tax-exempt Series of Bonds relating to the exclusion from gross income for federal income tax purposes of interest on such tax-exempt Series of Bonds.

"Term Bonds" shall mean the Bonds of a Series so designated in the Supplemental Indenture for such Bonds.

"Trustee" shall mean The Bank of New York Mellon Trust Company, N.A., not in its individual capacity but solely as Trustee under this Indenture, and such entity's successors, and any separate or co-trustee at the time serving as such under this Indenture.

Section 102. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words "Note", "Bond", "Owner", "Holder" and "Person" shall include the plural as well as the singular number, and the word "Holder" or "Bondholder" when used herein shall mean the Holder or registered owner, as the case may be, of the Bonds outstanding hereunder. The word "may" shall mean "may, but shall not be required to" and the word "including" shall mean "including, without limitation." References herein to statutory provisions of the State shall mean the current statutory provisions as the same may be amended from time to time and shall also include any successor statutory provisions.

## ARTICLE II

### FORM, EXECUTION, DELIVERY AND REGISTRATION OF BONDS

Section 201. Issuance of Bonds. For the purpose of providing funds for the Program, including without limitation the repayment of the Series 2023A Bond Anticipation Note, Bonds of the Issuer may be issued under and secured by this Indenture subject to the conditions hereinafter provided in Sections 208, 209 and 210 of this Article, for the purpose of providing initial and additional funds for the Program and the refunding of all or any portion of the Bonds issued by the Issuer under the provisions of this Indenture. The principal of and the interest on all such Bonds shall be payable solely from the funds and accounts (other than the Rebate Fund) hereinafter created and as hereinafter provided, and all of the covenants, agreements and provisions of this Indenture shall be for the benefit and security of all and singular the present and future Holders of the Bonds so issued or to be issued, without preference, priority or distinction as to lien or otherwise, except as otherwise hereinafter provided, of any one Bond over any other Bond by reason of priority in the issue, sale or negotiation thereof, or otherwise.

Section 202. Details of Bonds. Each Series of Bonds issued hereunder shall be created by a Supplemental Indenture unless more than one Series of Bonds are to be issued on the same date, in which case the separate Series of Bonds can be identified by subseries or other designations. The Bonds of each Series issued under the provisions of this Article shall be designated "Insurance Assessment Revenue Bonds", or such appropriate variation thereof as contained herein or in any Supplemental Indenture, in each case inserting an identifying Series year, and if more than one Series are expected to be issued in a single calendar year, inserting an identifying Series letter in addition to the year, and if more than one Series are expected to be issued on the same date, inserting an identifying subseries or other designation. Except as otherwise provided in the applicable Supplemental Indenture, the Bonds of any Series are issuable in fully registered form without coupons in denominations (either with respect to original principal amount or principal amount payable at maturity) of \$5,000 or any whole multiple thereof. Bonds shall be numbered consecutively from R-1 upwards, unless otherwise determined in the Supplemental Indenture. Bonds of each Series shall be dated, and shall bear interest until their payment at a rate or rates not exceeding the maximum rate then permitted by law, such interest being payable and such Bonds being subject to redemption prior to their respective maturities, all as provided in the Supplemental Indenture for such Series. The rate or rates on the Bonds may be a fixed rate of interest or a variable rate of interest to be determined in the applicable Supplemental Indenture.

The Issuer may, based upon advice of the financial advisor to the Issuer that it is in the best financial interest of the Issuer, pledge Additional Assessments, to the extent and in the manner described herein and in the Supplemental Indenture pledging such Additional Assessments.

Unless otherwise provided in the Supplemental Indenture pursuant to which each Series of Bonds is issued, each Bond shall bear interest from the Interest Payment Date next preceding the date on which it authenticated unless it is (a) authenticated upon any Interest Payment Date, in which event it shall bear interest from such Interest Payment Date or (b) authenticated before the first Interest Payment Date, in which event it shall bear interest from its date; provided, however, that if at the time of authentication of any Bond interest is in default, such Bond shall bear interest from the date to which interest has been paid.

Both the principal of and the interest on the Bonds shall be payable in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof. The principal of the Bonds shall be payable upon the presentation and surrender of such Bonds as the same shall become due at the designated corporate office of the Trustee or any other Paying Agent.

Unless otherwise provided in the applicable Supplemental Indenture, any interest on any Bond which is payable, and is punctually paid, or for which payment is duly provided, on any Interest Payment Date shall be paid to the Person in whose name the Bond is registered in the Bond Register provided for in Section 206 of this Indenture (hereinafter, as used in this Section, the "Holder") at the close of business on the Regular Record Date. The Trustee or any other Paying Agent shall pay interest which is payable on the Bonds by check mailed to the Holders entitled thereto on the Interest Payment Date; provided, however, that, unless otherwise provided in the applicable Supplemental Indenture, each Holder of Bonds aggregating at least \$1,000,000 shall be entitled to the payment of such interest by wire transfer to a bank or other financial institution located within the continental United States at its own expense, provided that wire instructions and the name of the bank and account therein has been provided to the Trustee by the Holder prior to the Regular Record Date.

Unless otherwise provided in the applicable Supplemental Indenture, any interest on any Bond which is payable, but is not punctually paid, or for which payment is not duly provided, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Holder of record on the relevant Regular Record Date; and such Defaulted Interest may be paid by the Issuer, at its election in each case, provided in clause A or B below:

A. The Issuer may elect to make payment of any Defaulted Interest on the Bonds of any Series to the Persons in whose names Bonds are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Issuer shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with the next sentence hereof), and at the same time the Issuer shall deposit or cause to be deposited with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this subsection provided. Thereupon the Trustee shall fix a Special

Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 15 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder at such Holder's address as it appears in the Bond Register provided for in Section 206 of this Indenture not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names the Bonds of such Series are registered on such Special Record Date and shall no longer be payable pursuant to the following clause B. The Trustee shall pay such Defaulted Interest which is payable on the Bonds pursuant to this clause A by check mailed to the Persons entitled thereto on the date fixed for the payment of such Defaulted Interest pursuant to this clause A; provided, however, the Issuer pursuant to a Supplemental Indenture for a Series may provide for payment of such Defaulted Interest by the Trustee by wire transfer.

B. The Issuer may make payment of any Defaulted Interest on the Bonds of any Series in any other lawful manner not inconsistent with the requirements of any securities exchange on which such may be listed and upon such notice as may be required by such exchange, if, after notice given by the Issuer to the Trustee of the proposed payment pursuant to this subsection, such payment be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section, each Bond under this Indenture upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bonds, and each such Bond shall bear interest from such date, that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

Section 203. Execution and Form of Bonds. The Bonds shall be signed by or bear the facsimile signature of the Chair and shall be signed by or bear the facsimile signature of the Secretary-Treasurer; provided, however, that if required by State law at the time of such execution, the Bonds shall be manually executed by the Chair. In case any officer whose signature or a facsimile of whose signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he or she had remained in office until such delivery and also any Bond may bear the facsimile signature of, or may be signed by, such Persons as at the actual time of the execution of such Bond shall be the proper officers to execute such Bond although at the date of such Bond such Persons may not have been such officers. The Bonds issued under the provisions of this Article shall be substantially in the form attached to the Supplemental Indenture pursuant to which such Bonds are issued. All Bonds shall be endorsed thereon by the Issuer with such legends or text as may be necessary or appropriate to conform to the applicable rules and regulations of any governmental authority or any securities exchange on which such Bonds may be listed or to any requirements of law with respect thereto.



The form of Bonds as specified in any Supplemental Indenture shall reflect appropriate provisions for different types of Bonds authorized under this Indenture.

Section 204. Authentication of Bonds. Only such of the Bonds as shall have endorsed thereon a certificate of authentication in the form approved by Supplemental Indenture, duly executed by the Trustee, shall be entitled to any benefit or security under this Indenture. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Trustee, and such certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Indenture and the Supplemental Indenture relating to such Bond. The certificate of authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the certificate authentication on all of the Bonds that may be issued hereunder any one time.

Section 205. Exchange of Bonds. Bonds, upon surrender thereof at the designated corporate trust office of the Bond Registrar, together with an assignment duly executed by the registered owner or such registered owner's attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, may, at the option of the owner thereof be exchanged for an equal aggregate principal amount of Bonds of the same Series and maturity, of any denomination or denominations authorized by this Indenture or the Supplemental Indenture relating to such Bonds and bearing interest at the same rate or rates.

The Issuer shall make provision for the exchange of Bonds at the designated corporate trust office of the Bond Registrar.

Section 206. Negotiability, Registration and Transfer of Bonds. The Bond Registrar shall keep the Register for the registration of and for the registration of transfer of Bonds as provided in this Indenture. The transfer of any Bond may be registered only upon the Register kept by the Bond Registrar for the registration of and registration of transfer of Bonds upon surrender thereof to the Bond Registrar together with an assignment duly executed by the registered owner or such registered owner's attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer the Issuer shall execute and the Trustee shall authenticate and deliver in exchange for such Bond a new Bond or Bonds registered in the name of the transferee, of any denomination or denominations authorized by this Indenture or the Supplemental Indenture relating to such Bonds. Prior to any transfer of any Bonds that is outside of a book-entry only system (including, but not limited to, the initial transfer outside of a book-entry only system), the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045, as amended. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

In all cases in which Bonds shall be exchanged, the Issuer shall execute and the Trustee shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of this Indenture. All Bonds surrendered in any such exchange or registration of transfer shall forthwith be canceled by the Trustee. The Issuer, the Bond Registrar and the Trustee may make charge for every such exchange or registration of transfer of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be made to any Owner of Bonds for the privilege of exchanging or registering the transfer of Bonds under the provisions of this Indenture. Neither the Issuer, the Bond Registrar nor the Trustee shall be required to make any such exchange or registration of transfer of Bonds during the fifteen (15) days immediately preceding the date of first publication or mailing of notice of such redemption, or after such Bond or any portion thereof has been selected for redemption.

Section 207. Ownership of Bonds. As to any Bond, the Person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and the interest on any such Bond shall be paid only to or upon the order of the registered owner thereof or such registered owner's legal representative. All such payments shall be valid and effectual to and discharge the liability upon such Bond including the premium, if any, and interest thereon to the extent of the sum or sums so paid.

Section 208. Authorization of Series 2023A Bonds. There is hereby authorized to be issued at one time, under and secured by this Indenture, a Series of Bonds of the Issuer (which may consist of one or more sub-series within such series of Bonds), in the aggregate principal amount of \$590,325,000, each of which bonds shall bear the designation "Insurance Assessment Revenue Bonds, Series 2023A". The Series 2023A Bonds shall be issued for the purpose of providing funds (a) for making a deposit to the credit of the applicable subaccount in the Claims Payments Account of the Claims Fund for application to the payment of Covered Claims, (b) for paying all amounts due and payable in connection with the Series 2023A Bond Anticipation Note, (c) for making a deposit in the Interest Account of the Debt Service Fund for the purpose of capitalizing certain interest, and (d) for making a deposit to the credit of the Costs of Issuance Account of the Claims Fund for the purpose of paying the Costs of Issuance of the Series 2023A Bonds.

Before the Series 2023A Bonds shall be issued under the provisions of this Section, the Issuer shall adopt a resolution authorizing the issuance of such Bonds and fixing the amount and the details thereof, which may include but are not limited to appointing one or more underwriters and approving the form of a bond purchase contract.

The Series 2023A Bonds shall be issued in the aggregate principal amount stated above, and shall be dated, shall be stated to mature on such date or dates, in such year or years, shall bear interest in such manner at such rate or rates, may be issued in separate subseries, payable on such dates and shall be secured by such Credit Facility, all as may be provided by Supplemental Indenture. The rate or rates on the Series 2023A Bonds may be a fixed rate of interest or a variable rate of interest to be determined in such Supplemental Indenture(s).

Each of the Series 2023A Bonds shall be executed substantially in the form set forth in the Supplemental Indenture applicable thereto and the manner herein set forth and shall be deposited with the Trustee for authentication and delivery, but prior to the delivery of the Series 2023A Bonds by the Trustee there shall be filed with the Trustee the following:

- (a) an executed copy of this Indenture;
- (b) a copy, certified by the Secretary-Treasurer, of the resolution and Supplemental Indenture or Indentures applicable to the Series 2023A Bonds;
- (c) an executed copy of the Assistance Program Agreement;
- (d) an opinion of counsel to the Issuer stating that the issuance of said Bonds has been duly authorized and that all conditions precedent to the delivery of such Bonds have been fulfilled;
- (e) an opinion of Bond Counsel to the effect that the interest on the Series 2023A Bonds is excluded from gross income for federal income tax purposes; and
- (f) a copy of the Initial Certification Regarding Need for 1% Emergency Assessment delivered by FIGA to the Office pursuant to the requirements of Section 6.1(g) of the Assistance Program Agreement; and
- (g) a copy of the Order of the Office dated April 10, 2023, in Case No. 308776-23, which levied the 1% Emergency Assessment.

When the documents mentioned in clauses (a) through (g), inclusive, of this Section shall have been filed with the Trustee and when the Series 2023A Bonds shall have been executed by the Issuer and authenticated by the Trustee upon order of the Issuer as required by this Indenture, the Trustee shall deliver said Bonds at one time to or upon the order of the purchasers named in the resolution mentioned in clause (b) of this Section, but only upon payment to the Issuer of the purchase price of said Bonds.

Together with legally available funds, if any, the proceeds of the Series 2023A Bonds shall be applied by the Trustee as follows:

- (1) an amount equal to the premium for the Credit Facility, if any, shall be paid to the Credit Facility Provider, if any;
- (2) the amount required to pay the Costs of Issuance of the Series 2023A Bonds shall be deposited in the Costs of Issuance Account of the Claims Fund and applied to pay the Costs of Issuance of the Series 2023A Bonds as set forth in Section 402(b) hereof;

(3) the amount (as determined by the Issuer) due and payable in connection with the repayment or final payment of the Series 2023A Bond Anticipation Note shall be paid to the holder thereof;

(4) an amount sufficient to pay certain capitalized interest shall be deposited into the Interest Account of the Debt Service Fund; and

(5) the remaining balance of the proceeds of the Series 2023A Bonds shall be deposited to the subaccount for such Series created established by the Supplemental Indenture in the Claims Payments Account of the Claims Fund and shall be applied to the payment of Covered Claims.

Section 209. Additional Bonds Requirements. In addition to the Series 2023A Bonds authorized under the provisions of Section 208 of this Article, Additional Bonds of the Issuer (excluding any Refunding Bonds issued under the provisions of Section 210 hereof), may be issued under and secured by this Indenture, on a parity as to the pledge of the Pledged Revenues with the Bonds theretofore issued under Sections 208, 209 and 210 of this Indenture and secured by this Indenture and then Outstanding, subject to the hereinafter provided requirements of this Section, from time to time for the purpose of funding all or any part of the Program.

Before any Additional Bonds shall be issued under the provisions of this Section, the Issuer shall adopt a resolution authorizing the issuance of such Bonds and fixing the amount and the details thereof (including the Debt Service Reserve Requirement therefor) which may include but are not limited to appointing one or more underwriters and approving the form of a bond purchase contract. The Bonds of each Series issued under the provisions of this Section shall be dated, shall be stated to mature (subject to the right of prior redemption as hereinafter set forth) on such date or dates, in such year or years, shall bear interest at such rate or rates, shall have such Credit Facilities, if applicable, shall have such Bond Registrar, shall have such Paying Agent and any Term Bonds of such Series shall have such Amortization Requirements, and may be made redeemable at such times and prices (subject to the provisions of Article III of this Indenture), all as may be provided by the Supplemental Indenture for such Additional Bonds. Such Additional Bonds shall be executed in the form and manner set forth herein, with such changes as may be necessary or appropriate to conform to the provisions of the Supplemental Indenture and shall be deposited with the Trustee for authentication and delivery, but before such Bonds shall be delivered by the Trustee, there shall be filed with the Trustee the following:

- (a) a copy, certified by the Secretary-Treasurer, of the Supplemental Indenture for such Series of Additional Bonds;
- (b) a copy, certified by the Secretary-Treasurer, of the resolution adopted by the Issuer authorizing the execution and delivery of the Series of Additional Bonds;
- (c) a certificate delivered by FIGA consenting to the issuance of the Series of Additional Bonds pursuant to Section 631.695(2), Florida Statutes;

(d) a certificate of the Authorized Program Administrator Representative that an amount equal to 1.25 times the maximum Principal and Interest Requirement for the Outstanding Bonds including the Series of Additional Bonds proposed to be issued does not exceed the projected amount of the Pledged Emergency Assessments and Additional Assessments, if any, that have already been properly noticed and levied under the Act in such Bond Year based on the direct written premiums, net of refunds, during the preceding year for the kinds of insurance within the Pledged Account;

(e) an opinion of counsel to the Issuer stating that the issuance of such Series of Additional Bonds has been duly authorized and that all conditions precedent to the delivery of such Series of Additional Bonds have been fulfilled;

(f) a certificate of the Authorized Issuer Representative to the effect that no Event of Default, as defined in Section 1002 of this Indenture, and no event which with the passage of time, the giving of notice or both would become an Event of Default has occurred within the twelve (12) consecutive calendar months prior to the date of such certificate and is continuing, or, if any such event or Event of Default has occurred and is continuing, that the issuance of such Series of Additional Bonds will cure the same;

(g) a copy of the certification regarding the need for Pledged Emergency Assessments delivered by FIGA to the Office pursuant to the requirements of Section 6.1(g) of the Assistance Program Agreement; and

(h) a copy of the order issued by the Office imposing such Pledged Emergency Assessments.

When the documents mentioned above in this Section shall have been filed with the Trustee and when the Series of Additional Bonds described in the resolution relating to such Bonds mentioned in clause (b) of this Section shall have been executed by the Issuer and authenticated by the Trustee upon order of the Issuer as required by this Indenture, the Trustee shall deliver such Series of Additional Bonds at one time to or upon the order of the purchasers named in the applicable Supplemental Indenture mentioned in said clause (b), but only upon payment to the Issuer of the purchase price of such Bonds.

The rate or rates on the Bonds may be a fixed rate of interest or a variable rate of interest to be determined in the applicable Supplemental Indenture.

The proceeds (excluding accrued interest and any premium) of such Series of Additional Bonds shall be applied by the Trustee to the credit of the Claims Fund for application to the payment of the Costs of Issuance of such Bonds and for the payment of Covered Claims, and, if determined to be necessary by the Issuer, to the credit of the Debt Service Reserve Fund or any reserve account established therein to fund the Debt Service Reserve Requirement for such Series of Additional Bonds.

Section 210. Refunding Bonds Requirements. Following the issuance of the Series 2023A Bonds, Refunding Bonds may be issued under and secured by this Indenture, subject to the conditions hereinafter provided in this Section, from time to time for the purpose of providing funds for refunding all or any portion of the Outstanding Bonds by payment at maturity or redemption at a selected redemption date or dates or combination of such payment at maturity and redemption, including the payment of any redemption premium thereon and any interest which will accrue on such Bonds to such maturity dates or selected redemption date, dates or combination of maturity and redemption dates and any expenses incurred or to be incurred in connection with such refunding.

Before any Series of Refunding Bonds shall be issued, the Issuer shall adopt a resolution authorizing the issuance of such Series of Refunding Bonds, fixing amounts and details thereof, describing the Series of Bonds to be refunded and setting forth the determination of the Issuer that such refunding is in the best interests of the Issuer and the reasons for such determination. Such Series of Refunding Bonds shall be dated, shall be stated to mature (subject to the right of prior redemptions hereinafter set forth) on such date or dates, in such years, shall bear interest at such rate or rates, and any Term Bonds of such Series of Refunding Bonds shall have such Amortization Requirements and be made redeemable at such times and prices (subject to the provisions of Article III of this Indenture), all as may be provided by the Supplemental Indenture for such Series of Refunding Bonds. Except as to any differences in the maturities thereof or the rate or rates of interest or the provisions for redemption, such Series of Refunding Bonds shall be on a parity as to the pledge of the Pledged Revenues with and shall be entitled to the same benefits and security under this Indenture as all other Bonds issued under Sections 208, 209 and 210 of this Indenture. Such Series of Refunding Bonds shall be executed substantially in the form and manner set forth herein, with such changes as may be necessary or appropriate to conform to the provisions of the Supplemental Indenture authorizing the issuance of such Series of Refunding Bonds, and shall be deposited with the Trustee for authentication and delivery, but prior to or simultaneously with the delivery of such Series of Refunding Bonds by the Trustee, there shall be filed with the Trustee the following:

(a) a copy, certified by the Secretary-Treasurer, of the Supplemental Indenture authorizing such Series of Refunding Bonds;

(b) a copy, certified by the Secretary-Treasurer, of the resolution adopted by the Issuer, awarding such Series of Refunding Bonds, specifying the interest rate or rates for such Series of Refunding Bonds, determining the disposition of the moneys on deposit in the funds and accounts on account of the Bonds to be refunded, and directing the delivery of such Series of Refunding Bonds to or upon the order of the purchasers therein named upon payment of the purchase price therein set forth;

(c) an opinion of Bond Counsel to the effect that upon the issuance of such Series of Refunding Bonds and the application of the proceeds thereof, the Bonds to be refunded will no longer be deemed to be Outstanding under this Indenture and that the issuance of the Refunding

Bonds will not, in and of itself, adversely affect the exclusion of interest on any Bonds then outstanding from gross income for federal income tax purposes;

(d) an opinion of counsel to the Issuer stating that the issuance of such Series of Refunding Bonds has been duly authorized and that all conditions precedent to the delivery of such Series of Refunding Bonds have been fulfilled;

(e) such documents as shall be required by the Issuer to show that provision has been duly made in accordance with the provisions of this Indenture for the payment or redemption or combination of such payment and redemption of all of the Bonds to be refunded;

(f) either (i) a certificate of the Authorized Issuer Representative that the issuance of the Refunding Bonds will not result in an increase in the aggregate Principal and Interest Requirements for all Bonds to be Outstanding upon issuance of such Refunding Bonds, or (ii) the certificates required by clause (d) of Section 209 of this Indenture; and

(g) a certificate delivered by FIGA consenting to the issuance of the Series of Refunding Bonds pursuant to Section 631.695(2), Florida Statutes.

When the documents mentioned above in this Section shall have been filed with the Trustee and when the Series of Refunding Bonds described in the resolution mentioned in clause (b) of this Section shall have been executed by the Issuer and authenticated by the Trustee upon order of the Issuer as required by this Indenture, the Trustee shall deliver such Series of Refunding Bonds at one time to or upon the order of the purchasers named in the resolution mentioned in said clause (b), but only upon payment to the Issuer of the purchase price of such Series of Refunding Bonds.

The rate or rates on the Bonds may be a fixed rate of interest or a variable rate of interest to be determined in the applicable Supplemental Indenture.

Simultaneously with the delivery of such Series of Refunding Bonds, the Trustee shall withdraw, if so provided in the Supplemental Indenture or the resolution mentioned in clause (b) of this Section 210, from the appropriate accounts of the Debt Service Fund an amount equal to the amount on deposit therein on account of the principal of, redemption premium, if any, and the interest on the Bonds to be refunded and from the Debt Service Reserve Fund or the reserve account therein, if applicable, an amount equal to the amount on deposit therein on account of the Bonds to be refunded, and apply the amount so withdrawn in accordance with the Supplemental Indenture or the resolution mentioned in clause (b) of this Section 210. The total amount so withdrawn, if so provided in the Supplemental Indenture or the resolution mentioned in clause (b) of this Section 210, the proceeds of such Series of Refunding Bonds (including accrued interest and any premium) and any other moneys provided for such purpose shall be applied by the Trustee as follows:

(1) the accrued interest received as part of the proceeds of such Refunding Bonds shall be deposited in the Interest Account of the Debt Service Fund to pay the first interest due on such Series of Refunding Bonds;

(2) an amount which, together with any income which shall be derived from the investment of such amount pursuant to this clause (2) and any other available funds, shall be sufficient to pay the principal of and redemption premium, if any, and the interest on the Bonds to be refunded hereunder, either at maturity or a selected redemption date or dates or combination of such payment and redemption, shall be deposited by the Trustee to the credit of a fund, appropriately designated, to be held in trust by an escrow agent, which may be the Trustee acting in such capacity, for the sole and exclusive purpose of paying such principal, redemption premium, if any, and interest; and moneys held for the credit of such fund shall, as nearly as may be practicable and reasonable, be invested and reinvested by such escrow agent at the direction of the Issuer in Government Obligations which shall mature, or which shall be subject to redemption by the Holder thereof at the option of such holder, not later than the respective dates when the moneys held for the credit of such fund will be required for the purposes intended;

(3) such amount shall be applied to, or set aside for, the payment of the expenses incident to such refunding as shall be specified in the Supplemental Indenture relating to such Refunding Bonds, and

(4) any balance of such proceeds shall be deposited to the credit of the Revenue Fund.

Section 211. Temporary Bonds. Until the definitive Bonds of any Series are ready for delivery, there may be executed by the Issuer and authenticated by the Trustee, and the Trustee shall deliver, in lieu of definitive Bonds and subject to the same limitations and conditions except as to identifying numbers, temporary printed, engraved, lithographed or typewritten Bonds in the denominations applicable to such Bonds, in the form determined by Supplemental Indenture, in fully registered form without coupons, and with omissions, insertions and variations as may be required. The Issuer shall cause the definitive Bonds to be prepared and to be executed, endorsed and delivered to the Trustee, and the Trustee upon presentation of any temporary Bond shall cancel the same and authenticate and deliver, in exchange therefor, at the place designated by the Holder, without expense to the Holder, a definitive Bond or Bonds of the same Series and in the same aggregate principal amount, maturing on the same date and bearing interest at the same rate or rates as the temporary Bond surrendered. Until so exchanged, the temporary Bonds shall in all respects, including the privilege of exchange and registration of transfer if so provided, be entitled to the same benefit of this Indenture as the definitive Bonds to be issued and authenticated hereunder, and interest on such temporary Bonds and notation of such payment shall be endorsed thereon.

Section 212. Mutilated, Destroyed or Lost Bonds. In case any Bonds secured hereby shall become mutilated or be destroyed or lost, the Issuer may cause to be executed, and the Trustee shall deliver a new Bond of like date, number and tenor in exchange and substitution for and upon the cancellation of such mutilated Bond or in lieu of and in substitution for such Bond

destroyed or lost, upon the Holder paying the reasonable expenses and charges (including attorney's fees, costs and expenses, if any) of the Issuer and the Trustee in connection therewith and, in the case of a Bond destroyed or lost, the Bondholder's filing with the Trustee evidence satisfactory to the Trustee that such Bond was destroyed or lost, and of his ownership thereof, and furnishing the Issuer and the Trustee with indemnity satisfactory to each of them.

Section 213. Provisions with Respect to Book-Entry System. Without Bondholder consent, the provisions of this Article contained in Sections 202 through 207, inclusive, may be changed or varied with respect to any Series of Bonds issued under this Article in any Supplemental Indenture relating to such Series of Bonds for the purposes of (1) complying with the requirements of any automated depository and clearinghouse for securities transactions and (2) effectuating any book-entry only registration and payment system.

Appropriate officers and officials of the Issuer are hereby authorized to enter into agreements with DTC and other depository trust companies, including but not limited to agreements necessary for wire transfers of interest and principal payments with respect to any Series of Bonds, utilization of electronic book entry data received from DTC and other depository trust companies in place of actual delivery of Bonds and provision of notices with respect to Bonds registered by DTC and other depository trust companies (or any of their designees identified to the Issuer) by overnight delivery, courier service, telegram, teletype or other similar means of communication.

### ARTICLE III

#### REDEMPTION OF BONDS

Section 301. Redemption Generally. The Bonds of each Series issued under the provisions of this Indenture shall be subject to redemption, either in whole or in part and at such times and prices, as may be provided by the applicable Supplemental Indenture.

Section 302. Selection of Bonds for Redemption or Purchase. The Issuer shall, in accordance with the terms and provisions of the Bonds and of this Indenture and the Supplemental Indenture relating to any Bonds to be redeemed, select the Bonds or portions thereof to be purchased or redeemed in such manner as the Issuer, in its sole discretion, shall determine. If less than all of the Bonds of a maturity are to be redeemed, the Trustee shall select the Bonds to be redeemed by lot or such other manner as the Trustee shall determine. In redeeming less than all of the Bonds of a Series, each Bond of each Series shall be treated as representing that number of Bonds of the lowest authorized denomination of that Series as is obtained by dividing the principal amount of such Bond by such denomination.

Section 303. Redemption Notice. Unless determined otherwise in the Supplemental Indenture, at least thirty (30) but not more than sixty (60) days before the redemption date, a written notice of any redemption, either in whole or in part, (a) shall be filed with the Trustee and (b) shall be mailed by first class mail, postage prepaid, to all registered owners of Bonds to be redeemed at their addresses as they appear on the Bond Register hereinabove provided for, but failure so to mail any such notice shall not affect the validity of the proceedings for such redemption for any Bond where notice was properly mailed. Each such notice shall specify the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Bonds are to be redeemed, the numbers or other distinguishing marks of such Bonds to be redeemed in part only, such notice shall also specify the portions thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each of the Bonds to be redeemed the redemption price or the specified portions thereof in the case of Bonds to be redeemed in part only, together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable on such Bonds or portions thereof so redeemed.

Any notice of redemption given pursuant to this Section 303 may state that it is conditioned upon receipt by the Trustee of moneys sufficient to pay the redemption price, plus interest accrued to the redemption date, or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such redemption price and accrued interest if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission shall be given by the Trustee to affected Holders of such Bonds as promptly as practicable upon the failure of such condition or the occurrence of such other event.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear a description of the issue and maturity of the Bonds being redeemed with the proceeds of such check or other transfer.

Without Bondholder consent, the provisions concerning the manner of giving notice of redemption may be changed or varied or supplemented in any Supplemental Indenture for the purpose of complying with any governmental or industry standards from time to time in effect.

Section 304. Partial Redemption of Bonds. In the event that only part of the principal sum of any Bond shall be called for redemption, payment of the amount to be redeemed shall be made only upon surrender of such Bond to the Trustee. Upon surrender of such Bond, the Issuer shall execute and the Trustee shall authenticate and deliver to the registered owner thereof at the designated corporate office of the Trustee, new duly executed Bonds of authorized principal sums equal in aggregate principal amount to, and of the same maturity and interest rate as, the unredeemed portion of the Bond surrendered.

Section 305. Effect of Calling for Redemption. On the date so designated for redemption, notice having been filed and given in the manner and under the conditions hereinabove provided, the Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds on such date. Upon moneys for payment of such redemption price being held in accounts by the Trustee in trust for the Holders of the to be redeemed Bonds, all as provided in this Indenture, interest on the Bonds so called for redemption shall cease to accrue, such Bonds shall cease to be entitled to any lien, benefit or security under this Indenture, and the Holders or registered owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof and accrued interest thereon.

Section 306. Cancellation of Bonds. All Bonds paid, redeemed, purchased, either at or before maturity, shall be delivered to the Trustee when such payment, redemption or purchase is made and such Bonds shall, except as provided by Section 304 hereof, thereupon be canceled. The Trustee shall certify to the Issuer the details of all Bonds so canceled. All Bonds canceled under any of the provisions of this Indenture either shall be delivered to the Issuer or destroyed by the Trustee, as the Issuer directs in writing. Upon destruction of any Bonds, the Trustee shall, upon written direction of the Issuer, execute a certificate in duplicate, describing the Bonds so destroyed, and one executed certificate shall be filed with the Issuer and the other executed certificate shall be retained by the Trustee.

Section 307. Bonds Called for Redemption Deemed Not Outstanding. If (a)(1) Bonds shall have been duly called for redemption under the provisions of this Article, or (2) irrevocable instructions have been given by the Issuer to the Trustee acting as escrow agent (the "Escrow Agent") to (i) call Bonds for redemption under the provisions of this Article, (ii) pay Bonds at their maturity or maturities or (iii) both call Bonds for redemption under the provisions of this Article and pay Bonds at their maturity or maturities in any combination (the Bonds described in clauses (a)(1) and (a)(2) are herein collectively called the "Bonds to be Paid"), and (b) cash and/or

Sufficient Government Obligations (hereinafter defined) are held in separate accounts by the Escrow Agent solely for the Holders of the Bonds to be Paid, then the Bonds to be Paid shall not be deemed to be Outstanding under the provisions of this Indenture and shall cease to be entitled to any benefit or security under this Indenture other than to receive payment of principal, redemption premium, if any, and interest from such moneys.

For purposes of this Section 307, "Sufficient Government Obligations" shall mean Government Obligations which are in such principal amounts, bear or accrete interest at such rate or rates and mature (without the option of prior redemption) on such date or dates so that the proceeds to be received upon payment of such Government Obligations at their maturity and the interest to be received thereon will provide sufficient amounts in cash on the dates required to pay the principal of and redemption premium, if any, and the interest on the Bonds to be paid to the dates of their maturity or redemption. The sufficiency of the moneys and/or Government Obligations to pay the principal of, redemption premium, if any, and the interest on such Bonds shall be based on the verification report of a firm of independent certified public accountants selected by the Issuer and having a favorable reputation in the preparation of such reports.

#### ARTICLE IV

##### CLAIMS FUND;

##### PAYMENT OF COVERED CLAIMS AND COSTS OF ISSUANCE

Section 401. Creation of Claims Fund. There is hereby created and established with the Trustee a trust fund in the name of the Issuer to be designated "Insurance Assessment Revenue Bond Claims Fund" (the "Claims Fund"). For each Series of Bonds issued hereunder, there shall be created and established in the applicable Supplemental Indenture a subaccount for such Series into which the proceeds of each Series of Bonds shall be deposited and used as provided in Section 402 of this Indenture. There shall be established in the Claims Fund an "Insurance Assessment Revenue Bond Costs of Issuance Account" (the "Costs of Issuance Account") and an "Insurance Assessment Revenue Bond Claims Payments Account" (the "Claims Payments Account").

Section 402. Deposit of Bond Proceeds into the Claims Fund; Payment of Covered Claims and Costs of Issuance.

(a) Upon each issuance of a Series of Bonds, the proceeds thereof shall be deposited into the Costs of Issuance Account (or applicable subaccount thereof) of the Claims Fund and the Claims Payments Account (or applicable subaccount thereof) of the Claims Fund in the amounts set forth in a certificate of the Issuer signed by an Authorized Issuer Representative delivered on the date of issuance of the Series of Bonds; provided that said Issuer's Certificate may be based upon certifications satisfactory to the Issuer made by an Authorized Issuer Representative as to the amounts required to be deposited into the Claims Payments Account (or applicable subaccount thereof).

(b) Payments shall be made by the Trustee from the Costs of Issuance Account upon written requisition of the Issuer and signed by an Authorized Issuer Representative and an Authorized Program Administrator Representative. Requisitions shall be paid by the Trustee in the order in which they are received by the Trustee. Each such requisition should be signed by an Issuer Authorized Representative and an Authorized Program Administrator Representative and shall state (1) the amount to be paid, (2) the party to whom Payment is to be made, (3) the service performed, and (4) that the cost to be paid is a proper cost of issuing the Bonds. Amounts held in the Costs of Issuance Account for more than sixty (60) days shall, upon the written request signed by an Authorized Issuer Representative and an Authorized Program Administrator Representative, be transferred to the Claims Payments Account until the Program Completion Date and, thereafter any such amounts shall be transferred to the Revenue Fund.

(c) From time to time upon receipt by the Trustee of a requisition in substantially the form attached hereto as Exhibit A, signed by an Authorized Program Administrator Representative, the Trustee shall remit to the Program Administrator funds for the payment of Covered Claims in the amount set forth in such requisition from the Claims Payments Account. The requisition may be submitted to the Trustee prior to or within 30 days following the payment

of the Covered Claim by the Program Administrator. The Trustee shall be entitled to conclusively rely on such requisition. The Trustee assumes no responsibility for the validity or accuracy of any Covered Claims. The Trustee shall wire funds directly to the Program Administrator for the payment of Covered Claims not more often than once each week, so long as the Trustee has been provided with a requisition as set forth herein. Once the Trustee has initiated such wire, the funds so wired will no longer be creditable to the Claims Payment Account, will not be subject to any lien in favor of the Bondholders, and will not be subject to the investment limitations set forth herein. The Program Administrator shall ensure expenditure of such funds within five (5) Business Days of receipt.

(d) Interest earnings on the amounts in the Claims Fund shall be deposited in the Claims Payments Account until the Program Completion Date and, thereafter, shall be transferred to and deposited in the Revenue Fund.

Section 403. Records and Reports. All requisitions and certificates received by the Trustee, as required by this Article IV as conditions of payment from the Claims Fund shall be retained in the possession of the Trustee, subject at all times during the normal business hours of the Trustee to the inspection of the Issuer and the Program Administrator, for a period ending no earlier than three (3) years after the maturity date of the Series of Bonds related to such requisitions and certificates.

Section 404. Program Completion Date. When all Covered Claims that are to be paid from the proceeds of a Series of Bonds deposited in the Claims Payments Account have been so paid, the Issuer and the Program Administrator shall deliver a certificate to the Trustee, signed by an Authorized Program Administrator Representative to such effect (the date of such certificate being herein referred to as the "Program Completion Date" with respect to such Series). Upon receipt of the aforesaid certificate evidencing the Program Completion Date, the Trustee shall withdraw any moneys remaining in the Claims Payments Account, except for the amount stated in said certificate to be retained in the Claims Payments Account for the payment of Covered Claims not yet identified but expected to be filed, and transfer such moneys to the Surplus Fund for application in accordance with the requirements of Section 508 hereof.

## ARTICLE V

### ESTABLISHMENT OF FUNDS AND ACCOUNTS; FLOW OF FUNDS

Section 501. Pledged Emergency Assessments and Additional Assessments, if any. Pledged Emergency Assessments and Additional Assessments, if any, shall be remitted directly to the Trustee and, to the extent Pledged Emergency Assessments or Additional Assessments, if any, are received by FIGA, FIGA shall pay to the Trustee for deposit in the Revenue Fund under Section 503 hereof as reasonably timely as possible. The Pledged Revenues are hereby pledged for the payment of the principal of, redemption premium, if any, and interest on all Bonds issued and Outstanding under this Indenture and all reimbursements due to any Credit Facility Issuer for any drawing with respect to the Bonds on its Credit Facility, including, without limitation, interest thereon, as required under the terms of the Credit Facility Agreement. The payment of the Bonds hereunder may be additionally be secured by a pledge and lien upon Additional Assessments, all as provided by Supplemental Indenture adopted prior to the issuance of a Series of Bonds.

The pledge to the Trustee of the Pledged Revenues as security for the payment of the principal of, redemption premium, if any, and, interest on, all Bonds issued and Outstanding under this Indenture and all reimbursements due to any Credit Facility Issuer for any drawing with respect to the Bonds on its Credit Facility, including, without limitation, interest thereon, as required under the terms of the Credit Facility Agreement, and the performance of any other obligation of the Issuer hereunder with respect to the Bonds, shall be valid and binding from the date hereof, and the covenants and agreements set forth herein to be performed by or on behalf of the Issuer shall be, except as otherwise expressly provided or permitted herein, for the equal benefit, protection and security of the Owners of the Bonds, and, to the extent herein provided, any Credit Facility Issuer, regardless of their times of issue and maturity, and shall be of equal rank, without preference, priority, or distinction of any one Bond or any obligation owing under a Credit Facility over any other Bond or any other obligation owing under a Credit Facility, except that the Owners of any particular Series of Bonds and the Credit Facility Issuer with respect to such Bonds shall have the sole lien on amounts deposited in any Fund or Account established solely for such Series of Bonds pursuant to the Series Resolution authorizing such Series of Bonds and shall not have a lien on moneys on deposit in any other Fund or Account established solely for any other Series of Bonds pursuant to a Supplemental Indenture. The Pledged Revenues will immediately be subject to the lien and pledge of this Indenture without any physical delivery thereof or further act; provided, however, that the lien and pledge of this Indenture shall not apply to any moneys transferred by the Trustee to the Rebate Fund.

Section 502. Funds and Accounts Relating to Bonds. The Funds and Accounts specified in this Article V are established under this Indenture for the benefit of any and all Series of Bonds issued under this Indenture; provided, however, that the Supplemental Indenture pursuant to which a Series of Bonds is issued may provide for the establishment of additional Funds and Accounts in respect of the Series of Bonds to be issued under such Supplemental Indenture; provided further, however, that any such additional Funds and Accounts established shall only

apply to the specific Series of Bonds issued pursuant to such Supplemental Indenture and, unless expressly otherwise provided in said applicable Supplemental Indenture, shall not apply to Bonds Outstanding hereunder issued under any other Supplemental Indenture. Moneys and investments in the various Funds and Accounts created under a Supplemental Indenture expressly and solely for the benefit of the Series of Bonds issued under such Supplemental Indenture shall be held in trust by the Trustee for the benefit of the Holders of, and Credit Facility Issuer with respect to, Bonds of that Series only.

Section 503. Revenue Fund. The Trustee is hereby authorized and directed to establish an "Insurance Assessment Revenue Bond Revenue Fund" (the "Revenue Fund") into which the Trustee shall immediately deposit any and all Pledged Emergency Assessments and Additional Assessments, if any. The Revenue Fund shall be held by the Trustee separate and apart from all other Funds and Accounts held under this Indenture and from all other moneys of the Trustee. On the fifth (5<sup>th</sup>) Business Day preceding each Interest Payment Date, the Trustee shall transfer from amounts on deposit in the Revenue Fund to the Funds and Accounts designated below, the following amounts in the following order of priority:

FIRST, to the Interest Account of the Debt Service Fund, an amount equal to the amount of interest payable on all Bonds then Outstanding for the current Bond Year for such Outstanding Bonds, until such interest is fully funded for such Bond Year (for variable rate Bonds, interest should be calculated at the actual interest rate, if known, and at the maximum interest rate as provided in the applicable Supplemental Indenture, to the extent not known), less any amount already on deposit in the Interest Account not previously credited;

SECOND, to the Principal Account of the Debt Service Fund, with respect to Serial Bonds having annual principal payment dates, an amount equal to the principal amount of all Serial Bonds then Outstanding and maturing within the Bond Year, until such principal is fully funded for such Bond Year, less any amount already on deposit in the Principal Account not previously credited; provided, however, that for Serial Bonds having other than annual principal payment dates, the required deposits to the Principal Account shall be as set forth in the corresponding Supplemental Indenture;

THIRD, to the Sinking Fund Account of the Debt Service Fund, with respect to Term Bonds having annual principal payment dates, an amount equal to the Amortization Requirement of all Term Bonds then Outstanding and subject to mandatory sinking fund redemption through the current Bond Year, until such Amortization Requirement is fully funded for such Bond Year, less any amount already on deposit in the Sinking Fund Account not previously credited; provided, however, that for Term Bonds having other than annual principal payment dates, the required deposits to the Sinking Fund Account shall be as set forth in the corresponding Supplemental Indenture;

FOURTH, to the Debt Service Reserve Fund or the applicable reserve account(s) therein, the amount which is necessary to make the amount on deposit therein equal to



the applicable Debt Service Reserve Requirement(s) with respect thereto; provided that in calculating the amount on deposit in the Debt Service Reserve Fund or the applicable reserve account(s) therein, the Trustee shall include the amount covered by any Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit on deposit therein;

FIFTH, to the Rebate Fund, such amounts, if any, as shall be specified to the Trustee in writing by an Authorized Issuer Representative; and

SIXTH, amounts remaining in the Revenue Fund after the deposits described above shall be applied by the Trustee (i) to the payment of any and all ongoing Costs of Issuance associated with the issuance of the Bonds and (ii) to the payment of Program Expenses under the Assistance Program Agreement; provided that any such amounts for Costs of Issuance shall only be paid upon presentation to the Trustee of a requisition as provided Section 402(b) hereof.

Any amounts remaining in the Revenue Fund after making the aforementioned deposits and applications shall be deposited to the credit of the Surplus Fund and applied in accordance with the requirements of Section 508 hereof.

Section 504. Debt Service Fund. The Trustee is hereby authorized and directed to establish a "Revenue Bond Debt Service Fund" (the "Debt Service Fund") which shall consist of amounts deposited therein by the Trustee and any other amounts the Issuer or FIGA may pay to the Trustee for deposit therein with respect to the Bonds. The Debt Service Fund shall be held by the Trustee separate and apart from all other Funds and Accounts held under this Indenture and from all other moneys of the Trustee. The Trustee shall establish within the Debt Service Fund a Principal Account, an Interest Account and a Sinking Fund Account, which accounts shall be separate and apart from all other Funds and Accounts established under this Indenture and from all other moneys of the Trustee.

The Trustee at all times shall make available to any Paying Agent the funds in the Principal Account and the Interest Account of the Debt Service Fund to pay the principal of the Bonds as they mature upon surrender thereof and the interest on the Bonds as it becomes payable, respectively; provided, however, that while a Credit Facility is in effect with respect to any of the Bonds, any payment of principal of or interest on the Bonds shall be made from sources and in the order of priority specified in the Supplemental Indenture providing for such Credit Facility. When Bonds are redeemed, the amount, if any, in the Debt Service Fund representing interest thereon shall be applied to the payment of accrued interest in connection with such redemption.

The Trustee shall apply moneys in the Sinking Fund Account in the Debt Service Fund for purchase or redemption of Bonds in amounts and maturities set forth in the applicable Supplemental Indenture. Whenever Bonds are to be purchased from moneys on deposit in the Sinking Fund Account, if the Issuer shall notify the Trustee in writing that the Issuer wishes to

arrange for such purchase, the Trustee shall comply with the Issuer's arrangements provided they conform to this Indenture.

Except to the extent otherwise provided in the Supplemental Indenture with respect to a specific Series of Bonds, purchases and redemptions out of the Sinking Fund Account shall be made as follows:

(a) The Trustee shall apply the amounts required to be transferred to the Sinking Fund Account (less any moneys applied to the purchase of Bonds pursuant to the next sentence hereof) on the principal payment date in each of the years set forth in the Supplemental Indenture to the redemption of Bonds in the amounts, manner and on the dates set forth in the Supplemental Indenture, at a redemption price of 100% of the principal amount thereof. At the written direction of the Issuer, the Trustee shall apply moneys from time to time available in the Sinking Fund Account to the purchase of Bonds which mature in the aforesaid years, at prices not higher than the principal amount thereof in lieu of redemption as aforesaid, provided that firm purchase commitments can be made before the notice of redemption would otherwise be required to be given. In the event of purchases of less than the principal amount thereof, the difference between the amount in the Sinking Fund Account representing the principal amount of the Bonds so purchased and the purchase price thereof (exclusive of any accrued interest) shall be transferred to the Interest Account of the Debt Service Fund.

(b) Accrued interest on purchased Bonds shall be paid from the Interest Account of the Debt Service Fund.

(c) In lieu of paying the Principal and Interest Requirements necessary to allow any mandatory redemption of Bonds from the Sinking Fund Account, the Issuer may present to the Trustee Bonds purchased by the Issuer pursuant to subparagraph (a) above and furnished for such purposes; provided, however, that no Bonds so purchased shall be credited towards the Principal and Interest Requirements in respect of the mandatory redemption of Bonds for which notice of redemption has been given pursuant to Section 303 of this Indenture. Any Bond so purchased shall be presented to the Trustee for cancellation. In such event, the Principal and Interest Requirements with respect to the Bonds for the period in which the purchased Bonds are presented to the Trustee shall, for all purposes hereunder, be reduced by an amount equal to the aggregate principal amount of any such Bonds so presented.

Section 505. Debt Service Reserve Fund. The Trustee is hereby authorized and directed to establish an "Insurance Assessment Revenue Bond Debt Service Reserve Fund" (the "Debt Service Reserve Fund") with respect to the Bonds. The Debt Service Reserve Fund shall be held by the Trustee for the benefit of the Bonds; provided, however, that notwithstanding anything to the contrary contained in this Indenture, the Supplemental Indenture authorizing the issuance of a Series of Bonds may provide either (i) that such Series of Bonds shall be secured by a separate reserve account established within the Debt Service Reserve Fund exclusively for the benefit of and security for such Series of Bonds or (ii) that the Debt Service Reserve Fund is not applicable and does not secure such Series of Bonds. If a separate reserve account is established for a Series

of Bonds, such Series of Bonds shall not be secured by moneys on deposit in the Debt Service Reserve Fund other than moneys required to be deposited in the separate reserve account established for such Series of Bonds. The Debt Service Reserve Fund shall constitute an irrevocable trust fund to be applied solely as set forth herein and shall be held by the Trustee separate and apart from all other Funds and Accounts held under this Indenture and from all other moneys of the Trustee. Unless otherwise provided in the Supplemental Indenture authorizing the issuance of a Series of Bonds, on the date of issuance and delivery of a Series of Bonds, an amount of Bond proceeds equal to the Debt Service Reserve Requirement in respect of such Series of Bonds, calculated as of the date of issuance and delivery of such Series of Bonds, shall be deposited in the Debt Service Reserve Fund. As long as there exists no Event of Default under this Indenture of which a Responsible Officer of the Trustee is actually aware and the amount in the Debt Service Reserve Fund is not reduced below the then applicable Debt Service Reserve Requirement with respect to the Bonds secured by the Debt Service Reserve Fund, earnings on investments in the Debt Service Reserve Fund shall be transferred to the applicable subaccount in the Claims Payment Account of the Claims Fund, until the Program Completion Date, and thereafter to the Revenue Fund. Otherwise, earnings on investments in the Debt Service Reserve Fund shall be retained in the Debt Service Reserve Fund until applied as set forth herein. In the event that the amount in the Debt Service Reserve Fund or reserve account therein exceeds the Debt Service Reserve Requirement with respect to the Bonds secured by the Debt Service Reserve Fund or reserve account therein due to a decrease in the then applicable Debt Service Reserve Requirement or for any other reason, the excess amount shall be transferred from the Debt Service Reserve Fund or reserve account therein to the applicable subaccount in the Claims Payments Account of the Claims Fund, until the Program Completion Date, and thereafter to the Revenue Fund. Unless otherwise required by the provisions hereof or unless requested in writing by an Authorized Issuer Representative, the Investment Obligations and other amounts deposited to the credit of the Debt Service Reserve Fund or reserve account therein shall be valued by the Trustee within five (5) Business Days after each Interest Payment Date.

Whenever for any reason on an Interest Payment Date or mandatory redemption date with respect to Bonds secured by the Debt Service Reserve Fund or reserve account therein the amount in the Interest Account, the Principal Account or the Sinking Fund Account, as the case may be, together with the amounts available in the Surplus Fund are insufficient to pay all amounts payable on the applicable Bonds therefrom on such payment dates, the Trustee shall, without further instructions, transfer the amount of any such deficiency from the Debt Service Reserve Fund or reserve account therein into the Interest Account, the Principal Account or the Sinking Fund Account, as the case may be, with priority to the Interest Account and then, proportionately according to the respective deficiencies therein, to the Principal Account and the Sinking Fund Account, to be applied to pay the Bonds secured by the Debt Service Reserve Fund or reserve account therein. Any deficiencies in the amounts available in the Interest Account, the Principal Account or the Sinking Fund Account shall be made up from moneys withdrawn from the Surplus Fund, to the extent of available amounts therein, and next from amounts from the Debt Service Reserve Fund or reserve account therein.

Notwithstanding the foregoing, in lieu of the required deposit into the Debt Service Reserve Fund or reserve account therein Fund, the Issuer may cause to be deposited into the Debt Service Fund or reserve account therein a Debt Service Reserve Insurance Policy or Debt Reserve Letter of Credit either in lieu of any cash amount required to be deposited therein in connection with the issuance of any Series of Bonds or in substitution for the full amounts then on deposit therein or in an amount equal to the difference between the amount required to be deposited and the sum, if any, then on deposit in the Debt Service Reserve Fund or reserve account therein, which Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit shall be payable (upon the giving of notice as required thereunder) on any Interest Payment Date or principal payment date on which a deficiency exists which cannot be cured by moneys in any other Fund or Account held pursuant to this Indenture and available for such purpose. If any such Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit is substituted for moneys on deposit in the Debt Service Reserve Fund or reserve account therein, or if at any time there are excess moneys in the Debt Service Reserve Fund or reserve account therein, the excess moneys in the Debt Service Reserve Fund or reserve account therein shall be transferred to and deposited in the Revenue Fund. If a disbursement is made from a Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit, the Issuer shall be obligated to either reinstate the maximum limits of such Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit immediately or as otherwise provided in the applicable Supplemental Indenture following such disbursement or to deposit into the Debt Service Reserve Fund or reserve account therein, as provided in this Indenture for restoration of withdrawals from the Debt Service Reserve Fund or reserve account therein, funds in the amount of the disbursement made under such Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit.

In the event that upon the occurrence of any deficiency in the Interest Account, the Principal Account and the Sinking Fund Account, the Debt Service Reserve Fund or reserve account therein is then funded with a Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy, the Trustee shall, on an Interest Payment Date or mandatory redemption date to which such deficiency relates, draw upon the Debt Service Reserve Letter of Credit or cause to be paid under the Debt Service Reserve Insurance policy an amount sufficient to remedy such deficiency, in accordance with the terms and provisions of the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy, as applicable, and any corresponding reimbursement or other agreement governing the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy; provided, however, that if at the time of such deficiency, the Debt Service Reserve Fund or reserve account therein is only partially funded with a Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy, prior to drawing on the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy, as applicable, the Trustee shall first apply any cash and securities on deposit in the Debt Service Reserve Fund or reserve account therein to remedy the deficiency in accordance with the second paragraph of this Section 505 and, if after such a deficiency still exists, the Trustee shall make up the balance of the deficiency by drawing on the Debt Service Letter of Credit or Debt Service Reserve Insurance Policy, as provided in this sentence. Amounts drawn on the Debt Service Letter of Credit or Debt Service Reserve Insurance Policy be applied as set forth in the second

paragraph of this Section 505. Any amounts drawn under a Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy shall be reimbursed to the issuer thereof in accordance with the terms and provisions of the reimbursement or other agreement governing such Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy.

Section 506. Reserved.

Section 507. Rebate Fund. The Trustee is hereby authorized and directed to establish an "Insurance Assessment Revenue Bond Rebate Fund" (the "Rebate Fund") with respect to the Bonds. The Rebate Fund shall be held by the Trustee for the benefit of all Series of Bonds. The Rebate Fund shall be applied solely as set forth herein and shall be held by the Trustee separate and apart from all other Funds and Accounts held under this Indenture and from all other moneys of the Trustee. Amounts in the Rebate Fund shall be held for the payment of any required rebate under the Code to the United States of America. Any such amounts shall be paid by the Trustee only upon the written direction of an Authorized Issuer Representative. Amounts in the Rebate Fund shall not be part of the Pledged Revenues subject to the lien and pledge of this Indenture.

Section 508. Surplus Fund. The Trustee is hereby authorized and directed to establish an "Insurance Assessment Revenue Bond Surplus Fund" (the "Surplus Fund") with respect to the Bonds. The Surplus Fund shall be applied solely as set forth herein and shall be held by the Trustee separate and apart from all other Funds and Accounts held under this Indenture and from all other moneys of the Trustee.

Amounts held in the Surplus Fund shall be part of the Pledged Revenues subject to the lien and pledge of this Indenture for the benefit of all Bonds from time to time Outstanding hereunder.

Amounts in the Surplus Fund shall be used by the Trustee as provided below to cure deficiencies in the Debt Service Fund, the Debt Service Reserve Fund or any reserve account therein. In addition, if there are no such deficiencies then existing, amounts in the Surplus Fund may be used, at the discretion of the Issuer and/or FIGA, where applicable, for the purposes of either (i) purchasing Bonds, (ii) redeeming Bonds, (iii) defeasing Bonds, or (iv) payment of Covered Claims.

Whenever for any reason on an Interest Payment Date or mandatory redemption date, the amount in the Interest Account, the Principal Account or the Sinking Fund Account, as the case may be, is insufficient to pay all amounts payable on the Bonds therefrom on such payment dates, the Trustee shall, without further instructions, transfer the amount of any such deficiency from the Surplus Fund into the Interest Account, the Principal Account or the Sinking Fund Account, as the case may be, with priority to the Interest Account and then, proportionately according to the respective deficiencies therein, to the Principal Account and the Sinking Fund Account, to be applied to pay the Bonds. Any deficiencies in the amounts available in the Interest Account, the Principal Account or the Sinking Fund Account shall be made up from amounts available in the

Surplus Fund before any amounts are withdrawn from the Debt Service Reserve Fund or any reserve account therein to cure any such deficiencies. After all deficiencies in the Accounts of the Debt Service Fund are cured, amounts in the Surplus Fund shall be applied to cure any deficiency in the Debt Service Reserve Fund or any reserve account therein.

If the Issuer and FIGA determine to use amounts in the Surplus Fund for the purpose of purchasing Bonds, the Issuer shall deliver a written notice to the Trustee, signed by an Authorized Issuer Representative and countersigned by an Authorized Program Administrator Representative, which notice shall specify the principal amount of Bonds to be purchased, the maximum price or prices to be paid for such Bonds, and the date, if any, after which Bonds shall no longer be subject to purchase. All expenses incurred by the Trustee in effecting such purchase of Bonds shall be paid by the Issuer.

If the Issuer and FIGA determine to use amounts in the Surplus Fund for the purpose of redeeming Bonds, the Issuer shall deliver a written notice to the Trustee signed by an Authorized Issuer Representative and countersigned by an Authorized Program Administrator Representative. Such notice shall specify the amounts to be transferred from the Surplus Fund for the purpose of such redemption, whether the notice of redemption given by the Trustee pursuant to Section 303 hereof shall be conditional, the Bonds of a particular Series or sub-series to be redeemed, and the date on which such redemption is to be effected. Any such redemption shall be effected by the Trustee in the manner set forth in Article III hereof without any further action of the Issuer or FIGA. Moneys transferred by the Trustee from the Surplus Fund shall be used for the benefit of the particular Series of Bonds or portion thereof to be redeemed.

If the Issuer and FIGA determine to use amounts in the Surplus Fund for the purpose of defeasing Bonds, the Issuer shall deliver a written notice to the Trustee signed by an Authorized Issuer Representative and countersigned by an Authorized Program Administrator Representative. Such notice shall specify the amounts to be transferred from the Surplus Fund for the purpose of such defeasance, the Bonds to be defeased, and the date on which such defeasance is to be effected. Any such defeasance shall be effected in the manner set forth in Article XIV hereof.

From time to time upon receipt by the Trustee of a requisition in substantially the form attached hereto as Exhibit A, signed by an Authorized Program Administrator Representative, the Trustee shall remit to the Program Administrator funds for the payment of Covered Claims in the amount set forth in such requisition from the Surplus Fund. The requisition may be submitted to the Trustee prior to or within 30 days following the payment of the Covered Claim by the Program Administrator. The Trustee shall be entitled to conclusively rely on such requisition. The Trustee assumes no responsibility for the validity or accuracy of any Covered Claims. The Trustee shall wire funds directly to the Program Administrator for the payment of Covered Claims not more often than once each week, so long as the Trustee has been provided with a requisition as set forth herein. Once the Trustee has initiated such wire, the funds so wired will no longer be creditable to the Surplus Fund, will not be subject to any lien in favor of the

Bondholders, and will not be subject to the investment limitations set forth herein. The Program Administrator shall ensure expenditure of such funds within five (5) Business Days of receipt.

Section 509. Procedure when Funds are Sufficient to Pay All Bonds. If at any time the moneys held by the Trustee in the Funds and Accounts, hereunder and available therefor are sufficient to pay Principal of, redemption premium, if any, and interest on all Series of Bonds then Outstanding hereunder to maturity or prior redemption, together with any amounts due the Issuer and the Trustee, Paying Agent, Registrar and Credit Facility Issuer, including all Program Expenses due under the Assistance Program Agreement, the Trustee, at the written direction of the Issuer, shall apply the amounts in the Funds and Accounts to the payment of the aforesaid obligations and the Issuer and/or FIGA shall not be required to pay over any further Pledged Revenues with respect to any Series of Bonds unless and until it shall appear that there is a deficiency in the Funds and Accounts held by the Trustee.

## ARTICLE VI

### DEPOSITORIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 601. Security for Deposits. All moneys received by the Trustee under the provisions of this Indenture shall be held in accordance herewith, shall be held in trust, shall be applied only in accordance with the provisions of this Indenture and shall not be subject to lien or attachment by any creditor of the Issuer.

Except as otherwise provided below, all moneys held by the Trustee in excess of the amount guaranteed by the Federal Deposit Insurance Corporation or other Federal agency shall be continuously secured for the benefit of the Holders of the Bonds, either (a) by lodging with a bank or trust company approved by the Issuer as custodian, or, if then permitted by law, by setting aside under control of the trust department of the bank holding such deposit as collateral security, Government Obligations, or, with the approval of an Authorized Issuer Representative, other marketable securities eligible as security for the deposit of trust funds under applicable regulations of the Comptroller of the Currency of the United States or applicable State of Florida laws or regulations, having a market value (exclusive of accrued interest) not less than the amount of such deposit, or, if the furnishing of security as provided in (a) of this Section is not permitted by applicable law, (b) in such other manner as may then be required or permitted by applicable State of Florida or Federal laws or regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds; provided, however, that it shall not be necessary for the Trustee to give security for the deposits of any moneys with it which are invested in Investment Obligations.

All moneys held by the Trustee shall be credited to the particular Fund or Account to which such moneys belong.

Section 602. Investment of Moneys. At the written direction of an Authorized Issuer Representative, moneys held for the credit of the Claims Fund, Debt Service Fund, the Debt Service Reserve Fund, the Revenue Fund and the Surplus Fund shall, as nearly as practicable, be continuously invested and reinvested in Investment Obligations which shall mature, or which shall be subject to redemption by the Holder thereof at the option of such holder, not later than the respective dates when moneys held for the credit of said Funds will be expected by an Authorized Issuer Representative to be required for the purposes intended. Moneys in the Rebate Fund shall be invested in Investment Obligations from time to time directed in writing by an Authorized Issuer Representative.

Investment Obligations so purchased as an investment of moneys in any such Fund shall be deemed at all times to be part of such Fund. The interest accruing thereon and any profit realized from such investment shall be credited to such Fund and any loss resulting from such investment shall be charged to such Fund.

Investment earnings on moneys on deposit to the credit of the following Funds shall be applied as follows:

(a) Investment earnings on moneys on deposit to the credit of the Debt Service Fund may, at the option of the Issuer, be retained in said Fund if the amounts are required for paying interest on the Bonds on the next Interest Payment Date and principal of Serial Bonds or the Amortization Requirements for Term Bonds when due, and to the extent that earnings are so retained, the Issuer shall receive a credit against the amounts required to be deposited to said Fund pursuant to Section 503 of this Indenture or the Issuer may withdraw such earnings and deposit them to the credit of the Revenue Fund. Absent contrary instructions in writing from an Authorized Issuer Representative, the Trustee shall assume that investment earnings on moneys in the Debt Service Fund shall be retained therein.

(b) Investment earnings on money on deposit in the Debt Service Reserve Fund or any reserve accounts therein shall be retained in said Fund or any reserve accounts therein at any time that the amounts on deposit to the credit of said Fund or any reserve accounts therein are less than the Debt Service Reserve Requirement for the Series of Bonds for which such fund or any reserve accounts therein was created, or if moneys on deposit therein are sufficient for such purpose, then such earnings shall be withdrawn and deposited to the credit of the Claims Payment Account of the Claims Fund until the Program Completion Date and, thereafter, to the credit of the Revenue Fund.

(c) Investment earnings on moneys on deposit to the credit of the Claims Fund shall be retained therein until the Program Completion Date and thereafter withdrawn and deposited to the credit of the Revenue Fund.

(d) Investment earnings on moneys on deposit to the credit of the Revenue Fund shall be retained therein and applied pursuant to Section 503 of this Indenture.

The Trustee shall sell or present for payment or redemption any Investment Obligations so acquired whenever it shall be necessary to do so in order to provide moneys to meet any payment requirements of such Fund or Account. Neither the Issuer nor the Trustee shall be liable or responsible for any loss resulting from any investment except for investments not made in accordance with this Indenture. The Trustee shall conclusively rely upon the Authorized Issuer Representative's written instructions as to both the suitability and legality of all the directed investments. Ratings of investments shall be determined at the time of purchase of such investments and without regard to ratings subcategories. The Trustee shall have no responsibility to monitor the ratings of investments after the initial purchase of such investments. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such investments. In the absence of written investment instructions from an Authorized Issuer Representative, the Trustee shall not be responsible or liable for keeping the moneys held by it hereunder fully invested in investments.

Although the Issuer recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Issuer hereby agrees that broker confirmations of investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered or otherwise made available by the Trustee.

Section 603. Valuation of Investment Obligations. In computing the amount in any Fund or Account created pursuant to the provision of this Indenture, obligations purchased as an investment of moneys therein shall be valued at the lower of (i) par if purchased at par or at amortized value if purchased at other than par, or (ii) market value, plus, in each case, accrued interest; amortized value, when used with respect to an obligation purchased at a premium above or a discount below par, means the value as of any given time obtained by dividing the total premium or discount at which such obligation was purchased by the number of days remaining to maturity on such obligation at the date of such purchase and by multiplying the amount thus calculated by the number of days having passed since such purchase; and (1) in the case of an obligation purchased at a premium by deducting the product thus obtained from the purchase price, and (2) in the case of an obligation purchased at a discount by adding the product thus obtained to the purchase price. Valuation on any particular date shall include the amount of interest then earned or accrued to such date or any moneys or investments in such Fund or Account. The computation of the amount on deposit in or credited to the Funds and Accounts created under this Indenture and the valuation of the investments of such amount shall be performed by the Trustee on the last day of each Bond Year, and such computation and valuation shall not be required to be performed at other times (other than the valuation of the Debt Service Reserve Fund as provided in Section 5.05 hereof). Notwithstanding anything to the contrary herein, the Trustee shall conclusively rely upon its pricing service (or those of its affiliates or subsidiaries) in determining the value of any investments hereunder.

Section 604. Accounting for Funds. For the purposes of this Indenture, each Fund or Account created hereunder shall be a series of accounts within the book of accounts of the Program and shall connote a segregation of accounts, which will support special purpose disclosure reports, not to be construed as a separate set of books of accounts. For the purpose of investing or reinvesting, the Trustee may commingle moneys in the Funds and Accounts created and established hereunder (other than the Rebate Fund) in order to achieve greater investment income; provided that the Trustee shall account for the amounts so commingled. The amounts required to be accounted for in each of the Funds and Accounts designated herein (other than the Rebate Fund) may be deposited in a single bank account provided that adequate accounting procedures are maintained to reflect and control the restricted allocations of the amounts on deposit therein for the various purposes of such Funds and Accounts as herein provided. The designation and establishment of Funds and Accounts in and by this Indenture (other than the Rebate Fund) shall not be construed to require the creation of any completely independent Funds and Accounts but rather is intended solely to constitute an allocation of the Pledged Revenues for the purposes and to establish such certain priorities for application of the Pledged Revenues as herein provided.

Section 605. Tax Covenants. The Issuer covenants and agrees that so long as any Bonds remain Outstanding, it shall comply with the requirements of the Code, including any arbitrage rebate covenants contained in any Tax Agreement in connection with the issuance of any Series of Bonds, except to the extent to not so comply would not, in the opinion of Bond Counsel, result in the interest payable on such Bonds being included in gross income for Federal income tax purposes to the Holders thereof under the Code. Notwithstanding anything to the contrary contained herein or otherwise, the Issuer shall not be required to comply with the covenants contained in this Section 605 to the extent that interest on any Bonds issued hereunder shall be intended by the Issuer, on the date of issuance of such Bonds, to be included in gross income for Federal income tax purposes to the Holders thereof under the Code as designated in the applicable Supplemental Indenture.

## ARTICLE VII

[RESERVED]

## ARTICLE VIII

### CREDIT FACILITIES

Section 801. Credit Facilities. Provisions, if any, with respect to a Credit Facility or Facilities applicable to particular Series of Bonds, including provisions with respect to payments thereunder, shall be included as applicable in the Supplemental Indenture relating to such Series of Bonds.

## ARTICLE IX

### PARTICULAR COVENANTS

Section 901. Payment of Bonds: Limited Obligation. The Issuer covenants that it will promptly pay the principal of and interest on every Bond issued under this Indenture at the places, on the dates and in the manner specified herein and in said Bonds to the true intent and meaning thereof, but solely from the Pledged Revenues and as provided herein, which amounts are hereby specifically pledged to the payment thereof in the manner and to the extent herein specified, and nothing in the Bonds or in this Indenture shall be construed as obligating or pledging any other funds or assets of the Issuer. The Issuer shall not be liable for the payment of the principal of, redemption premium, if any, or interest on any of the Bonds or for the performance of any pledge, obligation or agreement undertaken by the Issuer except to the extent that the Pledged Revenues are sufficient therefor.

The Pledged Emergency Assessments which secure the Bonds are levied only upon insurance written for the Pledged Account, which is specified in Section 631.55(2)(b), Florida Statutes, and Holders of Bonds shall never have a claim upon any assessments levied upon the auto liability and auto physical damage account specified in Section 631.55(2)(a), Florida Statutes (the "Auto Account"). In addition, no Covered Claim arising from the Auto Account may be paid from proceeds of the Bonds or from assessments levied on the Pledged Account; provided, however, that this restriction shall not preclude internal borrowing by FIGA among the Pledged Account and the Auto Account by FIGA to the extent not part of Pledged Revenues.

The Bonds, together with interest thereon and redemption premiums with respect thereto and all other obligations of the Issuer hereunder, are special, limited obligations of the Issuer and shall always be payable solely from the Pledged Revenues, which amounts shall be used for no other purpose than to pay the principal of, redemption premium, if any, and interest on the Bonds, except as may be expressly authorized otherwise in this Indenture. The Bonds and the obligation to pay principal of, redemption premium, if any, and interest thereon and all other obligations of the Issuer hereunder do not now and shall not be construed to constitute an indebtedness of the Issuer, the State of Florida or any political subdivision thereof within the meaning of any constitutional or statutory provision whatsoever, or a lien upon the real or personal property of the Issuer, the City of Callaway, Florida, the City of Panama City Beach, Florida, the State of Florida or any political subdivision thereof, or any part thereof, or as a pledge of the general credit, faith or taxing power of the Issuer, the City of Callaway, Florida, the City of Panama City Beach, Florida, the State of Florida or any political subdivision thereof, but shall be secured as aforesaid, and shall be payable solely from the Pledged Revenues.

The issuance of the Bonds shall not directly or indirectly or contingently obligate or require the Issuer, the City of Callaway, Florida, the City of Panama City Beach, Florida, the State of Florida or any political subdivision thereof to levy or pledge any tax whatsoever or to make any appropriation for the payment of the Bonds or any other obligation of the Issuer under this Indenture other than from the Pledged Revenues. Further, nothing in this Indenture gives the

Holders of the Bonds, and they shall never have the right to require or compel the Issuer, the City of Callaway, Florida, the City of Panama City Beach, Florida, the State of Florida or any political subdivision to levy or appropriate any taxes for the payment of redemption premium, if any, and interest on the Bonds or other payment required under this Indenture. The Issuer has no taxing power.

The covenants, agreements and obligations of the Issuer contained in this Indenture shall not be deemed to be the covenants, agreements and obligations of the City of Callaway, Florida, the City of Panama City Beach, Florida or any other member of the Issuer, or of any officer, agent, trustee, or employee of the Issuer or any members thereof in his or her individual capacity and no recourse shall be had against any such member, officer, agent, trustee or employee of the Issuer and none shall become personally liable for the performance of any obligation hereunder or for any claim based hereon or hereunder.

Section 902. Instruments of Further Assurance. The Issuer agrees that the Trustee may defend the Issuer's rights to the payments and other amounts due under the Assistance Program Agreement for the benefit of the Bondholders, against the claims and demands of all Persons whomsoever. The Issuer covenants that it will do, execute, acknowledge and deliver, or make its best efforts to cause to be done, executed, acknowledged and delivered, such Supplemental Indentures and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, pledging, assigning and confirming to the Trustee all and singular the rights assigned hereby and the amounts pledged hereby to the payment of the principal of, redemption premium, if any, and interest on the Bonds.

Section 903. Recording and Filing: Further Instruments. The Issuer shall from time to time execute and deliver such further instruments, including, without limitation, the filing of any continuation statements required under the Florida Uniform Commercial Code, and take such further action as may be reasonable and as may be required to effectuate the purposes of this Indenture or any provision hereof; provided, however, that no such instruments or actions shall pledge the general credit, the full faith, or the taxing power of the Issuer. The Issuer has no taxing power.

Notwithstanding anything to the contrary, the Trustee shall not be responsible for any initial filings of any financing statements or the information contained therein (including the exhibits thereto), the perfection of any such security interests, or the accuracy or sufficiency of any description of collateral in such initial filings or for filing any modifications or amendments to the initial filings required by any amendments to Article 9 of the Uniform Commercial Code. In addition, unless the Trustee shall have been notified in writing by the Issuer or the Program Administrator that any such initial filing or description of collateral was or has become defective (including, but not limited to, any change in the address of the obligor), the Trustee shall be fully protected in (i) conclusively relying on such initial filing and descriptions and (ii) filing any continuation statements in the same filing offices as the initial filings were made. The Trustee shall cause to be filed a continuation statement with respect to each Uniform Commercial Code financing statement relating to the Bonds which was filed at the time of the issuance thereof, in

such manner and in such places as the initial filings were made, provided that a copy of the filed original financing statement is timely delivered to the Trustee. The Issuer shall be responsible for the reasonable costs incurred by the Trustee in the preparation and filing of all continuation statements hereunder.

Section 904. No Disposition of Pledged Revenues. Except as permitted or required by this Indenture, the Issuer shall not sell, lease, pledge, assign or otherwise encumber or dispose of its interest in the Pledged Revenues or any portion thereof, and will promptly pay or make its best efforts to cause to be discharged, or make adequate provision in the judgment of the Trustee to discharge, any lien or charge on any part thereof not permitted hereby.

Section 905. Access to Books. All books and documents in the possession of the Issuer relating to the Pledged Revenues shall at all reasonable times be open to inspection by such accountants or other agencies as the Trustee may from time to time designate.



## ARTICLE X

### EVENTS OF DEFAULT AND REMEDIES

Section 1001. Extension of Interest Payment. In case the time for the payment of any interest on any Bond shall be extended, whether or not such extension be by or with the consent of the Issuer, such interest so extended shall not be entitled in case of default hereunder to the benefit or security of this Indenture except subject to the prior payment in full of the principal of all Bonds then Outstanding and all interest the time for the payment of which shall not have been extended.

Section 1002. Events of Default. Each of the following events is hereby declared an "Event of Default":

- (a) payment of the principal or the redemption premium, if any, of any of the Bonds shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or
- (b) payment of any installment of interest on any of the Bonds shall not be made when the same shall become due and payable; or
- (c) the Issuer shall for any reason be rendered incapable of fulfilling its obligations hereunder; or
- (d) an event of default occurs under the Assistance Program Agreement; or
- (e) the Issuer files a petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver or trustees for itself or a receiver or trustee for such purpose is appointed without the consent of the Issuer; or
- (f) the Issuer is adjudged insolvent by a court of competent jurisdiction, or is adjudged a bankrupt on a petition in bankruptcy filed against the Issuer, or an order, judgment or decree is entered by a court of competent jurisdiction appointing, without the consent of the Issuer, a receiver or trustee of the Issuer or of the whole or any part of its property and any of the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within ninety (90) days from the date of entry thereof; or
- (g) the Issuer shall file a petition or answer seeking reorganization or any arrangement under the Federal bankruptcy laws or any other applicable law or statute of the United America or any state thereof; or
- (h) under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Issuer or of the whole or any substantial part of its property, and such custody or control shall not be terminated within ninety (90) days from the date of assumption of such custody or control; or

(i) the Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Indenture on the part of the Issuer to be performed and such default shall continue for sixty (60) days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by the Trustee, which may give such notice in its discretion and shall give notice at the written request of the Holders of not less than twenty-five per centum (25%) in aggregate principal amount of the Bonds then Outstanding; provided, however, if the default specified in this clause (i) shall be of a type which cannot be remedied within sixty (60) days, it shall not constitute an Event of Default if the Issuer shall begin to remedy such default within such sixty (60) day period and diligently pursues such remedy to completion; or

(j) written notice shall have been received by the Trustee from a Credit Facility Issuer securing one or more Series of Bonds that an event of default has occurred under the agreement underlying said facility resulting in an acceleration in connection therewith, or there shall have been a failure by said issuer to make said facility available or to reinstate the interest component of said facility in accordance with the terms of said facility, to the extent said notice or failure is established as an Event of Default under the terms of the applicable Supplemental Indenture.

Section 1003. No Acceleration. No Bonds issued under this Indenture shall be subject to acceleration.

Section 1004. Legal Proceedings by Trustee. If any Event of Default with respect to a Series of Bonds has occurred and is continuing, the Trustee, in its discretion may, and upon the written request of the Holders of not less than 25% in aggregate principal amount of the Outstanding Bonds and receipt of indemnity to its satisfaction shall, in its own name:

- (a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Holders of the Bonds, including, without limitation, the right to require the Issuer and FIGA to carry out any agreements with, or for the benefit of, the Holders of the Bonds and to perform its or their duties under the Act and the Assistance Program;
- (b) bring suit upon the Bonds;
- (c) bring suit to enforce the provisions of the Assistance Program Agreement;
- (d) by action or suit in equity require the Issuer to account as if it were the trustee of an express trust for the Holders of the Bonds;
- (e) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the Bonds; and
- (f) by other proceeding in law or equity, exercise all rights and remedies provided for by any other document or instrument securing the Bonds.

Section 1005. Discontinuance of Proceedings by Trustee. If any proceeding taken by the Trustee on account of any Event of Default is discontinued or is determined adversely to the Trustee, the Issuer, the Paying Agent, the Bond Registrar and the Bondholders shall be restored to their former positions and rights hereunder as though no such proceeding had been taken. Notwithstanding anything to the contrary contained in this Indenture, no proceeding taken by the Trustee on account of an Event of Default in respect of which a drawing has been made under a Credit Facility shall be discontinued unless the Credit Facility then in effect has been reinstated to the required maximum amount thereof prior to such drawing thereon.

Section 1006. Bondholders May Direct Proceedings. The Holders of a majority in aggregate principal amount of the Outstanding Bonds then subject to remedial proceedings under this Article X, shall have the right to direct in writing the method and place of conducting all remedial proceedings by the Trustee under this Indenture, provided that such directions shall not be otherwise than in accordance with law or the provisions of this Indenture.

Section 1007. Limitations on Actions by Bondholders. No Bondholder shall have any right to pursue any remedy hereunder unless (a) the Trustee shall have been given written notice of an Event of Default, (b) the Holders of at least 25% in aggregate principal amount of the Outstanding Bonds then subject to remedial proceedings under this Article X shall have requested the Trustee, in writing, to exercise the powers hereinabove granted or to pursue such remedy in its or their name or names, (c) the Trustee shall have been offered indemnity satisfactory to it against costs, expenses and liabilities, and (d) the Trustee shall have failed to comply with such request within a reasonable time (which shall not be less than thirty (30) days).

Section 1008. Trustee May Enforce Rights Without Possession Bonds. All rights under this Indenture and the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof at the trial or other proceedings relative thereto, and any proceeding instituted by the Trustee shall be brought in its name for the ratable benefit of the Holders of the Bonds.

Section 1009. Remedies Not Exclusive. No remedy contained in this Indenture is intended to be exclusive of any other remedy or remedies, and each remedy is in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. When the Trustee incurs costs or expenses (including legal fees, costs and expenses) or renders services after the occurrence of an Event of Default, such costs and expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

Section 1010. Delays and Omissions Not to Impair Rights. No delay or omission in respect of exercising any right or power accruing upon any Event of Default shall impair such right or power or be a waiver of such Event of Default, and every remedy given by this Article X may be exercised from time to time and as often as may be deemed expedient.

Section 1011. Application of Moneys in Event of Default. Any moneys received by the Trustee or the Paying Agent, as the case may be, including but not limited to moneys received, in connection with any proceedings brought under this Article X with respect to the Bonds shall be applied:

(a) to the payment of any outstanding fees, costs and expenses of the Trustee including the costs and expenses of the Trustee and Paying Agent (except from moneys paid under a Credit Facility) incurred in connection with actions taken under this Article X with respect to the Bonds, including counsel fees, costs and expenses and any disbursements of the Trustee and the Paying Agent and costs and expenses incurred in enforcing the provisions of the Assistance Program Agreement, including counsel fees, costs and expenses;

(b) unless the principal of all the Bonds shall have become due and payable:

FIRST: to payment of all installments of interest then due on the Bonds in the order of maturity of such installments of interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any preference or priority of one installment of interest over any other installment;

SECOND: to payment to the Persons entitled thereto of the unpaid principal or redemption price of any of the Bonds which shall have become due in the order of their due dates, with interest on such Bonds from the respective dates upon which they become due and, if the amount available shall not be sufficient to pay in full the principal or redemption price coming due on such Bonds on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the Persons entitled thereto without any preference or priority of one such Bond over another or of any installment of interest over another; and

THIRD: except as provided in clause (a) above, to the payment of Program Expenses due under the Assistance Program Agreement.

(c) If the principal of all Bonds shall have become due and payable, to the payment of principal or redemption price (as the case may be) and interest then owing on the Bonds and in case such moneys shall be insufficient to pay the same in full, then to the payment of principal or redemption price and interest ratably, without preference or priority of one Bond over another or of any installment of interest over any other installment of interest. After the payment of all of the principal of and interest on the Bonds shall have been made, except as provided in clause (a) above, any moneys remaining shall be applied to the payment of Program Expenses due under the Assistance Program Agreement.

For purposes of the application of moneys described above, to the extent payments of principal of and interest on Bonds shall have been made under a Credit Facility, the Credit Facility Issuer shall be entitled to moneys in the Debt Service Fund in accordance with the agreement

pursuant to which such Credit Facility has been issued and the applicable Supplemental Indenture authorizing the issuance of the Series of Bonds to which such Credit Facility relates.

Section 1012. Trustee's Right to Receiver; Compliance with Act. The Trustee shall be entitled as of right to the appointment of a receiver and the Trustee, the Bondholders and any receiver so appointed shall have such rights and powers and be subject to such limitations and restrictions as are contained in the applicable laws of the State.

Section 1013. Trustee and Bondholders Entitled to All Remedies under State Law. It is the purpose of this Article to provide such remedies to the Trustee and Bondholders as may be lawfully granted under the applicable laws of the State; if any remedy herein granted shall be held unlawful, the Trustee and the Bondholders shall nevertheless be entitled to every other remedy provided by the applicable laws of the State. It is further intended that, insofar as lawfully possible, the provisions of this Article X shall apply to and be binding upon any receiver appointed in accordance with Section 1012 hereof.

Section 1014. Credit Facility Issuer's Rights upon Events of Default. Anything in this Indenture to the contrary notwithstanding, if any Event of Default has occurred and is continuing while a Credit Facility securing all or a portion of the Bonds Outstanding is in effect and not in default, the Credit Facility Issuer shall, except as set forth below, have the right, in lieu of the Owners of the Bonds secured by said Credit Facility, by an instrument in writing, executed and delivered to the Trustee, to direct the time, method and place of conducting all remedial proceedings available to the Trustee under this Indenture, or exercising any trust or power conferred on the Trustee by this Indenture. Said direction shall be controlling to the extent the direction of Owners of the Bonds secured by said Credit Facility would have been controlling under this Article. If the Credit Facility Issuer shall be in default in the performance of its obligations under the Credit Facility, said Credit Facility Issuer shall have no rights under this Section.

## ARTICLE XI

### THE TRUSTEE; THE PAYING AGENT AND THE BOND REGISTRAR

Section 1101. Acceptance of Trust. The Trustee accepts and agrees to execute the trusts hereby created, but only upon the additional terms set forth in this Article XI, to all of which the parties hereto and the Bondholders agree. The Trustee shall act as Trustee for all Series of Bonds issued pursuant to this Indenture. The Trustee further agrees to comply with the procedures and covenants contained in any arbitrage rebate agreement directly applicable to it for so long as compliance is necessary in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds, to the extent applicable. The Trustee shall have no responsibility or liability with respect to the Issuer's obligations under any arbitrage rebate agreement.

Section 1102. No Responsibility for Recitals. The recitals, statements and representations in this Indenture or in the Bonds have been made by the Issuer and not by the Trustee and the Trustee shall be under no responsibility for the correctness thereof.

Section 1103. Trustee May Act Through Agents; Standard of Care. The Trustee may execute any powers hereunder and perform any duties required of it through attorneys, agents, officers or employees, and shall be entitled to advice of counsel concerning all questions hereunder; the Trustee shall not be answerable for the default or misconduct of any attorney or agent selected by it with reasonable care. The Trustee shall not be answerable for anything whatever in connection with the trust hereunder, except only its own negligence or willful misconduct. The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Trustee shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee. In case an Event of Default has occurred and is continuing hereunder (of which a Responsible Officer of the Trustee has been notified in writing or the Trustee is deemed to have notice pursuant to Section 1105 below), the Trustee shall exercise those rights, remedies and powers vested in it hereunder and shall use the same degree of care and skill in their exercise as a prudent person would exercise or use under similar circumstances in the conduct of that person's own affairs.

The Trustee shall not be accountable for the use or application of any of the Bonds or the proceeds thereof or for the use or application of any money paid over by the Trustee in accordance with the provisions of this Indenture.

The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty.

The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

None of the provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it.

The Trustee shall have no duty to review or analyze any financial statements delivered to it or to verify the accuracy thereof and shall hold any such financial statements solely as a repository for the benefit of the Bondholders; the Trustee shall not be deemed to have notice of any information contained therein or Event of Default which may be disclosed therein in any manner.

The Trustee shall have the right to accept and act upon directions or instructions, including funds transfer instructions (collectively, "Instructions"), given pursuant to this Indenture, any of the other Financing Documents or any other document reasonably relating to the Bonds and delivered using Electronic Means (defined below); provided, however, that the Issuer or Program Administrator, as the case may be, shall provide to the Trustee an incumbency certificate listing Authorized Officers with the authority to provide such directions or instructions (each an "Authorized Officer") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended whenever a Person is to be added or deleted from the listing. If the Issuer or Program Administrator elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustees' understanding of such Instructions shall be deemed controlling. The Issuer and Program Administrator each understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that Instructions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Issuer and Program Administrator, as the case may be, shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Issuer, Program Administrator and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Issuer and/or Program Administrator, as applicable. The Trustee shall not be

liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such Instructions conflict or are inconsistent with a subsequent written direction or written instruction. Each of the Issuer and Program Administrator agree: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures. "Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

Section 1104. Compensation and Indemnity. The Issuer shall pay the Trustee reasonable compensation for its services hereunder, and also all its reasonable expenses and disbursements, and shall indemnify the Trustee and its officers, directors, and employees against any liabilities (including, but not limited to, attorney's fees, costs and expenses) which it may incur in the proper exercise and performance of its powers and duties hereunder, except with respect to its own willful misconduct or negligence. If the Issuer defaults in respect of the foregoing obligations, the Trustee may deduct the amount owing to it from any moneys coming into its hands and payable to the Issuer, other than funds from any Credit Facility. The foregoing indemnifications shall survive the payment of the Bonds and the discharge of this Indenture or the sooner resignation or removal of the Trustee.

Section 1105. Notice of Event of Default; Right to Investigate. The Trustee shall give written notice by first-class mail to registered Holders of Bonds of all Events of Default actually known to a Responsible Officer of the Trustee, unless such Event of Default have been remedied; provided that, except in the case of a default in payment of principal or interest or redemption price, the Trustee may withhold such notice so long as it in good faith determines that such withholding is in the interest of the Bondholders. The Trustee shall not be deemed to have notice of any default other than a payment Event of Default under this Indenture or a notification by a Credit Facility Issuer of a default under its Credit Facility unless a Responsible Officer of the Trustee is notified in writing of such default by the Issuer or the Holders of at least 33% in aggregate principal amount of the Outstanding Bonds. The Trustee may, however, at any time require of the Issuer full information as to the performance of any covenant hereunder, and if information satisfactory to it is not forthcoming, the Trustee may make or cause to be made, at the expense of the Issuer an investigation into the affairs of the Issuer.

Section 1106. Obligation to Act on an Event of Default. The Trustee shall be under no obligation to take any action in respect of any Event of Default or otherwise, except a default with

respect to the payments of principal or interest or redemption price as the same shall become due and payable at redemption or upon maturity, the giving of notice of and Event of Default as required under this Indenture, and its obligations or those of a Paying Agent to draw on any Credit Facility as set forth in the applicable Supplemental Indenture, unless it is requested in writing to do so by the Holders of at least 33% in aggregate principal amount of the Outstanding Bonds which are or would be, upon the taking of such action, subject to remedial proceedings under Article X of this Indenture if in its opinion such action may tend to involve expense or liability, unless it is also furnished with indemnity satisfactory to it.

Section 1107. Reliance by Trustee. The Trustee shall conclusively rely upon and shall be fully protected in acting upon any requisition, resolution, notice, telegram, facsimile transmission, request, consent, waiver, certificate, statement, affidavit, voucher, bond, or other paper or document which it in good faith believes to be genuine and to have been passed, signed or given by the Persons purporting to be authorized or to have been prepared and furnished pursuant to any of the provisions of this Indenture; the Trustee shall be under no duty to make any investigation as to any statement contained in any such instrument, but may accept the same as conclusive evidence of the accuracy of such statement.

Section 1108. Trustee May Deal in Bonds. The Trustee may in good faith buy, sell, own, hold and deal in any of the Bonds and join in any action which any Bondholders may be entitled to take with like effect as if the Trustee were not a party to this Indenture; provided, however, that in determining whether Owners of the requisite aggregate principal amount of Bonds Outstanding have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions of this Indenture, Bonds which are held on behalf of the Trustee shall be disregarded. The Trustee may also engage in or be interested in any financial or other transaction with the Issuer; provided, however, that if the Trustee determines that any such relation is in conflict with its duties under this Indenture, it shall eliminate the conflict or resign as Trustee.

Section 1109. Construction of Ambiguous Provisions. The Trustee may construe any ambiguous or inconsistent provisions of this Indenture, and any construction by the Trustee shall be binding upon the Bondholders. The Trustee shall give prompt notice to the Issuer of any intention to make such construction.

Section 1110. Resignation of Trustee. The Trustee may resign and be discharged of the trusts created by this Indenture by written resignation sent shall conclusively rely upon and shall be fully protected in acting upon by shall conclusively rely upon and shall be fully protected in acting upon conclusively rely upon and shall be fully protected in acting upon first-class mail to the Issuer, each Bondholder as its name and address appears on the Bond Register and to any Paying Agent, Bond Registrar and Credit Facility Issuer, if any, not less than sixty (60) days before the date when such resignation is to take effect. Such resignation shall take effect on the day specified in the Trustee's notice of resignation unless a successor Trustee is previously appointed, in which event the resignation shall take effect immediately on the appointment of such successor; provided, however, that notwithstanding the foregoing, such resignation shall not take

effect a successor Trustee has been appointed. If a successor Trustee has not been appointed within sixty (60) days after the Trustee has given its notice of resignation, the Trustee may any apply to any court of competent jurisdiction, for the appointment of a temporary successor Trustee to serve as Trustee until a successor Trustee has been duly appointed. Notice of such resignation shall also be given to any rating agency that shall then have in effect a rating on any of the Bonds.

Section 1111. Removal of Trustee. The Trustee may be removed at any time upon thirty (30) days' notice by either (a) the Issuer, if no default exists under Article X, or (b) an instrument or concurrent instruments in writing, executed by the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding and filed with the Issuer. A photographic copy of any instrument or instruments filed with the Issuer under the provisions of this paragraph shall be delivered promptly by the Issuer to the Trustee and to any Paying Agent, Bond Registrar and Credit Facility Issuer.

The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any material provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the Issuer or the Holders of not less than 33% in aggregate principal amount of the Bonds then Outstanding.

Notwithstanding anything in this Section 1111 to the contrary, such removal shall not take effect a successor Trustee has been appointed.

Section 1112. Appointment of Successor Trustee. If the Trustee or any successor Trustee resigns or is removed or dissolved, or if its property or business is taken under the control of any state or federal court or administrative body, a vacancy shall forthwith exist in the office of the Trustee, and the Issuer shall appoint a successor and (i) if any Outstanding Bonds are not registered bonds, shall publish notice of such appointment in The Bond Buyer, or its successor, if any, and (ii) if any Outstanding Bonds are registered Bonds, shall mail notice of such appointment by first-class mail to each Bondholder as its name and address appear on the Bond Register and to the Paying Agent, Bond Registrar, Credit Facility Issuer, if any, and any rating agency that shall then have in effect a rating on any of the Bonds. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Indenture prior to the date specified in the notice of resignation or removal as the date when such resignation or removal was to take effect, the Issuer or the Holders of a majority in aggregate principal amount of all Bonds then Outstanding may appoint a successor Trustee.

Section 1113. Qualifications of Succession. A successor Trustee shall be a national bank with trust powers or a bank or trust company with trust powers, having a combined net capital and surplus of at least \$50,000,000.

Section 1114. Instruments of Succession. Any successor Trustee shall execute, acknowledge and deliver to the Issuer an instrument accepting such appointment hereunder and

certifying that it is eligible to act as successor Trustee under this Indenture and thereupon, such successor Trustee, without any further act, deed, or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor in trust hereunder, with like effect as if originally named Trustee herein. The Trustee ceasing to act hereunder shall pay over to the successor Trustee all moneys held by it hereunder and, upon reasonable written request of the successor Trustee, the Trustee ceasing to act and the Issuer shall execute and deliver an instrument or instruments prepared by the Issuer transferring to the successor Trustee all the estates, properties, rights, powers and trusts hereunder of the predecessor Trustee.

Section 1115. Merger of Trustee. Any corporation into which any Trustee hereunder may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which any Trustee hereunder shall be a party, shall be the successor Trustee under this Indenture, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding; provided, however, that any such successor corporation continuing to act as Trustee hereunder shall meet the requirements of Section 1113 hereof, and if such corporation does not meet the aforesaid requirements, a successor Trustee shall be appointed pursuant to this Article XI.

Section 1116. Extension of Rights and Duties of Trustee to Paying Agent and Bond Registrar. The provisions of Sections 1102, 1103, 1104, 1107, 1108 and 1109 hereof are hereby made applicable to the Paying Agent and the Bond Registrar, as appropriate, and any Person serving as Paying Agent and/or Bond Registrar, hereby enters into and agrees to comply with the covenants and agreements of this Indenture applicable to the Paying Agent and the Bond Registrar, respectively. It is hereby expressly understood that the Issuer may appoint one or more Persons as Paying Agent or Paying Agents for one or more Series of Bonds.

Section 1117. Resignation of Paying Agent or Bond Registrar. The Paying Agent or Bond Registrar may resign and be discharged of the duties created by this Indenture by executing an instrument in writing resigning such duties and specifying the date when such resignation shall take effect, and filing the same with the Issuer, the Trustee, and any Rating Agency that shall then have in effect a rating on any of the Bonds, not less than forty-five (45) days before the date specified in such instrument when such resignation shall take effect, and by giving written notice of such resignation not less than three (3) weeks prior to such resignation date to the Bondholders, mailed to their addresses as such appear in the Bond Register. Such resignation shall take effect on the date specified in such instrument and notice, but only if a successor Paying Agent or Bond Registrar shall have been appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment of such successor Paying Agent or Bond Registrar. If the successor Paying Agent or Bond Registrar shall not have been appointed within a period of sixty (60) days following the giving of notice, then the Paying Agent or Bond Registrar shall be authorized to apply to any court of competent jurisdiction, to appoint a successor Paying Agent or Bond Registrar as provided in Section 1121 hereof.

Section 1118. Removal of Paying Agent or Bond Registrar. The Paying Agent or Bond Registrar may be removed at any time prior to any Event of Default by the Issuer by filing with the Paying Agent or Bond Registrar to be removed, and with the Trustee, an instrument or instruments in writing executed by the Issuer appointing a successor, or an instrument or instruments in writing designating, and accompanied by an instrument or appointment by the Issuer of, such successor. Such removal shall be effective thirty (30) days (or such longer period as may be set forth in such instrument) after delivery of the instrument; provided, however, that no such removal shall be effective until the successor Paying Agent or Bond Registrar appointed hereunder shall execute, acknowledge and deliver to the Issuer an instrument accepting such appointment hereunder.

Section 1119. Appointment of Successor Paying Agent or Bond Registrar. In case at any time the Paying Agent or Bond Registrar shall be removed, or be dissolved, or if its property or affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy, or for any other reason, then a vacancy shall forthwith and ipso facto exist in the office of the Paying Agent or Bond Registrar, as the case maybe, and a successor shall be appointed by the Issuer; and in case at any time the Paying Agent or Bond Registrar shall resign, then a successor shall be appointed by the Issuer. After any such appointment, notice of such appointment shall be given by the Issuer to the predecessor Paying Agent or Bond Registrar, the successor Paying Agent or Bond Registrar, the Trustee, any Rating Agency that shall then have in effect a rating on any of the Bonds, and all Bondholders. Any new Paying Agent or Bond Registrar so appointed shall immediately, and without further act, supersede the predecessor Paying Agent or Bond Registrar.

Section 1120. Qualifications of Successor Paying Agent or Bond Registrar. Every successor Paying Agent or Bond Registrar (a) shall be a commercial bank or trust company (i) duly organized under the laws of the United States or any state or territory thereof, (ii) authorized by law to perform all the duties imposed upon it by this Indenture and (iii) capable of meeting its obligations hereunder, and (b) shall have a combined net capital and surplus of at least \$50,000,000.

Section 1121. Judicial Appointment of Successor Paying Agent or Bond Registrar. In case at any time the Paying Agent or Bond Registrar shall resign and no appointment of a successor Paying Agent or Bond Registrar shall be made pursuant to the foregoing provisions of this Indenture prior to the date specified in the notice of resignation as the date when such resignation is to take effect, the retiring Paying Agent or Bond Registrar may forthwith apply to any court of competent jurisdiction, for the appointment of a successor Paying Agent or Bond Registrar. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor Paying Agent or Bond Registrar. Notice of such appointment shall be given by the successor Bond Registrar or Paying Agent to the Issuer, the Trustee, any Rating Agency that shall then have in effect a rating on any of the Bonds, and all Bondholders. In the absence of such an appointment, the Trustee shall become the Bond Registrar or Paying Agent, and shall so notify the Issuer, any Rating Agency that shall have issued a rating on the Bonds,

and all Bondholders; provided however, the Trustee shall not be obligated to perform such duties unless it has agreed to do so pursuant to a separate written agreement.

Section 1122. Acceptance of Duties by Successor Paying Agent or Bond Registrar. Any successor Paying Agent or Bond Registrar appointed hereunder shall execute, acknowledge and deliver to the Issuer an instrument accepting such appointment hereunder and certifying that it is eligible to act at successor Paying Agent or Bond Registrar under this Indenture, and thereupon such successor Paying Agent or Bond Registrar, without any further act, deed or conveyance, shall become duly vested with all the estates, property, rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named Paying Agent or Bond Registrar herein. Upon request of such Paying Agent or Bond Registrar, such predecessor Paying Agent or Bond Registrar and the Issuer shall execute and deliver an instrument transferring to such successor Paying Agent or Bond Registrar all the estates, property, rights and powers hereunder of such predecessor Paying Agent or Bond Registrar and such predecessor Paying Agent or Bond Registrar shall pay over and deliver to the successor Paying Agent or Bond Registrar all moneys and other assets at the time held by it hereunder.

Section 1123. Successor by Merger or Consolidation. Any corporation into which any Paying Agent or Bond Registrar hereunder may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which any Paying Agent or Bond Registrar hereunder shall be a party, shall be the successor Paying Agent or Bond Registrar under this Indenture without the execution or filing of any paper or any further act on the part of the parties thereto, anything in this Indenture to the contrary notwithstanding.

## ARTICLE XII

### EXECUTION OF INSTRUMENTS BY BONDHOLDERS AND PROOF OF OWNERSHIP OF BONDS

Section 1201. Execution of Instruments by Bondholders and Proof of Ownership of Bonds. Any request, direction, consent or other instrument in writing required or permitted by this Indenture to be signed or executed by Bondholders may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Bondholders or their attorneys or legal representatives. Proof of the execution of any such instrument and of the ownership of Bonds shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Issuer, the Trustee, the Bond Registrar or the Paying Agent with regard to any action taken by any of them under such instrument if made in the following manner:

(a) The fact and date of the execution by any Person of any such instrument may be proved by the verification of any officer in any jurisdiction who, by the laws thereof, has power to take affidavits within such jurisdiction, to the effect that such instrument was subscribed and sworn to before him, or by an affidavit of a witness to such execution. Where such execution is on behalf of a Person other than an individual such verification or affidavit shall also constitute sufficient proof of the authority of the signer thereof.

(b) The fact of the ownership of Bonds shall be proved by the Bond Register required to be maintained pursuant to Article II of this Indenture.

Nothing contained in this Article shall be construed as limiting the Issuer, the Trustee, the Bond Registrar or the Paying Agent to such proof, it being intended that the Issuer, the Trustee, the Bond Registrar or the Paying Agent may accept any other evidence of the matters herein stated which it may deem sufficient. Any request or consent of the Holder of any Bond shall bind every future Holder of the same Bond in respect of anything done by the Issuer, the Trustee, the Bond Registrar or the Paying Agent in pursuance of such request or consent.

### ARTICLE XIII

#### AMENDMENTS AND SUPPLEMENTS

Section 1301. Amendments and Supplements without Bondholders' Consent. This Indenture may be amended or supplemented, from time to time, without the consent of the Bondholders, by a Supplemental Indenture, for one or more of the following purposes:

- (a) to set forth any or all of the matters in connection with the issuance of Bonds required by Article II hereof;
- (b) to add additional covenants of the Issuer or to surrender any right or power herein conferred upon the Issuer;
- (c) to grant to or confer upon the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders, including without limitation any changes deemed necessary to pledge Additional Assessments hereunder;
- (d) for any purpose not inconsistent with the terms of this Indenture or the Supplemental Indenture in question, as the case may be, or to cure any ambiguity or to cure, correct or supplement any defective provision (whether because of any inconsistency with any other provision hereof or otherwise) of this Indenture or the Supplemental Indenture in question, as the case may be, in such manner as shall not impair the security hereof or thereof or, in the opinion of Bond Counsel, adversely affect the rights and remedies of the Bondholders;
- (e) to provide for the issuance of Bonds the interest on which would not be excludable from the gross income of the Owners thereof for purposes of federal income taxation;
- (f) to provide for a book entry only system of registration for the Bonds or any Series thereof; and
- (g) to make any change necessary to procure the issuance, renewal or extension of any Credit Facility or to maintain or upgrade the rating on the Bonds.

Section 1302. Amendments With Bondholder Consent. (i) Subject to the provisions of Section 1303 hereof, this Indenture may be amended from time to time as set forth below, except with respect to (a) the interest payable upon any Bonds, (b) the dates of maturity or redemption provisions of any Bonds, (c) this Article XIII and (d) the diminishment or reduction of the security provisions hereunder (except with respect to pledging Additional Assessments to the extent described in Section 1301(c) hereof), by a Supplemental Indenture approved by the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding of all Series affected by such amendments; provided, however, that no amendment shall be made which, in the opinion of Bond Counsel, adversely affects Bondholders without the consent of the Owners of at least a majority in aggregate principal amount of the then Outstanding Bonds so affected.

Amendments with respect to items (a), (b), (c) and (d) of this Section 1302(i) shall be effected only with the consent of Owners of all Outstanding Bonds of each Series affected by such amendments.

- (ii) Except in order to implement the pledge of Additional Assessments hereunder, the Assistance Program Agreement shall not be amended in a manner which, in the opinion of Bond Counsel,, adversely affects Bondholders without the consent of the Owners of at least a majority in aggregate principal amount of the then Outstanding Bonds so affected.

Section 1303. Amendment with Consent of Credit Facility Issuer Only. If any Bonds Outstanding under this Indenture shall have, when issued, been secured by a Credit Facility to provide security for the payment of principal and interest when due, and if such Credit Facility is still in effect at the time of the proposed Supplemental Indenture amending this Indenture, and if the credit of the Credit Facility Issuer is of sufficient quality to entitle debt backed by the Credit Facility to be rated in one of the two highest rating categories by each of the Rating Agencies, the Issuer may amend all or any part of this Indenture without the consent of any Holder of any Bond secured by such Credit Facility but with the written consent of the Credit Facility Issuer (and the acknowledgment by the Credit Facility Issuer that the Credit Facility will remain in full, force and effect): (a) of all Bonds Outstanding or (b) in case less than all of the several Series of Bonds are secured by a Credit Facility, the Credit Facility Issuer of all Series of Bonds so secured and the consent of the Holders of 51% in aggregate principal amount of the Bonds then Outstanding of the Series not secured by a Credit Facility meeting the credit standards described above, or (c) in case less than all of the several Series of Bonds then Outstanding are affected by such changes, the Credit Facility Issuer for each Series of Bonds so affected and the consent of the Holders of 51% in aggregate principal amount of Bonds of the affected Series that are not secured by a Credit Facility meeting the credit standards described above, then Outstanding; provided, however, that if such changes will, by their terms, not take effect so long as any Bonds of any specified Series remain Outstanding, then the consent of the related Credit Facility Issuer or owners of such Bonds shall not be required and those Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. The consent and acknowledgment of the Credit Facility Issuer shall be filed with the Trustee. The foregoing right of amendment, however, does not apply to any amendment with respect to the exclusion of interest on the Bonds from the gross income of their owners for purposes of Federal income taxation nor may any amendment deprive the owner of any Bond of right to payment of the Bonds from the Pledged Revenues or to any amendment prohibited by clauses (a) through (d) of the first paragraph of Section 1302(i) of this Article without the consent of all of the Bonds Outstanding.

Section 1304. Trustee Authorized to Join in Amendments and Supplements; Reliance on Counsel. The Trustee is authorized to join in the execution and delivery of any Supplemental Indenture or amendment (including any amendment to a Supplemental Indenture or to the Assistance Program Agreement) permitted by this Article XIII and in so doing conclusively rely on a written opinion of counsel to the Issuer that such Supplemental Indenture or amendment is so permitted that it is or is not proper for it, under the provisions of this Article XIII to execute and deliver such Supplemental Indenture or amendment and has been duly authorized by the Issuer and that all things necessary to make it a valid and binding agreement have been done.



The Trustee shall not be required to enter into any Supplemental Indenture which shall increase the Trustee's duties and obligations hereunder without just compensation or subject the Trustee to increased liability hereunder.

#### ARTICLE XIV

##### DEFEASANCE

Section 1401. Defeasance. When interest on, and principal or redemption price (as the case may be) of, any Series of Bonds or portion thereof to be defeased and all amounts payable under any Credit Facility Agreement in respect of any Credit Facility relating to said Series of Bonds or portion thereof to be defeased have been paid, or there shall have been deposited with the Trustee or such other escrow agent designated in a resolution adopted by the Issuer (the "Escrow Agent") moneys sufficient, or Government Obligations, the principal of and interest on which, when due, together with moneys, if any, remaining uninvested, will provide sufficient moneys to fully pay (i) such Series of Bonds or portion thereof to be defeased, (ii) amounts payable under any Credit Facility Agreement in respect of any Credit Facility relating to such Series of Bonds or portion thereof to be defeased and (iii) any other sums payable hereunder by the Issuer, the right, title and interest of the Trustee with respect to such Series of Bonds or portion thereof to be defeased shall thereupon cease, the lien of this Indenture on the Pledged Revenues and the Funds and Accounts established under this Indenture shall be defeased and discharged, and the Trustee, on written demand of the Issuer, shall release this Indenture as to all Series of Bonds or portion thereof to be so defeased and shall execute such documents prepared by the Issuer to evidence such release as may be reasonably required by the Issuer and shall turn over to the Issuer or to such Person, body or authority as may be entitled to receive the same all balances remaining in any Funds and Accounts under this Indenture pertaining to any Series of Bonds wholly defeased.

All moneys and obligations held by the Escrow Agent pursuant to this Section shall be held in trust and the principal of and interest on said obligations when received and said moneys shall be applied to the payment, when due, of the principal of, and the interest and the premium, if any, on the Bonds payable therefrom.

Section 1402. Deposit of Funds for Payment of Bonds. If the Issuer deposits with the Trustee as Escrow Agent moneys sufficient, or Government Obligations, the principal of and interest on which, when due, together with any moneys remaining uninvested, will provide sufficient moneys to pay the principal or redemption price of any Bonds becoming due, either at maturity or redemption or otherwise, together with all interest accruing thereon to the date of maturity or such prior redemption, and reimburses or causes to be reimbursed or pays or causes to be paid the other amounts required to be reimbursed or paid under Section 1401 hereof, interest on such Bonds shall cease to accrue on such date of maturity or prior redemption and all liability of the Issuer with respect to such Bonds shall likewise cease, except as hereinafter provided; provided, however, that (a) if any Bonds are to be redeemed prior to the maturity thereof, notice of the redemption thereof shall have been duly given in accordance with the provisions of this Indenture, or irrevocable provision satisfactory to the Trustee shall have been duly made for the giving of such notice, and (b) in the event that any Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days following a deposit of moneys with the Escrow Agent, in accordance with this Section, the Issuer shall have given the Escrow Agent, in

form satisfactory to the Escrow Agent, irrevocable instructions to mail to the Owners of such Bonds at their addresses as they appear on the Bond Register, a notice stating that a deposit in accordance with this Section has been made with the Escrow Agent and that the Bonds to which such notice relates are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price (as the case may be) of, and interest on, said Bonds. Thereafter such Bonds shall be deemed not to be Outstanding hereunder and the Owners of such Bonds shall be restricted exclusively to the funds so deposited for any claim of whatsoever nature with respect to such Bonds, and the Escrow Agent shall hold such funds in trust for such Owners.

For purposes of this Article XIV, the sufficiency of the moneys and/or Government Obligations deposited with the Escrow Agent to pay the principal of, redemption premium, if any, and interest on the Bonds to be defeased shall be based on the verification report of a firm of independent certified public accountants selected by the Issuer and having a favorable reputation in the preparation of such reports.

Money so deposited with the Escrow Agent which remains unclaimed three (3) years after the date payment thereof becomes due shall, upon the written request of the Issuer, if the Issuer is not at the time to the actual knowledge of a Responsible Officer of the Escrow Agent in default with respect to any covenant in this Indenture or the Bonds contained, be paid to the Issuer; and the Owners of the Bonds for which the deposit was made shall thereafter be limited to a claim against the Issuer; provided, however, that the Escrow Agent, before making payment to the Issuer, may, at the expense of the Issuer, cause a notice to be published stating that the money remaining unclaimed will be returned to the Issuer after a specified date.

## ARTICLE XV

### MISCELLANEOUS PROVISIONS

Section 1501. Payment Dates. In any case where an Interest Payment Date or the maturity date of the Bonds or the date fixed for the redemption of any Bonds shall be other than a Business Day, when payment of interest, principal or redemption price need not to be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the due date, and no interest on such payment shall accrue for the period after such due date if payment is made on such next succeeding Business Day.

Section 1502. No Rights Conferred on Others. Nothing herein contained shall confer any right upon any Person other than the parties hereto, the Holders of the Bonds and any Credit Facility Issuer.

Section 1503. Illegal Provisions Disregarded. If any term of this Indenture or the Bonds or the application thereof for any reason or circumstances shall to any extent be held invalid or unenforceable, the remaining provisions or the application of such terms or provisions to Persons and situations other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision hereof and thereof shall be valid and enforced to the fullest extent permitted by law.

Section 1504. Reserved.

Section 1505. Notices. Any notice, demand, direction, request or other instrument authorized or required by this Indenture to be given to or filed with the Issuer, the Trustee or a Credit Facility Issuer, shall be deemed to have been sufficiently given or filed for all purposes of this Indenture if and when personally delivered and receipted for, or sent by registered United States mail, return receipt requested, addressed as follows:

- (a) As to the Issuer –  
Florida Insurance Assistance Interlocal Agency  
Attn: Amy Myers  
304 Magnolia Avenue  
Panama City, Florida 32401
- (b) As to the Trustee –  
The Bank of New York Mellon Trust Company, N.A.  
Attn: Corporate Trust  
4655 Salisbury Road, Suite 300  
Jacksonville, Florida 32256

Any of the foregoing may, by notice sent to each of the others, designate a different or additional address to which notices under this Indenture are to be sent.

All documents received by the Trustee under the provisions of this Indenture and not required to be redelivered shall be retained in its possession, subject at all reasonable times to the inspection of the Issuer, any Credit Facility Issuer, any Bondholder and the agents and representatives thereof as evidence in writing

Section 1506. Controlling Law. This Indenture shall be governed by and construed in accordance with the laws of the State of Florida, without regard to conflict of law principles.

Section 1507. Successors and Assigns. All the covenants, promises and agreements in this Indenture contained by or on behalf of the Issuer or by or on behalf of the Trustee shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 1508. Headings for Convenience Only. The table of contents and descriptive headings in this Indenture are inserted convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 1509. Counterparts. This Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have caused this Indenture to be duly executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

FLORIDA INSURANCE ASSISTANCE  
INTERLOCAL AGENCY

By \_\_\_\_\_  
Name: Pamn Henderson  
Title: Chair

Attest:

\_\_\_\_\_  
Name: Corey Neal  
Title: Secretary-Treasurer

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., not in its individual capacity but  
as Trustee

By: \_\_\_\_\_  
Name: Daniel Todd  
Title: Vice President

**Exhibit A**  
**Form of Requisition from**  
**the Claims Payment Account**

FLORIDA INSURANCE ASSISTANCE INTERLOCAL AGENCY  
INSURANCE ASSESSMENT REVENUE BONDS

The Bank of New York Mellon Trust Company, N.A.  
4655 Salisbury Road, Suite 300  
Jacksonville, Florida 32256

Fund or Account: [Claims Payment Account][Surplus Fund]  
Requisition Number from such [Account/Fund]: \_\_\_\_\_  
Total Amount to be Paid: \$ \_\_\_\_\_

This Requisition No. \_\_\_\_ is submitted by the Florida Insurance Guaranty Association, Inc., as Program Administrator on behalf of the Florida Insurance Assistance Interlocal Agency pursuant to Section [402][509] of the Trust Indenture entered into by and between the Florida Insurance Assistance Interlocal Agency (the "Issuer") and The Bank of New York Mellon Trust Company, N.A. (the "Trustee") dated as of July 1, 2023, in connection with the above-referenced Bonds (the "Trust Indenture"). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Trust Indenture.

The undersigned Authorized Program Administrator Representative hereby certifies to the Trustee that the amount requested is presently due and payable and each item thereof is a proper charge against the [Claims Payment Account][Surplus Fund] and has not been the subject of any prior requisition.

Payment should be made pursuant to the following instructions:  
[WIRE INFORMATION]

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

FLORIDA INSURANCE GUARANTY ASSOCIATION, INC.

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

SUPPLEMENTAL INDENTURE NO. 1

between

FLORIDA INSURANCE ASSISTANCE INTERLOCAL AGENCY,  
as Issuer

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,  
as Trustee

in connection with

Florida Insurance Assistance Interlocal Agency

Insurance Assessment Revenue Bonds, Series 2023A-1

Dated as of July 1, 2023

This instrument has been entered into by the within-described Parties in order to secure the Florida Insurance Assistance Interlocal Agency Insurance Assessment Revenue Bonds, Series 2023A-1.

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Exhibit A – Form of Series 2023A-1 Bonds

**SUPPLEMENTAL INDENTURE NO. 1**

THIS SUPPLEMENTAL INDENTURE NO. 1 (this "Supplemental Indenture No. 1") is dated as of July 1, 2023 by and between the Florida Insurance Assistance Interlocal Agency, and its successors and assigns (the "Issuer") and The Bank Of New York Mellon Trust Company, N.A., as Trustee (the "Trustee"), a national banking association authorized to accept and execute trusts of the character herein set forth, with its designated corporate trust office located at 4655 Salisbury Road, Suite 300, Jacksonville, Florida, 32256, Attention: Corporate Trust Department, under the Trust Indenture between the Issuer and the Trustee dated as of July 1, 2023, as supplemented and amended from time to time (the "Indenture").

WHEREAS, capitalized terms not otherwise defined herein shall have the meanings set forth in the Indenture; and

WHEREAS, the Indenture authorized issuance of the Series 2023A Bonds for the purposes described therein; and

WHEREAS, this Supplemental Indenture No. 1 constitutes a "Supplemental Indenture" under the Indenture to fix certain details of a sub-series of the Series 2023A Bonds; and

WHEREAS, the Issuer has determined to issue the Series 2023A Bonds in two sub-series: the fixed rate bonds shall be designated "Series 2023A-1" (the "Series 2023A-1 Bonds"), and the variable rate bonds shall be designated "Series 2023A-2" (the "Series 2023A-2 Bonds"); and

WHEREAS, this Supplemental Indenture No. 1 will set forth the details with respect to the Series 2023A-1 Bonds and Supplemental Indenture No 2 will set forth the details with respect to the Series 2023A-2 Bonds.

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS SUPPLEMENTAL INDENTURE NO. 1 WITNESSETH:

That the Issuer, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the mutual covenants herein contained, the purchase and acceptance of the Series 2023A-1 Bonds by the purchaser or purchasers thereof, and other good and valuable consideration, receipt of which is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which Series 2023A-1 Bonds are to be issued, authenticated, delivered, secured and accepted by all Persons who shall, from time to time, be or become Owners thereof, and in order to secure the payment of the Series 2023A-1 Bonds at any time issued and Outstanding hereunder and under the Indenture, and the interest thereon and the redemption premiums, if any, with respect thereto, according to their tenor, purport and effect, and in order to secure the performance and observance of all the covenants, agreements and conditions contained therein and in the Indenture, the Issuer and the Trustee hereby agree as follows:

## ARTICLE I DEFINITIONS

Section 101. Meaning of Words and Terms. Unless otherwise required by the context, words and terms used herein which are defined, or the definitions of which are incorporated by reference, in the Indenture or the form of the Series 2023A-1 Bonds shall have the meanings assigned to them therein, and the following words and terms shall have the following meanings herein; provided that where the Indenture provides that a word or term defined in the Indenture may be modified by a Supplemental Indenture and such word or term is defined herein, the definition herein shall control:

"Principal Payment Dates" means each September 1.

"Series 2023A-1 Bonds" means the \$465,325,000 Florida Insurance Assistance Interlocal Agency Insurance Assessment Revenue Bonds, Series 2023A-1, issued pursuant to Section 208 of the Indenture and Section 205 of this Supplemental Indenture No. 1.

Section 102. Rules of Construction. The Rule of Construction contained in the Indenture shall control the construction of this Supplemental Indenture No. 1, except as otherwise provided herein.

## ARTICLE II AUTHORIZATION, FORM, ISSUANCE, DELIVERY AND REGISTRATION OF THE SERIES 2023A-1 BONDS

Section 201. Limitation on Issuance of Series 2023A-1 Bonds. No Series 2023A-1 Bonds may be issued under the provisions of this Supplemental Indenture No. 1 except in accordance with the provisions of the Indenture and this Article.

Section 202. Form and Numbering of Series 2023A-1 Bonds. The Series 2023A-1 Bonds are issuable in fully registered form in denominations set forth in the Indenture, shall be lettered "RA1-", shall be numbered from 1 consecutively upward and shall be substantially in the form set forth in Exhibit A hereto and made a part hereof, with such appropriate variations, omissions and insertions as are permitted or required by the Indenture or this Supplemental Indenture No. 1.

Section 203. Details of Series 2023A-1 Bonds.

(a) The Series 2023A-1 Bonds shall be dated the date of their delivery, shall bear interest until their payment, such interest to the maturity thereof being payable semi-annually on each Interest Payment Date, commencing March 1, 2024, at the rates and shall be stated to mature on the Principal Payment Dates (subject to the right of prior redemption, if any, as provided in Article III hereof), all as set forth in Section 205 hereof.

(b) The Debt Service Reserve Fund is not applicable and does not secure the Series 2023A-1 Bonds.

Section 204. Book-Entry Only.

(a) The definitive Series 2023A-1 Bonds are issuable as permitted or required by this Supplemental Indenture No. 1. All Series 2023A-1 Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to the applicable rules and regulations of any governmental authority or any securities exchange on which the Series 2023A-1 Bonds may be listed or to any requirement of law with respect thereto.

(b) The Series 2023A-1 Bonds shall be issued by means of a book-entry system with no physical distribution of bond certificates to be made except as hereinafter provided. One bond certificate with respect to each date on which the Series 2023A-1 Bonds are stated to mature, in the aggregate principal amount of the Series 2023A-1 Bonds stated to mature on such date and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), shall be issued and delivered as directed by DTC. The book-entry system shall evidence ownership of the Series 2023A-1 Bonds in the principal amount of \$5,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. The principal of each Series 2023A-1 Bond and interest with respect thereto shall be payable to Cede & Co. or any other Person appearing in the registration books of the Issuer kept by the Bond

Registrar as the Owner of such Series 2023A-1 Bond or its registered assigns or legal representatives. Transfer of principal and interest payments to participants of DTC shall be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Series 2023A-1 Bonds by participants of DTC shall be the responsibility of such participants and other nominees of such beneficial owners. The Issuer, the Bond Registrar and the Trustee shall not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing records maintained by DTC, its participants or Persons acting through such participants.

In the event that (i) DTC determines not to continue to act as Securities Depository for the Series 2023A-1 Bonds or (ii) the Issuer determines that continuation of the book-entry system of evidence and transfer of ownership of the Series 2023A-1 Bonds would adversely affect the interests of the beneficial owners of the Series 2023A-1 Bonds, or (iii) an Event of Default shall occur with respect to the Series 2023A-1 Bonds and is continuing and the beneficial owners of a majority in principal amount of the Series 2023A-1 Bonds shall advise DTC to cease acting as Securities Depository, the Issuer shall discontinue the book-entry system with DTC. If the Issuer identifies another qualified Securities Depository to replace DTC, the Issuer shall make arrangements with DTC and such other Securities Depository to effect such replacement and deliver replacement bonds registered in the name of such other Securities Depository or its Securities Depository nominee in exchange for the Outstanding Series 2023A-1 Bonds, and the references to DTC or Cede & Co. in this Supplemental Indenture No. 1 shall thereupon be deemed to mean such other Securities Depository or its Securities Depository nominee. If the Issuer fails to identify another qualified Securities Depository to replace DTC, the Issuer shall deliver replacement bonds in the form of fully registered certificates in the denomination of \$5,000 or any integral multiple thereof in exchange for the Outstanding Series 2023A-1 Bonds as required by DTC.

Section 205. Authorization of Series 2023A-1 Bonds. There shall be issued under and secured by the Indenture and this Supplemental Indenture No. 1, Series 2023A-1 Bonds of the Issuer in the aggregate principal amount of \$465,325,000 for the purpose of providing funds, together with other available funds, to repay the Series 2023A Bond Anticipation Note and provide additional funding for the Program. The Series 2023A-1 Bonds shall be designated "Florida Insurance Assistance Interlocal Agency Insurance Assistance Revenue Bonds, Series 2023A-1". The Series 2023A-1 Bonds are entitled to the benefits of the covenants and agreements in the Assistance Program Agreement, the Indenture and this Supplemental Indenture No. 1.

The Series 2023A-1 Bonds shall be stated to mature (subject to the right of prior redemption, if any, as provided in Article III hereof) on the following Principal Payment Dates in the following amounts, and shall bear interest (computed on the basis of a 360-day year consisting of twelve 30-day months), payable semi-annually on each Interest Payment Date commencing March 1, 2024, until their respective maturities, at the following rates:

\$465,325,000 Series 2023A-1 Serial Bonds

<u>Principal Payment Dates</u>	<u>Amounts</u>	<u>Interest Rates</u>
September 1, 2024	\$50,530,000	5.00%
September 1, 2025	115,765,000	5.00
September 1, 2026	121,905,000	5.00
September 1, 2027	100,000,000	5.00
September 1, 2028	77,125,000	5.00

Each of the Series 2023A-1 Bonds shall be executed substantially in the form set forth in Exhibit A attached hereto and the manner herein set forth and shall be deposited with the Trustee for authentication and delivery, but prior to the delivery of the Series 2023A-1 Bonds by the Trustee there shall be filed with the Trustee each of the documents listed in Section 208 of the Indenture.

When the documents mentioned in Section 208 of the Indenture shall have been filed with the Trustee, and when the Series 2023A-1 Bonds shall have been executed and authenticated as required by the Indenture and this Supplemental Indenture No. 1, the Series 2023A-1 Bonds shall be delivered to or upon the order of the Underwriters, but only upon the deposit with the Trustee of the purchase price of the Series 2023A-1 Bonds.

Simultaneously with the issuance of the Series 2023A-1 Bonds, the proceeds of the Series 2023A-1 Bonds (including original issue premium, net of Underwriters' discount), which is equal to \$482,497,268.42, shall be deposited with the Trustee, of which \$150,000,000.00 shall be wired directly by the Underwriters to the holder of the Series 2023A Bond Anticipation Note to pay all of the outstanding principal of the Series 2023A Bond Anticipation Note, \$855,149.96 shall be deposited to the credit of the Series 2023A Costs of Issuance Subaccount and \$331,642,118.46 shall be deposited to the credit of the Series 2023A Claims Payment Subaccount. Of such proceeds, \$4,750,000.00 shall represent the good faith deposit previously received by the Issuer from the Underwriters.

Simultaneously with the issuance of the Series 2023A-1 Bonds, \$1,851,571.44 of unspent proceeds of the Series 2023A Bond Anticipation Note shall be used as follows: \$1,751,571.44 shall be wired directly by FIGA to the holder of the Series 2023A Bond Anticipation Note used to pay all of the accrued and unpaid interest on the Series 2023A Bond Anticipation Note as of the date of issuance of the Series 2023A Bonds, and \$100,000.00 shall be retained and held uninvested by FIGA in its capacity as Program Administrator to be used to make a yield reduction payment associated with the Series 2023A Bond Anticipation Note on behalf of the Issuer. FIGA shall deposit any balance remaining after making the yield reduction payment to the Series 2023A Claims Payment Subaccount.



**ARTICLE III**  
**REDEMPTION OF SERIES 2023A-1 BONDS**

Section 301. Redemption of Series 2023A-1 Bonds. The Series 2023A-1 Bonds maturing on September 1, 2024 are not subject to optional redemption prior to maturity. The Series 2023A-1 Bonds maturing on September 1, 2025 and September 1, 2026 may be redeemed prior to maturity at the option of the Issuer, as a whole or in part, on any date within 6 months prior to the applicable maturity date, or on any date thereafter, if in part, from such maturity or maturities as the Issuer shall designate and by lot within a maturity at the redemption price of 100% of the principal amount of such Series 2023A-1 Bonds to be redeemed, plus accrued interest to the redemption date. The Series 2023A-1 Bonds maturing on and after September 1, 2027 may be redeemed prior to maturity at the option of the Issuer, as a whole or in part, on September 1, 2026, or on any date thereafter, if in part, from such maturity or maturities as the Issuer shall designate and by lot within a maturity at the redemption price of 100% of the principal amount of such Series 2023A-1 Bonds to be redeemed, plus accrued interest to the redemption date.

**ARTICLE IV**  
**ESTABLISHMENT OF SUBACCOUNTS,  
NO ADDITIONAL ASSESSMENTS PLEDGED,  
NO CREDIT FACILITY AND TAX COVENANTS**

Section 401. Establishment of Subaccounts.

- (a) There is hereby established the "Series 2023A Subaccount" in the Interest Account for the benefit of all Series 2023A Bonds.
- (b) There is hereby established the "Series 2023A Subaccount" in the Principal Account for the benefit of all Series 2023A Bonds.
- (c) There is hereby established the "Series 2023A Claims Payment Subaccount" in the Claims Payments Account of the Claims Fund for the benefit of all Series 2023A Bonds.
- (d) There is hereby established the "Series 2023A Costs of Issuance Subaccount" in the Costs of Issuance Account of the Claims Fund for the benefit of all Series 2023A Bonds.

The subaccounts mentioned above shall be established with and held by the Trustee pursuant to the Indenture and this Supplemental Indenture No. 1 for the benefit of all Series 2023A Bonds including without limitation the Series 2023A-1 Bonds and the Series 2023A-2 Bonds.

Section 402. No Additional Assessments Pledged.

The Issuer has not determined hereunder to additionally secure Bonds issued under the Indenture by any Additional Assessments.

Section 403. No Credit Facility.

There shall be no Credit Facility applicable to the Series 2023A-1 Bonds.

Section 404. Tax Covenants.

The Issuer covenants and agrees that so long as any Series 2023A-1 Bonds remain Outstanding, it shall comply with the requirements of the Code, including any arbitrage rebate covenants contained in any agreement entered into by and between the Issuer and any depository in connection with the issuance of the Series 2023A-1 Bonds, except to the extent to not so comply would not, in the opinion of Bond Counsel, result in the interest payable on the Series 2023A-1 Bonds being included in gross income for Federal income tax purposes to the Holders thereof under the Code.

On any date required by the covenants set forth in the Tax Agreement of the Issuer issued in connection with the issuance of the Series 2023A Bonds, the Issuer shall give the Trustee written direction to, and the Trustee shall, transfer from the Revenue Fund to the Rebate Fund in

accordance with the Indenture, the amount due and owing, if any, to the United States, which amount shall be paid, to the United States, when due, in accordance with such covenants.

**ARTICLE V**  
**THE TRUSTEE**

Section 501. Acceptance of Duties by Trustee. The Trustee by execution hereof accepts and agrees to perform the duties and fulfill the trusts imposed upon it by this Supplemental Indenture No. 1.

**ARTICLE VI  
SUPPLEMENTAL INDENTURES; RESPONSIBILITIES**

Section 601. Supplemental Indentures and Amendments. This Supplemental Indenture No. 1 may be amended at the same times, in the same manner and for the same purposes as provided in Article XIII of the Indenture. If such modification or amendment to the Indenture, this Supplemental Indenture No. 1 or the Assistance Program Agreement affects only the 2023A-1 Bonds, the percentage of Bondholders required to consent to the modification or amendment described in Article XIII of the Indenture will be applied only to the Outstanding 2023A-1 Bonds.

Section 602. Responsibilities of Trustee and Issuer under this Article. The Issuer shall be entitled to exercise its discretion in determining whether or not any proposed amendment or any term or provision therein contained is desirable, after considering the purposes of such instrument, the needs of the Issuer, the rights and interests of the Owners, and the rights, obligations and interests of the Trustee. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of counsel approved by it, who may be Bond Counsel for the Issuer, as conclusive evidence that any such proposed amendment does or does not comply with the provisions of this Supplemental Indenture No. 1, and that it is or is not proper for it, under the provisions of this Article VI, to execute and deliver such amendment.

**ARTICLE VII  
MISCELLANEOUS PROVISIONS**

Section 701. Manner of Giving Notice. All notices, demands and requests to be given to or made hereunder by the Issuer, the Trustee or the Bond Registrar shall be given or made in writing and shall be deemed to be properly given or made if sent by United States certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

As to the Issuer:

Florida Insurance Assistance Interlocal Agency  
Attn: Amy Myers  
304 Magnolia Ave.  
Panama City, FL 32401

with a copy to:

Florida Insurance Guaranty Association, Inc.  
Attn: Corey Neal  
P. O. Box 15159  
Tallahassee, Florida 32317

As to the Trustee or Bond Registrar:

The Bank of New York Mellon Trust Company, N.A.  
Attn: Corporate Trust  
4655 Salisbury Road, Suite 300  
Jacksonville, FL 32256

Any such notice, demand or request may also be transmitted to the appropriate above-mentioned party by electronic mail or telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

Any of such addresses may be changed at any time upon written notice of such change sent by United States certified or registered mail, postage prepaid, to the other parties by the party effecting the change.

Section 702. Substitute Notice. If, because of the temporary or permanent suspension of postal service, the Issuer, the Trustee or the Bond Registrar shall be unable to mail any notice required to be given by the provisions of this Supplemental Indenture No. 1, such party shall give notice in such other manner as in the judgment of such party shall most effectively approximate mailing, and the giving of notice in such manner shall for all purposes of this Supplemental Indenture No. 1 be deemed to be in compliance with the requirement for the mailing thereof.

Section 703. Issuer, Trustee, Bond Registrar and Owners Alone Have Rights Under Supplemental Indenture No. 1. Except as herein otherwise expressly provided, nothing in this Supplemental Indenture No. 1, express or implied, is intended or shall be construed to confer upon any Person, firm or Issuer, other than the Issuer, the Trustee, the Bond Registrar and the Owners, any right, remedy or claim, legal or equitable, under or by reason of this Supplemental Indenture No. 1 or any provision being intended to be and being for the sole and exclusive benefit of the Issuer, the Trustee, the Bond Registrar and the Owners.

Section 704. Effect of Partial Invalidity. All covenants, stipulations, obligations and agreements of the Issuer contained in this Supplemental Indenture No. 1 shall be deemed to be covenants, stipulations, obligations and agreements of the Issuer to the full extent permitted by the Constitution and laws of the State. In case any one or more of the provisions of this Supplemental Indenture No. 1 or the Series 2023A-1 Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Supplemental Indenture No. 1 or the Series 2023A-1 Bonds, but this Supplemental Indenture No. 1 and the Series 2023A-1 Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in this Supplemental Indenture No. 1 or the Series 2023A-1 Bonds shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Issuer to the full extent permitted by law.

Section 705. Effect of Covenants: Governing Law. This Supplemental Indenture No. 1 is executed and delivered with the intent that the laws of the State shall govern this construction, without regard to conflict of laws principles.

Section 706. Headings. Any heading preceding the text of the several articles hereof, any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Supplemental Indenture No. 1, nor shall they affect its meaning, construction or effect.

Section 707. Further Authority. 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 Indenture No. 1 for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Series 2023A-1 Bonds and this Supplemental Indenture No. 1.

Section 708. Payment Due on Non-Business Days. In the case of the Series 2023A-1 Bonds, if the date for making any payment or the last day for performance of any act or the exercising of any right as provided in this Supplemental Indenture No. 1 is not a Business Day, such payment may be made or act performed or right exercised on the next Business Day with the same force and effect as if done on the date provided in this Supplemental Indenture No. 1.

Section 709. Multiple Counterparts. This Supplemental Indenture No. 1 may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original, and such counterparts shall constitute but one and the same instrument.

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IN WITNESS WHEREOF, the parties have caused this Supplemental Indenture No. 1 to be duly executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

FLORIDA INSURANCE ASSISTANCE  
INTERLOCAL AGENCY

By \_\_\_\_\_  
Name: Pamn Henderson  
Title: Chair

Attest:

\_\_\_\_\_  
Name: Corey Neal  
Title: Secretary-Treasurer

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., not in its individual capacity but  
as Trustee

By: \_\_\_\_\_  
Name: Daniel Todd  
Title: Vice President

**EXHIBIT A**  
**FORM OF SERIES 2023A-1 BONDS**

No. RA1-\_\_\_\_\_ \$ \_\_\_\_\_

**United States of America**  
**State of Florida**  
**Florida Insurance Assistance Interlocal Agency**  
**Insurance Assessment Revenue Bonds, Series 2023A-1**

Interest Rate      Maturity Date      Date of Original Issuance      CUSIP

REGISTERED OWNER:      CEDE & CO.

PRINCIPAL AMOUNT:      \_\_\_\_\_ DOLLARS

The Florida Insurance Assistance Interlocal Agency (herein called the "Issuer"), a State of Florida interlocal agency created pursuant to Section 163.01(7)(g), Florida Statutes, duly organized and operating under the Constitution and laws of the State of Florida, is justly indebted and for value received hereby promises to pay to the registered owner shown above or to the registered assigns or legal representative thereof on the date specified above (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the designated corporate trust office of The Bank of New York Mellon Trust Company, N.A., initially located in Jacksonville, Florida (the "Paying Agent"), the principal sum shown above, and to pay to the registered owner hereof, by check or draft mailed to the registered owner at such registered owner's address as it appears on the bond registration books of the Issuer maintained by The Bank of New York Mellon Trust Company, N.A. (the "Bond Registrar") at its designated corporate trust office initially located in Jacksonville, Florida, and interest on such principal sum from and after any Interest Payment Date, to be paid to the Person in whose name this Bond is registered in the Bond Register provided for in the Indenture (hereinafter defined) at the close of business on the Regular Record Date. The Trustee or any other Paying Agent shall pay interest which is payable on the Bonds (hereinafter defined) by check mailed to the registered owner entitled thereto on the Interest Payment Date; provided, however, that, unless otherwise provided in the applicable Supplemental Indenture, each registered owner of Bonds aggregating at least \$1,000,000 shall be entitled to the payment of such interest by wire transfer to a bank or other financial institution located within the continental United States at its own expense, provided that wire instructions and the name of the bank and account therein has been provided to the Trustee by such Registered owner prior to the Regular Record Date.

Any interest on any Bond which is payable, but is not punctually paid, or for which payment is not duly provided, on any Interest Payment Date (herein called "Defaulted Interest")

shall forthwith cease to be payable to the Registered owner of record on the relevant Regular Record Date; and such Defaulted Interest may be paid by the Issuer, at its election in each case, provided in clause A or B below:

A. The Issuer may elect to make payment of any Defaulted Interest on the Bonds of this subseries to the Persons in whose names Bonds are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Issuer shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with the next sentence hereof), and at the same time the Issuer shall deposit or cause to be deposited with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this subsection provided. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 15 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Registered owner at such Registered owner's address as it appears in the Bond Register provided for in the Indenture not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names the Bonds of such Series are registered on such Special Record Date and shall no longer be payable pursuant to the following clause B. The Trustee shall pay such Defaulted Interest which is payable on the Bonds pursuant to this clause A by check mailed to the Persons entitled thereto on the date fixed for the payment of such Defaulted Interest pursuant to this clause A.

B. The Issuer may make payment of any Defaulted Interest on the Bonds of any Series in any other lawful manner not inconsistent with the requirements of any securities exchange on which such may be listed and upon such notice as may be required by such exchange, if, after notice given by the Issuer to the Trustee of the proposed payment pursuant to this subsection, such payment be deemed practicable by the Trustee.

Both the principal of and the interest on the Bonds shall be payable in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof.

This Bond and the obligation to pay principal of and interest thereon do not now and shall not be construed to constitute an indebtedness of the Issuer, the City of Callaway, Florida, the City of Panama City Beach, Florida or any other member of the Issuer, the State of Florida or any political subdivision thereof, within the meaning of any constitutional or statutory provision, or

a lien upon the real or personal property of any of them or any political subdivision thereof, and neither the full faith and credit nor any taxing power of the members of the Issuer, the State of Florida or any political subdivision thereof, is pledged to the payment of this Bond which is secured, and shall be payable solely from, the Pledged Revenues hereinafter described. The Issuer has no taxing power.

The issuance of this Bond shall not directly or indirectly or contingently obligate or require the Issuer to levy or pledge any tax whatsoever or to make any appropriation for the payment of this Bond other than from the Pledged Revenues. Further, the registered owner of this Bond does not have the right to require or compel the Issuer to levy or appropriate any taxes for the payment of principal of and interest on this Bond.

The Bonds of this subseries shall be on a parity as to the pledge of the Pledged Revenues with the Florida Insurance Assistance Interlocal Agency Insurance Assessment Revenue Bonds, Series 2023A-2 (Variable Rate) issued on even date herewith (the "Series 2023A-2 Bonds"), and any Additional Bonds or Refunding Bonds hereafter issued pursuant to the Indenture. The Bonds of this subseries and the Series 2023A-2 Bonds together with any Additional Bonds or Refunding Bonds hereafter issued are herein referred to as the "Bonds".

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until this Bond shall have been authenticated by the execution by the Trustee of the certificate of authentication endorsed hereon.

This Bond is one of a Series of Bonds designated "Insurance Assessment Revenue Bonds, Series 2023A-1" and issued by the Issuer for the purpose of providing funds, together with any other available funds, to finance the Program, including the payment or repayment of the Issuer's Bond Anticipation Note, Series 2023A (Hurricane Covered Claims Assistance Program), and this Bond is issued under and secured pursuant to that certain Trust Indenture dated as of July 1, 2023, as supplemented by the Supplemental Indenture No. 1 dated as of July 1, 2023 (collectively, the "Indenture") by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as Trustee (the "Trustee").

Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of the Bonds issued under the Indenture, the collection and disposition of the revenues charged with and pledged to the payment of the principal of and interest on the Bonds, and the nature and extent of such security, the terms and conditions under which the Bonds are or may be issued, the rights, duties and obligations of the Issuer and of the Trustee, the rights of the registered owners of the Bonds, and the provisions regulating the manner in which the terms of the Indenture, the terms of this Bond, and the rights of the registered owner hereof, may be modified, the release of the Issuer from its obligations under the Indenture and hereunder, to all of which provisions the registered owner of this Bond, on behalf of himself and his successors in interest, assents by acceptance hereof.

The Bonds maturing on September 1, 2024 are not subject to optional redemption prior to maturity. The Bonds maturing on September 1, 2025 and September 1, 2026 may be redeemed prior to maturity at the option of the Issuer, as a whole or in part, on any date within 6 months prior to the applicable maturity date, or on any date thereafter, if in part, from such maturity or maturities as the Issuer shall designate and by lot within a maturity at the redemption price of 100% of the principal amount of such Bonds to be redeemed, plus accrued interest to the redemption date. The Bonds maturing on and after September 1, 2027 may be redeemed prior to maturity at the option of the Issuer, as a whole or in part, on September 1, 2026, or on any date thereafter, if in part, from such maturity or maturities as the Issuer shall designate and by lot within a maturity at the redemption price of 100% of the principal amount of such Bonds to be redeemed, plus accrued interest to the redemption date.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds to be redeemed shall be selected as provided in the Indenture.

At least thirty (30) but not more than sixty (60) days before the redemption date, a written notice of any redemption, either in whole or in part, (a) shall be filed with the Trustee and (b) shall be mailed by first class mail, postage prepaid, to all registered owners of Bonds to be redeemed at their addresses as they appear on the Bond Register, but failure so to mail any such notice shall not affect the validity of the proceedings for such redemption for any Bond where notice was properly mailed. Each such notice shall specify the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Bonds are to be redeemed, the numbers or other distinguishing marks of such Bonds to be redeemed in part only, such notice shall also specify the portions thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each of the Bonds to be redeemed the redemption price or the specified portions thereof in the case of Bonds to be redeemed in part only, together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable on such Bonds or portions thereof so redeemed. The registered owner of this Bond shall have no right to enforce the provisions of the Indenture, or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

Modifications or alterations of the Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture.

The Bonds are issuable as fully registered Bonds of the denomination of \$5,000 or any multiple thereof. At the designated office of the Bond Registrar, in the manner and subject to certain conditions provided in the Indenture, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, or authorized denomination and bearing interest at the same rate.

The Bond Registrar is required to keep at its designated office the books of the Issuer for the registration of and for the registration of transfers of Bonds. The transfer of this Bond may be

registered only upon such books and as otherwise provided in the Indenture upon the surrender hereof to the Bond Registrar together with an assignment duly executed by the registered owner hereof or such registered owner's attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Trustee shall authenticate and deliver in exchange for this Bond a new Bond or Bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the unredeemed principal amount of this Bond, of the same maturity and bearing interest at the same rate.

The Bond Registrar shall not be required to exchange or register any transfer of this Bond after this Bond has been selected for redemption.

This Bond is issued pursuant to the Act. Capitalized terms not otherwise defined herein shall have the meanings assigned in Resolution No. 23-02 adopted by the Governing Board of the Issuer on May 22, 2023 and in the Indenture. This Bond is payable from and secured solely by the Pledged Revenues, which consist of, collectively, (i) the proceeds of the Pledged Emergency Assessments, and (ii) all other moneys held from time to time in the Funds and Accounts established under the Indenture as provided therein (except for amounts held to the credit of the Rebate Fund) including, without limitation, the proceeds of the Bonds held in the Claims Fund pending the application thereof to the payment of Covered Claims or Costs of Issuance, in the manner and to the extent provided therein. In the event the Issuer determines by Supplemental Indenture to pledge Additional Assessments for the payment and security of Bonds issued thereunder, then the term "Pledged Revenues" shall also include such Additional Assessments.

All acts, conditions and things required by the Constitution and laws of the State of Florida to happen, exist and be performed precedent to and in the issuance of this Bond have happened, exist and have been performed as so required.

This Bond is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code-Investment Securities of the State. Unless otherwise provided by law, the Issuer may treat the registered owner of this Bond as the absolute owner hereof for all purposes without being affected by any notice to the contrary.

IN WITNESS WHEREOF, said Florida Insurance Assistance Interlocal Agency, by resolution duly adopted by its Board, has caused this Bond to be signed by its Chair and to be signed by its Secretary.

ATTEST:

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Secretary-Treasurer

#### **CERTIFICATE OF AUTHENTICATION**

This Bond is one of the Bonds of the Series designated herein and issued under the provisions of the within-mentioned Indenture.

THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., as Trustee

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

#### **STATEMENT OF VALIDATION**

This Bond is one of the Bonds which were validated by judgment of the Circuit Court for Leon County rendered on April 15, 2008.



## ASSIGNMENT

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

---

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to register the transfer of the within Bond on the books kept for registration thereof with full power of substitution in the premises.

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

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed: \_\_\_\_\_

NOTICE: Signatures must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or a trust company.

The following abbreviations, when used in the inscription on the face of the within 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 entireties

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

UNIFORM TRANSFER MIN ACT - \_\_\_\_\_ Custodian \_\_\_\_\_  
(Cust) (Minor)

Under Uniform Transfer to Minors  
Act \_\_\_\_\_

(State)

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

SUPPLEMENTAL INDENTURE NO. 2

between

FLORIDA INSURANCE ASSISTANCE INTERLOCAL AGENCY,  
as Issuer

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,  
as Trustee

in connection with

Florida Insurance Assistance Interlocal Agency

Insurance Assessment Revenue Bonds, Series 2023A-2 (Variable Rate)

Dated as of July 1, 2023

This instrument has been entered into by the within-described Parties in order to secure the Florida Insurance Assistance Interlocal Agency Insurance Assessment Revenue Bonds, Series 2023A-2 (Variable Rate).

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Exhibit A – Form of Series 2023A-2 Bonds

## SUPPLEMENTAL INDENTURE NO. 2

THIS SUPPLEMENTAL INDENTURE NO. 2 (this "Supplemental Indenture No. 2") is dated as of July 1, 2023 by and between the Florida Insurance Assistance Interlocal Agency, and its successors and assigns (the "Issuer") and The Bank Of New York Mellon Trust Company, N.A., as Trustee (the "Trustee"), a national banking association authorized to accept and execute trusts of the character herein set forth, with its designated corporate trust office located at 4655 Salisbury Road, Suite 300, Jacksonville, Florida, 32256, Attention: Corporate Trust Department, under the Trust Indenture between the Issuer and the Trustee dated as of July 1, 2023, as supplemented and amended from time to time (the "Indenture").

WHEREAS, capitalized terms not otherwise defined herein shall have the meanings set forth in the Indenture; and

WHEREAS, the Indenture authorized issuance of the Series 2023A Bonds for the purposes described therein; and

WHEREAS, this Supplemental Indenture No. 2 constitutes a "Supplemental Indenture" under the Indenture to fix certain details of a sub-series of the Series 2023A Bonds; and

WHEREAS, the Issuer has determined to issue the Series 2023A Bonds in two sub-series: the fixed rate bonds shall be designated "Series 2023A-1" (the "Series 2023A-1 Bonds"), and the variable rate bonds shall be designated "Series 2023A-2" (the "Series 2023A-2 Bonds"); and

WHEREAS, this Supplemental Indenture No. 2 will set forth the details with respect to the Series 2023A-2 Bonds and Supplemental Indenture No. 1 will set forth the details with respect to the Series 2023A-1 Bonds.

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS SUPPLEMENTAL INDENTURE NO. 2 WITNESSETH:

That the Issuer, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the mutual covenants herein contained, the purchase and acceptance of the Series 2023A-2 Bonds by the purchaser or purchasers thereof, and other good and valuable consideration, receipt of which is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which Series 2023A-2 Bonds are to be issued, authenticated, delivered, secured and accepted by all Persons who shall, from time to time, be or become Owners thereof, and in order to secure the payment of the Series 2023A-2 Bonds at any time issued and Outstanding hereunder and under the Indenture, and the interest thereon and the redemption premiums, if any, with respect thereto, according to their tenor, purport and effect, and in order to secure the performance and observance of all the covenants, agreements and conditions contained therein and in the Indenture, the Issuer and the Trustee hereby agree as follows:

## ARTICLE I. DEFINITIONS

Section 101. Meaning of Words and Terms. Unless otherwise required by the context, words and terms used herein which are defined, or the definitions of which are incorporated by reference, in the Indenture or the form of the Series 2023A-2 Bonds shall have the meanings assigned to them therein, and the following words and terms shall have the following meanings herein; provided that where the Indenture provides that a word or term defined in the Indenture may be modified by a Supplemental Indenture and such word or term is defined herein, the definition herein shall control:

"Alternate Liquidity Facility" means a Liquidity Facility issued to replace a Liquidity Facility to purchase Series 2023A-2 Bonds tendered or deemed tendered for purchase as provided in this Supplemental Indenture No. 2 and any amendment or assignment of a Liquidity Facility which results in a change in the Liquidity Facility Provider.

"Authorized Denominations" means \$100,000 or any integral multiple of \$5,000 in excess of \$100,000.

"Bank Bonds" means any Series 2023A-2 Bond owned by or pledged to the Liquidity Facility Provider, or its assignee, following purchase thereof pursuant to the Liquidity Facility upon an optional or mandatory tender for purchase pursuant to Section 305 hereof (other than Series 2023A-2 Bonds retained pursuant to Section 316 hereof).

"Bank Bond Interest Differential Amount" means as to any Bank Bond for any period for which interest on such Bank Bond has not been paid, the difference between the amount of accrued interest on such Bank Bond at the Bank Bond Rate during such period and the amount of accrued interest on the Series 2023A-2 Bonds included in the sales price therefor.

"Bank Bond Rate" means the interest rate, if any, specified in the Liquidity Facility then in effect as the rate at which Bank Bonds shall bear interest, such rate not to exceed the Maximum Bank Bond Interest Rate; provided, however, that if no such rate is specified in the Liquidity Facility then in effect, then Bank Bonds shall continue to bear interest and such interest shall accrue and be payable as specified in this Supplemental Indenture No. 2 as if such Bank Bonds were not Bank Bonds.

"Beneficial Owner" means any Person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2023A-2 Bond (including any Person holding a 2023A-2 Bond through nominees, depositories or other intermediaries), or (b) is treated as the owner of any 2023A-2 Bond for federal income tax purposes.

"Bond Purchase Fund" means each such trust fund established with the Trustee pursuant to Section 401 hereof.

"Business Day" for purposes of this Supplemental Indenture No. 2 means any day other than a Saturday, Sunday or other day on which the New York Stock Exchange is closed or on which banks are authorized or required to be closed in any of the City of Jacksonville, Florida, the City of New York, New York, or the city where the Liquidity Facility Provider is located.

"Closing Date" means the date of delivery of the Series 2023A-2 Bonds to the Underwriter against payment therefor.

"Electronic Notice" means facsimile transmission, email transmission or other similar method of communication providing evidence of transmission, including a telephone communication confirmed by any other method set forth in this definition.

"Expiration Date" means the termination date of the Liquidity Facility as extended from time to time.

"Favorable Opinion of Bond Counsel" means, with respect to any action relating to the Series 2023A-2 Bonds, the occurrence of which requires such an opinion, a written legal opinion of Bond Counsel addressed to the Trustee, the Issuer, the Liquidity Facility Provider and the Remarketing Agent, to the effect that such action is permitted under this Supplemental Indenture No. 2 and will not impair the exclusion of interest of the Series 2023A-2 Bonds from gross income for purposes of federal income taxation (subject to customary exceptions).

"Funding Amount" means an amount equal to the difference between (1) the aggregate Tender Price for Series 2023A-2 Bonds to be purchased pursuant to Section 305 hereof and (2) the aggregate Tender Price of such Series 2023A-2 Bonds to be purchased pursuant to Section 305 hereof that have been remarketed by the Remarketing Agent and for which funds have been transferred by the Remarketing Agent to the Trustee.

"Interest Accrual Date" means the date of issuance of the Series 2023A-2 Bonds and each Interest Payment Date.

"Interest Payment Date" means (a) with respect to Series 2023A-2 Bonds other than Bank Bonds, the first Business Day of each calendar month; and (b) for Bank Bonds as set forth in the Liquidity Facility then in effect.

"Issuer Owned Bonds" means Series 2023A-2 Bonds held directly or indirectly by the Issuer or for its benefit by its agents or nominees.

"Liquidity Facility" means, initially, the Revolving Standby Bond Purchase Agreement dated as of July 1, 2023 among the Issuer, the State of Florida Department of Financial Services Division of the Treasury and the Trustee and any other Alternate Liquidity Facility delivered pursuant to Section 307 of this Supplemental Indenture No. 2, and with terms that are not inconsistent which the terms of this Supplemental Indenture No. 2.

"Liquidity Facility Provider" means, initially, the State of Florida Department of Financial Services Division of the Treasury and any bank or banks or other financial institution or financial institutions or other Person or Persons issuing an Alternate Liquidity Facility, their successors and assigns. If any Liquidity Facility is issued by more than one bank, financial institution or other Person, notices required to be given to the Liquidity Facility Provider may be given to the bank, financial institution or other Person under such Liquidity Facility appointed to act as agent for all such banks, financial institutions or other Persons.

"Liquidity Facility Purchase Account" means each account with that name established within the Bond Purchase Fund pursuant to Section 401 hereof.

"Mandatory Standby Tender" means the mandatory tender of the Series 2023A-2 Bonds pursuant to Section 305(b) hereof upon receipt by the Trustee of written notice from the Liquidity Facility Provider that an event with respect to the Liquidity Facility has occurred which requires or gives the Liquidity Facility Provider the option to terminate such Liquidity Facility upon notice. Mandatory Standby Tender shall not include circumstances where the Liquidity Facility Provider may suspend or terminate its obligations to purchase Series 2023A-2 Bonds without notice, in which case there will be no mandatory tender.

"Maturity Date" means September 1, 2032.

"Maximum Bank Bond Interest Rate" means the lesser of (a) 8% per annum and (b) the Maximum Lawful Rate.

"Maximum Bond Interest Rate" means the lesser of (a) 8% per annum and (b) the Maximum Lawful Rate.

"Maximum Lawful Rate" means the maximum rate of interest on the relevant obligation permitted by applicable law.

"Payment Date" means each Interest Payment Date or any other date on which any principal of, premium, if any, or interest on any Series 2023A-2 Bond is due and payable for any reason, including without limitation upon any redemption of Series 2023A-2 Bonds pursuant to Section 301.

"Payment Obligations" means the payment obligations of the Issuer pursuant to any Liquidity Facility including any interest, fees, costs and other similar amounts required to be paid by the Issuer pursuant to any such obligation.

"Record Date" means the Business Day immediately preceding each Interest Payment Date.

"Remarketing Account" means each account with that name established within the Bond Purchase Fund pursuant to Section 401 hereof.

"Remarketing Agent" means, initially, BofA Securities, Inc. and each Person qualified under Section 311 to act as Remarketing Agent for the Series 2023A-2 Bonds and appointed by the Issuer from time to time.

"Remarketing Agreement" means a Remarketing Agreement between the Issuer and the Remarketing Agent whereby the Remarketing Agent undertakes to perform the duties of the Remarketing Agent under this Supplemental Indenture No. 2, as amended from time to time.

"Request" means a request by the Trustee under a Liquidity Facility or an Alternate Liquidity Facility for the payment of the Tender Price of the Series 2023A-2 Bonds in accordance with the terms of this Supplemental Indenture No. 2.

"Series 2023A-2 Bonds" means the Florida Insurance Assistance Interlocal Agency Insurance Assessment Revenue Bonds, Series 2023A-2 (Variable Rate), issued pursuant to Section 208 of the Indenture and Section 203 of this Supplemental Indenture No. 2.

"SIFMA Swap Index" means on any date, a rate determined on the basis of the seven-day high grade market index of tax-exempt variable rate demand obligations, as produced by Municipal Market Data and published or made available by the Securities Industry & Financial Markets Association (formerly the Bond Market Association)("SIFMA") or any Person acting in cooperation with or under the sponsorship of SIFMA and acceptable to the Trustee and effective from such date.

"Tender Date" means the date on which the Series 2023A-2 Bonds are required to be purchased pursuant to Section 305 hereof.

"Tender Price" means the purchase price to be paid to the Holders of Series 2023A-2 Bonds purchased pursuant to paragraphs (a), (b) and (c) of Section 305 hereof, which shall be equal to the principal amount thereof tendered for purchase, without premium, plus accrued interest from the immediately preceding Interest Accrual Date to the Tender Date (if the Tender Date is not an Interest Payment Date).

"Undelivered Bond" means a Series 2023A-2 Bond which constitutes an Undelivered Bond under the provisions of Section 312(c) hereof.

"Underwriter" means BofA Securities, Inc.

"Weekly Interest Rate" means a variable interest rate for the Series 2023A-2 Bonds which is established in accordance with Section 208 hereof.

Section 102. Rules of Construction. The Rule of Construction contained in the Indenture shall control the construction of this Supplemental Indenture No. 2, except as otherwise provided herein.

**ARTICLE II.  
AUTHORIZATION, FORM, ISSUANCE, DELIVERY  
AND REGISTRATION OF THE SERIES 2023A-2 BONDS**

Section 201. Limitation on Issuance of Series 2023A-2 Bonds. No Series 2023A-2 Bonds may be issued under the provisions of this Supplemental Indenture No. 2 except in accordance with the provisions of the Indenture and this Article.

Section 202. Form and Numbering of Series 2023A-2 Bonds. The Series 2023A-2 Bonds are issuable in fully registered form in Authorized Denominations, shall be lettered "RA2-", shall be numbered from 1 consecutively upward and shall be substantially in the form set forth in Exhibit A hereto and made a part hereof, with such appropriate variations, omissions and insertions as are permitted or required by the Indenture or this Supplemental Indenture No. 2.

Section 203. Authorization of Series 2023A-2 Bonds. There shall be issued under and secured by the Indenture and this Supplemental Indenture No. 2, Series 2023A-2 Bonds of the Issuer in the aggregate principal amount of \$125,000,000 for the purpose of providing funds, together with other available funds, to provide additional funding for the Program. The Series 2023A-2 Bonds shall be designated "Florida Insurance Assistance Interlocal Agency Insurance Assistance Revenue Bonds, Series 2023A-2 (Variable Rate)." The Series 2023A-2 Bonds are entitled to the benefits of the covenants and agreements in the Assistance Program Agreement, the Indenture and this Supplemental Indenture No. 2.

Each of the Series 2023A -2 Bonds shall be executed substantially in the form set forth in Exhibit A attached hereto and the manner herein set forth and shall be deposited with the Trustee for authentication and delivery, but prior to the delivery of the Series 2023A-2 Bonds by the Trustee there shall be filed with the Trustee each of the documents listed in Section 208 of the Indenture and Section 206 hereof.

When the documents mentioned in Section 208 of the Indenture and Section 206 hereof shall have been filed with the Trustee, and when the Series 2023A-2 Bonds shall have been executed and authenticated as required by the Indenture and this Supplemental Indenture No. 2, the Series 2023A-2 Bonds shall be delivered to or upon the order of the Underwriter, but only upon the deposit with the Trustee of the purchase price of the Series 2023A-2 Bonds.

Simultaneously with the issuance of the Series 2023A-2 Bonds, the proceeds of the Series 2023A-2 Bonds (net of Underwriter's discount), which is equal to \$124,920,076.66, shall be deposited with the Trustee, of which \$6,353,993.58 shall be deposited into the Series 2023A Subaccount in the Interest Account of the Debt Service Fund to pay certain capitalized interest, \$208,201.54 shall be deposited to the credit of the Series 2023A Costs of Issuance Subaccount and \$118,357,881.54 shall be deposited to the credit of the Series 2023A Claims Payment Subaccount.

Section 204. Details of Series 2023A-2 Bonds.

- (a) Dates. The Series 2023A-2 Bonds shall bear the date of authentication thereof.

(b) Maturity. The Series 2023A-2 Bonds shall be issued as Serial Bonds and shall mature on September 1, 2032. The 2023A-2 Bonds shall be subject to redemption prior to the stated maturity as and to the extent provided in Section 301 and shall be subject from time to time to optional and mandatory tender for purchase as provided in Section 305.

(c) Interest. The initial interest rate on the Series 2023A-2 Bonds will be the rate the Underwriter determines is necessary to sell such 2023A-2 Bonds at par, which rate will be determined as set forth in Section 208(d) hereof. The 2023A-2 Bonds shall bear interest at Weekly Interest Rates. The provisions of Section 208 shall govern the interest rates per annum and the payment terms of the Series 2023A-2 Bonds.

(d) No Debt Service Reserve Fund for the Series 2023A-2 Bonds. The Debt Service Reserve Fund is not applicable and does not secure the Series 2023A-2 Bonds.

(e) Series 2023A-2 Bonds Not Subject to Defeasance. Anything provided in the Indenture to the contrary notwithstanding, the Series 2023A-2 Bonds shall not be subject to defeasance prior to maturity pursuant to Article XIV of the Indenture.

Section 205. Method and Place of Payment. The principal and Tender Price of and premium, if any, and interest on the Series 2023A-2 Bonds shall be payable in lawful money of the United States of America. Such amounts shall be paid by the Trustee on the applicable Payment Dates by wire transfer of immediately available funds to the respective Holders thereof on the applicable Record Date to an account specified by the Holder thereof in a writing delivered to the Trustee.

Section 206. Authentication and Delivery of 2023A-2 Bonds. In addition to the items required to be delivered to the Trustee pursuant to Section 208 of the Indenture prior to the authentication and delivery by the Trustee of the Series 2023A-2 Bonds, there shall be filed or deposited with the Trustee:

- (a) The initial Liquidity Facility; and
- (b) A copy of the initial Remarketing Agreement

Section 207. Book Entry System.

(a) The definitive Series 2023A-2 Bonds are issuable as permitted or required by this Supplemental Indenture No. 2. All Series 2023A-2 Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to the applicable rules and regulations of any governmental authority or any securities exchange on which the Series 2023A-2 Bonds may be listed or to any requirement of law with respect thereto.

(b) The Series 2023A-2 Bonds shall be issued by means of a book-entry system with no physical distribution of bond certificates to be made to the beneficial owners thereof except as hereinafter provided. One bond certificate with respect to each date on which the Series 2023A-2 Bonds are stated to mature, in the aggregate principal amount of the Series 2023A-2 Bonds stated

to mature on such date and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), shall be issued and delivered as directed by DTC. The book-entry system shall evidence ownership of the Series 2023A-2 Bonds in the principal amount of \$100,000 or any integral multiple of \$5,000 in excess of \$100,000, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. The principal of each Series 2023A-2 Bond and interest with respect thereto shall be payable to Cede & Co. or any other Person appearing in the registration books of the Issuer kept by the Bond Registrar as the Owner of such Series 2023A-2 Bond or its registered assigns or legal representatives. Transfer of principal and interest payments to participants of DTC shall be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Series 2023A-2 Bonds by participants of DTC shall be the responsibility of such participants and other nominees of such beneficial owners. The Issuer and the Trustee shall not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing records maintained by DTC, its participants or Persons acting through such participants.

(c) In the event that (i) DTC determines not to continue to act as Securities Depository for the Series 2023A-2 Bonds or (ii) the Issuer determines that continuation of the book-entry system of evidence and transfer of ownership of the Series 2023A-2 Bonds would adversely affect the interests of the beneficial owners of the Series 2023A-2 Bonds, or (iii) an Event of Default shall occur with respect to the Series 2023A-2 Bonds and is continuing and the beneficial owners of a majority in principal amount of the Series 2023A-2 Bonds shall advise DTC to cease acting as Securities Depository, the Issuer shall discontinue the book-entry system with DTC. If the Issuer identifies another qualified Securities Depository to replace DTC, the Issuer shall make arrangements with DTC and such other Securities Depository to effect such replacement and deliver replacement bonds registered in the name of such other Securities Depository or its Securities Depository nominee in exchange for the Outstanding Series 2023A-2 Bonds, and the references to DTC or Cede & Co. in this Supplemental Indenture No. 1 shall thereupon be deemed to mean such other Securities Depository or its Securities Depository nominee. If the Issuer fails to identify another qualified Securities Depository to replace DTC, the Issuer shall deliver replacement bonds in the form of fully registered certificates in the denomination of \$100,000 or any integral multiple of \$5,000 in excess of \$100,000 in exchange for the Outstanding Series 2023A-2 Bonds as required by DTC.

Section 208. Interest on the Series 2023A-2 Bonds.

(a) General. No Series 2023A-2 Bonds shall, at any time, bear interest in excess of the Maximum Bond Interest Rate, except that the interest rate paid by the Issuer on Bank Bonds shall not exceed the Maximum Bank Bond Interest Rate.

(b) Payment of Interest. Interest on the Series 2023A-2 Bonds shall be paid on each Interest Payment Date, any redemption date, any Tender Date and on the Maturity Date therefor.

(c) Interest Accrual and Payment. Interest on the Series 2023A-2 Bonds shall accrue on the basis of the actual number of days elapsed during the Interest Rate Period and a year of 365 days (366 days in a leap year).

The Series 2023A-2 Bonds shall bear interest from and including the Interest Accrual Date immediately preceding the date of authentication thereof or, if such date of authentication is an Interest Accrual Date to which interest on the Series 2023A-2 Bonds has been paid in full or duly provided for, from such date of authentication or, if it is the first payment of interest on the Series 2023A-2 Bonds, the date thereof. However, if, as shown by the records of the Trustee, interest on the Series 2023A-2 Bonds is in default, the Series 2023A-2 Bonds issued in exchange for the Series 2023A-2 Bonds surrendered for registration of transfer or exchange shall bear interest from the date to which interest has been paid in full on the Series 2023A-2 Bonds so surrendered or, if no interest has been paid in full on the Series 2023A-2 Bonds so surrendered from the date thereof.

Interest on the Series 2023A-2 Bonds shall be payable on each Interest Payment Date for the period commencing on the immediately preceding Interest Accrual Date and ending on and including the day immediately preceding the Interest Payment Date.

(d) Determination of Weekly Interest Rate. The Series 2023A-2 Bonds shall bear interest at the Weekly Interest Rate, which shall be determined by the Remarketing Agent by 5:00 p.m. on Wednesday of each week, or if such day is not a Business Day, then on the next succeeding Business Day. The first Weekly Interest Rate shall be determined on or prior to the date of initial issuance and delivery of the Series 2023A-2 Bonds and shall apply to the period commencing on the date of initial issuance and delivery of the Series 2023A-2 Bonds and ending on and including the next succeeding Wednesday. Thereafter, each Weekly Interest Rate shall apply to the period commencing on and including Thursday of each week and ending on and including the next succeeding Wednesday.

Each Weekly Interest Rate with respect to the Series 2023A-2 Bonds shall be the rate of interest per annum determined by the Remarketing Agent (based on an examination of obligations comparable, in the judgment of the Remarketing Agent, to the Series 2023A-2 Bonds and known by the Remarketing Agent to have been priced or traded under then-prevailing market conditions) to be the minimum interest rate which, if borne by such Series 2023A-2 Bonds, would enable the Remarketing Agent to sell all of the Series 2023A-2 Bonds on the effective date of that rate at a price (without regard to accrued interest) equal to the principal amount thereof.

If the Remarketing Agent fails to establish a Weekly Interest Rate for any week with respect to the Series 2023 A-2 Bonds bearing interest at such rate, then the Weekly Interest Rate for such week with respect to the Series 2023A-2 Bonds shall be the same as the immediately preceding Weekly Interest Rate if such Weekly Interest Rate was determined by the Remarketing Agent. If the immediately preceding Weekly Interest Rate was not determined by the Remarketing Agent, or if the Weekly Interest Rate determined by the Remarketing Agent is held to be invalid or unenforceable by a court of law, then the Weekly Interest Rate for such week, as determined by the Remarketing Agent, shall be equal to 110% of the SIFMA Swap Index, or if

such index is no longer available, 85% of the interest rate on 30 day high grade unsecured commercial paper notes sold through dealers by major corporations as reported in The Wall Street Journal on the day such Weekly Interest Rate would otherwise be determined as provided herein for such Weekly Interest Rate Period.

(e) Determinations of Remarketing Agent Binding. The determination for the Series 2023A-2 Bonds of the Weekly Interest Rate by the Remarketing Agent shall be conclusive and binding upon the Issuer, the Trustee, the Remarketing Agent, the Liquidity Facility Provider and the Series 2023A-2 Bondholders.

(f) Bank Bonds. Notwithstanding anything in this Supplemental Indenture No. 2 to the contrary, the Bank Bonds shall bear interest at the Bank Bond Rate and such interest shall accrue and be payable on any Interest Payment Date for Bank Bonds. On each Interest Payment Date for which interest is payable with respect to Bank Bonds, if any Series 2023A-2 Bonds were not Bank Bonds at any time since the last Interest Payment Date, the Issuer shall pay directly to the Liquidity Facility Provider the amount by which interest accrued on such Bank Bonds for such period exceeds the amount of interest that would have accrued on such Bank Bonds during such period if such Bank Bonds had not been Bank Bonds during such period.

### ARTICLE III.

#### REDEMPTION AND PURCHASE OF SERIES 2023A-2 BONDS BEFORE MATURITY

Section 301. Redemption of Series 2023A-2 Bonds. The Series 2023A-2 Bonds shall be subject to redemption prior to maturity as follows:

(a) Optional Redemption. The Series 2023A-2 Bonds shall be subject to redemption prior to their stated maturity by the Issuer, in whole or in part at a redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the date of redemption, at any time, upon giving the notice as provided in Section 304 hereof. Notwithstanding anything to the contrary in this Supplemental Indenture No. 2, the Issuer may redeem Bank Bonds, at its option, at any time, upon one Business Day's notice of redemption to the Liquidity Facility Provider and the Trustee, unless a longer notice period is required by the Liquidity Facility at a redemption price of 100% of the principal amount of the Bank Bonds to be redeemed plus accrued interest, if any, to the redemption date.

(b) Mandatory Redemption of Bank Bonds. Notwithstanding anything to the contrary in this Supplemental Indenture No. 2, Bank Bonds shall be redeemed as set forth in a Liquidity Facility.

Section 302. Cancellation of Bonds. All Series 2023A-2 Bonds surrendered to the Trustee for payment or redemption shall be cancelled by the Trustee upon surrender thereof and promptly destroyed.

Section 303. Selection of Bonds to be Redeemed. In the case of any redemption in part of the Series 2023A-2 Bonds, the Series 2023A-2 Bonds to be redeemed under Section 301 shall be selected by the Trustee, subject to any requirements of this Section. A redemption of Series 2023A-2 Bonds shall be redemption of the whole or of any part of the Series 2023A-2 Bonds, provided, that there shall be no partial redemption of less than \$5,000 principal amount. If less than all of the Series 2023A-2 Bonds shall be called for redemption under any provision of this Supplemental Indenture No. 2 permitting such partial redemption, the particular Series 2023A-2 Bonds to be redeemed shall be selected by the Trustee, in such manner as the Trustee in its discretion may deem fair and appropriate; provided, however (a) that the portion of any Series 2023A-2 Bond to be redeemed under any provision of this Supplemental Indenture No. 2, shall be in the principal amount of \$5,000 or any multiple thereof, (b) that, in selecting Series 2023A-2 Bonds for redemption, the Trustee shall treat each Series 2023A-2 Bond as representing that number of Series 2023A-2 Bonds which is obtained by dividing the principal amount of such Series 2023A-2 Bond by \$5,000, (c) that, to the extent practicable, the Trustee will not select any Series 2023A-2 Bond for partial redemption if the amount of such Series 2023A-2 Bond remaining Outstanding would be reduced by such partial redemption to less than the Authorized Denomination, and (d) Bank Bonds shall be redeemed prior to any Series 2023A-2 Bonds which are not Bank Bonds. If there shall be called for redemption less than all of a Series 2023A-2 Bond, the Issuer shall execute and deliver and the Trustee shall authenticate, upon surrender of such Series 2023A-2 Bond, without charge to the owner thereof, a replacement Series 2023A-2 Bond in the principal amount of the unredeemed balance of the Series 2023A-2 Bond so surrendered.



Section 304. Procedure for Redemption.

(a) In the event any of the Series 2023A-2 Bonds are called for redemption, the Trustee shall give notice, in the name of the Issuer, of the redemption of such Series 2023A-2 Bonds, which notice shall (i) specify the Series 2023A-2 Bonds to be redeemed, the redemption date, the redemption price, and the place or places where amounts due upon such redemption will be payable (which shall be the designated corporate trust office of the Trustee) and, if less than all of the Series 2023A-2 Bonds are to be redeemed, the numbers of the Series 2023A-2 Bonds, and the portions of the Series 2023A-2 Bonds, to be redeemed, (ii) state any condition to such redemption, and (iii) state that on the redemption date, and upon the satisfaction of any such condition, the Series 2023A-2 Bonds to be redeemed shall cease to bear interest. CUSIP number identification shall accompany all redemption notices. Such notice may set forth any additional information relating to such redemption. Such notice shall be given by mail, postage prepaid, at least 30 days but not more than 60 days prior to the date fixed for redemption to each Holder of Series 2023A-2 Bonds to be redeemed at its address shown on the registration books kept by the Trustee; provided, however, that failure to give such notice to any Series 2023A-2 Bondholder or any defect in such notice shall not affect the validity of the proceedings for the redemption of any of the other Series 2023A-2 Bonds. The Trustee shall send a second notice of redemption by certified mail return receipt requested to any registered Holder who has not submitted Series 2023A-2 Bonds called for redemption 30 days after the redemption date, provided, however, that the failure to give any second notice by mailing, or any defect in such notice, shall not affect the validity of any proceedings for the redemption of any of the Series 2023A-2 Bonds and the Trustee shall not be liable for any failure by the Trustee to send any second notice.

(b) Any Series 2023A-2 Bonds and portions of Series 2023A-2 Bonds which have been duly selected for redemption and for which the Trustee holds sufficient funds to pay the redemption price shall cease to bear interest on the specified redemption date.

Section 305. Purchase of Series 2023A-2 Bonds.

(a) Optional Tender. Any Series 2023A-2 Bond (other than a Bank Bond or an Issuer Owned Bond) shall be purchased in an Authorized Denomination (provided that the amount of any such Series 2023A-2 Bonds not to be purchased shall also be in an Authorized Denomination) from its Series 2023A-2 Bondholder at the option of the Series 2023A-2 Bondholder on any Business Day at a purchase price equal to the Tender Price, payable in immediately available funds, upon delivery to the Trustee at its designated corporate trust office for delivery of the Series 2023A-2 Bonds, and to the Remarketing Agent of an irrevocable written notice which states the principal amount of such Series 2023A-2 Bonds, the principal amount thereof to be purchased and the date on which the same shall be purchased, which date shall be a Business Day not prior to the seventh day after the date of the delivery of such notice to the Trustee and the Remarketing Agent. Any notice delivered to the Trustee and the Remarketing Agent after 4:00 p.m. shall be deemed to have been received on the next succeeding Business Day. Bank Bonds and Issuer Owned Bonds may not be tendered for purchase at the option of the Holder thereof. For payment of the Tender Price on the Tender Date, such Series 2023A-2 Bonds must be delivered at or prior

to 10:00 a.m. on the Tender Date to the Trustee at its designated corporate trust office for delivery of Series 2023A-2 Bonds accompanied by an instrument of transfer, in form satisfactory to the Trustee executed in blank by the Series 2023A-2 Bondholder or its duly authorized attorney, with such signature guaranteed by a commercial bank, trust company, or member firm of the New York Stock Exchange.

During any period for which the book-entry-only system described in Section 207 is in effect, any Series 2023A-2 Bonds or portion thereof (provided that the principal amount of such Series 2023A-2 Bonds to be purchased and the principal amount to be retained shall each be an Authorized Denomination) shall be purchased on the date specified in the notice referred to below at the Tender Price. The irrevocable written notice, executed by the Securities Depository participant, shall be delivered on any Business Day by the Securities Depository participant for such Bonds to the Trustee at its designated corporate trust office for the delivery of such Series 2023A-2 Bonds and to the Remarketing Agent. That notice shall state the principal amount of such Series 2023A-2 Bonds (or interest therein), the portion thereof to be purchased and the date on which the same shall be purchased, which date shall be a Business Day at least seven days after the date of delivery of such notice to the Trustee and the Remarketing Agent. Upon confirmation by the Securities Depository to the Trustee that such Securities Depository participant has an ownership interest in the Series 2023A-2 Bonds at least equal to the amount of Series 2023A-2 Bonds specified in such irrevocable written notice, payment of the Tender Price of such Series 2023A-2 Bonds shall be made by 3:00 p.m., or as soon as practicably possible thereafter, upon the receipt by the Trustee of the Tender Price as set forth in Section 312(b) on the Business Day specified in the notice upon the transfer on the registration books of the Securities Depository of the beneficial ownership interest in such Series 2023A-2 Bonds tendered for purchase to the account of the Trustee, or a Securities Depository participant acting on behalf of such Trustee, at or prior to 10:00 a.m., on the date specified in such notice.

(b) Mandatory Tender for Purchase upon Termination, Replacement or Expiration of Liquidity Facility; Mandatory Standby Tender. If at any time the Trustee gives notice, in accordance with Section 309 hereof, that Series 2023A-2 Bonds tendered for purchase shall, on the date specified in such notice, cease to be subject to purchase pursuant to the Liquidity Facility then in effect as a result of (i) the termination, replacement or expiration of the term, as extended, of that Liquidity Facility, including but not limited to termination at the option of the Issuer in accordance with the terms of such Liquidity Facility, or (ii) the occurrence of a Mandatory Standby Tender, then each such Series 2023A-2 Bond shall be purchased or deemed purchased at the Tender Price. Any purchase of such Series 2023A-2 Bonds pursuant to this subsection (b) shall occur: (1) on the fifth Business Day preceding any such expiration or termination of such Liquidity Facility without replacement by an Alternate Liquidity Facility or upon any termination of a Liquidity Facility as a result of a Mandatory Standby Tender, and (2) on the date of the replacement of a Liquidity Facility or, in any case where a Liquidity Facility or an Alternate Liquidity Facility has been delivered to the Trustee pursuant to Section 307. In the case of any replacement of an existing Liquidity Facility, the existing Liquidity Facility will be drawn to pay the Tender Price, if necessary, rather than the Alternate Liquidity Facility.

Payment of the Tender Price of any such Series 2023A-2 Bonds shall be made in immediately available funds on the Tender Date upon delivery of such Series 2023A-2 Bonds to the Trustee at its designated corporate trust office for delivery of Series 2023A-2 Bonds, accompanied by an instrument of transfer, in form satisfactory to the Trustee, executed in blank by the Series 2023A-2 Bondholder with the signature of such Series 2023A-2 Bondholder guaranteed by a commercial bank, trust company or member firm of the New York Stock Exchange, at or prior to 12:00 noon on the Tender Date specified in Section 309. If, as a result of any such Mandatory Standby Tender, expiration, termination with notice or replacement of such a Liquidity Facility, any Series 2023A-2 Bond is no longer subject to purchase pursuant to a Liquidity Facility, the Trustee (upon receipt from the Holder thereof in exchange for payment of the Tender Price thereof) shall make notation of such fact thereon.

(c) Mandatory Tender for Purchase at the Direction of the Issuer.

(i) The Series 2023A-2 Bonds are subject to mandatory tender for purchase on any Business Day designated by written notice by the Issuer, with the prior written consent of the Remarketing Agent and the Liquidity Facility Provider at the Tender Price, payable in immediately available funds. Such purchase date shall be a Business Day not earlier than the 30th nor later than the 60th day following the fifth Business Day after receipt by the Trustee of such designation.

(ii) For payment of the Tender Price on the Tender Date, Bonds must be delivered at or prior to 10:00 a.m. on the Tender Date. If delivered after that time, the Tender Price shall be paid on the next succeeding Business Day. The Tender Price shall be payable only upon surrender of such Series 2023A-2 Bonds to the Trustee at its designated corporate trust office for delivery of Series 2023A-2 Bonds, accompanied by an instrument of transfer, in form satisfactory to the Trustee, executed in blank by the Series 2023A-2 Bondholder or its duly authorized attorney, with such signature guaranteed by a commercial bank, trust company or member firm of the New York Stock Exchange.

(d) Notice of Mandatory Tender for Purchase. The Trustee shall give notice of a Mandatory Tender for purchase by first-class mail for the Holders, with a copy to the Issuer, the Remarketing Agent and the Liquidity Facility Provider, not less than fifteen (15) days prior to the Tender Date; (i) in the case of a mandatory tender for purchase pursuant to Section 305(b)(i) or 305(c) hereof, that the Liquidity Facility will expire, terminate or be replaced and that the Series 2023A-2 Bonds will no longer be payable from the Liquidity Facility then in effect and that any rating applicable to such Series 2023A-2 Bonds may be reduced or withdrawn; (ii) that the Tender Price of any Series 2023A-2 Bonds subject to mandatory tender for purchase shall be payable only upon surrender of that Series 2023A-2 Bond to the Trustee at its designated corporate trust office for delivery of Series 2023A-2 Bonds, accompanied by an instrument of transfer, in form satisfactory to the Trustee, executed in blank by the Series 2023A-2 Bondholder or its duly-authorized attorney, with such signature guaranteed by a commercial bank, trust company or member firm of the New York Stock Exchange; (iii) otherwise not less than fifteen (15) days prior to the Tender Date with respect to a Mandatory Tender pursuant to Section 305(b)(ii) that,

provided that moneys sufficient to effect such purchase shall have been provided through the remarketing of such Series 2023A-2 Bonds by the Remarketing Agent, or through the Liquidity Facility or funds provided by the Issuer (in its sole discretion), all Series 2023A-2 Bonds subject to mandatory tender for purchase shall be purchased on the mandatory Tender Date; and (iv) that if any Holder of a Series 2023A-2 Bond subject to mandatory tender for purchase does not surrender that Series 2023A-2 Bond to the Trustee for purchase on the mandatory Tender Date, then that Series 2023A-2 Bond shall be deemed to be an Undelivered Bond, that no interest shall accrue on that Series 2023A-2 Bond on and after the mandatory Tender Date and that the Holder shall have no rights under this Supplemental Indenture No. 2 other than to receive payment of the Tender Price.

(e) Irrevocable Notice Deemed to be Tender of Bonds; Undelivered Bonds. The giving of notice by a Holder of Series 2023A-2 Bonds (or a Securities Depository participant) as provided in Section 305(a) hereof shall constitute the irrevocable tender for purchase of each Series 2023A-2 Bond with respect to which such notice is given regardless of whether the Series 2023A-2 Bonds are delivered to the Trustee for purchase on the relevant Tender Date.

The Trustee may refuse to accept delivery of any Series 2023A-2 Bonds for which a proper instrument of transfer has not been provided. However, such refusal shall not affect the validity of the purchase of such Series 2023A-2 Bonds as described in this Supplemental Indenture No. 2. If any Holder of a Series 2023A-2 Bond who has given notice (or on whose behalf notice has been given) of tender of purchase pursuant to Section 305(a) hereof or any Holder of a Series 2023A-2 Bond subject to mandatory tender for purchase pursuant to Section 305(b) or 305(c) hereof, shall fail to deliver that Series 2023A-2 Bond to the Trustee at the place and on the Tender Date and at the time specified, or shall fail to deliver that Series 2023A-2 Bond properly endorsed, that Series 2023A-2 Bond shall constitute an Undelivered Bond. If funds in the amount of the purchase price of the Undelivered Bond are available for payment to the Holder thereof on the Tender Date and at the time specified, then from and after the Tender Date and time of that required delivery (A) the Undelivered Bond shall be deemed to be purchased and shall no longer be deemed to be Outstanding under the Indenture; (B) interest shall no longer accrue on the Undelivered Bond; and (C) funds in the amount of the Tender Price of the Undelivered Bond shall be held uninvested and without liability for interest by the Trustee for the benefit of the Holder thereof (provided that the Holder shall have no right to any investment proceeds derived from such funds), to be paid on delivery (and proper endorsement) of the Undelivered Bond to the Trustee at its designated corporate trust office for delivery of Series 2023A-2 Bonds.

(f) Payment of Tender Price by Issuer. If all or a portion of the Series 2023A-2 Bonds tendered for purchase cannot be remarketed and the Liquidity Facility Provider fails to purchase all or any part of the unremarketed portion of such tendered Series 2023A-2 Bonds in accordance with the Liquidity Facility on a Tender Date, the Issuer may at its option, but shall not be obligated to, pay to the Trustee as soon as practicable on a Tender Date immediately available funds (together with any remarketing proceeds and any funds provided under the Liquidity Facility then in effect) sufficient to pay the Tender Price of the Series 2023A-2 Bonds tendered for purchase. The Trustee shall deposit the amount paid by the Issuer, if any, in the Issuer Purchase

Account of the Bond Purchase Fund pending application of the money to the payment of the Tender Price as set forth in Section 312(b)(iii) hereof.

Section 306. Liquidity Facility. A Liquidity Facility, in an amount equal to the sum of Outstanding principal of the Series 2023A-2 Bonds plus interest calculated at the Maximum Bond Interest Rate for such number of days as may be approved by the rating agencies then rating the Series 2023A-2 Bonds (as evidenced by delivery of the credit rating on the Series 2023A-2 Bonds), shall be maintained by the Issuer for the Series 2023A-2 Bonds.

(a) Requests to Pay Tender Price. If by 11:45 a.m., New York City time on a Tender Date on which Series 2023A-2 Bonds are required to be purchased pursuant to Section 305 hereof there is not a sufficient amount of money available to pay the Tender Price pursuant to Section 312(b)(i) hereof, then by 12:00 p.m., New York City time on such Tender Date, the Trustee shall (i) notify the Issuer by telephone, promptly confirmed in writing, as to the aggregate Tender Price of Series 2023A-2 Bonds to be purchased and as to the Funding Amount, and (ii) make a Request or Requests under the Liquidity Facility in accordance with its terms, to receive immediately available funds not later than 2:00 p.m., New York City time on the Tender Date equal to the difference between the Tender Price and the amount of money available to pay the Tender Price pursuant to Section 312(b)(i) hereof. The Trustee agrees to deposit the proceeds of such Requests in the Liquidity Facility Purchase Account pursuant to Section 312(b)(ii) hereof pending application of that money to the payment of the Tender Price. As soon as practicable after its receipt of funds from the Liquidity Facility Provider, as described in the preceding sentence, the Trustee shall notify the Issuer, the Remarketing Agent and the Liquidity Facility Provider by telephone promptly confirmed by a written notice if, after receipt and application of such funds there is a deficiency in the Funding Amount. In determining the amount of the Tender Price then due, the Trustee shall not take into consideration any Bank Bonds or Issuer Owned Bonds. No Requests shall be made under a Liquidity Facility to pay the Tender Price of Bank Bonds or of any Issuer Owned Bonds or, to the best knowledge of the Trustee, to any nominees for (or any Person who owns such Series 2023A-2 Bonds for the sole benefit of) the Issuer. Bank Bonds and Issuer Owned Bonds may not be tendered for optional purchase pursuant to Section 305(a) hereof.

(b) Surrender of Liquidity Facility. If an Alternate Liquidity Facility is delivered to the Trustee pursuant to Section 307 then the Trustee shall surrender the Liquidity Facility previously held for cancellation, provided that no Liquidity Facility shall be surrendered until after the date on which Series 2023A-2 Bonds required to be purchased pursuant to Section 305(b) have been purchased or deemed purchased in accordance with Section 305(b). If a Liquidity Facility automatically terminates or is no longer required to be maintained hereunder, the Trustee shall surrender such Liquidity Facility to the issuer thereof for cancellation in accordance with the terms of the Liquidity Facility. The Trustee shall comply with the procedures set forth in each Liquidity Facility relating to the termination thereof and shall deliver any certificates reducing the stated amount of the Liquidity Facility in accordance with the provisions thereof.

(c) Notice by Trustee. In connection with a Mandatory Standby Tender resulting in a mandatory purchase of Series 2023A-2 Bonds as provided in Section 305(b) hereof, the Trustee shall give the notice of mandatory tender for purchase of such Series 2023A-2 Bonds as provided in Sections 305(d) and 309 hereof.

(d) Notices from Issuer and Trustee.

(i) Notices from Issuer. The Issuer shall give notice to the Trustee, the Remarketing Agent and the Liquidity Facility Provider promptly upon the occurrence of any of the following events:

(A) the extension of an Expiration Date;

(B) the execution of an Alternate Liquidity Facility; and

(C) the appointment of a successor to any of the Liquidity Facility Provider or the Remarketing Agent.

(ii) Notices from Trustee to Holders of Bonds. The Trustee shall, promptly upon receipt of notice from: (A) the Issuer of the occurrence of any of the events listed in subparagraph (i) above, give notice to the Holders of the Outstanding Series 2023A-2 Bonds affected thereby of the occurrence of that event and (B) the Liquidity Facility Provider of notice of a Mandatory Standby Tender, give notice to the Issuer, the Remarketing Agent and the Holders of such Outstanding Series 2023A-2 Bonds of the occurrence of the Mandatory Standby Tender with the information set forth in Section 309.

Section 307. Alternate Liquidity Facility.

(a) Delivery by Issuer.

(i) Prior to the expiration or termination of a Liquidity Facility relating to the Series 2023A-2 Bonds, in accordance with the terms of that Liquidity Facility, the Issuer may provide for the delivery to the Trustee of an Alternate Liquidity Facility which has a term of at least 364 days. Any Alternate Liquidity Facility delivered to the Trustee pursuant to this Section 307(a)(i) shall be delivered and become effective not later than 10 days prior to the date on which the former Liquidity Facility or Credit Facility terminates or expires and shall contain administrative provisions reasonably acceptable to the Trustee and the Remarketing Agent. On or prior to the date of the delivery of the Alternate Liquidity Facility to the Trustee, the Issuer shall furnish to the Trustee (A) if the Alternate Liquidity Facility is issued by a Liquidity Facility Provider other than a domestic commercial bank, an opinion of counsel reasonably satisfactory to the Trustee and the Remarketing Agent that no registration of the Alternate Liquidity Facility is required under the Securities Act, and no qualification of the Indenture is required under the Trust Indenture Act, or that all applicable registration or qualification requirements have been

fulfilled and (B) an opinion of counsel satisfactory to the Trustee and the Remarketing Agent to the effect that such Alternate Liquidity Facility is a valid and enforceable obligation of the issuer thereof.

(ii) In lieu of the opinion of counsel required by clause (A) of subparagraph (i) above, there may be delivered an opinion of counsel reasonably satisfactory to the Remarketing Agent and the Trustee to the effect that either (A) at all times during the term of the Alternate Liquidity Facility, the Series 2023A-2 Bonds will be offered, sold and held by Holders in transactions not constituting a public offering of the Series 2023A-2 Bonds or the Alternate Liquidity Facility under the Securities Act, and accordingly no registration under the Securities Act, nor qualification of the Indenture No. 2 under the Trust Indenture Act, will be required in connection with the issuance and delivery of the Alternate Liquidity Facility or the remarketing of the Series 2023A-2 Bonds with the benefits thereof, or (B) the offering and sale of the Series 2023A-2 Bonds, to the extent evidencing the Alternate Liquidity Facility, has been registered under the Securities Act and any indenture required to be qualified with respect thereto under the Trust Indenture Act has been so qualified. If the opinion described in clause (A) of this subparagraph (ii) is given, the Series 2023A-2 Bonds and any transfer records relating to the Series 2023A-2 Bonds shall be noted indicating the restrictions on sale and transferability described in clause (A).

(b) Acceptance by Trustee. If at any time there is delivered to the Trustee (i) an Alternate Liquidity Facility covering all of the Series 2023A-2 Bonds, (ii) the information, opinions and data required by Section 307(a), and (iii) all information required to give the notice of mandatory tender for purchase of the Series 2023A-2 Bonds, then the Trustee shall accept such Alternate Liquidity Facility and, after the date of the mandatory tender for purchase established pursuant to Section 305(b) and the honoring of any draw on the existing Liquidity Facility with respect to such Mandatory Tender, promptly surrender the Liquidity Facility then in effect to the issuer thereof for cancellation in accordance with its terms or deliver any document necessary to reduce the coverage of such Liquidity Facility due to the delivery of such Alternate Liquidity Facility.

Section 308. Rights and Duties Under Liquidity Facility. The Trustee agrees without further direction, to make Requests under each Liquidity Facility then in effect, if any, for the payment or purchase of Series 2023A-2 Bonds in accordance with the terms and conditions set forth in this Supplemental Indenture No. 2 and that Liquidity Facility at the times, in the manner and for the purposes set forth herein and therein.

Section 309. Notice of Termination, Event of Default or Other Change in Liquidity Facility. The Trustee shall give notice by mail to the Holders of the Series 2023A-2 Bonds which may be secured by a Liquidity Facility (i) on or before the 30th day preceding the replacement, termination or expiration of such Liquidity Facility (except in the case of a termination resulting from an event referred to in the following paragraph) in accordance with its terms, or (ii) in the case of any Mandatory Standby Tender under such Liquidity Facility, as soon as reasonably

possible, but no later than the Business Day following the receipt by the Trustee of notice of the Mandatory Standby Tender. The notice shall be accompanied by directions for the purchase of such Series 2023A-2 Bonds pursuant to Section 305(b) hereof. The notice shall (A) state the date of such termination or expiration and, if applicable, the date of the proposed replacement of such Liquidity Facility, (B) state that the Series 2023A-2 Bonds will be purchased pursuant to Section 305(b) hereof as a result of such replacement, termination or expiration, including any termination as a result of a Mandatory Standby Tender, (C) state the date on which such purchase will occur pursuant to Section 305(b) hereof and set forth the Tender Price and the place of delivery for the purchase of such Series 2023A-2 Bonds, and (D) provide any other information required in the notice to the Holders of the Series 2023A-2 Bonds by Section 305(d) hereof. The Issuer shall provide the Trustee with written notice of any information required to enable the Trustee to give the foregoing notice. The Trustee shall send a copy of the foregoing notice to the Issuer, the Remarketing Agent and the Liquidity Facility Provider.

If there should occur any event resulting in the immediate termination or suspension of the obligation of the Liquidity Facility Provider to purchase Series 2023A-2 Bonds under the terms of any Liquidity Facility of which a Responsible Officer of the Trustee has actual notice, then the Trustee shall as soon as practicably possible thereafter notify the Issuer, the Remarketing Agent and the Holders of all the Series 2023A-2 Bonds then Outstanding that: (i) the Liquidity Facility has been terminated or suspended, as the case may be; (ii) the Trustee will no longer be able to purchase Series 2023A-2 Bonds with moneys available under the Liquidity Facility; and (iii) the Liquidity Facility Provider is under no obligation to purchase Series 2023A-2 Bonds or to otherwise advance moneys to fund the purchase Series 2023A-2 Bonds.

Section 310. Remarketing Agent. The initial Remarketing Agent for the Bonds shall be BofA Securities, Inc. The Issuer shall appoint any successor Remarketing Agent for the Series 2023A-2 Bonds subject to the conditions set forth in Section 311 and the approval of the Liquidity Facility Provider. Each Remarketing Agent appointed by the Issuer shall designate its designated corporate trust office in the Remarketing Agreement. The Remarketing Agent shall signify its acceptance of the duties and obligations imposed upon it under this Supplemental Indenture No. 2 by a written instrument of acceptance (which may be the Remarketing Agreement) delivered to the Issuer, the Trustee and the Liquidity Facility Provider, under which the Remarketing Agent shall agree, particularly, to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the Issuer, the Trustee and the Liquidity Facility Provider at all reasonable times. Promptly upon receipt of such acceptance by a Remarketing Agent other than the initial Remarketing Agent, the Trustee shall give notice by first-class mail to the Holders of the Series 2023A-2 Bonds appointed of such Remarketing Agent.

Section 311. Qualifications of Remarketing Agent; Resignation and Removal of Remarketing Agent. Each Remarketing Agent shall be a member of the National Association of Securities Dealers, having a combined capital stock, surplus and undivided profits of at least \$50,000,000 and authorized by law to perform all the duties imposed upon it by this Supplemental Indenture No. 2 and the Remarketing Agreement. A Remarketing Agent may at any time resign

and be discharged of the duties and obligations created by this Supplemental Indenture No. 2 by giving notice to the Issuer, the Trustee and the Liquidity Facility Provider. Such resignation shall take effect on the 30th day after the receipt by the Issuer of the notice of resignation. A Remarketing Agent may be removed at any time on 15 days prior written notice, by an instrument signed by the Issuer, approved by the Liquidity Facility Provider and delivered to such Remarketing Agent and the Trustee. Notwithstanding the provisions of this paragraph, such resignation or removal shall not take effect prior to the date that a successor Remarketing Agent has been appointed by the Issuer and has accepted such appointment.

Section 312. Notice of Bonds Delivered for Purchase; Purchase of Bonds; Deposit of Tender Price.

(a) Determination by Trustee; Notice of Tender. For purposes of Section 305 hereof, the Trustee shall determine timely and proper delivery of Series 2023A-2 Bonds pursuant to this Supplemental Indenture No. 2 and the proper endorsement of Series 2023A-2 Bonds delivered. That determination shall be binding on the Holders of those Series 2023A-2 Bonds, the Issuer, the Liquidity Facility Provider, and the Remarketing Agent, absent manifest error.

As soon as practicable upon receipt from a Series 2023A-2 Bondholder or Securities Depository participant of a notice pursuant to Section 305(a) hereof, but not later than 12:00 noon, New York, New York time, on the day following receipt of such notice, the Trustee shall notify the Remarketing Agent, the Liquidity Facility Provider and the Issuer by telephone, promptly confirmed in writing, or by facsimile, of receipt of such notice, the name of such Series 2023A-2 Bondholder or Securities Depository participant, the principal amount of Series 2023A-2 Bonds to be purchased and the date on which such Series 2023A-2 Bonds are to be purchased in accordance therewith.

The Trustee shall notify the Remarketing Agent of a mandatory tender for purchase pursuant to Sections 305(b) or (c) hereof not later than 11:00 a.m., New York, New York time, on the last Business Day prior to the Tender Date.

(b) Purchase of Bonds; Sources and Deposits of Tender Price. Series 2023A-2 Bonds required to be purchased in accordance with Section 305 hereof shall be purchased from the Holders thereof, on the Tender Date and at the Tender Price. Funds for the payment of the Tender Price shall be received by the Trustee from the following sources and used in the order of priority indicated:

- (i) proceeds of the sale of Series 2023A-2 Bonds remarketed pursuant to Section 313 and the Remarketing Agreement and furnished to the Trustee by the Remarketing Agent for deposit into the Remarketing Account of the Bond Purchase Fund;
- (ii) money furnished by the Liquidity Facility Provider to the Trustee for deposit into the Liquidity Facility Purchase Account of the Bond Purchase Fund from Requests on the Liquidity Facility, (provided that moneys from Requests on the Liquidity

Facility shall not be used to purchase Bank Bonds or Issuer Owned Bonds from the Issuer); and

(iii) money, if any, furnished by the Issuer at its option to the Trustee for deposit into the Issuer Purchase Account of the Bond Purchase Fund for the purchase of Series 2023A-2 Bonds by the Issuer.

Money held in the Bond Purchase Fund shall be held uninvested and without liability for interest by the Trustee.

(c) Undelivered Bonds; Tender Price. If any Holder of a Series 2023A-2 Bond who has given notice (or on whose behalf notice has been given) of tender of purchase pursuant to Section 305(a) hereof or any Holder of a Series 2023A-2 Bond subject to mandatory tender for purchase pursuant to Section 305(b) or (c), hereof, shall fail to deliver that Series 2023A-2 Bond to the Trustee at the place and on the Tender Date and at the time specified, or shall fail to deliver that Series 2023A-2 Bond properly endorsed, that Series 2023A-2 Bond shall constitute an Undelivered Bond. If funds in the amount of the Tender Price of the Undelivered Bond are available for payment to the Holder thereof on the Tender Date and at the time specified, then from and after the Tender Date and time of that required delivery (A) the Undelivered Bond shall be deemed to be purchased and shall no longer be deemed to be Outstanding under the Indenture, (B) interest shall no longer accrue on the Undelivered Bond; and (C) funds in the amount of the Tender Price of the Undelivered Bond shall be held uninvested by the Trustee for the benefit of the Holder thereof (provided that the Holder shall have no right to any investment proceeds derived from such funds), to be paid on delivery (and proper endorsement) of the Undelivered Bond to the Trustee at its designated corporate trust office for delivery of Series 2023A-2 Bonds. Any money which the Trustee segregates and holds in trust for the payment of the Tender Price of any Series 2023A-2 Bond which remains unclaimed for five (5) years after the date of purchase shall be paid to the Issuer. After the payment of such unclaimed money to the Issuer, the former Holder of such Series 2023A-2 Bond shall look only to the Issuer for the payment thereof. The Issuer shall not be liable for any interest on unclaimed money and shall not be regarded as a trustee of such money.

Section 313. Remarketing of Bonds; Notice of Interest Rates.

(a) Remarketing. Upon receipt of notice of a tender from the Trustee pursuant to Section 312(a) hereof (other than a Mandatory Standby Tender), the Remarketing Agent shall offer for sale and use its best efforts to sell such Series 2023A-2 Bonds (including Bank Bonds) on the same date designated for purchase thereof in accordance with Section 305 hereof and, if not remarketed on such date, thereafter until sold, at a price equal to par plus accrued interest, with such interest component of the sales price being determined by the Remarketing Agent, with the consent of the Trustee, in order to best facilitate remarketing. Series 2023A-2 Bonds subject to a Mandatory Standby Tender shall not be remarketed unless an Alternate Liquidity Facility is in full force and effect or unless the Liquidity Facility Provider has reinstated the Liquidity Facility with respect to which such Mandatory Standby Tender was declared and such Liquidity Facility

is in full force and effect. Bonds shall not be remarketed to the Issuer or any guarantor of the Issuer with respect to the Series 2023A-2 Bonds.

(b) Notice of Rates and Terms. The Remarketing Agent shall determine the rate of interest for Series 2023A-2 Bonds as provided in Section 208 hereof and shall furnish to the Trustee and the Issuer no later than the Business Day next succeeding the date of determination each rate of interest so determined by Electronic Notice. In lieu of the notification provided in the preceding sentence, the Remarketing Agent may make such information available by Electronic Notice.

(c) Notice of Purchase and Remarketing. As soon as practicable, but in any event by no later than 11:00 a.m., New York, New York time, on the Tender Date in the case of Series 2023A-2 Bonds to be purchased pursuant to subsection (b) of Section 305 hereof and by no later than 4:00 p.m., New York, New York time, on the last Business Day prior to the Tender Date in the case of Series 2023A-2 Bonds to be purchased pursuant to Section 305 (a) and (c) hereof, the Remarketing Agent shall give notice by Electronic Notice to the Trustee of the aggregate principal amount of Bonds tendered for purchase which have not been remarketed. By 11:45 a.m., New York, New York time, on the Tender Date, the Remarketing Agent shall cause the Tender Price of the Series 2023A-2 Bonds to be delivered to the Trustee for deposit into the Remarketing Account of the Bond Purchase Fund and shall give notice by Electronic Notice to the Trustee on each date on which Series 2023A-2 Bonds have been purchased pursuant to Section 312(b)(i) specifying the principal amount of such Series 2023A-2 Bonds, if any, sold by it pursuant to Section 313(a) along with a list of the purchasers showing the names and denominations in which such Bonds shall be registered, and the addresses and social security or taxpayer identification numbers of such purchasers. Upon receipt from the Remarketing Agent of such information, the Trustee shall transfer or register the Series 2023A-2 Bonds as directed in writing by the Remarketing Agent. Promptly upon receipt of such latter notice from the Remarketing Agent, the Trustee shall notify the Liquidity Facility Provider and the Issuer as to the projected Funding Amount, if any. By 11:00 a.m. on each Business Day prior to the applicable Tender Date, the Remarketing Agent shall inform the Liquidity Provider, the Issuer and the Trustee of any remarketing activity pertaining to Series 2023A-2 Bonds with respect to which notice of tender has been received or given.

Section 314. Delivery of Series 2023A-2 Bonds.

(a) Series 2023A-2 Bonds purchased with money described in Section 312(b)(i) shall be made available by the Trustee to the Remarketing Agent for delivery to the purchasers thereof against payment therefor.

(b) Bonds purchased with money described in Section 312(b)(ii) shall be transferred to the Liquidity Facility Provider under the CUSIP obtained by the Remarketing Agent for Bank Bonds, as soon as practical following their purchase or held by the Trustee as agent for the Liquidity Facility Provider, as directed in writing by the Liquidity Facility Provider. The Trustee acknowledges that it is familiar with the procedures set forth in a notice from DTC, dated June

16, 2020, respecting "Variable Rate Demand Obligations ("VRDO") Failed Remarketings and Issuance of Bank Bonds" (the "DTC Notice"), which must be followed in the event that any of the Series 2023A-2 Bonds that are tendered for purchase become Bank Bonds. The Trustee may accept from the Remarketing Agent one or more CUSIP numbers for potential Bank Bonds comprised of such Bonds that may be tendered for purchase by the Remarketing Agent so that such CUSIP numbers will be available, as required by DTC, if any of such Bonds become Bank Bonds. The Trustee further agrees that, if any of such Bonds become Bank Bonds, it will follow the DTC procedures set forth in the DTC Notice, as the same may be amended or restated from time to time, including the withdrawal from DTC of any such Bonds that have become Bank Bonds and the simultaneous deposit with DTC of the Bank Bonds, as identified by new CUSIP numbers to be held in the DTC accounts of the Liquidity Facility Provider. By virtue of its issuance of the Liquidity Facility in favor of the Trustee, the Liquidity Facility Provider agrees that it shall not request the Trustee to, and the Trustee shall not be required to, deviate from the DTC procedures set forth in the DTC Notice, as amended or restated from time to time.

(c) Bonds purchased with money described in Section 312(b)(iii) shall be held in escrow by the Trustee for the account of the Issuer until the Trustee receives further written instructions from the Issuer regarding disposition of those Issuer Owned Bonds. Series 2023A-2 Bonds purchased with money described in Section 312(b)(iii) shall not be remarketed more than thirty (30) days after the purchase thereof unless there is delivered to the Trustee and the Remarketing Agent a Favorable Opinion of Bond Counsel.

(d) Series 2023A-2 Bonds delivered as provided in this Section 314 shall be registered in the manner directed in writing by the recipient thereof.

(e) When any Bank Bonds are remarketed, the Trustee shall not release Series 2023A-2 Bonds so remarketed to the Remarketing Agent until the Trustee has received and forwarded to the Liquidity Facility Provider the proceeds of such remarketing and (unless the Liquidity Facility is no longer to remain in effect) the Trustee has received written notice from the Liquidity Facility Provider that the Liquidity Facility has been fully reinstated in the context required to be maintained hereunder.

Section 315. Delivery of Proceeds of Sale. The proceeds of the sale by the Remarketing Agent of any Series 2023A-2 Bonds shall be delivered to the Trustee for deposit into the applicable Remarketing Account of the Bond Purchase Fund.

Section 316. Election Not to Sell Bank Bonds. The Liquidity Facility Provider (or any subsequent owner of a Bank Bond) shall have the right, by written notice or by telephonic notice, promptly confirmed in writing to the Remarketing Agent and the Trustee and upon provision to the Trustee of written evidence of reinstatement of the Liquidity Facility in the amount required to be maintained hereunder with respect to such retained Series 2023A-2 Bonds, to elect not to sell the Bank Bonds or any portion thereof. From and after any sale by the Remarketing Agent and receipt by the Trustee on behalf of the Liquidity Facility Provider (or any subsequent owner of the Bank Bonds) of the purchase price therefor (including accrued interest to the date of

delivery), or any such election not to sell the Bank Bonds, such Bonds shall cease to be Bank Bonds and shall bear interest as provided herein for Series 2023A-2 Bonds other than Bank Bonds.

Section 317. Inadequate Funds for Tenders. If sufficient funds are not available for the purchase of all Series 2023A-2 Bonds tendered or deemed tendered and required to be purchased on any Tender Date, all Series 2023A-2 Bonds shall bear interest at the lesser of the SIFMA Swap Index plus two percent and the Maximum Bond Interest Rate as calculated by the Remarketing Agent (who shall promptly notify the Issuer and the Trustee of such calculation in writing) from the date of such failed purchase until all such Series 2023A-2 Bonds are purchased as required in accordance with this Supplemental Indenture No. 2, and all tendered Series 2023A-2 Bonds shall be returned to their respective Holders. Notwithstanding any other provision of this Supplemental Indenture No. 2, such failed purchase and return shall not constitute an Event of Default. Thereafter, the Trustee shall continue to take such action reasonably available to it to obtain remarketing proceeds from the Remarketing Agent and sufficient other funds from the Liquidity Facility Provider.

Section 318. Issuer Owned Bonds. Anything provided herein to the contrary notwithstanding, Issuer Owned Bonds shall not be entitled to the benefit or security of any Liquidity Facility.

Section 319. Purchase of Series 2023A-2 Bonds Pursuant To A Tender Not A Redemption Or Extinguishment. A purchase of Series 2023A-2 Bonds by or through the Remarketing Agent, the Trustee, a Liquidity Facility Provider, or the Issuer pursuant to an optional or mandatory tender in accordance with the provisions hereof shall not be deemed to be or constitute a redemption of such Series 2023A-2 Bonds or as extinguishment or discharge of the indebtedness evidenced thereby.

**ARTICLE IV.  
ESTABLISHMENT OF BOND PURCHASE FUND,  
NO ADDITIONAL ASSESSMENTS PLEDGED,  
NO CREDIT FACILITY AND TAX COVENANTS**

Section 401. Establishment of Bond Purchase Fund. There is hereby created and be established with and maintained by the Trustee a separate trust fund for the benefit of tendering Series 2023A-2 Bondholders to be designated "Insurance Assessment Revenue Bond, Series 2023A-2 Bond Purchase Fund" (the "Bond Purchase Fund"). The Trustee shall further establish within the Bond Purchase Fund a separate trust account to be referred to herein as a "Remarketing Account," a separate trust account to be referred to herein as a "Liquidity Facility Purchase Account," and a separate trust account to be referred to herein as an "Issuer Purchase Account." Amounts on deposit in the Bond Purchase Fund shall be held uninvested.

(a) Remarketing Account. Upon receipt of the proceeds of a remarketing of Series 2023A-2 Bonds on a Tender Date pursuant to Section 312, the Trustee shall deposit such proceeds in the Remarketing Account of the Bond Purchase Fund for application to the Tender Price of

such Bonds in accordance with Section 312(b)(i). Notwithstanding the foregoing, upon receipt of the proceeds of a remarketing of Bank Bonds, the Trustee shall pay such proceeds to the Liquidity Facility Provider.

(b) Liquidity Facility Purchase Account. Upon receipt from the Liquidity Facility Provider of the immediately available funds transferred to the Trustee pursuant to Section 306 hereof, the Trustee shall deposit such money in the Liquidity Facility Purchase Account of the Bond Purchase Fund for application to the Tender Price of the Series 2023A-2 Bonds required to be purchased on a Tender Date in accordance with Section 312(b)(ii) to the extent that the money on deposit in the Remarketing Account of the Bond Purchase Fund shall not be sufficient. Any amounts deposited in the Liquidity Facility Purchase Account and not needed with respect to any Tender Date for the payment of the Tender Price for any Series 2023A-2 Bonds shall be immediately returned to the Liquidity Facility Provider.

(c) Issuer Purchase Account. Upon receipt from the Issuer under Section 305(f) of any funds for the purchase of tendered Series 2023A-2 Bonds, the Trustee shall deposit such money, if any, in the Issuer Purchase Account of the Bond Purchase Fund for application to the Tender Price of the Series 2023A-2 Bonds required to be purchased on a Tender Date in accordance with Section 312(b)(iii) to the extent that the money on deposit in the Remarketing Account and the Liquidity Facility Purchase Account of the Bond Purchase Fund shall not be sufficient. Only moneys received from the Issuer shall be deposited into the Issuer Purchase Account and such moneys shall not be commingled with moneys derived from any other sources. Any amounts deposited in the Issuer Purchase Account and not needed with respect to any Tender Date for the payment of the Tender Price for any Series 2023A-2 Bonds shall be immediately returned to the Issuer.

Section 402. No Additional Assessments Pledged. The Issuer has not determined hereunder to additionally secure Bonds issued under the Indenture by any Additional Assessments.

Section 403. No Credit Facility. There shall be no Credit Facility applicable to the Series 2023A-2 Bonds.

Section 404. Tax Covenants. The Issuer covenants and agrees that so long as any Series 2023A-2 Bonds remain Outstanding, it shall comply with the requirements of the Code, including any arbitrage rebate covenants contained in any agreement entered into by and between the Issuer and any depositary in connection with the issuance of the Series 2023A-2 Bonds, except to the extent to not so comply would not, in the opinion of Bond Counsel, result in the interest payable on the Series 2023A-2 Bonds being included in gross income for Federal income tax purposes to the Holders thereof under the Code.

On any date required by the covenants set forth in the Tax Agreement of the Issuer issued in connection with the issuance of the Series 2023A Bonds, the Issuer shall give the Trustee written direction to, and the Trustee shall, transfer from the Revenue Fund to the Rebate Fund in

accordance with the Indenture, the amount due and owing, if any, to the United States, which amount shall be paid, to the United States, when due, in accordance with such covenants.

**ARTICLE V.  
THE TRUSTEE**

Section 501. Acceptance of Duties by Trustee. The Trustee by execution hereof accepts and agrees to perform the duties of Trustee, Bond Registrar and Paying Agent hereunder and to fulfill the trusts imposed upon it by this Supplemental Indenture No. 2.



**ARTICLE VI.  
SUPPLEMENTAL INDENTURES; RESPONSIBILITIES**

Section 601. Supplemental Indentures and Amendments. This Supplemental Indenture No. 2 may be amended at the same times, in the same manner and for the same purposes as provided in Article XIII of the Indenture. If such modification or amendment to the Indenture, this Supplemental Indenture No. 2, the Remarketing Agreement or the Assistance Program Agreement affects only the 2023A-2 Bonds, the percentage of Bondholders required to consent to the modification or amendment described in Article XIII of the Indenture will be applied only to the Outstanding 2023A-2 Bonds.

Section 601. Responsibilities of Trustee and Issuer under this Article. The Issuer shall be entitled to exercise its discretion in determining whether or not any proposed amendment or any term or provision therein contained is desirable, after considering the purposes of such instrument, the needs of the Issuer, the rights and interests of the Owners, and the rights, obligations and interests of the Trustee. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of counsel approved by it, who may be Bond Counsel for the Issuer, as conclusive evidence that any such proposed amendment does or does not comply with the provisions of this Supplemental Indenture No. 1, and that it is or is not proper for it, under the provisions of this Article VI, to execute and deliver such amendment.

**ARTICLE VII.  
MISCELLANEOUS PROVISIONS**

Section 701. Manner of Giving Notice. All notices, demands and requests to be given to or made hereunder by the Issuer, the Trustee or the Bond Registrar shall be given or made in writing and shall be deemed to be properly given or made if sent by United States certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

As to the Issuer:

Florida Insurance Assistance Interlocal Agency  
Attn: Amy Myers  
304 Magnolia Ave.  
Panama City, FL 32401

with a copy to:

Florida Insurance Guaranty Association, Incorporated  
Attn: Corey Neal  
P. O. Box 15159  
Tallahassee, Florida 32317

As to the Trustee or Bond Registrar:

The Bank of New York Mellon Trust Company, N.A.  
Attn: Corporate Trust  
4655 Salisbury Road, Suite 300  
Jacksonville, FL 32256

Any such notice, demand or request may also be transmitted to the appropriate above-mentioned party by electronic mail or telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

Any of such addresses may be changed at any time upon written notice of such change sent by United States certified or registered mail, postage prepaid, to the other parties by the party effecting the change.

Section 702. Substitute Notice. If, because of the temporary or permanent suspension of postal service, the Issuer, the Trustee or the Bond Registrar shall be unable to mail any notice required to be given by the provisions of this Supplemental Indenture No. 2, such party shall give notice in such other manner as in the judgment of such party shall most effectively approximate mailing, and the giving of notice in such manner shall for all purposes of this Supplemental Indenture No. 2 be deemed to be in compliance with the requirement for the mailing thereof.

Section 703. Issuer, Trustee, Bond Registrar, Liquidity Facility Provider and Owners Alone Have Rights Under Supplemental Indenture No. 2. Except as herein otherwise expressly provided, nothing in this Supplemental Indenture No. 2, express or implied, is intended or shall be construed to confer upon any Person, firm or Issuer, other than the Issuer, the Trustee, the Bond Registrar, the Liquidity Facility Provider and the Owners, any right, remedy or claim, legal or equitable, under or by reason of this Supplemental Indenture No. 2 or any provision being intended to be and being for the sole and exclusive benefit of the Issuer, the Trustee, the Bond Registrar and the Owners.

Section 704. Effect of Partial Invalidity. All covenants, stipulations, obligations and agreements of the Issuer contained in this Supplemental Indenture No. 2 shall be deemed to be covenants, stipulations, obligations and agreements of the Issuer to the full extent permitted by the Constitution and laws of the State. In case any one or more of the provisions of this Supplemental Indenture No. 2 or the Series 2023A-2 Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Supplemental Indenture No. 2 or the Series 2023A-2 Bonds, but this Supplemental Indenture No. 2 and the Series 2023A-2 Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in this Supplemental Indenture No. 2 or the Series 2023A-2 Bonds shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Issuer to the full extent permitted by law.

Section 705. Effect of Covenants: Governing Law. This Supplemental Indenture No. 2 is executed and delivered with the intent that the laws of the State shall govern this construction, without regard to conflict of law principles.

Section 706. Headings. Any heading preceding the text of the several articles hereof, any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Supplemental Indenture No. 2, nor shall they affect its meaning, construction or effect.

Section 707. Further Authority. 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 Indenture No. 2 for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Series 2023A-2 Bonds and this Supplemental Indenture No. 2.

Section 708. Payment Due on Non-Business Days. In the case of the Series 2023A-2 Bonds, if the date for making any payment or the last day for performance of any act or the exercising of any right as provided in this Supplemental Indenture No. 2 is not a Business Day, such payment may be made or act performed or right exercised on the next Business Day with the same force and effect as if done on the date provided in this Supplemental Indenture No. 2.

Section 709. Multiple Counterparts. This Supplemental Indenture No. 2 may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original, and such counterparts shall constitute but one and the same instrument.

Section 710. Certain Notices To Rating Agencies, Series 2023A-2 Bondholders. The Trustee shall give or cause to be given to each Rating Agency then rating the Series 2023A-2 Bonds notice of the following of which a Responsible Officer of the Trustee has actual knowledge: (i) any change in the identity of any Paying Agent, the Remarketing Agent or the Trustee, (ii) any amendment to any Liquidity Facility, any Alternate Liquidity Facility, the Remarketing Agreement or this Supplemental Indenture No. 2, (iii) any extension of the termination or expiration date of the any Liquidity Facility, or any Alternate Liquidity Facility, (iv) the expiration or termination of any Liquidity Facility, or any Alternate Liquidity Facility, whether or not prior to its stated termination date, (v) any optional redemption or defeasance of Series 2023A-2 Bonds, (vi) the occurrence of any Event of Default under this Supplemental Indenture No. 2, and (vii) any amendment to this Indenture or any Liquidity Facility then in effect. In addition, no Liquidity Facility shall be replaced or substituted for by an Alternate Credit Facility or Alternate Liquidity Facility issued by any Person other than the current Liquidity Facility Provider unless, in each case, prior notice thereof shall have been given by the Trustee or the Issuer to DTC and each other Holder of Series 2023A-2 Bonds and to each Rating Agency then rating the Series 2023A-2 Bonds. For the purpose of this paragraph, the addresses of the Rating Agencies shall be the following (or in each case such other address as the Rating Agency has specified to the parties hereto):

Moody's Investors Service  
7 World Trade Center at 250 Greenwich Street, 16<sup>th</sup> Floor  
New York, New York 10007  
Attention: Public Finance Group

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IN WITNESS WHEREOF, the parties have caused this Supplemental Indenture No. 2 to be duly executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

FLORIDA INSURANCE ASSISTANCE  
INTERLOCAL AGENCY

By: \_\_\_\_\_  
Name: Pamn Henderson  
Title: Chair

Attest:

\_\_\_\_\_  
Name: Corey Neal  
Title: Secretary-Treasurer

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., not in its individual capacity  
but as Trustee

By: \_\_\_\_\_  
Name: Daniel Todd  
Title: Vice President

EXHIBIT A

[FORM OF SERIES 2023A-2 BONDS]

No. RA2-1 \$125,000,000

United States of America  
State of Florida  
Florida Insurance Assistance Interlocal Agency  
Insurance Assessment Revenue Bonds, Series 2023A-2  
(Variable Rate)

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issuance</u>	<u>CUSIP</u>
Weekly Variable Rate	September 1, 2032	July 13, 2023	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE HUNDRED TWENTY-FIVE MILLION DOLLARS

The Florida Insurance Assistance Interlocal Agency (herein called the "Issuer"), a State of Florida interlocal agency created pursuant to Section 163.01(7)(g), Florida Statutes, duly organized and operating under the Constitution and laws of the State of Florida, is justly indebted and for value received hereby promises to pay to the registered owner shown above or to the registered assigns or legal representative thereof on the date specified above (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the designated corporate trust office of The Bank of New York Mellon Trust Company, N.A., initially located in Jacksonville, Florida (the "Paying Agent"), the principal sum shown above, and to pay to the registered owner hereof, by check or draft mailed to the registered owner at such registered owner's address as it appears on the bond registration books of the Issuer maintained by The Bank of New York Mellon Trust Company, N.A. (the "Bond Registrar") at its designated corporate trust office initially located in Jacksonville, Florida, and interest on such principal sum on any Interest Payment Date, to be paid to the Person in whose name this Bond is registered in the Bond Register provided for in the Indenture (hereinafter defined) at the close of business on the Record Date at the Weekly Rate as described below. The Trustee or any other Paying Agent shall pay interest which is payable on the Bonds (hereinafter defined) by wire transfer to a bank or other financial institution located within the continental United States, provided that wire instructions and the name of the bank and account therein has been provided to the Trustee by such Registered owner prior to the Record Date.

Both the principal of and the interest on the Bonds shall be payable in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof.

This Bond and the obligation to pay principal of and interest thereon do not now and shall not be construed to constitute an indebtedness of the Issuer, the City of Callaway, Florida, the City of Panama City Beach, Florida or any other member of the Issuer, the State of Florida or any political subdivision thereof, within the meaning of any constitutional or statutory provision, or a lien upon the real or personal property of any of them or any political subdivision thereof, and neither the full faith and credit nor any taxing power of the members of the Issuer, the State of Florida or any political subdivision thereof, is pledged to the payment of this Bond which is secured, and shall be payable solely from, the Pledged Revenues hereinafter described. The Issuer has no taxing power.

The issuance of this Bond shall not directly or indirectly or contingently obligate or require the Issuer to levy or pledge any tax whatsoever or to make any appropriation for the payment of this Bond other than from the Pledged Revenues. Further, the registered owner of this Bond does not have the right to require or compel the Issuer to levy or appropriate any taxes for the payment of principal of and interest on this Bond.

The Bonds of this sub-series shall be on a parity as to the pledge of the Pledged Revenues with the Florida Insurance Assistance Interlocal Agency Insurance Assessment Revenue Bonds, Series 2023A-1 issued on even date herewith (the "Series 2023A-1 Bonds"), and any Additional Bonds or Refunding Bonds hereafter issued pursuant to the Indenture. The Bonds of this sub-series and the Series 2023A-1 Bonds together with any Additional Bonds or Refunding Bonds hereafter issued are herein referred to as the "Bonds".

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until this Bond shall have been authenticated by the execution by the Trustee of the certificate of authentication endorsed hereon.

This Bond is one of a Series of Bonds designated "Insurance Assessment Revenue Bonds, Series 2023A-2 (Variable Rate)" and issued by the Issuer for the purpose of providing funds, together with any other available funds, to finance the Program, and this Bond is issued under and secured pursuant to that certain Trust Indenture dated as of July 1, 2023, as supplemented by Supplemental Indenture No. 2 ("Supplemental Indenture No. 2"), dated as of July 1, 2023 (collectively, the "Indenture") by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as Trustee (the "Trustee").

Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of the Bonds issued under the Indenture, the collection and disposition of the revenues charged with and pledged to the payment of the principal of and interest on the Bonds, and the nature and extent of such security, the terms and conditions under which the Bonds are or may be issued, the rights, duties and obligations of the Issuer and of the Trustee, the rights of the registered owners of the Bonds, and the provisions regulating the manner in which the terms of the Indenture, the terms of this Bond, and the rights of the registered owner hereof, may be modified, the release of the Issuer from its obligations

under the Indenture and hereunder, to all of which provisions the registered owner of this Bond, on behalf of himself and his successors in interest, assents by acceptance hereof.

This Bond shall bear interest at the Weekly Rate determined by the Remarketing Agent in accordance with Article III of Supplemental Indenture No. 2. Interest shall accrue on this Bond on the basis of the actual number of days elapsed during the Interest Period and a year of 365 days (366 days in a leap year).

The Bonds of this sub-series shall be subject to redemption prior to maturity as follows:

**Optional Redemption.** The Bonds of this sub-series shall be subject to redemption prior to stated maturity by the Issuer, in whole or in part at a redemption price of 100% of the principal amount thereof, plus accrued interest to the date of redemption, at any time. Notwithstanding anything to the contrary in the Supplemental Indenture No. 2, the Issuer may redeem Bank Bonds, at its option, at any time, upon one Business Day's notice of redemption to the Liquidity Facility Provider and the Trustee, unless a longer notice period is required by the Liquidity Facility at a redemption price of 100% of the principal amount of the Bank Bonds to be redeemed plus accrued interest, if any, to the redemption date.

**Mandatory Redemption of Bank Bonds.** Bank Bonds shall be redeemed as set forth in a Liquidity Facility.

The Bonds of this sub-series shall be subject to tender for purchase as follows:

**Optional Tender.** Any Bond (other than a Bank Bond or an Issuer Owned Bond) shall be purchased in an Authorized Denomination (provided that the amount of any such Bonds not to be purchased shall also be in an Authorized Denomination) from its Holder at the option of the Holder on any Business Day at a purchase price equal to the Tender Price, payable in immediately available funds, upon delivery to the Trustee at its designated corporate trust office for delivery of the Bonds of this sub-series, and to the Remarketing Agent of an irrevocable written notice which states the principal amount of such Bonds, the principal amount thereof to be purchased and the date on which the same shall be purchased, which date shall be a Business Day not prior to the seventh day after the date of the delivery of such notice to the Trustee. Any notice delivered to the Trustee after 4:00 p.m. shall be deemed to have been received on the next succeeding Business Day. For payment of the Tender Price on the Tender Date, such Bonds must be delivered at or prior to 10:00 a.m. on the Tender Date to the Trustee at its designated corporate trust office for delivery of Bonds accompanied by an instrument of transfer, in form satisfactory to the Trustee executed in blank by the Holder or its duly authorized attorney, with such signature guaranteed by a commercial bank, trust company, or member firm of the New York Stock Exchange.

During any period for which the book-entry-only system of registration described in Supplemental Indenture No. 2 is in effect, any Bonds or portion thereof (provided that the principal amount of such Bonds to be purchased and the principal amount to be retained shall each be an Authorized Denomination) shall be purchased on the date specified in the notice

referred to below at the Tender Price. The irrevocable written notice, executed by the participant, shall be delivered on any Business Day by the participant for such Bonds to the Trustee at its designated corporate trust office for the delivery of such Bonds and to the Remarketing Agent. That notice shall state the principal amount of such Bonds (or interest therein), the portion thereof to be purchased and the date on which the same shall be purchased, which date shall be a Business Day at least seven days after the date of delivery of such notice to the Trustee. Upon confirmation by the Securities Depository to the Trustee that such participant has an ownership interest in the Bonds of this sub-series at least equal to the amount of such Bonds specified in such irrevocable written notice, payment of the Tender Price of such Bonds shall be made by 3:00 p.m., or as soon as practicably possible thereafter, upon the receipt by the Trustee of the Tender Price on the Business Day specified in the notice upon the transfer on the registration books of the Securities Depository of the beneficial ownership interest in such Bonds tendered for purchase to the account of the Trustee, or a participant acting on behalf of such Trustee, at or prior to 10:00 a.m., on the date specified in such notice.

Mandatory Tender for Purchase upon Termination, Replacement or Expiration of Liquidity Facility; Mandatory Standby Tender. If at any time the Trustee gives notice, that Bonds of this sub-series tendered for purchase shall, on the date specified in such notice, cease to be subject to purchase pursuant to the Liquidity Facility then in effect as a result of (i) the termination, replacement or expiration of the term, as extended, of that Liquidity Facility, including but not limited to termination at the option of the Issuer in accordance with the terms of such Liquidity Facility, or (ii) the occurrence of a Mandatory Standby Tender, then each such Bond shall be purchased or deemed purchased at the Tender Price. Any purchase of such Bonds shall occur: (1) on the fifth Business Day preceding any such expiration or termination of such Liquidity Facility without replacement by an Alternate Liquidity Facility or upon any termination of a Liquidity Facility as a result of a Mandatory Standby Tender, and (2) on the date of the replacement of a Liquidity Facility or, in any case where a Liquidity Facility or an Alternate Liquidity Facility has been delivered to the Trustee pursuant to Supplemental Indenture No. 2.

Payment of the Tender Price of any such Bonds shall be made in immediately available funds on the Tender Date upon delivery of such Bonds to the Trustee at its designated corporate trust office for delivery of such Bonds, accompanied by an instrument of transfer, in form satisfactory to the Trustee, executed in blank by the Holder with the signature of such Holder guaranteed by a commercial bank, trust company or member firm of the New York Stock Exchange, at or prior to 12:00 noon on the Tender Date specified in Section 309. If, as a result of any such Mandatory Standby Tender, expiration, termination with notice or replacement of such a Liquidity Facility, any Bond is no longer subject to purchase pursuant to a Liquidity Facility, the Trustee (upon receipt from the Holder thereof in exchange for payment of the Tender Price thereof) shall make notation of such fact thereon.

Mandatory Tender for Purchase at the Direction of the Issuer.

The Bonds of this sub-series are subject to mandatory tender for purchase on any Business Day designated by written notice by the Issuer, with the prior written consent of the Remarketing

Agent and the Liquidity Facility at the Tender Price, payable in immediately available funds. Such purchase date shall be a Business Day not earlier than the 30th nor later than the 60th day following the fifth Business Day after receipt by the Trustee of such designation.

For payment of the Tender Price on the Tender Date, Bonds of this sub-series must be delivered at or prior to 10:00 a.m. on the Tender Date. If delivered after that time, the Tender Price shall be paid on the next succeeding Business Day. The Tender Price shall be payable only upon surrender of such Bonds to the Trustee at its designated corporate trust office for delivery of such Bonds, accompanied by an instrument of transfer, in form satisfactory to the Trustee, executed in blank by the Holder or its duly authorized attorney, with such signature guaranteed by a commercial bank, trust company or member firm of the New York Stock Exchange.

Notice of Mandatory Tender shall be given or provided in Supplemental Indenture No. 2.

Irrevocable Notice Deemed to be Tender of Bonds; Undelivered Bonds. The giving of notice of optional tender by a Holder of Bonds of this sub-series shall constitute the irrevocable tender for purchase of each Bond with respect to which such notice is given regardless of whether the Bonds of this sub-series are delivered to the Trustee for purchase on the relevant Tender Date.

If sufficient funds are not available for the purchase of all Bonds of this sub-series tendered or deemed tendered and required to be purchased on any Tender Date, all Bonds of this sub-series shall bear interest at the lesser of the SIFMA Swap Index plus two percent as calculated by the Remarketing Agent and the Maximum Bond Interest Rate from the date of such failed purchase until all such Bonds are purchased as required in accordance with Supplemental Indenture No. 2, and all tendered Bonds of this sub-series shall be returned to their respective Holders.

Modifications or alterations of the Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture.

The Bonds of this sub-series are issuable as fully registered Bonds in Authorized Denominations. At the designated office of the Bond Registrar, in the manner and subject to certain conditions provided in the Indenture, Bonds of this sub-series may be exchanged for an equal aggregate principal amount of Bonds of this sub-series of the same series, maturity, or Authorized Denomination and bearing interest at the same rate.

The Bond Registrar is required to keep at its designated office the books of the Issuer for the registration of and for the registration of transfers of Bonds of this sub-series. The transfer of this Bond may be registered only upon such books and as otherwise provided in the Indenture upon the surrender hereof to the Bond Registrar together with an assignment duly executed by the registered owner hereof or such registered owner's attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Trustee shall authenticate and deliver in exchange for this Bond a new Bond or Bonds of this sub-series, registered in the name of the transferee, of Authorized Denominations, in an aggregate

principal amount equal to the unredeemed principal amount of this Bond, of the same maturity and bearing interest at the same rate.

The Bond Registrar shall not be required to exchange or register any transfer of this Bond after this Bond has been selected for redemption.

This Bond is issued pursuant to the Act. Capitalized terms not otherwise defined herein shall have the meanings assigned in Resolution No. 23-02 adopted by the Governing Board of the Issuer on May 22, 2023 and in the Indenture. This Bond is payable from and secured solely by the Pledged Revenues, which consist of, collectively, (i) the proceeds of the Pledged Emergency Assessments, and (ii) all other moneys held from time to time in the Funds and Accounts established under the Indenture as provided therein (except for amounts held to the credit of the Rebate Fund) including, without limitation, the proceeds of the Bonds held in the Claims Fund pending the application thereof to the payment of Covered Claims or Costs of Issuance, in the manner and to the extent provided therein. In the event the Issuer determines by Supplemental Indenture to pledge Additional Assessments for the payment and security of Bonds issued thereunder, then the term "Pledged Revenues" shall also include such Additional Assessments.

All acts, conditions and things required by the Constitution and laws of the State of Florida to happen, exist and be performed precedent to and in the issuance of this Bond have happened, exist and have been performed as so required.

This Bond is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code-Investment Securities of the State. Unless otherwise provided by law, the Issuer may treat the registered owner of this Bond as the absolute owner hereof for all purposes without being affected by any notice to the contrary.

IN WITNESS WHEREOF, said Florida Insurance Assistance Interlocal Agency, by resolution duly adopted by its Board, has caused this Bond to be signed by its Chair and to be signed by its Secretary.

FLORIDA INSURANCE ASSISTANCE  
INTERLOCAL AGENCY

By: \_\_\_\_\_  
Chair

ATTEST:

By: \_\_\_\_\_  
Secretary-Treasurer

A-6

#### CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the Series designated herein and issued under the provisions of the within-mentioned Indenture.

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Trustee

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

#### STATEMENT OF VALIDATION

This Bond is one of the Bonds which were validated by judgment of the Circuit Court for Leon County rendered on April 15, 2008.

A-7

## ASSIGNMENT

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

---

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to register the transfer of the within Bond on the books kept for registration thereof with full power of substitution in the premises.

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

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed: \_\_\_\_\_

NOTICE: Signatures must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or a trust company.

The following abbreviations, when used in the inscription on the face of the within 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 entireties

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

UNIFORM TRANSFER MIN ACT - \_\_\_\_\_ Custodian \_\_\_\_\_  
(Cust) (Minor)  
Under Uniform Transfer to Minors  
Act \_\_\_\_\_  
(State)

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

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## **APPENDIX C**

### **FORM OF COVERED CLAIMS PAYMENT ASSISTANCE PROGRAM AGREEMENT**

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COVERED CLAIMS PAYMENT  
ASSISTANCE PROGRAM AGREEMENT

among

FLORIDA INSURANCE GUARANTY ASSOCIATION, INCORPORATED,  
FLORIDA OFFICE OF INSURANCE REGULATION,  
FLORIDA INSURANCE ASSISTANCE INTERLOCAL AGENCY

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.  
as Trustee

in connection with

Florida Insurance Assistance Interlocal Agency  
Insurance Assessment Revenue Bonds

Dated July 1, 2023

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THIS COVERED CLAIMS PAYMENT ASSISTANCE PROGRAM AGREEMENT (the "Agreement") dated as of July 1, 2023, among Florida Insurance Guaranty Association, Incorporated ("FIGA"), in its role hereunder as program administrator (the "Program Administrator"), Florida Office Of Insurance Regulation (the "Office"), Florida Insurance Assistance Interlocal Agency (the "Issuer") and The Bank Of New York Mellon Trust Company, N.A., not in its individual capacity but solely as Trustee under the Indenture referred to herein (the "Trustee").

WHEREAS, capitalized undefined terms used herein shall have the meanings ascribed in Article I hereof or in the Indenture or elsewhere herein; and

WHEREAS, thousands of homes in Florida have been damaged or destroyed which were insured by insurance companies that have become insolvent or may become insolvent as a result of losses incurred due to hurricanes, including but not limited to Hurricanes Irma, Michael and Ian; and

WHEREAS, FIGA, a legislatively created nonprofit corporation organized under the laws of the State of Florida (the "State"), was created pursuant to the Florida Insurance Guaranty Association Act, being Chapter 631, Part II, Section 631.50 et seq., Florida Statutes, as amended (the "Florida Insurance Guaranty Association Act"), and was granted the authority to pay Covered Claims, to policyholders of or claimants against insolvent insurers, all pursuant to and subject to the limitations specified in the Florida Insurance Guaranty Association Act; and

WHEREAS, the Florida Insurance Guaranty Association Act creates two separate accounts to be administered by FIGA identified as (a) the auto liability and auto physical damage account, and (b) the account for all other insurance to which the Act applies (the "All Other Account"); and

WHEREAS, all insurers defined as member insurers in the Florida Insurance Guaranty Association Act are members of FIGA as a condition of their authority to transact insurance in the State, and in the event an insurer becomes insolvent, the Florida Insurance Guaranty Association Act provides a mechanism for the payment of Covered Claims under certain insurance policies of such insolvent insurers to avoid excessive delay in payment to claimants or policyholders and to avoid financial loss due to such insolvency; and

WHEREAS, the Legislature of the State (the "Legislature") has provided for alternative programs to allow FIGA to more expeditiously and effectively provide for the payment of Covered Claims; and

WHEREAS, in order to expedite the handling and payment of Covered Claims, the Legislature has authorized pursuant to the Florida Insurance Guaranty Association Act, municipalities, counties and interlocal agencies comprised of municipalities and counties such as the Issuer ("Interlocal Agencies"), to take such actions in conjunction with FIGA as will provide relief to claimants and policyholders having such claims against insolvent insurers; and

WHEREAS, the Legislature has specifically authorized municipalities, counties and Interlocal Agencies of this State to issue bonds to fund an assistance program, in conjunction with FIGA, for the purpose of paying Covered Claims, regardless of whether the claimants or policyholders are residents of such municipality or county, or whether the property to which the claim relates is located within or outside of the territorial jurisdiction of such municipality or county; and

WHEREAS, in order to provide for the payment of and security for bonds issued by the Issuer to assist with the payment of Covered Claims, Section 631.57(3)(e) of the Florida Insurance Guaranty Association Act authorizes the Office, upon certification by FIGA, to levy an emergency assessment on Insurance Companies based upon certain premiums received by such Insurance Companies, which assessments may be assigned and pledged pursuant to the Florida Insurance Guaranty Association Act for the payment of and as security for revenue bonds issued by the Issuer to fund any reserves and other payments required under the indenture pursuant to which such bonds have been issued, to assist with the payment of Covered Claims (said assessments, as more specifically described herein, are hereinafter referred to as the "Emergency Assessments"); and

WHEREAS, in accordance therewith, FIGA certified to the Office the need for a 1% Emergency Assessment levied on premiums written by All Other Account members on all new and renewal All Other Account policies issued between October 1 and September 30 (an "Assessment Year") for each Assessment Year beginning October 1, 2023 until all of the Series 2023A Bonds have been paid in full and are no longer Outstanding (the "1% Emergency Assessment"); and

WHEREAS, the 1% Emergency Assessment may be used to facilitate the payment of Covered Claims in the All Other Account, to pay the reasonable costs to administer such claims, and to retire indebtedness, including, without limitation, the principal, and interest on, and related costs of issuance of, bonds issued under the Florida Insurance Guaranty Association Act and the funding of any reserves and other payments required under the bond resolution or trust indenture pursuant to which such bonds have been issued; and

WHEREAS, on the date hereof, the 1% Emergency Assessment constitutes the Pledged Emergency Assessments; and

WHEREAS, FIGA has requested the Issuer to establish a Program for which FIGA will act as Program Administrator to facilitate the payment of Covered Claims in accordance with and subject to the limitations of the Florida Insurance Guaranty Association Act; and

WHEREAS, pursuant to such request from FIGA, the Issuer issued its Bond Anticipation Note, Series 2023A (Hurricane Covered Claims Assistance Program) dated April 13, 2023 in the principal amount of \$150,000,000 (the "Series 2023A Bond Anticipation Note") and began processing the payment of Covered Claims on an expedited basis; and

WHEREAS, pursuant to such request from FIGA and in accordance with the provisions of the Florida Insurance Guaranty Association Act, the Issuer proposes to finance the Program, including the prepayment of the Series 2023A Bond Anticipation Note, by the issuance of its Insurance Assessment Revenue Bonds, Series 2023A (the "Series 2023A Bonds"); and

WHEREAS, the Trust Indenture between the Issuer and the Trustee dated as of July 1, 2023, as supplemented and amended from time to time (the "Indenture") provides for issuance of the Series 2023A Bonds (which may be in one or more sub-series) and other Series of Bonds from time to time pursuant to a Supplemental Indenture (the Series 2023A Bonds and such other Series of Bonds are collectively referred to herein as the "Bonds"); and

WHEREAS, in accordance therewith, the Issuer and the Trustee entered into the Supplemental Indenture No. 1 and Supplemental Indenture No. 2, each dated as of July 1, 2023 collectively authorizing issuance of the Series 2023A Bonds; and

WHEREAS, the Series 2023A Bonds shall be payable from and secured solely by (i) the Pledged Emergency Assessments), (ii) any Additional Assessments identified in a Supplemental Indenture to the extent necessary to sell Bonds at more favorable rates, and (iii) all other moneys held from time to time in the Funds and Accounts established under the Indenture as provided herein (except for amounts held to the credit of the Rebate Fund), including, without limitation, the proceeds of the Bonds held in the Claims Fund or applicable subaccount therein pending the application thereof to the payment of Covered Claims or Costs of Issuance; and

WHEREAS, Pledged Emergency Assessments are levied only upon insurance written for the All Other Account specified in Section 631.55(2)(b), Florida Statutes (the "Pledged Account") and Holders of the Bonds shall never have a claim upon any assessments levied upon the auto account specified in Section 631.55(2)(a), Florida Statutes; and

WHEREAS, in consideration for the Issuer undertaking the Program and issuing the Bonds to provide funds for the Program, FIGA and the Office are willing to make certain covenants for the benefit of the owners of the Bonds and to secure certain obligations of the Program to the Beneficiaries.

NOW, THEREFORE, FOR VALUE RECEIVED, and in consideration of the premises and other good and valuable consideration, the parties hereto hereby covenant and agree each with the other as follows:



## **ARTICLE I DEFINITIONS**

Section 1.1 Defined Terms. As used herein the following terms shall have the following meanings unless the context otherwise requires, and such meanings shall be equally applicable to both singular and plural forms of the terms herein defined. In addition, any capitalized terms used herein without definition shall have the meanings ascribed thereto in the Indenture if therein defined.

"Agreement" shall mean this Covered Claims Payment Assistance Program Agreement, among the Issuer, FIGA, the Office and the Trustee, dated as of July 1, 2023 as amended or supplemented from time to time, providing for the assignment and pledge of the Pledged Emergency Assessments and Additional Assessments, if any, as security for the Bonds and the establishment and administration of the Program.

"Bonds" shall mean the Florida Insurance Assistance Interlocal Agency, Insurance Assessment Revenue Bonds, from time to time issued by the Issuer and outstanding under the provisions of Article II of the Indenture.

"Event of Default" shall mean any event specified in Article V of this Agreement, provided that any requirement for notice, lapse of time or both has been satisfied.

"FIGA" shall mean the Florida Insurance Guaranty Association, Incorporated, a nonprofit corporation established under Section 631.55, Florida Statutes.

"FIGA Obligations" shall mean the obligations of FIGA hereunder with respect to the assessment, levy, collection and paying over of the Pledged Emergency Assessments and Additional Assessments, if any, and the administration of the Program.

"Financing Documents" shall mean, collectively, the Indenture, this Agreement and the Tax Agreement..

"Interest Payment Dates" shall mean March 1 and September 1, unless otherwise specifically provided for in a Supplemental Indenture.

"Issuer" shall mean the Florida Insurance Assistance Interlocal Agency, an interlocal agency created pursuant to Section 163.01(7)(g), Florida Statutes, as contemplated under Section 631.695(6), Florida Statutes.

"Issuer Obligations" shall mean all of the obligations of the Issuer under the Financing Documents.

"Lien" shall mean, with respect to any asset (including the Pledged Revenues), any claim, mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such

asset, as well as the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

"Person" means an individual, a corporation, a partnership, a joint venture, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Program" shall mean the assistance program established by the Issuer and FIGA under this Agreement, for the payment of Covered Claims in conformity with the Act.

"Program Administrator" shall mean, initially, FIGA, and any other Person subsequently approved by each of the parties hereto to replace or succeed FIGA as the administrator of the Program.

"Trustee" shall mean The Bank of New York Mellon Trust Company, N.A., not in its individual capacity but solely as Trustee under the Indenture and any successor thereto pursuant to the Indenture.

Section 1.2 Use of Defined Terms. Terms defined in this Agreement or the Indenture shall have their defined meanings when used in any document, certificate, report or agreement furnished from time to time in connection with this Agreement unless the context otherwise requires; provided, however, that in the event terms are defined in this Agreement and the Indenture, the definitions expressed in this Agreement shall control. References herein to statutory provisions of the State shall mean the current statutory provisions as the same may be amended by the Legislature from time to time and shall also include any successor statutory provisions.

## ARTICLE II REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations and Warranties of FIGA. In order to induce the Beneficiaries and the Office to enter into this Agreement, and the Financing Documents to which they each are a party, FIGA represents and warrants as follows:

(a) FIGA is a nonprofit corporation validly existing and in good standing under the laws of the State, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and has all powers and all governmental licenses, authorizations, qualifications, consents and approvals required to carry on its business as now conducted and necessary to the ownership, use, operation or maintenance of its properties. The Florida Guaranty Insurance Act has not been amended or altered since July 1, 2022.

(b) FIGA has all requisite power and authority to enter into this Agreement and the other Financing Documents to which it is a party and all other documents contemplated hereby and thereby, to pledge and assign the Pledged Emergency Assessments and Additional Assessments, if any, as well as to carry out the terms hereof and thereof under applicable law, including, without limitation, the Act and the Plan of Operation; and FIGA has complied and will comply with all provisions of applicable law, including, without limitation, the Act and the Plan of Operation in all matters related to such actions of FIGA as are contemplated by this Agreement and the other Financing Documents to which it is a party.

(c) FIGA is in full compliance with all of the terms and conditions of this Agreement and the other Financing Documents to which it is a party and no Event of Default hereunder and no event of default under any of the Financing Documents has occurred and is continuing, and no event, act or omission has occurred and is continuing which, with the lapse of time, the giving of notice, or both, would constitute such an Event of Default.

(d) FIGA has taken or caused to be taken all necessary and proper action to authorize the execution, issuance and delivery of, and the performance of its obligations under this Agreement and the other Financing Documents to which it is a party and any and all instruments and documents required to be executed or delivered pursuant to or in connection herewith or therewith including the pledge and assignment of the Pledged Emergency Assessments and Additional Assessments, if any, as set forth herein.

(e) The execution and delivery of, and performance by FIGA of its obligations under this Agreement and the other Financing Documents to which it is a party and any and all instruments or documents required to be executed in connection herewith or therewith were and are within the powers of FIGA and will not violate the Plan of Operation nor any provision of any law, including, without limitation, the Act, regulation, decree or governmental authorization, applicable to FIGA.

(f) All authorizations which are required to be obtained by FIGA under any applicable law in connection with the execution, delivery and performance by FIGA of its

obligations under or in connection with this Agreement and the other Financing Documents to which it is a party have been received and all such authorizations are in full force and effect.

(g) This Agreement and the Financing Documents to which it is a party constitute the valid and legally binding obligations of FIGA enforceable in accordance with their respective terms.

(h) There is no action, suit, investigation or proceeding pending, or to the best knowledge of FIGA, threatened, against FIGA, before any court, arbitrator or administrative or governmental body which might adversely affect the ability of FIGA to perform the FIGA Obligations.

(i) Neither this Agreement, the other Financing Documents nor any other document, certificate or statement furnished by or on behalf of FIGA in connection with the transactions contemplated hereby, contains any untrue statement of any material fact necessary in order to make the statements contained herein or therein not misleading with respect to FIGA. There is no fact or circumstance known to FIGA which FIGA has not disclosed in writing to the Issuer and the Trustee which materially adversely affects or, so far as FIGA can now reasonably foresee, will materially adversely affect the condition of FIGA, the Program or the levy, collection, pledge or application of the Pledged Emergency Assessments and Additional Assessments, if any, or the ability of FIGA to perform the FIGA Obligations hereunder or under the other Financing Documents to which it is a party.

Section 2.2 Representations and Warranties of the Office. In order to induce the Beneficiaries and FIGA to enter into this Agreement, and the Financing Documents to which they each are a party, the Office represents and warrants as follows:

(a) The Office is an administrative unit within the Executive Branch of the State government, validly existing and in good standing under the laws of the State.

(b) The Office has all requisite power and authority to enter into this Agreement and all other documents contemplated hereby, as well as to carry out the terms hereof under applicable law, including, without limitation, the Act, to levy the Pledged Emergency Assessments and Additional Assessments, if any, to enforce collection of the Pledged Emergency Assessments and Additional Assessments, if any, as provided in the Florida Insurance Guaranty Association Act; and the Office has complied and will comply with all provisions of applicable law, including, without limitation, the Act, in all matters related to such actions of the Office as are contemplated by this Agreement.

(c) The Office is in full compliance with all of the terms and conditions of this Agreement and no Event of Default has occurred hereunder and, to its knowledge, no Event of Default under any of the Financing Documents has occurred and is continuing, and no event, act or omission has occurred and is continuing which, with the lapse of time, the giving of notice, or both, would constitute such an Event of Default.

(d) The Office has levied the Pledged Emergency Assessments and Additional Assessments, if any, pursuant to the applicable order(s) and has taken or caused to be taken all necessary and proper action to authorize the execution, issuance and delivery of, and the performance of its obligations under this Agreement and any and all instruments and documents required to be executed or delivered pursuant to or in connection herewith.

(e) The execution and delivery of, and performance by the Office of its obligations under this Agreement and any and all instruments or documents required to be executed in connection herewith were and are within the powers of the Office and will not violate any provision of any law, including, without limitation, the Act, regulation, decree or governmental authorization, applicable to the Office.

(f) All authorizations which are required to be obtained by the Office under any applicable law in connection with the execution, delivery and performance by the Office of its obligations under or in connection with this Agreement have been received and all such authorizations are in full force and effect.

(g) Such order(s) was entered by the Office in compliance with the Act. This Agreement constitutes the valid and legally binding obligation of the Office enforceable in accordance with its terms.

(h) There is no action, suit, investigation or proceeding pending, or to the best knowledge of the Office, threatened, against the Office, before any court, arbitrator or administrative or governmental body which might adversely affect the ability of the Office to perform its obligations under this Agreement.

(i) Neither this Agreement nor any other document, certificate or statement furnished by or on behalf of the Office in connection with the transactions contemplated hereby contains any untrue statement of any material fact necessary in order to make the statements contained herein or therein not misleading with respect to the Office. There is no fact or circumstance known to the Office which the Office has not disclosed in writing which materially adversely affects or, so far as the Office can now reasonably foresee, will materially adversely affect the condition of the Office, FIGA, the Program or the levy, collection, pledge or application of the Pledged Emergency Assessments and Additional Assessments, if any, or the ability of the Office to perform its obligations hereunder.

(j) The Office acknowledges and agrees that the Issuer's "Insurance Assessment Revenue Bonds, Series 2023A-1 (Hurricane Covered Claims Assistance Program)" and "Insurance Assessment Revenue Bonds, Series 2023A-2 (Hurricane Covered Claims Assistance Program)" referenced in the Order of the Office dated April 10, 2023, in Case No. 308776-23 is the same bond issue as the Issuer's "Insurance Assessment Revenue Bonds, Series 2023A-1" and "Insurance Assessment Revenue Bonds, Series 2023A-2 (Variable Rate)" referenced in the Indenture and herein.

Section 2.3     Representations and Warranties of the Issuer. In order to induce FIGA, the Office and the Trustee to enter into this Agreement and the other Financing Documents, the Issuer represents and warrants as follows:

(a)     The Issuer is an interlocal agency created pursuant to Section 163.01(g), Florida Statutes, as contemplated by Section 631.695(6), Florida Statutes, and has full power and authority to enter into this Agreement and the other Financing Documents to which it is a party and all other documents contemplated hereby and thereby, as well as to carry out the terms hereof and thereof; and the Issuer has complied and will comply with all provisions of applicable law, including the Act, in all matters related to such actions of the Issuer as are contemplated by this Agreement and the other Financing Documents to which it is a party.

(b)     The Issuer has taken or caused to be taken all necessary and proper action to authorize or approve, as appropriate, the execution, issuance and delivery of, and the performance of its obligations under this Agreement and the other Financing Documents to which it is a party and any and all instruments and documents required to be executed or delivered pursuant to or in connection herewith or therewith.

(c)     This Agreement and the other Financing Documents to which it is a party, when executed and delivered, will constitute valid and legally binding obligations of the Issuer enforceable in accordance with their respective terms.

(d)     The Issuer acknowledges and agrees that its “Insurance Assessment Revenue Bonds, Series 2023A-1 (Hurricane Covered Claims Assistance Program)” and “Insurance Assessment Revenue Bonds, Series 2023A-2 (Hurricane Covered Claims Assistance Program)” referenced in the Resolution is the same bond issue as its “Insurance Assessment Revenue Bonds, Series 2023A-1” and “Insurance Assessment Revenue Bonds, Series 2023A-2 (Variable Rate)” referenced in the Indenture and herein.

### ARTICLE III THE PROGRAM; THE BONDS; SECURITY

Section 3.1     Establishment of the Program; the Bonds; Issuance of the Bonds. In order to assist FIGA in the expeditious and effective payment of Covered Claims, and in consideration of the covenants, pledges and obligations of FIGA and the Office contained herein, (i) the Issuer hereby agrees to establish the Program and to provide funding therefor by issuing the Bonds in the manner and subject to the limitations set forth in the Act and the Indenture; and (ii) the other parties hereto hereby agree to execute, deliver and perform their respective obligations under this Agreement and the Financing Documents to which they are a party or by which they are bound.

Section 3.2     Payment of the Bonds and the Program Expenses. In order to provide a source of revenue for the payment of the Bonds and the Program Expenses, FIGA hereby unconditionally and irrevocably agrees (i) to timely collect the Pledged Emergency Assessments and Additional Assessments, if any, from each Insurance Company, as applicable, and to deliver such Pledged Emergency Assessments and Additional Assessments, if any, via wire transfer to the Trustee as security for and for the full and prompt payment when due whether by redemption, maturity or otherwise, of the Bonds and the Program Expenses howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, or now or hereafter existing or due or to become due; and (ii) to administer the Program to permit the expeditious and effective payment of Covered Claims and to otherwise perform the obligations of the Program Administrator as set forth herein.

Section 3.3     Indemnity of Issuer and Trustee. Notwithstanding the fact that it is the intention of the parties that the Issuer shall not incur pecuniary liability by reason of the execution of this Agreement or the undertakings of the Issuer hereunder, by reason of the issuance of the Bonds, by reason of the execution of any of the Financing Documents, by reason of the performance of any act required of it by this Agreement or any of the Financing Documents, , nevertheless, if the Issuer should incur any such pecuniary liability, then in such event it is the intent of the parties hereto that the Program, through the application of the Pledged Revenues solely as provided in Section 503 of the Indenture, shall to the fullest extent permitted by law indemnify and hold harmless the Issuer (including any Person at any time serving as a member of the Issuer or the City Council or Board of County Commissioners of the Issuer's members, or as an officer, trustee or employee of the Issuer or its members) against all claims by or on behalf of any Person arising out of the same and all costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, and upon notice from the Issuer, it is the intent of the parties hereto that the Program, through the application of the Pledged Revenues as provided in Section 503 of the Indenture, shall be the source of funding for indemnifying the Issuer (including any Person at any time serving as a member of the Issuer's Board or the City Council or Board of County Commissioners of the Issuer's members or as an officer, trustee or employee of the Issuer or its members) in any such action or proceeding.

To the fullest extent permitted by law, FIGA shall indemnify the Trustee (including any of its directors, officers, employees or agents on its behalf) for, and to hold each of them

individually harmless against, any loss, liability or expense incurred without negligence or willful default or willful misconduct on the Trustee's part (including actions taken by its officers, employees, directors or agents on its behalf), arising out of or in connection with the acceptance or administration of the duties as set forth in this Agreement or under the Indenture, including the costs and expenses of defending against any claim or liability in connection with the exercise or performance of any of their powers or duties set forth in the Indenture or herein, and which shall include claims or liability, expense or loss relating to or in any way arising out of the holding or application of the Pledged Revenues or the payment of the Covered Claims.

The Issuer or the Trustee shall promptly, after receipt of notice of the existence of a claim in respect of which indemnity hereunder may be sought or of the commencement of any action against the Issuer or the Trustee in respect of which indemnity hereunder may be sought, notify the Program Administrator in writing of the existence of such claim or commencement of such action. Upon receipt of notification of the commencement of any such action, the Program Administrator, on behalf of the Program, shall assume the defense thereof, with counsel satisfactory to the Issuer or the Trustee, as applicable; provided, however, that if the Issuer or the Trustee shall have been advised in a reasonable opinion of counsel that there may be legal defenses available to either which are adverse to or in conflict with those available to the Program or which, in the reasonable opinion of counsel, should be handled by separate counsel, the Program Administrator shall not have the obligation to assume the defense of such action on behalf of the Issuer or the Trustee, but the Program, through the application of the Pledged Revenues solely as provided in Section 503 of the Indenture, shall be responsible for the reasonable fees, costs and expenses of the Issuer or the Trustee in conducting their own defense; provided, further, that if the Program Administrator shall have failed to assume the defense of such action and employed counsel therefor satisfactory to the Issuer or the Trustee, as applicable, within a reasonable time after notice of commencement of such action, such reasonable fees, costs and expenses incurred by the Issuer or the Trustee in conducting their own defense shall be borne by the Program, through the application of the Pledged Revenues as provided in Section 503 of the Indenture.

The provisions of this Section 3.3 shall survive the payment of the Bonds, and the termination of the Financing Documents or the sooner resignation or removal of the Trustee.

#### Section 3.4    Security for Obligations.

(a)    To secure the payment of the Bonds, the payment of all Program Expenses and the performance of the covenants contained in the Financing Documents, FIGA by these presents does hereby grant, bargain, sell, alien, demise, release, convey, assign, transfer, mortgage, hypothecate, pledge, set over and confirm, and in addition hereby grants a continuing security interest in, to the Trustee, all for the benefit of the Holders of the Bonds and the Beneficiaries as their respective interests appear hereunder and under the Indenture, and their respective successors and assigns to the extent of their interests therein, the Pledged Emergency



Assessments and Additional Assessments, if any, and all proceeds thereof, including all investments and proceeds thereof.

(b) The pledge and security interest granted to the Trustee pursuant to this Agreement extends to all Pledged Emergency Assessments and Additional Assessments, if any, paid over by FIGA to the Trustee for deposit in the Revenue Fund or which FIGA may acquire at any time during the continuation of this Agreement, whether such Pledged Emergency Assessments and Additional Assessments, if any, are in transit or in FIGA's, the Trustee's or any other Person's constructive, actual or exclusive possession.

(c) The Pledged Emergency Assessments and Additional Assessments, if any, which secure the Bonds are levied only upon insurance written for the Pledged Account, which is specified in Section 631.55(2)(b), Florida Statutes, and Holders of Bonds shall never have a claim upon any assessments levied upon the auto account specified in Section 631.55(2)(a), Florida Statutes (the "Auto Account"). In addition, no Covered Claim arising from the Auto Accounts may be paid from proceeds of the Bonds or from assessments levied on the Pledged Account; provided, however, that this restriction shall not preclude internal borrowing by FIGA among the Pledged Account and the Auto Account by FIGA to the extent not part of the Pledged Revenues.

(d) This Agreement secures the payment and performance of all Issuer Obligations and FIGA Obligations now or hereafter existing, including, without limitation, the obligation to pay the principal of, redemption premium, if any, and interest on the Bonds and to pay all Program Expenses. This Agreement shall constitute a security agreement pursuant to and for all purposes of the Uniform Commercial Code of the State.

(e) If, pursuant to Section 6.1(f) and 6.3(a) hereof, FIGA certifies the need to levy additional Pledged Emergency Assessments and/or Additional Assessments and the Office so levies, the Issuer and the Trustee agree to enter into or amend a Supplemental Indenture to make such amounts become part of "Pledged Revenues".

Section 3.5 Security Interest Absolute. All rights of the Trustee and the assignment, pledge and security interest in the Pledged Emergency Assessments and Additional Assessments, if any, hereunder shall be absolute and unconditional irrespective of:

(a) any lack of validity or enforceability of this Agreement, any Financing Document or any other agreement or instrument relating thereto;

(b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Bonds, or any other amendment or waiver of or any consent to any departure from this Agreement, or any other Financing Document;

(c) any exchange, release or non-perfection of any other Pledged Revenues, or any release or amendment or waiver of or consent to departure from any guaranty, for all or any of the Issuer Obligations; or

(d) any other circumstances which might otherwise constitute a defense available to, or a discharge of, FIGA as to the FIGA Obligations or a third party pledgor.

## ARTICLE IV OBLIGATIONS UNCONDITIONAL; INVALIDITY

Section 4.1 Obligations Unconditional. The obligations and undertakings of the parties hereto under this Agreement shall in all respects be continuing, absolute and unconditional, and shall remain in full force and effect (notwithstanding, without limitation, the dissolution of FIGA), until the entirety of the obligations and undertakings of the parties hereto with respect to the Bonds and the Program Expenses shall have been paid and performed, and such obligations and undertakings shall not be affected, modified or impaired by or upon the happening from time to time of any event, including, without limitation, any of the following, whether with or without notice to, or the consent of the parties hereto:

(a) the retaining, obtaining, substitution, exchange or release of any collateral securing payment of the Bonds or the extension, renewal for one or more periods, release, compromise, alteration or exchange of any obligations of any nature of any obligor with respect to any such collateral;

(b) the exculpation, waiver, release, amendment or termination of any or all of the obligations, covenants or agreements of any party under the Financing Documents;

(c) the failure to give notice to any party hereto of the occurrence of an Event of Default under the terms and provisions of this Agreement, the other Financing Documents or any judgment, court order, agreement, note, mortgage, indenture, guarantee or other instrument related to the Financing Documents or the Bonds;

(d) the extension, renewal for one or more periods, modification or amendment (whether material or otherwise) of any obligation, covenant or agreement set forth in this Agreement, the Financing Documents or any other document or agreement delivered in connection with the Bonds, the authorization, execution or delivery of the Indenture or any judgment, court order, agreement, note, mortgage, indenture, guarantee or other instrument related to the Financing Documents and the Bonds;

(e) any failure, omission or delay on the part of any party hereto to enforce, assert or exercise any right, power or remedy conferred on any party hereto in this Agreement, the Financing Documents or any other document or agreement delivered in connection with the Bonds, the authorization, execution or delivery of the Indenture or any judgment, court order, agreement, note, mortgage, indenture, guarantee or other instrument related to the Financing Documents and the Bonds or any other act or acts on the part of the Issuer;

(f) the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshalling of assets and liabilities, assignment for the benefit of creditors, receivership, insolvency, inability or failure to pay debts as they become due, commencement of any case or proceeding under bankruptcy, insolvency or similar laws, reorganization, arrangement, composition with creditors or readjustment of debts or other

similar events or proceedings affecting any party hereto or any of the assets of any of them, or, subject to applicable law, any allegation or contest of the validity of this Agreement, the Financing Documents or any other document or agreement delivered in connection with the Bonds, the authorization, execution or delivery of the Indenture or any judgment, court order, agreement, note, mortgage, indenture, guarantee or other instrument related to the Bonds, or, subject to applicable law, the disaffirmance or avoidance of this Agreement, the Financing Documents or any other document or agreement delivered in connection with the Bonds, or, subject to applicable law, any judgment, court order, agreement, note, mortgage, indenture, guarantee or other instrument related to the Financing Documents and the Bonds;

(g) the invalidity, illegality or unenforceability of the Bonds, the Indenture or any provision of this Agreement, the Financing Documents or any other document or agreement delivered in connection with the Bonds, the authorization, execution and delivery of the Indenture or any judgment, court order, agreement, note, mortgage, indenture, guarantee or other instrument related to the Financing Documents and the Bonds;

(h) any failure to collect the Pledged Emergency Assessments and Additional Assessments, if any;

(i) any failure or delay on the part of any party hereto to discover the occurrence or existence of an Event of Default; and

(j) any other event or action that would, in the absence of this clause, result in the release or discharge by operation of law or otherwise of any party hereto from the performance or observance of any undertaking, obligation, covenant or agreement contained in this Agreement or the payment or performance, as the case may be, when due of the Bonds.

Section 4.2 Invalidity. If the Act or any other ordinance, statute, law, legislative action or proceeding (whether state or Federal) authorizing or related to the Bonds, the Indenture or any other Financing Documents is adjudged invalid or unconstitutional in a final adjudication by a court of competent jurisdiction, the parties hereto shall, to the extent permitted by law, notwithstanding such adjudication, pay and perform their respective obligations under the Financing Documents. The parties hereto further agree that, if at any time all or any part of the payment theretofore applied by any of the Beneficiaries to the payment of any obligation owing to such party, is or must be rescinded or returned by such Beneficiary for any reason whatsoever (including, without limitation, the insolvency, bankruptcy or reorganization of any parties hereto), such obligation shall, for the purpose of this Agreement, to the extent that such payment is or must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by the Beneficiaries, and this Agreement shall continue to be effective or be reinstated, as the case may be, as to such obligation, all as though such application had not been made.

## ARTICLE V EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Events of Default. Without limiting this Agreement or any of the obligations and duties of FIGA, the Office or the Issuer hereunder or under the other Financing Documents as the case may be, each of the following shall constitute an "Event of Default" hereunder:

- (a) the occurrence of an Event of Default under the Indenture;
- (b) FIGA (i) generally fails to pay, or admits in writing its inability to pay, debts as they become due; or (ii) FIGA applies for, consents to or acquiesces in the appointment of a trustee, receiver or other custodian for FIGA, or any property thereof; or (iii) fails promptly to lift any execution, garnishment or attachment that in each case impairs FIGA's ability to carry on the operation of the Program as provided in this Agreement or impairs the ability of FIGA to pay over the Pledged Emergency Assessments and Additional Assessments, if any; or makes a general assignment for the benefit of creditors; or, in the absence of such application, consent or acquiescence, a trustee, receiver or other custodian is appointed for FIGA, or for a substantial part of the property thereof; or any bankruptcy, reorganization, debt arrangement, insolvency or other case or proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is commenced either voluntarily or involuntarily in respect of FIGA and, if such case or proceeding is not voluntarily commenced by FIGA, it is consented to or acquiesced in by FIGA or remains for 30 days undismissed; or FIGA takes any action to authorize, or in furtherance of, any of the foregoing;
- (c) Any representation or warranty made by FIGA, the Office or the Issuer herein is breached or is false or misleading in any material respect or any schedule, certificate, financial statement, report, notice or other writing furnished by FIGA, the Office or the Issuer hereunder, from time to time, or in connection with the authorization, execution, delivery and performance of the Financing Documents is false or misleading in any material respect on the date as of which the facts therein set forth are stated or certified;
- (d) The Pledged Revenues wherever located (including in the Funds and Accounts established under the Indenture) shall become subject to any claim, lien, pledge, assignment, writ, judgment, warrant or attachment, execution or similar process except as permitted by this Agreement and the Indenture;
- (e) FIGA, the Office or the Issuer shall default in the performance of any other covenant or agreement contained in this Agreement and such default shall continue 60 days after written notice of such default shall have been given to FIGA, the Office or the Issuer, as applicable, by the Trustee; provided, however, that if such default by its nature is capable of being cured but not within such 60 day period, no Event of Default shall be deemed to have occurred or exist if, and so long as, FIGA, the Office or the Issuer, as applicable, shall promptly commence action to

cure such default within such 60 day period and continuously pursue the same in good faith until said default is cured;

(f) Any material provision of this Agreement, the other Financing Documents or the Act shall at any time for any reason cease to be valid and binding and enforceable in accordance with its terms or shall be declared to be null and void by any court or governmental authority or agency having jurisdiction, or the validity or the enforceability thereof shall be contested by FIGA, the Office, the Issuer, the State, the Attorney General of the State or any other governmental authority or agency having jurisdiction in a judicial or administrative proceeding; or

(g) If the Act is repealed, amended, supplemented or otherwise changed by the Legislature in any way that would materially adversely affect or impair (i) the timing, source, method or amount of the Pledged Emergency Assessments and Additional Assessments, if any, levied or collected, or (ii) the pledge or the application of the Pledged Emergency Assessments and Additional Assessments, if any, to the payment of the Bonds.

Section 5.2 Remedies. Upon the occurrence of an Event of Default hereunder, the Trustee shall have the right to (A) exercise any rights and remedies under and pursuant to this Agreement, the Financing Documents or any other document or agreement delivered in connection with the Financing Documents; and (B) proceed first and directly against FIGA under this Agreement to require and enforce the FIGA Obligations, including the right to seek specific performance of the obligations of FIGA hereunder and with respect to the pledging, assigning, the assessing, the levying, the collecting and the paying over to the Trustee, as applicable, of the Pledged Emergency Assessments and Additional Assessments, if any, as if such amounts and obligations were then due and payable, by all available legal means, including proceeding to judgment, without proceeding against or exhausting any other remedies which it may have.

No delay or failure to exercise any right, remedy or power hereunder shall impair any such right, remedy or power or shall be construed to be a waiver thereof, but any such right, remedy or power may be exercised from time to time and as often as may be deemed expedient and no single or partial exercise by the Trustee of any right, remedy or power shall preclude other or further exercise thereof or the exercise of any other right, remedy or power. In the event any provisions contained in this Agreement should be breached by FIGA, the Office or the Issuer and thereafter duly waived by the Trustee, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. No waiver, amendment, release or modification of this Agreement shall be established by conduct, custom or course of dealing, but solely by an instrument in writing duly executed by the parties to this Agreement. No right, remedy or power herein conferred upon or reserved to the Trustee is intended to be exclusive of any other available right, remedy or power, but each and every such right, remedy and power shall be cumulative and shall be in addition to every other right, remedy and power given under this Agreement, the Financing Documents or any other document delivered in connection with the Financing Documents, and any rights granted in any judgment, agreement, note, mortgage, security agreement, indenture, guarantee or other instrument relating to the Bonds or now or hereafter existing at law or in equity. No action of the Trustee taken or permitted

hereunder shall in any way affect or impair the rights of the Beneficiaries or the obligations of FIGA, the Office or the Issuer under this Agreement or the Financing Documents.

Section 5.3 Remedies: Obtaining the Pledged Revenues upon Default. Upon the occurrence of any Event of Default and continuance thereof, the Trustee shall have all the rights and remedies of a secured party under the Uniform Commercial Code as in effect in any relevant jurisdiction to enforce this Agreement and the security interests contained herein, and, in addition, subject to any mandatory requirements of applicable law then in effect, the Trustee may, upon being indemnified to its satisfaction in addition to its other rights and remedies hereunder, do any of the following:

(a) personally, or by trustees or attorneys, immediately take possession of the Pledged Emergency Assessments and Additional Assessments, if any, or any part thereof, from FIGA or any other Person who then has possession of any part thereof with or without notice or process of law, and for that purpose may enter upon FIGA's or such other Person's premises where any of the Pledged Revenues are located and remove the same; and

(b) instruct the obligor or obligors on any agreement, instrument or other obligation constituting the Pledged Revenues to make any payment required by the terms of such instrument or agreement directly to the Trustee.

The Trustee shall have no claim upon any assessments levied upon the Auto Account. In addition, no Covered Claim arising from the Auto Account may be paid from proceeds of the Bonds or from assessments levied on the Pledged Account.

Section 5.4 Remedies Cumulative: No Waiver. Each and every right, power and remedy hereby specifically given to the Trustee shall be in addition to every other right, power and remedy specifically given under this Agreement or under the other Financing Documents or now or hereafter existing at law or in equity, or by statute, and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time or simultaneously and as often and in such order as may be deemed expedient by the Trustee. All such rights, powers and remedies shall be cumulative, and the exercise or the partial exercise of one shall not be deemed a waiver of the right to exercise of any other. No delay or omission of the Trustee in the exercise of any of its rights, remedies, powers and privileges hereunder or partial or single exercise thereof, shall impair any such right, remedy, power or privilege or shall constitute a waiver thereof. When the Trustee incurs costs or expenses (including legal fees, costs and expenses) or renders services after the occurrence of an Event of Default, such costs and expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

Section 5.5 Discontinuance of Proceedings. In case the Trustee shall have instituted any proceeding to enforce any right, power or remedy under this Agreement by foreclosure, sale, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any

reason or shall have been determined adversely to the Trustee, then, in every such case, FIGA, the Office, the Issuer, the Trustee and each Holder of any of the Bonds shall be restored to their former positions and rights hereunder with respect to the Pledged Revenues, subject to the security interest created under this Agreement, and all rights, remedies and powers of the Trustee shall continue as if no such proceeding had been instituted.

Section 5.6 Application of Monies. After an Event of Default under Section 5.1 hereof, the Trustee shall apply the Pledged Revenues as follows:

FIRST: To the payment of any outstanding fees, costs and expenses (including, but not limited to, attorney's fees, costs and expenses) of the Trustee including the costs and expenses of the Trustee in connection with pursuing remedies under this Agreement and the Indenture; and

SECOND: To the payment of the principal of, redemption premium, if any, and interest on, the Bonds, to the extent unpaid, as provided in Section 1011 of the Indenture; and

THIRD: Except as provided in clause FIRST above, to the payment of the Program Expenses.



## ARTICLE VI AFFIRMATIVE AND NEGATIVE COVENANTS

Section 6.1 Affirmative Covenants of FIGA. Until this Agreement terminates, all of the principal of, redemption premium, if any, and interest on the Bonds and all of the Program Expenses are paid in full and the FIGA Obligations under or in respect of this Agreement are performed, FIGA shall do the following:

(a) Reports, Certificates and Other Information. FIGA will furnish or cause to be furnished to the Trustee and the Issuer:

(i) as soon as practicable upon becoming aware of the occurrence of any Event of Default or event, act or omission which, with the giving of notice, the lapse of time, or both, would constitute an Event of Default, a certificate of FIGA setting forth, to the best of its knowledge, the details thereof and the action that FIGA is taking or proposes to take with respect thereto;

(ii) as promptly as practicable upon becoming aware thereof, written notice of all litigation filed against FIGA and all proceedings before any court or governmental authority which, if adversely determined, would materially adversely affect the operations or the financial condition of FIGA with respect to the Program or the assessment, levy, collection or paying over of the Pledged Emergency Assessments and Additional Assessments, if any;

(iii) promptly upon their becoming available, copies of any non-routine periodic or special reports filed by FIGA with any governmental authority, if such reports indicate any material adverse change in the operations or condition of FIGA with respect to the Program, and copies of any notice or other communications from any governmental authority which specifically relate to a material adverse change in the operation or financial condition of FIGA with respect to the Program or which might materially adversely affect the ability of FIGA to comply with its obligations hereunder or in connection with the transactions contemplated hereby and contemplated under the Financing Documents; and

(iv) such other information regarding the affairs and condition of FIGA, the Program and the Pledged Emergency Assessments and Additional Assessments, if any, as the Trustee or the Issuer may from time to time reasonably request in connection with this Agreement and the transactions contemplated hereby.

Notwithstanding anything to the contrary, the Trustee shall have no duty to review or analyze any financial statements delivered to it or to verify the accuracy thereof and shall hold such financial statements solely as a repository for the benefit of the Bondholders; the Trustee shall not be deemed to have notice of any information contained therein or default or Event of Default which may be disclosed therein in any manner.

(b) Maintenance of and Access to Books and Records; Right of Inspection. Except to the extent prohibited by law, FIGA will permit the Trustee or any Person designated by the Trustee to examine the books and financial records, including minutes of meetings of FIGA, and make copies thereof or extracts therefrom, and to discuss the affairs, finances and accounts of FIGA with its officials, all at such reasonable times and as often as the Trustee may reasonably request. The Trustee shall maintain the confidentiality of all such books, records and information regarding FIGA except to the extent disclosure thereof is required by law.

(c) Maintenance of Existence. FIGA will not initiate or cause to be initiated any action which would change its legal existence as a nonprofit incorporated legal entity organized under the laws of the State. It will maintain in full force and effect all material rights, licenses and exemptions, and comply in all respects with all applicable laws and regulations of all jurisdictions the violation of which might have a material adverse effect on the ability of FIGA to perform its obligations under this Agreement and the other Financing Documents to which it is a party.

(d) Compliance with Laws; Collection of Pledged Emergency Assessments and Additional Assessments, if any; Application. FIGA will maintain in full force and effect all material rights granted under any statutes (including the Act), and comply in all respects with applicable laws, including the Act and regulations the violation of which might have a material adverse effect on the ability of FIGA to perform its obligations under this Agreement and the other Financing Documents to which it is a party. Such compliance shall include but shall not be limited to taking or causing the taking of all actions necessary to cause the assessment, levy, collection and payment over to the Trustee of the Pledged Emergency Assessments and Additional Assessments, if any, and the application of such Pledged Emergency Assessments and Additional Assessments, if any, to pay the principal of, redemption premium, if any, and interest on the Bonds and the Program Expenses as contemplated in the Financing Documents.

(e) Further Assurances. From time to time hereafter, FIGA will execute and deliver such additional instruments, certificates or documents, and take all such actions as the Trustee or the Issuer may reasonably request for the purposes of the levying, collecting, pledging and applying the Pledged Emergency Assessments and Additional Assessments, if any, implementing or effectuating the provisions of this Agreement and the other Financing Documents to which it is a party and for the purpose of more fully renewing the Beneficiary's rights with respect to the rights, properties or assets subject to such documents (or with respect to any additions thereto or replacements or proceeds thereof or with respect to any other property or assets hereafter acquired by FIGA pursuant hereto or thereto). Without limiting the generality of the foregoing, upon the exercise by the Trustee on behalf of any Beneficiary of any power, right, privilege or remedy pursuant to this Agreement or the Financing Documents which requires any consent, approval, registration, qualification or authorization of any governmental authority or instrumentality, FIGA will, at its own expense, execute and deliver all necessary applications, certifications, instruments and other documents and papers that may be required in order to obtain such governmental consent, approval, registration, qualification or authorization.

(f) Assessments; Rate Covenant. FIGA has certified to the Office the need to levy and assess the Pledged Emergency Assessments and Additional Assessments, if any, in amounts sufficient to make the deposits to the Revenue Fund provided for in Section 503 of the Trust Indenture and to pay Program Expenses. FIGA shall take such other actions as may be required by the Act and this Agreement, including certifying to the Office pursuant to Section 6.3(a) hereof the need to levy additional Pledged Emergency Assessments up to the maximum amount permitted by applicable law, for so long as is needed, if required to ensure the full and timely payment of the principal of and interest on the Bonds, for so long as Bonds are Outstanding or Program Expenses remain unpaid. The FIGA certification shall specify the final date of duration of the imposition of the Pledged Emergency Assessments and Additional Assessments, if any.

(g) Certification Regarding Need for Pledged Emergency Assessments and Additional Assessments, if any. Prior to issuance of a Series of Additional Bonds, if necessary in order to comply with the requirements of the Indenture, FIGA will provide written notice to the Office, with a copy thereof to the Trustee, in such form and substance as will constitute the certification required under the Florida Insurance Guaranty Association Act, informing the Office of such information as shall be necessary to permit the Office to assess and levy Pledged Emergency Assessments and Additional Assessments, if any, in a sufficient amount and over a sufficient period of time.

(h) Written Notice by FIGA. FIGA shall timely provide such notices as may be required by the Order of the Office dated April 10, 2023, in Case No. 308776-23, which levied the 1% Emergency Assessment, with a copy thereof to the Trustee.

(i) Written Notice of Bond Maturity or Redemption. FIGA will provide written notice to the Office, with a copy thereof to the Trustee, prior to commencement of the final Bond Year during which any Series of Bonds will be outstanding, to notify the Office that the need to levy and assess Pledged Emergency Assessments and Additional Assessments, if any, will terminate upon maturity or redemption of such Series of Bonds.

(j) Coordination with the Office. FIGA will coordinate with the Office in order to determine in each calendar year such information as shall be required for FIGA to fulfill its obligations under Section 6.1(f) and (h) hereof.

(k) Security Documents. The Indenture and this Program Agreement shall create, as security for the Issuer Obligations under the Indenture and this Program Agreement and the obligations of the Program to the Beneficiaries hereunder, valid and enforceable and perfected (to the extent that perfection can be accomplished by filing financing statements) liens in and on all of the Pledged Revenues in favor of the Trustee for the benefit of the Beneficiaries, superior to and prior to the rights of all third Persons and subject to no other Liens.

(l) No Liens.

(i) FIGA is, and as to Pledged Emergency Assessments and Additional Assessments, if any, acquired by it from time to time after the date hereof, FIGA will be,

the owner of all such Pledged Emergency Assessments and Additional Assessments, if any, free from any lien or other right, title or interest of any Person (except for the statutory assignment and pledge of the Pledged Emergency Assessments and Additional Assessments, if any, contained in the Florida Insurance Guaranty Association Act), and FIGA shall defend such Pledged Emergency Assessments and Additional Assessments, if any, against all Liens, and demands of all Persons at any time claiming the same or any interest therein adverse to the Trustee.

(ii) There is no financing statement (or similar statement or instrument of registration under the law of any jurisdiction) covering or purporting to cover any interest of any kind in the Pledged Emergency Assessments and Additional Assessments, if any, and FIGA will not execute or authorize to be filed in any public office any financing statement (or similar statement or instrument of registration under the law of any jurisdiction) or statements relating to the Pledged Emergency Assessments and Additional Assessments, if any, except financing statements filed or to be filed in respect of and covering the security interests granted hereby to the Trustee by FIGA.

(m) Financing Statements. FIGA and the Issuer agree to sign and file such financing statements, in form suitable to reflect the security interests granted hereunder, as are necessary or desirable to establish and maintain a valid and enforceable security interest in the Pledged Revenues as provided herein, to the extent that such security interest may be established and maintained by such filing, all in accordance with the Uniform Commercial Code as enacted in any and all relevant jurisdictions or any other relevant law. Notwithstanding anything to the contrary, the Trustee shall not be responsible for any initial filings of any financing statements or the information contained therein (including the exhibits thereto), the perfection of any such security interests, or the accuracy or sufficiency of any description of collateral in such initial filings or for filing any modifications or amendments to the initial filings required by any amendments to Article 9 of the Uniform Commercial Code. In addition, unless the Trustee shall have been notified in writing by the Issuer or FIGA that any such initial filing or description of collateral was or has become defective (including, but not limited to, any change in the address of the obligor), the Trustee shall be fully protected in (i) conclusively relying on such initial filing and descriptions and (ii) filing any continuation statements in the same filing offices as the initial filings were made. The Trustee shall cause to be filed a continuation statement with respect to each Uniform Commercial Code financing statement relating to the Bonds which was filed at the time of the issuance thereof, in such manner and in such places as the initial filings were made, provided that a copy of the filed original financing statement is timely delivered to the Trustee. FIGA shall be responsible for the reasonable costs incurred by the Trustee in the preparation and filing of all continuation statements hereunder.

(n) Non-Payment to Trustee. FIGA shall receive all Pledged Revenues in a constructive trust for the benefit of the Trustee, shall segregate such amounts from other funds of FIGA, and shall forthwith transmit and deliver the Pledged Revenues to the Trustee via wire transfer as provided herein.

(o) Notice of Assessments. FIGA hereby agrees to mail (which may be by electronic mail) to each Insurance Company such notices, if any, regarding the Pledged Emergency Assessments and Additional Assessments, if any, or otherwise, as may be required by the Office or the Florida Insurance Guaranty Association Act to ensure the continued receipt of Pledged Emergency Assessments and Additional Assessments, if any, each year while the Series 2023A Bonds remain Outstanding or Program Expenses remain unpaid. In addition, FIGA confirms that it provided emailed notice to each Insurance Company of the 1% Emergency Assessment upon receipt of the Order of the Office dated April 10, 2023, in Case No. 308776-23.

Section 6.2 Negative Covenants of FIGA. Until this Agreement terminates, all of the principal of, redemption premium, if any, and interest on the Bonds and all Program Expenses are paid in full and the FIGA Obligations under or in respect of this Agreement are performed, FIGA shall not, without the prior written consent of the Holders of the Bonds, do, agree to do or permit to be done, any of the following (provided, however, that if a Credit Facility is then in effect for any Bonds and the Credit Facility Issuer is not in default under its Credit Facility, FIGA shall obtain the prior written consent of such Credit Facility Issuer and, if such consent is given, it will be deemed to have been given by the Holders of the Bonds secured by the applicable Credit Facility):

(a) Amendment to Documents. Except as specifically provided in such Financing Document, cause or permit any Financing Documents theretofore executed and delivered, or the form thereof, to be terminated, amended, modified or otherwise supplemented;

(b) Amendments to Act. Initiate or permit (without making its good faith best efforts to prevent the same) the repeal, amendment, supplementation or any other change in the Florida Insurance Guaranty Association Act that in any way materially adversely affects or impairs (i) the timing, source, method of computation or amount of the Pledged Emergency Assessments and Additional Assessments, if any, or the imposition or collection thereof, (ii) the pledge or the application of the Pledged Emergency Assessments and Additional Assessments, if any, to the payment of the Bonds, or (iii) any rights of the Trustee under the Financing Documents.

(c) Additional Debt or Programs. Incur any indebtedness, except for its obligations hereunder and as described in the immediately succeeding sentence, or act in conjunction with any municipality or county or other political subdivision of the State to establish a program for the payment of Covered Claims secured by Pledged Revenues. Notwithstanding anything herein to the contrary, FIGA shall not be prohibited from pledging any Regular Assessments to the extent not designated as pledged pursuant to the terms of the Indenture or any assessments levied upon the Auto Account. FIGA covenants not to pledge Emergency Assessments except in connection with Bonds issued pursuant to the Indenture.

(d) No Liens. Create or permit (without using its good faith best efforts to prevent the same) to be created a Lien (other than for the Lien created under this Agreement) on the Pledged Emergency Assessments and Additional Assessments, if any, prior to or on parity with the Lien created hereunder, except as permitted by the Indenture.

Section 6.3 Covenants of the Office. Until this Agreement terminates, all of the principal of, redemption premium, if any, and interest on the Bonds and all Program Expenses are paid in full and all obligations to the Beneficiaries under or in respect of this Agreement are performed, the Office shall do the following:

(a) Levy of Assessments. The Office shall timely levy and assess on all Insurance Companies, including, without limitation, on any joint underwriting association established for the types of insurance written for the account specified in Section 631.55(2)(b), Florida Statutes, the full amount of the Pledged Emergency Assessments and Additional Assessments, if any, certified by FIGA to the Office under 6.1(g) hereof. For so long as any Bonds are Outstanding or any Program Expenses remain unpaid, the Office hereby agrees to levy and assess Pledged Emergency Assessments and Additional Assessments, if any, in the full amount certified to it by FIGA under Section 6.1(g) hereof, regardless of whether the need for such Pledged Emergency Assessments and Additional Assessments, if any, is subsequently confirmed to the Office by FIGA on an annual basis.

(b) Enforcement of Pledged Emergency Assessments and Additional Assessments, if any. The Office shall diligently pursue any and all actions it may lawfully take in order to enforce the collection of the Pledged Emergency Assessments and Additional Assessments, if any, levied and assessed on Insurance Companies, including, without limitation, on any joint underwriting association established for the types of insurance written for the account specified in Section 631.55(2)(b), Florida Statutes. Without limiting the generality of the immediately preceding sentence and the Office's responsibility to pursue other available courses of action to enforce the collection of said Pledged Emergency Assessments and Additional Assessments, if any, the Office shall take the action prescribed in Section 631.59(4), Florida Statutes, in order to enforce collection of the Pledged Emergency Assessments and Additional Assessments, if any.

(c) Amendments to Insurance Act. The Office shall not initiate or permit (without making its good faith best efforts to prevent the same) the repeal, amendment or supplementation or any other change in the Act or in any order of the Office imposing Pledged Emergency Assessments and Additional Assessments, if any, that in any way materially adversely affects or impairs (i) the timing, source, method of computation or amount of the Pledged Emergency Assessments and Additional Assessments, if any, or the imposition or collection thereof, (ii) the pledge or the application of the Pledged Emergency Assessments and Additional Assessments, if any, to the payment of the Bonds or (iii) any rights of the Trustee under the Financing Documents.

(d) Participation in Assistance Programs. The Office shall not participate in or cooperate with any assistance program other than the Program, pursuant to which a municipality or county or other political subdivision of the State seeks to issue bonds under Section 631.695, Florida Statutes, payable from and secured by assessments levied under the Act on a basis senior to or on a parity with the pledge of the Pledged Emergency Assessments and Additional Assessments, if any. In no event shall the Office participate in or cooperate with an assistance program where the aggregate principal amount of bonds issued under the Indenture and any

junior and subordinate obligations issued or incurred as permitted in Sections 6.2(c) and (d) hereof exceed the amount from time to time authorized to be secured by and payable from assessments under the Act.

(e) Coordination with FIGA. The Office will coordinate with FIGA in order to permit FIGA to determine in each calendar year such information as shall be required for FIGA to fulfill its obligations under Sections 6.1(f) and (h) hereof.

(f) [Reserved].

(g) Non-Impairment of Commercial Insurance Premiums. The Office will take no action the effect of which is to materially impair on an ongoing basis the premium volume underwritten by commercial insurers within the account specified in Section 631.55(2)(b), Florida Statutes, such that the ability to pay principal of, redemption premium, if any, and interest on the Bonds, any required payments to the Debt Service Reserve Fund or the payment of Program Expenses is materially impaired.

Section 6.4 Pledged Revenues Paid Over to Trustee. The Issuer, FIGA and the Office agree that any and all Pledged Revenues received by any of them shall be transferred to the Trustee as reasonably timely as possible after receipt thereof for deposit in the Revenue Fund established under the Indenture. All such Pledged Revenues shall be delivered to the Trustee either (i) in the form received, with any necessary endorsement, or (ii) by wire transfer or certified bank cashiers or other check, accompanied by information in reasonable detail specifying the source and date of receipt of such Pledged Revenues.

## ARTICLE VII THE TRUSTEE

### Section 7.1    Exculpatory Provisions.

(a)     The Trustee shall not be responsible in any manner whatsoever for the correctness of any recitals, statements, representations or warranties contained herein or in the other Financing Documents. The Trustee makes no representations as to the value or condition of the Pledged Revenues or any part thereof, or as to the title of any party or as to the security afforded by the Financing Documents or this Agreement, or as to the validity, execution (except its own execution), enforceability, legality or sufficiency of this Agreement, any other Financing Documents or of the obligations secured hereby and thereby, and the Trustee shall incur no liability or responsibility in respect of any such matters. The Trustee shall not be responsible for insuring the Pledged Revenues or for the payment of taxes, charges, assessments or liens upon the Pledged Revenues or otherwise as to the maintenance of the Pledged Revenues.

(b)     The Trustee shall not be required to ascertain or inquire as to the performance by any party of any of the covenants or agreements contained herein or in any other Financing Document except as specifically provided herein.

(c)     The Trustee shall not be personally liable for any action taken or omitted to be taken by it in accordance with this Agreement or any other Financing Document except for its own negligence, willful misconduct, breach of fiduciary duty or breach of its obligations hereunder, provided that, with respect to FIGA, the Trustee shall be liable for its negligence in the processing of negotiable instruments.

(d)     The Trustee shall not be deemed to have notice of any default or Event of Default hereunder until a Responsible Officer of the Trustee receives actual written notice thereof from any Beneficiary.

(e)     Each of the rights, protections and indemnifications provided to the Trustee under the Indenture shall also be afforded the Trustee with respect to this Agreement.

### Section 7.2    Reliance by Trustee.

(a)     Whenever in the administration of its duties under this Agreement the Trustee shall deem it necessary or desirable that a matter be proved or established in connection with the taking, or omitting to take any action hereunder by the Trustee, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved or established by a certificate of the Issuer, FIGA or the Office delivered to the Trustee and such certificate shall be full warranty to the Trustee for any action taken, suffered or omitted in reliance thereon.

(b)     The Trustee may consult with legal counsel, independent public accountants and other experts selected by it with due care and shall not be liable for any action taken or omitted



to be taken by it in good faith in accordance with the advice of such counsel, accountants or experts, absent gross negligence or willful misconduct. The Trustee shall have the right at any time to seek instructions concerning the administration of the Pledged Revenues from any court of competent jurisdiction.

(c) The Trustee shall conclusively rely, and shall be fully protected, without any investigation, in acting, upon any note, resolution, statement, certificate, instrument, opinion, report, notice, request, consent, order, bond or other paper or document which it has no reason to believe to be other than genuine and to have been signed or presented by the purported proper party or parties or, in the case of cables, telecopies and telexes, to have been sent by the proper party or parties.

### Section 7.3 Limitations on Duties of Trustee.

(a) Prior to the occurrence of an Event of Default, the Trustee shall be obliged to perform such duties and only such duties as are specifically set forth in this Agreement or in any other Financing Document to which it is bound, and no implied covenants or obligations shall be read into this Agreement or any other Financing Document against the Trustee. The Trustee shall, during the continuance of any Event of Default, exercise the rights and powers vested in it by this Agreement or by any other Financing Document, in the manner and subject to the provision of the Indenture. The Trustee shall not be liable with respect to any action taken or omitted by it in accordance with the standard of care set forth in the Indenture.

(b) Except as herein otherwise expressly provided, the Trustee shall not be under any obligation to take any action which is discretionary with the Trustee under the provisions hereof or under any other Financing Document.

Notwithstanding anything to the contrary contained in this Agreement, the Trustee shall be under no duty to spend its own funds in connection with any action to be taken by it pursuant to this Agreement.

**ARTICLE VIII**  
**PROGRAM ADMINISTRATION AND CLAIMS PROCESSING**

Section 8.1 Acceptance by Program Administrator. FIGA hereby accepts its appointment as Program Administrator and, in such capacity, FIGA shall perform all of the duties and obligations of the Program Administrator. The Program Administrator hereby agrees to cause the Trustee to pay all Covered Claims to it as Program Administrator in accordance with this Article VIII and Article IV of the Indenture.

Section 8.2 Processing of Covered Claims and Presentment for Payment; Maintaining Records. The Covered Claims shall be processed by the Program Administrator and presented to the Trustee for payment to it as Program Administrator from the moneys on deposit in the applicable subaccount in the Claims Payments Account established under the Indenture as expeditiously as possible. The Program Administrator agrees to comply with the provisions of Article IV of the Indenture relating to the method by which moneys may be withdrawn from the applicable subaccount in the Claims Payments Account for the payment of Covered Claims, including the submission of requisitions. The Trustee shall be entitled to conclusively rely on such requisitions delivered to it by the Program Administrator for purposes of paying the Covered Claims. The Trustee assumes no responsibility for the validity or accuracy of such claims or the payment thereof. The Trustee shall make all requisitioned payments via a single wire transfer to the Program Administrator. The Trustee shall make such wire transfers not more often than once each week, provided the Trustee has been provided with a requisition from FIGA as provided in Article IV of the Indenture. The Program Administrator shall maintain records related to each requisition which include, at a minimum, (i) the name and policy number of each policyholder designated by the Program Administrator to be paid for a Covered Claim thereunder, (ii) the amount to be paid to each policyholder thereunder, and (iii) if applicable, the Program Expenses allocable to the applicable Series of Bonds thereunder. Such records shall be made available to Bond Counsel on request.

## ARTICLE IX MISCELLANEOUS

Section 9.1 Addresses for Notices. Any notice required or permitted to be given under or in connection with this Agreement shall be in writing and shall be either hand delivered or sent by telecopy or other similar form of rapid transmission confirmed by written confirmation mailed (postage prepaid by first-class mail, registered or certified, return receipt requested, or express mail) at substantially the same time as such rapid transmission, or personally delivered to an officer of the receiving party. All such communications (including payment instructions) shall be mailed, sent or delivered to the address or numbers set forth below, or as to each party at such other address or numbers as shall be designated by such party in a written notice to the other party. All payments made under this Agreement shall be made in lawful money of the United States and in immediately available funds.

Notices:

(i) If to FIGA:

Florida Insurance Guaranty Association  
Attn: Corey Neal  
1400 Village Square Blvd, Suite 3-008  
Tallahassee, FL 32312

(ii) If to the Issuer:

Florida Insurance Assistance Interlocal Agency  
Attn: Amy Myers  
304 Magnolia Ave.  
Panama City, FL 32401

(iii) If to the Office:

State of Florida Office of Insurance Regulation  
Attn: Anoush Brangaccio  
200 East Gaines Street  
Tallahassee, Florida 32399

(iv) If to the Trustee:

The Bank of New York Mellon Trust Company, N.A.  
Attn: Corporate Trust  
4655 Salisbury Road, Suite 300  
Jacksonville, FL 32256

Section 9.2 Successors and Assigns; Beneficiaries. This Agreement shall not be deemed to create any right in, or to be in whole or part for the benefit of, any Person other than the parties hereto. In particular, no insured or claimant which has rights against FIGA shall have any right to or claim on any amounts in the Funds and Accounts established under the Indenture.

Section 9.3 Entire Agreement. This Agreement, with respect to the obligations referred to herein, constitutes the entire agreement, and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

Section 9.4 Severance. To the fullest extent possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.

Section 9.5 Amendments. No amendment or waiver of any provision of this Agreement nor consent to any departure by the parties hereto from the requirements hereof shall in any event be effective unless it shall be in compliance with Section 1302(ii) of the Indenture and the same shall be in writing and signed by such parties, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. Prior to executing any amendment to or waiver of any provision of this Agreement, there shall be delivered to the Trustee an opinion of counsel satisfactory to it to the effect that such amendment or waiver is authorized or permitted pursuant to the terms of this Agreement.

Section 9.6 Release and Termination. Subject to the provisions hereunder with respect to survival of certain obligations, the parties hereto shall not be released from their obligations hereunder except upon payment in full of the principal of, redemption premium, if any, and interest on the Bonds and the payment of all Program Expenses.

Section 9.7 No Personal Liability of FIGA and Office Officials. No covenant or agreement contained in this Agreement or the other Financing Documents shall be deemed to be the covenant or agreement of any official, trustee, officer, agent or employee of FIGA or the Office in his/her individual capacity, and neither the officers of FIGA or the Office nor any official executing this Agreement or the other Financing Documents shall be liable personally with respect to the Bonds or be subject to any personal liability or accountability by reason of the execution and delivery of this Agreement or the other Financing Documents.

Section 9.8 Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or extent of any of the provisions of this Agreement.

Section 9.9 Counterparts. This Agreement may be executed in several counterparts, each which shall be an original and all of which when taken together shall be deemed one and the same Agreement.

Section 9.10 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State, without regard to conflict of law principles.

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IN WITNESS WHEREOF, the undersigned have each caused this Agreement to be executed in each of their respective names and on each of their respective behalf and attested by all required duly authorized officers, as applicable, all as of the day and year first above written.

Attest:

FLORIDA INSURANCE GUARANTY  
ASSOCIATION, INCORPORATED

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

Name: Paula Lutes

Title: Secretary/Treasurer

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

Name: Kimberly Blackburn

Title: Chair

Attest:

FLORIDA INSURANCE ASSISTANCE  
INTERLOCAL AGENCY

\_\_\_\_\_  
Name: Corey Neal

Title: Secretary/Treasurer

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

Name: Pamn Henderson

Title: Chair

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., not in its individual capacity but  
as Trustee

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

Name: Daniel Todd

Title: Vice President

FLORIDA OFFICE OF INSURANCE  
REGULATION

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

Name: Michael Yaworsky

Title: Insurance Commissioner

**APPENDIX D**

**FORM OF BOND COUNSEL OPINION**

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July 13, 2023

Florida Insurance Assistance Interlocal Agency  
Panama City, Florida

Florida Insurance Guaranty Association, Incorporated  
Tallahassee, Florida

The Bank of New York Mellon Trust Company, N.A.  
Jacksonville, Florida

\$465,325,000  
Insurance Assessment Revenue Bonds, Series 2023A-1

\$125,000,000  
Insurance Assessment Revenue Bonds, Series 2023A-2  
(Variable Rate)

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the Florida Insurance Assistance Interlocal Agency (the "Issuer") of its \$465,325,000 Insurance Assessment Revenue Bonds, Series 2023A-1 and its \$125,000,000 Insurance Assessment Revenue Bonds, Series 2023A-2 (Variable Rate) (collectively, the "Series 2023A Bonds") pursuant to and under the authority of the Constitution and laws of the State, particularly Part I of Chapter 159, Florida Statutes, as amended, Part II of Chapter 166, Florida Statutes, as amended, Chapter 163, Part I, Florida Statutes, the Florida Insurance Guaranty Association Act, and other applicable provisions of law, Resolution No. 23-02 adopted by the Board of Directors of the Issuer on May 22, 2023 (the "Bond Resolution"), and the provisions of a Trust Indenture dated as of July 1, 2023, between the Issuer and The Bank of New York Mellon Trust Company, N.A., Jacksonville, Florida, as Trustee, as supplemented by Supplemental Indenture No. 1, dated as of July 1, 2023 and Supplemental Indenture No. 2, dated as of July 1, 2023 (collectively, the "Indenture"). In such capacity, we have examined such law and certified proceedings, certifications and other documents as we have deemed necessary to render this opinion. Any capitalized undefined terms used herein shall have the meanings set forth in the Indenture.

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

by independent investigation. We have not undertaken an independent audit, examination, investigation or inspection of such matters and have relied solely on the facts, estimates and circumstances described in such proceedings and certifications. We have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

In rendering this opinion, we have examined and relied upon the opinion of even date herewith of Hand Arendall Harrison Sale LLC, as to the due organization and valid existence of the Issuer, the due adoption of the Bond Resolution, the due execution and delivery of the Series 2023A Bonds, the Indenture and the Assistance Program Agreement and the compliance by the Issuer with all conditions contained in resolutions of the Issuer precedent to the issuance of the Series 2023A Bonds.

The Series 2023A Bonds are payable from Pledged Revenues as provided in the Indenture.

The Series 2023A Bonds do not constitute a debt, liability or obligation of the City of Callaway, Florida, the City of Panama City Beach, Florida or any other member of the Issuer, the State of Florida or any political subdivision thereof within the meaning of any constitutional or statutory provision, or a lien upon the real or personal property of any of them or any political subdivision thereof, and neither the full faith and credit nor any taxing power of the members of the Issuer, the State of Florida or any political subdivision thereof, is pledged to the payment of the Series 2023A Bonds. The Issuer has no taxing power.

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

Based on our examination, we are of the opinion that, under existing law:

1. The Indenture constitutes a valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms.
2. The Series 2023A Bonds are valid and binding limited obligations of the Issuer enforceable in accordance with their terms, payable solely from the Pledged Revenues in the manner and to the extent provided in the Indenture.
3. The Indenture creates a valid lien upon the Pledged Revenues for the security of the Series 2023A Bonds, all in the manner and to the extent provided in the Indenture.
4. Interest on the Series 2023A Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; however, for tax years beginning after December 31, 2022, interest on the Series 2023A Bonds may be included in the "adjusted financial statement income" of certain "applicable corporations" that are subject to the 15-percent alternative minimum tax under section 55 of the Internal Revenue Code of 1986, as amended (the "Code"). The opinion set forth in the preceding sentence is subject to the condition that the Issuer complies with all requirements of the Code that

must be satisfied subsequent to the issuance of the Series 2023A Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted in the Trust Indenture to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Series 2023A Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2023A Bonds.

It is to be understood that the rights of the owners of the Series 2023A Bonds and the enforceability thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity, to the valid exercise of the sovereign police powers of the State of Florida and of the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

For purposes of this opinion, we have not been engaged or undertaken to review and, therefore, express no opinion herein regarding the accuracy, completeness or adequacy of the Official Statement or any other offering material relating to the Series 2023A Bonds. This opinion should not be construed as offering material, an offering circular, prospectus or official statement and is not intended in any way to be a disclosure statement used in connection with the sale or delivery of the Series 2023A Bonds. Furthermore, we are not passing on the accuracy or sufficiency of any CUSIP numbers appearing on the Series 2023A Bonds. In addition, we have not been engaged to and, therefore, express no opinion as to compliance by the Issuer or the underwriter or underwriters with any federal or state statute, regulation or ruling with respect to the sale and distribution of the Series 2023A Bonds or regarding the perfection or priority of the lien on the Pledged Revenues created by the Indenture. Further, we express no opinion regarding federal income or state tax consequences arising with respect to the Series 2023A Bonds other than as expressly set forth herein.

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

Respectfully submitted,

BRYANT MILLER OLIVE P.A.

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## **APPENDIX E**

### **FORM OF CONTINUING DISCLOSURE AGREEMENT**

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## CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by the Florida Insurance Guaranty Association, Incorporated ("FIGA") and the Division of Bond Finance of the State Board of Administration of Florida, as dissemination agent (the "Disclosure Dissemination Agent" or the "Division") in connection with the issuance by the Florida Insurance Assistance Interlocal Agency (the "Issuer") of its \$465,325,000 Insurance Assessment Revenue Bonds, Series 2023A-1 and \$125,000,000 Insurance Assessment Revenue Bonds, Series 2023A-2 (Variable Rate) (collectively, the "Bonds"). FIGA and the Division covenant and agree as follows:

**SECTION 1. PURPOSE OF THE DISCLOSURE AGREEMENT.** This Disclosure Agreement is being executed and delivered by FIGA and the Division for the benefit of the Owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Rule 15c2-12 (the "Rule") of the United States Securities and Exchange Commission (the "SEC"). It shall inure solely to the benefit of FIGA, the Division, the Owners, the Beneficial Owners, and the Participating Underwriters.

**SECTION 2. DEFINITIONS.** In addition to the definitions set forth in the Trust Indenture, Supplemental Indenture No. 1 and Supplemental Indenture No. 2. relating to the Bonds, each between the Issuer and The Bank of New York Mellon Trust Company, N.A., each dated as of July 1, 2023 (collectively, the "Indenture"), and the definitions set forth in the Official Statement relating to the Bonds, which apply to any capitalized term used in this Disclosure Agreement, the following capitalized terms shall have the following meanings:

"Beneficial Owner" shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for U.S. federal income tax purposes.

"Financial Obligation" shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of (a) or (b). The term financial obligation does not include municipal securities as to which a final official statement has been otherwise provided to the Municipal Securities Rulemaking Board (the "MSRB") under the Rule.

"Obligated Person" means FIGA, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities).

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

### SECTION 3. CONTINUING DISCLOSURE.

(A) Information To Be Provided. FIGA assumes all responsibilities for any continuing disclosure as described below. In order to comply with the Rule, FIGA hereby agrees to provide

or cause to be provided the information set forth below, or such other information as may be required, from time to time, to be provided by the Rule. The Division, as dissemination agent, will be responsible for the filing of the information required by the Rule.

(1) Annual Financial Information and Operating Data. For the year ending on December 31, 2023, and thereafter, annual financial information and operating data shall be provided by June 1 of the following year. Such information shall include:

- (a) Recent Insolvencies and Related Claim Information for the All Other Account
- (b) All Other Account - Schedule of Activities and Changes in Net Assets
- (c) Top Ten All Other Account Insurers
- (d) All Other Account Net Covered Claims Payments
- (e) Historical Emergency Assessments
- (f) Historical Regular Assessments
- (g) All Other Account Historical Direct Written Premiums and Assessment Authority
- (h) All Other Account Direct Written Premiums by Accessible Line
- (i) Debt Service Coverage

(2) Audited financial statements. If not submitted as part of the annual financial information, a copy of FIGA's audited financial statements, prepared in accordance with generally accepted auditing standards, will be provided when and if available.

FIGA reserves the right to modify from time to time the specific types of information provided in its filing or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of FIGA; provided that FIGA agrees that any such modification will be done in a manner consistent with the Rule.

(3) Material Events Notices. Notice of the following events relating to the Bonds will be provided in a timely manner not in excess of ten (10) business days after the occurrence of the event:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt-service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (g) modifications to rights of security holders, if material;
- (h) bond calls, if material, and tender offers;
- (i) defeasances;
- (j) release, substitution or sale of property securing repayment of the securities, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the obligated person;



- (m) the consummation of merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (o) incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Obligated Person, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

(4) Failure to Provide Annual Financial Information; Remedies.

(a) Notice of the failure of FIGA to provide the information required by paragraphs (A)(1) or (A)(2) of this Section will be provided by the Division in a timely manner.

(b) FIGA acknowledges that its undertaking pursuant to the Rule set forth in this Section is for the benefit of the Beneficial Owners and Owners of the Bonds and shall be enforceable only by such Beneficial Owners and Owners; provided that the right to enforce the provisions of such undertaking shall be limited to a right to obtain specific enforcement of FIGA's obligations hereunder. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

(B) Methods of Providing Information.

(1) (a) Annual financial information and operating data described in paragraph 3(A)(1) and the audited financial statements described in paragraph 3(A)(2) shall be transmitted to the MSRB, using its Electronic Municipal Market Access ("EMMA") or by such other method as may be subsequently determined by the MSRB.

(b) Material event notices described in paragraph 3(A)(3) and notices described in paragraph 3(A)(4) shall be transmitted to the MSRB using EMMA or by such other method as may be subsequently determined by the MSRB.

(2) (a) Information shall be provided to the MSRB in an electronic format as prescribed by the MSRB either directly or indirectly through an indenture trustee or a designated agent.

(b) All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB including the nine-digit CUSIP numbers for the Bonds.

(C) If this Disclosure Agreement is amended to change the operating data or financial information to be disclosed, the annual financial information containing amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

(D) FIGA's and the Division's obligations hereunder shall continue until such time as the Bonds are no longer Outstanding or until FIGA shall otherwise no longer remain obligated on the Bonds.

(E) This Disclosure Agreement may be amended or modified so long as:

(1) any such amendments are not violative of any rule or regulation of the SEC or MSRB, or other federal or state regulatory body;

(2) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Obligated Person, or type of business conducted;

(3) this Disclosure Agreement, as amended, would have complied with the requirements of Rule 15c2-12 of the SEC at the time of the primary offering, after taking into account any amendments or interpretations of the rule, as well as any change in circumstances; and

(4) the amendment does not materially impair the interests of Beneficial Owners or Owners, as determined either by parties unaffiliated with the Issuer or Obligated Person (such as bond counsel), or by approving vote of the Beneficial Owners and Owners pursuant to the terms of the Indenture at the time of the amendment.

SECTION 4. ADDITIONAL INFORMATION. If, when submitting any information required by this Disclosure Agreement, FIGA or the Division chooses to include additional information not specifically required by this Disclosure Agreement, neither FIGA nor the Division shall have any obligation to update such information or include it in any such future submission.

Dated this 13th day of July, 2023.

**DIVISION OF BOND FINANCE OF THE STATE  
BOARD OF ADMINISTRATION OF FLORIDA,**  
as Disclosure Dissemination Agent

By: \_\_\_\_\_  
J. Ben Watkins, III, Director

**FLORIDA INSURANCE GUARANTY  
ASSOCIATION, INCORPORATED**

By: \_\_\_\_\_  
Corey Neal, Executive Director

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## **APPENDIX F**

### **FORM OF REVOLVING STANDBY BOND PURCHASE AGREEMENT**

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**REVOLVING STANDBY BOND PURCHASE AGREEMENT**

**among**

**FLORIDA INSURANCE ASSISTANCE INTERLOCAL AGENCY**

**and**

**THE STATE OF FLORIDA  
DEPARTMENT OF FINANCIAL SERVICES  
DIVISION OF THE TREASURY**

**and**

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.  
as Trustee**

**Dated as of July 13, 2023**

## **REVOLVING STANDBY BOND PURCHASE AGREEMENT**

THIS REVOLVING STANDBY BOND PURCHASE AGREEMENT dated as of July 13, 2023, is between the Florida Insurance Assistance Interlocal Agency (“FIAIA”), the State of Florida Department of Financial Services, Division of Treasury (the “Liquidity Provider” or “Treasury”), and The Bank of New York Mellon Trust Company, N.A. (the “Trustee”).

### **WITNESSETH**

WHEREAS, the Florida Insurance Guaranty Association, Inc. (“FIGA”) is a nonprofit corporation organized under the laws of the State of Florida, created pursuant to the Florida Insurance Guaranty Association Act, Chapter 631, Part II, Section 631.50 et seq. (the “Act”), Florida Statutes, as amended, and granted the authority to pay certain covered claims to policyholders of or claimants against insolvent insurers; and

WHEREAS, FIAIA is a State of Florida interlocal agency created pursuant to Section 163.01(7)(g), Florida Statutes, to issue bonds to fund an assistance program in conjunction with FIGA for the purpose of paying hurricane claims to policyholders of or claimants against insolvent insurers; and

WHEREAS, on May 22, 2023, FIAIA, pursuant to the Act, Chapter 163, Part I, and other applicable provisions of law, adopted a resolution (the “Resolution”) approving the form of that certain Trust Indenture by and between FIAIA and the Trustee, authorizing the issuance of the Florida Insurance Assistance Interlocal Agency Insurance Assessment Revenue Bonds, Series 2023A-2 (Variable Rate) (the “Bonds”) pursuant to the Trust Indenture as supplemented and amended from time to time (the “Trust Indenture”), and as particularly supplemented by that certain Supplemental Indenture No. 2 by and between FIAIA and the Trustee (the “Supplemental Indenture”), and for purposes set forth in the Resolution; and

WHEREAS, the Trust Indenture is to be executed on even date herewith; and

WHEREAS, the Resolution also approved the form of and authorized FIAIA to enter into this Revolving Standby Bond Purchase Agreement; and

WHEREAS, the Chief Financial Officer of the State of Florida (the “CFO”), acting through the Treasury, is charged with, among other duties, the duty of keeping the money of the State of Florida, consistent with the cash requirements of the State, fully invested or deposited as provided in Section 17.57, Florida Statutes, as amended, in order that the State may realize maximum earnings and benefits; and

WHEREAS, the Treasury is willing to act as the Liquidity Provider for the Bonds pursuant to the terms of this Agreement and the Supplemental Indenture; and



WHEREAS, the Treasury, as the Liquidity Provider, is willing to purchase all or a portion of the Bonds, upon mandatory or optional tender thereof, prior to the Commitment Termination Date, upon the terms and conditions set forth in this Agreement;

NOW THEREFORE, in consideration of the premises and covenants herein contained, the parties hereto agree as follows:

## **ARTICLE I DEFINITIONS**

Section 1.01. As used herein, the following terms shall have the following respective meanings. Any terms not defined herein shall have the meaning given such term in the Trust Indenture.

“Act” means the Florida Insurance Guaranty Association Act, being Section 631.50 et seq., Florida Statutes, and other applicable provisions of law.

“Alternate Liquidity Facility” means a replacement standby bond purchase agreement or other liquidity facility meeting the requirements of an “Alternate Liquidity Facility” set forth in the Supplemental Indenture.

“Authorized Denominations” shall have the meaning given to that term in the Supplemental Indenture.

“Available Commitment” as of any day means the sum of the Available Principal Commitment and the Available Interest Commitment, in each case, as of such day; provided, however, that the Available Commitment shall not exceed \$125,959,000.00 as of any day.

“Available Interest Commitment” means an amount equal to thirty-five (35) days’ interest on the Bonds, computed as if the Bonds bore interest at the rate of eight percent (8%) per annum, on the basis of a 365-day year. The Available Interest Commitment may be adjusted from time to time as follows: (a) downward by an amount that bears the same proportion to such amount as the amount of a reduction in the Available Principal Commitment pursuant to the definition of “Available Principal Commitment” bears to the Available Principal Commitment prior to such reduction; and (b) upward by an amount that bears the same proportion to such amount as the amount of any increase in the Available Principal Commitment pursuant to the definition of “Available Principal Commitment” bears to the Available Principal Commitment prior to such increase. Any adjustments pursuant to clauses (a) and (b) above shall occur simultaneously with the event requiring such adjustment.

“Available Principal Commitment” means the Initial Principal Commitment adjusted from time to time as follows:

- (a) Upon any reduction in the Available Principal Commitment pursuant to Section 2.06, downward by the amount of such reduction;

(b) Downward by the principal amount of any Bonds purchased by the Liquidity Provider pursuant to Section 2.01;

(c) Upward by the principal amount of any Bonds previously purchased by the Liquidity Provider pursuant to Section 2.01, which a Purchased Bondholder elects to retain pursuant to Section 2.04(c) or that are sold or deemed sold by a Purchased Bondholder pursuant to Section 2.04(c) (regardless of the Sales Price received for such Bonds); and

(d) Upward by the principal amount of any Bonds repaid pursuant to Section 2.03.

Any adjustments to the Available Principal Commitment pursuant to clauses (a), (b), (c) or (d) hereof shall occur simultaneously with the occurrence of the events described in such clauses.

“Bank Bond Interest Differential Amount” shall have the meaning ascribed thereto in the Supplemental Indenture.

“Base Rate” means with respect to Purchased Bonds purchased on a Purchase Date the SOFR Rate (calculated as of the Purchase Date) plus 50 basis points (.50%) per annum, as calculated by the Liquidity Provider.

“Bonds” means the Florida Insurance Assistance Interlocal Agency Insurance Assessment Revenue Bonds, Series 2023A-2 (Variable Rate) issued pursuant to the Trust Indenture.

“Business Day” shall have the meaning ascribed thereto in the Trust Indenture.

“Commitment Termination Date” means 5:00 p.m., New York City time, on the earliest to occur of (i) the Expiration Date, (ii) the date on which no Eligible Bonds are Outstanding and FIAIA advises the Liquidity Provider that no Eligible Bonds will be issued in the future, (iii) the Available Commitment is mandatorily reduced to zero as set forth in Section 2.06, (iii) the date of any termination pursuant to Article VI.

“Covered Rate” means, with respect to any Bond, the interest rate borne by such Bond bearing interest at the Weekly Interest Rate as defined in the Supplemental Indenture.

“Division” means the Division of Bond Finance of the State Board of Administration of Florida.

“Eligible Bonds” means any Bonds Outstanding under and entitled to the benefits of the Supplemental Indenture, which (i) bear interest at a Covered Rate, (ii) have been tendered pursuant to an optional tender or mandatory tender under the terms of the Supplemental Indenture, (iii) have not been remarketed by the Remarketing Agent and (iv) are not Purchased Bonds.

“Event of Insolvency” means, with respect to any Person, the occurrence of one or more of the following events:

(a) the issuance, under the laws of any state or under the laws of the United States of America, of an order of rehabilitation, liquidation or dissolution of such Person;

(b) the commencement by or against such Person of a case or other proceeding seeking liquidation, reorganization or other relief with respect to such Person or its debts under any bankruptcy, insolvency or other similar state or federal law now or hereafter in effect, including, without limitation, the appointment of a trustee, receiver, liquidator, custodian or other similar official for such Person or any substantial part of its property or there shall be appointed or designated with respect to it, an entity such as an organization, board, commission, authority, agency or body to monitor, review, oversee, recommend or declare a financial emergency or similar state of financial distress with respect to it or there shall be declared or introduced or proposed for consideration by it or by any legislative or regulatory body with competent jurisdiction over it, the existence of a state of financial emergency or similar state of financial distress in respect of it;

(c) the making of an assignment for the benefit of creditors by such Person;

(d) the failure of such Person to generally pay its debts as they become due;

(e) the declaration of a moratorium with respect to the payment of the debts of such Person;

(f) such Person shall admit in writing its inability to pay its debts when due; or

the initiation of any actions to authorize any of the foregoing by or on behalf of such Person.

“Expiration Date” means the date this Agreement expires pursuant to Section 8.12 hereof.

“Immediate Suspension Event” means an Event of Default described in Section 6.01, the occurrence of which will cause the suspension of the Liquidity Provider’s obligation to advance funds hereunder as described in Section 6.03.

“Immediate Termination Event” shall have the meaning given such term in Section 6.03(a) hereof.

“Initial Principal Commitment” means \$125,000,000.

“Interest Component” means the portion of the Purchase Price of any Eligible Bonds constituting Accrued Interest on such Eligible Bonds purchased on a Purchase Date.

“Interest Payment Date” with respect to Purchased Bonds, shall have the meaning given such term in the Supplemental Indenture.

“Liquidity Event” means the date of purchase of Bonds pursuant to Section 2.01 and 2.02 of this Agreement.

“Liquidity Facility” has the meaning ascribed thereto in the Supplemental Indenture.

“Liquidity Provider” means the State of Florida, Department of Financial Services, Division of Treasury.

“Liquidity Rate” means with respect to Purchased Bonds purchased on a Purchase Date the SOFR Rate (calculated as of the Purchase Date), plus 100 basis points (1.00%) per annum, as calculated by the Liquidity Provider.

“Notice of Purchase” means the notice received by the Liquidity Provider from the Trustee requesting the Liquidity Provider to purchase Eligible Bonds under the terms of this Agreement, a form of which is attached hereto as Exhibit A.

“Person” means an individual, a corporation, a partnership, an association, an agency, an authority, a joint venture, a trust, a business trust, a limited liability company or any other entity or organization, including a governmental entity or political subdivision or an agency or instrumentality thereof.

“Principal Component” means the portion of the Purchase Price of any Eligible Bonds constituting principal of such Eligible Bonds purchased on a Purchase Date.

“Purchased Bond” means an Eligible Bond purchased pursuant to this Agreement.

“Purchased Bondholder” means the Liquidity Provider (but only in its capacity as owner, which as used herein shall mean beneficial owner if at the relevant time Purchased Bonds are held in book-entry form) of Purchased Bonds pursuant to this Agreement, and any other Person to whom a Purchased Bondholder has sold Purchased Bonds pursuant to Section 2.04(a).

“Purchased Bond Interest Payment Date” shall have the meaning given such term in Section 2.03 hereof.

“Purchase Date” means a Business Day during the period commencing with the execution of this Agreement and ending on the Commitment Termination Date on which the Liquidity Provider is required to purchase Eligible Bonds pursuant to the Supplemental Indenture and Section 2.01 hereof.

“Purchase Price” means the amount paid by the Liquidity Provider on a Purchase Date to purchase Purchased Bonds and consists of the Interest Component and Principal Component.

“Rating Agencies” means Moody’s Investors Service (“Moody’s”), S&P Global Ratings (“S&P”), and Fitch Ratings (“Fitch”), but only to the extent such rating agency assigns a rating to the Bonds.

“Related Documents” means with respect to the Bonds, the Trust Indenture, Remarketing Agreement, Liquidity Facility, and agreements or instruments related to the foregoing, and any amendments, modifications, or supplemental agreements relating to the foregoing.

“Remarketing Agent” means the entity designated as such pursuant to a remarketing agent agreement entered into in connection with the Bonds.

“Resolution” means that certain resolution of FIAIA authorizing the issuance of the Bonds.

“Sale Date” shall have the meaning given such term in Section 2.04 hereof.

“Sale Price” shall have the meaning given such term in Section 2.04 hereof.

“SOFR Rate” means, with respect to any day, the secured overnight financing rate published for the day by the Federal Reserve Bank of New York as administrator of the benchmark, or a successor administrator, on the Federal Reserve Bank of New York’s website.

“Supplemental Indenture” means Supplemental Indenture No. 2, dated as of July 1, 2023, by and between FIAIA and the Trustee, authorizing the Bonds.

“Trust Indenture” means the trust indenture, dated as of July 1, 2023, by and between FIAIA and its successors and assigns, and the Trustee, authorizing the issuance of Florida Insurance Assistance Interlocal Agency Insurance Assessment Revenue Bonds, as supplemented by the Supplemental Indenture.

## **ARTICLE II COMMITMENT AND PLEDGE**

Section 2.01. General. Subject to the terms and conditions of this Agreement, the Liquidity Provider hereby agrees from time to time until the Commitment Termination Date to provide temporary assistance to FIAIA through the purchase of Eligible Bonds. Eligible Bonds shall be purchased with legally available funds of the Liquidity Provider. The Principal Component of Eligible Bonds purchased on a Purchase Date shall be in Authorized Denominations and shall not exceed the lesser of (i) 100% of the principal amount of such Eligible Bonds and (ii) the Available Principal Commitment (calculated without giving effect to the proposed purchase of such Eligible Bonds by the Liquidity Provider) on the Purchase Date. The Interest Component of Eligible Bonds purchased on a Purchase Date shall not exceed the lesser of (i) the accrued and unpaid interest on such Eligible Bonds (excluding all accrued interest if the purchase date is an Interest Payment Date as defined in the Supplemental Indenture) and the (ii) Available Interest Commitment, (calculated without giving effect to the proposed purchase of Eligible Bonds by the Liquidity Provider) on such Purchase Date. When owned by the Liquidity Provider, Eligible Bonds shall bear a stated interest rate computed in accordance with Section 2.03 hereof.

The facility created under this Agreement shall be a revolving standby bond purchase agreement.

Section 2.02. Method of Purchase. Eligible Bonds shall be purchased by the Liquidity Provider upon the request of the Trustee as follows:

(a) The Trustee shall provide to the Liquidity Provider notice of any optional tenders of Bonds received from Bondholders by 12:00 noon New York City time on the Business Day following receipt of such tender by the Trustee. Thereafter until the Purchase Date with respect to such tendered Bonds, by 12:00 noon on each Business Day, the Trustee shall inform the Liquidity Provider of any remarketing activity pertaining to such tendered Bonds known to the Trustee.

(b) Subject to the satisfaction of the conditions set forth in Article IV hereof, if, on any Purchase Date prior to the Commitment Termination Date, a Notice of Purchase in compliance with the provisions hereof is delivered to the Liquidity Provider by facsimile transmission or electronic mail, confirmed immediately in writing and by telephone with a representative of the Liquidity Provider, at the address/telephone number specified pursuant to Section 8.03 hereof by or before 12:00 p.m., New York City time, the Liquidity Provider shall purchase Eligible Bonds and shall wire the Purchase Price therefor to the Trustee not later than 2:00 p.m., New York City time, on such Purchase Date. On the date Eligible Bonds are to be purchased, the Liquidity Provider shall make available the Purchase Price of the Eligible Bonds in federal or other immediately available funds for the account of FIAIA at the address of the Trustee specified in Section 8.03 hereof unless the Liquidity Provider reasonably determines that any condition precedent specified in Article IV hereof to the purchase of such Eligible Bonds has not been satisfied. Eligible Bonds shall be delivered by the Trustee to the Liquidity Provider in accordance with Exhibit B attached hereto against payment therefor. The Liquidity Provider shall have no responsibility for, nor incur any liability in respect of, any act, or any failure to act, by the Trustee which results in the failure of the Trustee to effect the payment of Eligible Bonds with such Purchase Price. Notwithstanding anything herein to the contrary, the Liquidity Provider shall not be obligated to purchase any Eligible Bonds to the extent that the Purchase Price of any such Eligible Bonds to be purchased under a Notice of Purchase exceeds the Available Commitment as of such Purchase Date.

Section 2.03 Payment of Purchased Bonds.

(a) *Interest.* Notwithstanding anything to the contrary contained in any Purchased Bond, and subject to Section 2.08(b) hereof, FIAIA agrees:

(i) Interest Component. Subject to the provisions of Section 2.08 below,

(A) FIAIA shall pay directly to the Liquidity Provider interest on the Interest Component, if any, included in the Purchase Price for the period

commencing on the Purchase Date and ending on (and including) the date the Interest Component is paid pursuant to subparagraph (C) below;

(B) the rate of interest charged on the interest component during the period referred to in subparagraph (A) shall be the Base Rate for the first 270 days, commencing on the Purchase Date, and, if not paid during such 270 days, the Liquidity Rate thereafter, commencing on the 271<sup>st</sup> day;

(C) the Interest Component (together with interest thereon) shall be due and payable on the earliest of (i) the Interest Payment Date next succeeding the Purchase Date, (ii) the Sale Date, (iii) the date such Purchased Bonds are paid at maturity, (iv) the date such Purchased Bonds are redeemed or (v) the Commitment Termination Date, and

(ii) Principal Component. Subject to the provisions of Section 2.08 below,

(A) FIAIA shall pay directly to the Liquidity Provider interest on the unpaid Principal Component of each Purchased Bond for the period commencing from and including the Purchase Date of such Eligible Bond and ending on (and including) the date such unpaid Principal Component is paid in full;

(B) the rate of interest charged on the Principal Component during the period referenced in subparagraph (A) shall be the Base Rate for the first 270 days, commencing on the applicable Purchase Date, and, if such Principal Component is not paid in full during such 270 days, the Liquidity Rate thereafter, commencing on the 271<sup>st</sup> day;

(C) the interest payable pursuant to this paragraph (ii) shall be due and payable (each such date specified in this subparagraph (C) being a “Purchased Bond Interest Payment Date”) (1) the first Business Day of each month, (2) upon redemption of such Purchased Bond pursuant to the Trust Indenture (to the extent of the interest accrued on the amount being redeemed), (3) on each Sale Date (to the extent of the interest accrued on the amount being sold or deemed sold after a credit for any interest included in the Sale Price, and as provided in Section 2.04(c)), (4) on the Commitment Termination Date pursuant to the terms hereof and (5) at maturity (whether by acceleration or otherwise).

In the event any Purchased Bond is remarketed or otherwise transferred by the Liquidity Provider before payment in full of the funds provided by the Liquidity Provider hereunder with respect thereto, together with interest thereon at the Base Rate or Liquidity Rate, as applicable, the provisions of this Article II shall continue to apply to such indebtedness until all sums owing for all periods during which the same was a Purchased Bond are paid. Notwithstanding anything to the contrary in the Supplemental Indenture, all or any portion of the Purchased Bonds may be optionally redeemed at any time without

penalty, but only in Authorized Denominations. The obligation of FIAIA to make the payments described in this Section shall be reduced to the extent that such obligations are paid pursuant to the Supplemental Indenture or as part of the Sale Price.

(b) *Mandatory Redemption.* FIAIA agrees that Purchased Bonds shall be subject to mandatory redemption in annual principal installments, the first such installment being payable on the first Business Day of September following the first anniversary of the Purchase Date of such Purchased Bond and annually on each such first Business Day of September thereafter so that such Purchased Bond is paid in full no later than the first Business Day of September following the fifth anniversary of such Purchase Date of such Purchased Bond (the date of each such redemption being a “Purchased Bond Redemption Date”). Interest on such Purchased Bonds shall be payable as provided in this Section 2.03. Notwithstanding the foregoing, FIAIA may optionally redeem any Purchased Bond without penalty. All FIAIA obligations with respect to all Purchased Bonds (including the payment of the Interest Component with interest) shall be due and payable in full on the earliest of (a) the last Purchased Bond Redemption Date relating to such Purchased Bonds, (b) the date such Bonds are remarketed by the Remarketing Agent and sold or deemed sold by the Liquidity Provider or a Purchased Bondholder to a Purchaser pursuant to Section 2.04(c), (c) the date the Purchased Bonds are no longer Eligible Bonds, (d) on the date of the delivery of an Alternate Liquidity Facility, or (e) such earlier date of termination pursuant to Section 6.03(a) hereof.

#### Section 2.04 Sale of Purchased Bonds; Reinstatement.

(a) *Right To Sell Purchased Bonds.* The Liquidity Provider expressly reserves the right to sell, at any time, Purchased Bonds, subject, however, to the express terms of this Agreement and the Trust Indenture. The Liquidity Provider agrees to promptly notify the Trustee, the Division, and the Remarketing Agent in writing of any such sale (other than a sale made pursuant to Section 2.04(c)) and to notify the transferee that such Bond is not an Eligible Bond and that the Bonds no longer carry a short-term rating so long as it remains a Purchased Bond. Any Purchased Bondholders shall be deemed to have agreed not to sell such Purchased Bond to any Person except the Liquidity Provider or to an institutional investor or other person which customarily purchases tax-exempt securities in large denominations or a Purchaser identified by the Remarketing Agent pursuant to Section 2.04(b). Each seller of a Purchased Bond to any Person other than a Purchaser identified by the Remarketing Agent pursuant to Section 2.04(b) shall notify the Remarketing Agent, the Trustee, and the Division in writing of the identity of the new Purchased Bondholder purchasing such Purchased Bond and shall require such new Purchased Bondholder to agree to sell such Purchased Bonds as provided in the preceding sentence and to agree not to otherwise sell its Purchased Bonds.

(b) *Purchased Bond Notices.* Prior to 11:00 a.m. New York City time on any Business Day, the Remarketing Agent may deliver a notice (a “Purchased Bond Notice”) to a Purchased Bondholder, stating that it has located a purchaser (the “Purchaser”) for some or all of such Purchased Bonds and that such Purchaser desires to purchase such



Purchased Bonds on a Business Day (a “Sale Date”) which shall be at least one Business Day after the date on which the Purchased Bond Notice is received by the Purchased Bondholder. The Purchased Bonds to be purchased shall be in an Authorized Denomination and at a price of par plus interest as determined by the Remarketing Agent pursuant to the Supplemental Indenture (the “Sale Price”). Interest on Purchased Bonds shall otherwise be payable as provided in Section 2.03.

(c) *Sale of Purchased Bonds.* If the Purchased Bondholder elects, at its sole option, to sell any Purchased Bonds to any Purchaser, it shall give notice of such election to the Trustee and the Remarketing Agent at or before 4:00 p.m. on the Business Day preceding the Sale Date. If a Purchased Bondholder elects, at its sole option, not to sell any Purchased Bonds to any Purchaser, it shall give notice of such election to the Trustee and the Remarketing Agent at or before 4:00 p.m. on the Business Day next preceding the Sale Date. In the event no such notice is timely delivered by the Purchased Bondholder, such Purchased Bondholder shall be deemed to have elected to sell such Purchased Bonds to a Purchaser. FIAIA shall pay the Bank Bond Interest Differential Amount to the Purchased Bondholder or the Trustee, as the case may be, on the Sale Date as provided in this Section. If a Purchased Bondholder elects, or is deemed to have elected, to sell such Purchased Bonds to a Purchaser, such Purchased Bondholder shall cause to be delivered such Purchased Bonds to the Remarketing Agent by 1:00 p.m. on the Sale Date against receipt by the Purchased Bondholder of the Sale Price and the Bank Bond Interest Differential Amount therefor in immediately available funds in the manner referred to in Section 2.08(a), or at such other Purchased Bondholder’s address listed in the bond register maintained by the Trustee, as the case may be (provided, however, that such Purchased Bondholder shall not be liable for any failure to deliver Purchased Bonds by 1:00 p.m. due to the actions or inactions of anyone other than the Purchased Bondholder), and such Bond shall thereupon no longer be considered a Purchased Bond. In the event that a Purchased Bondholder fails to deliver its Bond as described in the preceding sentence, the Purchased Bondholder shall be deemed to have so delivered its Bond and the Remarketing Agent shall deliver the Sale Price therefor and FIAIA shall deliver the Bank Bond Interest Differential Amount to the Trustee to be held in trust for the benefit of such Purchased Bondholder pending the surrender of the Purchased Bond by such Purchased Bondholder. Upon delivery of such Sale Price by the Remarketing Agent to the Trustee, and the delivery of the Bank Bond Interest Differential Amount by FIAIA to the Purchased Bondholder or the Trustee, as the case may be, such Purchased Bond shall no longer be a Purchased Bond. When Purchased Bonds are purchased or deemed purchased in accordance with this Section 2.04(c), the Remarketing Agent shall, upon receipt of such Purchased Bonds and upon receipt by the Purchased Bondholder of the Sale Price and the Bank Bond Interest Differential Amount, notify the Trustee that such Bonds are no longer Purchased Bonds. If a Purchased Bondholder notifies the Trustee and the Remarketing Agent at or before 4:00 p.m. on the Business Day before the Sale Date that it will not sell its Purchased Bonds, the Remarketing Agent shall notify the Trustee and such Purchased Bondholders that as of the Sale Date such Bonds shall no longer be considered Purchased Bonds.

(d) *Continuing Obligations; Reinstatement of Available Commitment.* Following any sale of Purchased Bonds pursuant to Section 2.04(c) or otherwise, or any election to retain Bonds pursuant to Section 2.04(c), the Liquidity Provider shall retain the right to receive payment from FIAIA of any unpaid interest accrued thereon to the sale date as provided herein and in the Supplemental Indenture and the Available Principal Component and Available Interest Component shall be adjusted in accordance with the definitions of such terms.

(e) *No Warranty.* Any sale of a Purchased Bond pursuant to this Section 2.04 shall be without recourse to the seller and without representation or warranty of any kind by the Liquidity Provider or any Purchased Bondholder.

Section 2.05 Rights of Purchased Bondholders. Upon purchasing a Purchased Bond, a Purchased Bondholder shall be entitled to and, where necessary, shall be deemed assigned all rights, privileges, and security accorded Bondholders as provided in the Bonds and the Supplemental Indenture other than the right to tender such Bond for purchase pursuant to the Supplemental Indenture and have such Bond purchased with amounts drawn hereunder. Upon purchasing a Purchased Bond and registration of such Purchased Bond in the name of or at the direction of the Purchased Bondholder, as provided herein, a Purchased Bondholder shall be recognized by FIAIA and the Trustee as the true and lawful owner of its respective Purchased Bond(s), free from any claims, liens, security interests, equitable interests and other interests of FIAIA or the Trustee, except as otherwise provided herein and except as such interests might exist under the terms of the Bonds with respect to all Bondholders.

Section 2.06. Mandatory Reduction of Available Commitment.

(a) Upon (i) any redemption, repayment, defeasance, or other payment or deemed payment of all or any portion of the principal amount of the Bonds, the Available Principal Commitment shall be reduced upon receipt by the Liquidity Provider of written notice of such occurrence from FIAIA by the principal amount of the Bonds so redeemed, repaid, defeased, or otherwise paid or deemed paid, as specified in such written notice. Upon reduction of the Available Commitment to zero pursuant to this Section, this Agreement shall automatically terminate.

(b) The Available Commitment shall automatically reduce to zero and terminate on the later of (i) the date on which an Alternate Liquidity Facility has become effective pursuant to the Supplemental Indenture and (ii) the date all requests to purchase Bonds made pursuant to Notices of Purchase delivered to the Liquidity Provider prior to the effective date of the Alternate Liquidity Facility have been honored.

Section 2.07 Fees. The Liquidity Provider will not charge a fee for the commitments provided hereunder.

Section 2.08 Computations; Payments; Default Interest.

(a) *Method of Payment.* Except as may be otherwise provided herein, interest on amounts owed hereunder or with respect to Purchased Bonds shall be computed on the basis of a year of 360 days and the actual number of days elapsed. Any payments received by the Liquidity Provider later than 3:30 p.m. on any day shall be deemed to have been paid on the next succeeding Business Day. All payments by or on behalf of FIAIA to the Liquidity Provider hereunder shall be fully earned when due and nonrefundable when paid and made in lawful currency of the United States of America and in immediately available funds. All such payments shall be made as directed by the Liquidity Provider in writing to FIAIA and the Trustee, Reference: Florida Department of Financial Services, Attn: Tanner Collins. If any payment due hereunder is due on a day that is not a Business Day, then such amount shall be due on the next succeeding Business Day and such extension of time shall in such case be included in the computation of the payment due hereunder.

(b) *Application of Payments.* Payments received by the Liquidity Provider shall be applied, first, to past due interest; second, to current interest; third, to principal; and fourth to any fees, costs, charges, or expenses payable by FIAIA under this Agreement.

(c) *Maximum Rate.* Nothing contained in this Agreement shall be deemed to establish or require the payment of a rate of interest in excess of the Maximum Bond Interest Rate as set forth in the Supplemental Indenture. In the event that any rate of interest required to be paid under this Agreement exceeds the Maximum Bond Interest Rate, such rate shall automatically be reduced to the Maximum Bond Interest Rate.

Section 2.09 Cure. FIAIA agrees to pay to the Liquidity Provider, on demand, any amounts advanced by or on behalf of the Liquidity Provider, to the extent required to cure an Event of Default. The Liquidity Provider shall give FIAIA reasonably prompt notice of any such advances. The Liquidity Provider shall have the right, but not the obligation to cure any such Event of Default.

### **ARTICLE III REPRESENTATIONS AND WARRANTIES**

To induce the Liquidity Provider to enter into this Agreement and to purchase Bonds as provided herein, FIAIA makes the following representations and warranties to, and enters into agreements with the Liquidity Provider (which representations, warranties, and agreements shall survive the execution and delivery of this Agreement and any payment of Bonds by the Liquidity Provider).

Section 3.01. Status. FIAIA is a State of Florida interlocal agency duly created and existing under the Constitution and laws of the State.

Section 3.02. FIAIA. FIAIA has the requisite power and authority to execute and deliver, and to perform its obligations under, this Agreement and the other Related Documents to which it is

or will be a party and to issue the Bonds and has taken all necessary and legal action to authorize the execution, delivery, and performance of this Agreement and the other Related Documents to which it is or will be a party.

Section 3.03. Enforceability. Assuming due authorization, execution and delivery by each of the other parties thereto, this Agreement and each Related Document to which FIAIA is a party constitutes, or, when delivered in accordance with the terms of the Supplemental Indenture, will constitute, the legal, valid, and binding obligations of FIAIA enforceable in accordance with their respective terms, subject, as to enforceability, to applicable bankruptcy, moratorium, insolvency, or similar laws affecting the rights of creditors generally and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 3.04. No Conflict. The execution, delivery and performance of this Agreement and the other Related Documents to which FIAIA is or will be a party has been duly authorized by all necessary action and will not violate any provision of any law or regulation or of any order or decree of any court, tribunal, or governmental authority, bureau, or agency or of the charter or by-laws of FIAIA or of any mortgage, Trust Indenture, contract or other undertaking by which FIAIA or any of its assets is bound and, except as provided in the Supplemental Indenture, will not result in the creation or imposition of any security interest, lien, charge, or encumbrance on any of its assets pursuant to the provisions of any of the foregoing.

Section 3.05. Consents. Except as required under any state or federal securities laws, all consents, licenses, approvals, validations, and authorizations of, and registrations, validations, or declarations by or with, any court or any governmental authority, bureau, or agency required to be obtained by FIAIA in connection with the execution, delivery, performance, validity, or enforceability of this Agreement and the other Related Documents to which it is or will be a party (including the Bonds) have been obtained and are in full force and effect.

Section 3.06. Litigation. No litigation, arbitration, or administrative proceeding of or before any court, tribunal, or governmental authority is pending or, to the knowledge of FIAIA, threatened (a) with respect to any of the transactions contemplated by this Agreement and the other Related Documents (including the Bonds) or (b) against or affecting FIAIA or any of its assets, which if adversely determined would have a material adverse effect on the ability of FIAIA to perform its obligations hereunder or under the other Related Documents to which it is a party.

Section 3.07. Default. No Event of Default or condition, event, or act which with notice or lapse of time or both would become an Event of Default has occurred and is continuing.

Section 3.08. Other Documents. The representations and warranties made by FIAIA in each of the other Related Documents are incorporated herein by this reference and restated for the benefit of the Liquidity Provider.

## **ARTICLE IV CONDITIONS PRECEDENT**

Section 4.01. Conditions Precedent to Execution of this Agreement. The obligation of the Liquidity Provider to execute and deliver this Agreement shall become effective when the following conditions are satisfied:

(a) Receipt by the Liquidity Provider, on or before the day on which this Agreement is executed and delivered, of the following, each dated or certified as of the Effective Date:

- (i) a counterpart of this Agreement duly executed by FIAIA and the Trustee;
- (ii) a copy of the fully-executed Supplemental Indenture; and
- (iii) evidence of assignment of a rating on the Bonds of A2 by Moody's.

(b) Receipt by the Liquidity Provider of such legal opinions, addressed to the Liquidity Provider and dated the Effective Date, as the Liquidity Provider may reasonably request.

Section 4.02 Conditions Precedent to Liquidity Provider's Obligation to Purchase Eligible Bonds. The obligation of the Liquidity Provider to purchase Eligible Bonds hereunder on any Purchase Date is subject to the satisfaction of the following conditions, unless waived by the Liquidity Provider:

(a) No Immediate Termination Event or Immediate Suspension Event shall have occurred and be continuing;

(b) The Liquidity Provider shall have received a Notice of Purchase prior to the Commitment Termination Date in the manner described in Section 2.02 hereof; and

## **ARTICLE V COVENANTS**

FIAIA covenants and agrees that, so long as any of the Bonds shall be Outstanding or any amounts remain unpaid hereunder:

Section 5.01. FIAIA Obligations. FIAIA shall promptly pay all amounts payable by it hereunder and under the Related Documents according to the terms hereof or thereof and shall duly perform each of its obligations under this Agreement and the other Related Documents to which it is a party.

Section 5.02. Related Documents.

(a) FIAIA shall not amend, supplement, or otherwise modify (or permit any of the foregoing), or request or agree to any consent or waiver under, or effect or permit the cancellation, acceleration, or termination of, or release or permit the release of any collateral held under any of the Related Documents. The foregoing, however, does not apply to the amendment, supplement, modification, consent, waiver, release, etc., of the Related Documents to the extent such action is permitted by the Related Documents in the normal course of issuing a Series of Bonds under the Trust Indenture; and

(b) FIAIA will take all such action as may be reasonably requested by the Liquidity Provider to strictly enforce the obligations under the Related Documents of each of the other parties thereto.

(c) FIAIA shall not issue Bonds in an amount which would exceed the Available Commitment as of the date of issuance of such Bonds.

Section 5.03. Notices. FIAIA will promptly furnish, or cause to be furnished, to the Liquidity Provider (a) notice of the occurrence of any Event of Default or condition, event, or act which with notice or lapse of time or both would become an Event of Default, (b) notice of the failure by the Remarketing Agent, or Trustee to perform any of their obligations under the Related Documents, (c) notice of any proposed substitution of this Agreement or Section 307 of the Supplemental Indenture, (d) notice of any change in ratings by a Rating Agency on the Bonds, and (g) such further financial and other information with respect to FIAIA and its affairs or, to the extent available to FIAIA, the Liquidity Provider may reasonably request of FIAIA in writing from time to time.

#### Section 5.04. Alternate Liquidity Facility

(a) FIAIA shall obtain an Alternate Liquidity Facility to replace this Agreement in the event (i) the Liquidity Provider shall decide not to extend the Expiration Date pursuant to the terms hereof, (ii) FIAIA terminates this Agreement pursuant to the terms hereof, or (iii) the Liquidity Provider shall furnish to the Trustee a notice of termination or notice of immediate suspension pursuant to Section 6.03 hereof.

(b) FIAIA agrees that any Alternate Liquidity Facility will require, as a condition to the effectiveness of the Alternate Liquidity Facility, that the provider of Alternate Liquidity Facility provide funds to the extent necessary, in addition to other funds available, on the date the Alternate Liquidity Facility becomes effective, for the purchase from the Liquidity Provider of all Purchased Bonds at par plus interest (at the Liquidity Rate) through the date purchased (without any required draw by the Trustee on the Alternate Liquidity Facility). On such date any and all amounts owed to the Liquidity Provider hereunder or under the Supplemental Indenture or the Bonds shall be payable in full to the Liquidity Provider.

(c) FIAIA shall not permit an Alternate Liquidity Facility to become effective with respect to less than all of the Bonds without the prior written consent of the Liquidity Provider.

Section 5.05. Compliance with Internal Revenue Code. As provided in the Trust Indenture, FIAIA shall not take any action which would cause the Bonds to be “arbitrage bonds” as that term is defined in Section 148 of the Code.

Section 5.06. Security Interests. FIAIA will not, directly or indirectly, create, incur, assume, or permit to exist any security interest in or lien on or with respect to the Pledged Revenues, other than under and pursuant to the Trust Indenture.

Section 5.07. Maintenance of Approvals, Filings, Etc. FIAIA shall at all times maintain in effect, renew, and comply with all the terms and conditions of all consents, licenses, approvals, and authorizations as may be necessary or appropriate under any applicable law or regulation for its execution, delivery, and performance of this Agreement and the other Related Documents to which it is a party.

Section 5.08. Incorporation of Certain Covenants. The covenants of FIAIA set forth in the Related Documents are hereby incorporated by reference in this Agreement for the benefit of the Liquidity Provider.

## **ARTICLE VI EVENTS OF DEFAULT; REMEDIES**

The occurrence of any of the events set forth in Sections 6.01 and 6.02 shall constitute an event of default (each, an “Event of Default”). Upon the occurrence of an Event of Default, the Liquidity Provider may exercise those rights and remedies provided in Section 6.03.

Section 6.01. Events of Default Permitting Immediate Termination or Suspension without Notice:

(a) *Non-Payment.* Any principal or interest due on the Bonds is not paid by FIAIA when due under the Supplemental Indenture; or

(b) *Ratings Downgrade.* Upon the occurrence of each of the Rating Agencies that rate the Bonds reducing their rating on the Bonds to below Baa3 or its equivalent.

(c) *Invalidity of Bonds.* The Bonds, the Resolution, the Trust Indenture, or any Supplemental Indenture is found to be invalid and/or unenforceable in a final, non-appealable judgment by a court of competent jurisdiction.

Section 6.02. Events of Default Not Permitting Immediate Termination or Suspension:

(a) *Ratings Downgrades Not Below Investment Grade.* The occurrence of each of the Rating Agencies that rate the Bonds reducing their ratings on the Bonds to Baa (or its equivalent) or below.

(b) *Representations.* Any material representation or warranty made by or on behalf of FIAIA in this Agreement or in any Related Document or in any certificate or statement delivered hereunder or thereunder shall prove to have been incorrect or untrue in any material respect when made or deemed to have been made; or

(c) *Other Covenants.* FIAIA shall default in the due performance or observance of any term, covenant, or agreement contained in this Agreement (other than those referred to in Section 6.01 above,) or any Related Document and such default shall remain unremedied for a period of thirty (30) days after the Liquidity Provider shall have transmitted written notice thereof to FIAIA; or

(d) *Invalidity.* Any material provision of this Agreement or any Related Document (other than the Resolution, the Trust Indenture, or any Supplemental Indenture) shall at any time for any reason cease to be valid and binding on FIAIA or any other party thereto or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by FIAIA or such other party or by any governmental agency or authority, or FIAIA or such other party shall deny that it has any or further liability or obligation under any such document; or

(e) *Substitution of this Agreement.* The substitution of an Alternate Liquidity Facility for this Agreement while any amounts are owed to the Liquidity Provider hereunder without the payment of such amounts at the time of such substitution; or

(f) *Insolvency.* An Event of Insolvency shall have occurred with respect to FIAIA.

FIAIA shall immediately notify the Liquidity Provider, the Trustee, and the Remarketing Agent in writing of an occurrence of an event which would constitute an Event of Default hereunder.

Section 6.03. Remedies. Upon the occurrence of an Event of Default hereunder, the Liquidity Provider may take one or more of the following actions:

(a) *Immediate Termination.* In the case of an Event of Default specified in Section 6.01(a) through (c) (each an “Immediate Termination Event”), the Available Commitment, and the obligation of the Liquidity Provider to purchase Bonds hereunder shall immediately terminate without notice or demand, and thereafter the Liquidity Provider shall be under no obligation to purchase Bonds.

(b) *Termination with Notice Pursuant to Event of Default Described in Section 6.02(a).* In the case of an Event of Default listed in Section 6.02(a), the Liquidity Provider shall terminate the Available Commitment by giving immediate written notice to FIAIA,



the Division, the Remarketing Agent, and the Trustee, specifying that (i) the notice is being provided pursuant to an Event of Default described in Section 6.02(a) of this Agreement, and (ii) the date on which the Available Commitment shall terminate, which date shall be not less than fifteen (15) Business Days from the date of receipt of such notice by the Trustee. For purposes of determining the date of receipt of notice of an Event of Default listed in Section 6.02(a) only and notwithstanding anything in this Agreement to the contrary, the date of receipt of such notice by the Trustee shall be the date the notice is transmitted to the Trustee, regardless of when the Trustee actually receives the notice and regardless of the mode of transmission. On and after the date of termination, the Liquidity Provider shall be under no further obligation to purchase Bonds hereunder, except to the extent necessary to purchase Bonds pursuant to a mandatory tender under the Supplemental Indenture resulting from a termination of this Agreement pursuant to this Section 6.03(b).

(c) *Termination with Notice in All Other Cases Under Section 6.02.* In the case of an Event of Default specified in Section 6.02(b) through Section 6.02(f), the Liquidity Provider may terminate the Available Commitment by giving written notice to FIAIA, the Division, the Remarketing Agent, and the Trustee, specifying the date on which the Available Commitment shall terminate, which date shall be not less than thirty (30) days from the date of receipt of such notice by the Trustee. The date of receipt of notice to the Trustee shall be the time set forth in Section 8.03 herein, as applicable to the manner in which such notice is transmitted to the Trustee. On and after the date of termination, the Liquidity Provider shall be under no further obligation to purchase Bonds hereunder, except to the extent necessary to purchase Bonds pursuant to a mandatory tender under the Supplemental Indenture resulting from a termination of this Agreement pursuant to this Section 6.03(c).

(d) *Other Remedies.* In addition to the rights and remedies set forth in Section 6.03(a), (b), and (c) hereof, in the case of any Event of Default, upon the election of the Liquidity Provider: (i) all amounts payable hereunder (other than payments of principal and redemption price of and interest on the Bonds) shall upon notice to FIAIA become immediately due and payable without presentment, demand, protest, or further notice of any kind, all of which are hereby expressly waived by FIAIA; and (ii) the Liquidity Provider shall have all the rights and remedies available to it under this Agreement, the Related Documents, or otherwise pursuant to law or equity; provided, however, that the Liquidity Provider shall not have the right to terminate its obligation to purchase Bonds or to declare any amount due hereunder due and payable except as expressly provided herein, or to accelerate the maturity date of any Bonds. This subsection shall not limit the exercise of the Liquidity Provider's remedies expressly provided for under any other subsection of this Section 6.03.

(e) *Cure.* In the case of any Event of Default hereunder the Liquidity Provider shall have the right, but not the obligation, to cure any such Event of Default (in which case FIAIA shall reimburse the Liquidity Provider therefor pursuant to Section 2.09).

## **ARTICLE VII OBLIGATIONS ABSOLUTE**

Except as limited by the provisions of Article VIII hereof, the obligations of FIAIA under this Agreement shall be absolute, unconditional, and irrevocable and shall be paid or performed strictly in accordance with the terms of this Agreement, under all circumstances whatsoever, including, without limitation, the following circumstances:

- (a) any lack of validity or enforceability of this Agreement or any Related Document or any other agreement or instrument delivered in connection herewith or therewith;
- (b) any amendment or waiver of or any consent to departure from the terms of any of the Related Documents;
- (c) the existence of any claim, set-off, defense, or other right which FIAIA may have at any time against the Trustee, the Remarketing Agent, the Liquidity Provider, or any other Person, whether in connection with this Agreement, the Related Documents, or any unrelated transaction; provided, however, that nothing herein contained shall prevent the assertion of such claim by separate suit;
- (d) any statement or any other document presented other than by the Liquidity Provider under this Agreement or any of the Related Documents proving to be forged, fraudulent, invalid, or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever; or
- (e) any other circumstances or happening whatsoever, whether or not similar to any of the foregoing.

## **ARTICLE VIII MISCELLANEOUS**

Section 8.01. Liability of the Liquidity Provider. With respect to the Liquidity Provider, FIAIA, subject to Article IX and the provision of applicable law, assumes all risks of the acts or omissions of each of the parties to the Related Documents in respect of its use of this Agreement or any amounts made available by the Liquidity Provider hereunder. Neither the Liquidity Provider nor any of its officers, directors, or employees shall be liable or responsible for: (a) the use which may be made of this Agreement or any amounts made available by the Liquidity Provider hereunder or for any acts or omissions of any party to the Related Documents in connection therewith; (b) the validity, sufficiency, or genuineness of documents (except for the validity and enforceability of the Liquidity Provider's obligations hereunder), or of any endorsement(s) thereon, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent, or forged; or (c) any other circumstances whatsoever in making or failing to make payment under this Agreement. Neither the directors, officers, or employees of the Liquidity Provider nor any person executing this Agreement

shall be liable personally on the obligations of the Liquidity Provider hereunder or be subject to any personal liability or accountability by reason of the execution thereof.

Section 8.02. Expenses; Indemnification.

(a) FIAIA agrees, subject to the terms of Article IX hereof and applicable law, to pay directly to the Liquidity Provider all of the Liquidity Provider's out-of-pocket expenses (including, without limitation, reasonable fees and disbursements of counsel for the Liquidity Provider) arising in connection with the preparation, execution, delivery, administration, and enforcement of, preservation of rights in connection with a workout, restructuring, or default under or amendment or waiver with respect to, this Agreement, the Bonds, and the other Related Documents. In addition, FIAIA shall, subject to the terms of Article IX hereof and applicable law, pay any and all stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing, and recording of this Agreement, the Related Documents, and such other documents and agrees to save the Liquidity Provider harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes and fees.

(b) In addition to any and all rights of reimbursement, indemnification, subrogation, or any other rights pursuant hereto or under law or equity, FIAIA agrees, subject to the terms of Article IX hereof and applicable law, to indemnify and hold harmless the Liquidity Provider and its officers, directors, employees, and agents from and against any and all claims, damages, losses, liabilities, reasonable costs, or expenses whatsoever which the Liquidity Provider or any of them may incur (or which may be claimed against the Liquidity Provider or any of them by any person or entity whatsoever) by reason of or in connection with (i) the issuing, offering, sale, or resale of Bonds (including without limitation by reason of any untrue statement or alleged untrue statement of any material fact contained or incorporated by reference in any Preliminary Official Statement or Official Statement, or in any supplement or amendment thereof, or the omission or alleged omission to state therein a material fact necessary to make such statements, in the light of the circumstances under which they are or were made, not misleading or the failure to deliver a Preliminary Official Statement or an Official Statement to any offeree or purchaser of Bonds), (ii) the execution and delivery of, or payment or failure to pay under, this Agreement and (iii) the use of the proceeds of the sale of the Bonds, in each such case, provided, however, that FIAIA shall not be required to indemnify the Liquidity Provider for any claims, damages, losses, liabilities, costs, or expenses to the extent caused by (a) the willful misconduct or negligence of the Liquidity Provider or (b) the material inaccuracy of any information included in any Official Statement concerning the Liquidity Provider which was furnished in writing by the Liquidity Provider expressly for inclusion therein. If any proceeding shall be brought or threatened against the Liquidity Provider by reason of or in connection with the events described in (i), (ii) or (iii) (and except as otherwise provided above), the Liquidity Provider shall promptly notify FIAIA in writing and FIAIA shall assume the defense thereof, including the employment of counsel and the payment of all costs of litigation. Notwithstanding the preceding sentence, the Liquidity Provider shall have the right to employ its own counsel and to determine its own defense of such action in any such case, but the fees and expenses of such counsel shall be at

the expense of the Liquidity Provider unless (1) the employment of such counsel shall have been authorized in writing by FIAIA or (2) FIAIA, after due notice of the action, shall have failed to employ counsel to take charge of such defense, in either of which events the reasonable fees and expenses of counsel for the Liquidity Provider shall be borne by FIAIA. FIAIA shall not be liable for any settlement of any such action effected without its consent.

(c) The provisions of this Section 8.02 shall survive the termination of this Agreement and the payment in full of the Bonds and the obligations of FIAIA hereunder.

Section 8.03. Delivery of Notices. Unless otherwise specified herein, all notices, requests, demands, or other communications to or upon the respective parties hereto or referred to herein shall be deemed to have been given (a) in the case of notice by letter, upon the earlier of (i) when delivered by hand or (ii) four days after the same is deposited in the mail, first class postage prepaid, addressed to them as set forth in this Section 8.03, and (b) in the case of notice by electronic mail, when sent, addressed to them as follows or at such other address as any of the parties hereto may designate by written notice to the other parties hereto and to the Division and the Trustee and the Remarketing Agent.

FIAIA: Florida Insurance Assistance Interlocal Agency  
304 Magnolia Avenue  
Panama City, FL 32401  
Attn: Amy Myers  
Telephone: 850-769-3434  
Facsimile: 850-769-6121  
Email: [amyers@hsmclaw.com](mailto:amyers@hsmclaw.com)

FIGA: Corey Neal, Executive Director  
Florida Insurance Guaranty Association, Incorporated  
P.O. Box 15159  
Tallahassee, FL 32317  
Telephone: 850-523-1803  
Email: [cneal@agfgroup.com](mailto:cneal@agfgroup.com)

Liquidity Provider: Tanner Collins, Director  
Division of Treasury  
Department of Financial Services  
Hermitage Center  
1801 Hermitage Boulevard  
Tallahassee, Florida 32308  
Telephone: 850-413-3301  
Email: [Tanner.Collins@myfloridacfo.com](mailto:Tanner.Collins@myfloridacfo.com)

Division: J. Ben Watkins, III, Director  
Division of Bond Finance of the State Board of Administration  
of Florida

Hermitage Center, Suite 200  
1801 Heritage Boulevard  
Tallahassee, Florida 32308  
Telephone: 850-488-4782  
Email: [bond@sbafla.com](mailto:bond@sbafla.com)

Remarketing Agent: BofA Securities, Inc.  
One Bryant Park, 3<sup>rd</sup> Floor  
New York, NY 10036  
Attn: Municipal Money Markets  
Telephone: 212-449-5544  
Facsimile: 646-736-6960  
Email: [dg.temm@bofa.com](mailto:dg.temm@bofa.com)

Trustee: The Bank of New York Mellon Trust Company, N.A.  
4655 Salisbury Road, Suite 300  
Jacksonville, FL 32256  
Attn: Christina Youmans  
Telephone: 904-645-1995  
Facsimile: 904-886-1125  
Email: [christina.youmans@bnymellon.com](mailto:christina.youmans@bnymellon.com)

Section 8.04. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of FIAIA, the Trustee, and the Liquidity Provider and their respective successors, endorsees, and assigns, except that FIAIA may not assign or transfer its rights or obligations hereunder without the prior written consent of the Liquidity Provider. The Liquidity Provider may assign (by assignment, participation, or otherwise) to any financial institution all or any part of, or any interest (undivided or divided) in, the Liquidity Provider's rights and benefits under this Agreement, any Bonds owned by it and the other Related Documents, and to the extent of that assignment or participation such assignee or participant shall have the same rights and benefits against FIAIA hereunder and thereunder as it would have had if such assignee were the Liquidity Provider hereunder. Notwithstanding the foregoing sentence, (a) no such assignment or participation effectuated by the Liquidity Provider shall affect the obligations of the Liquidity Provider to purchase Bonds as herein provided; and (b) no assignee or participant shall be any Person registered as an investment company under the Investment Company Act of 1940, as amended, substantially all of the assets of which are invested in obligations exempt from federal income taxation under Section 103 or 103A of the Code or any similar or successor provision.

Section 8.05. Governing Law. This Agreement shall be deemed to be a contract under, and for all purposes shall be governed by, and construed and interpreted in accordance with, the laws of the State of Florida, without regard to conflict of law provisions of Florida law.

Section 8.06. No Waivers, etc., Except in Writing. No provision of this Agreement shall be waived, amended, or supplemented except by a written instrument executed by the parties hereto. Further, any waiver of any provision of this Agreement shall not constitute a waiver of any future

violations of such provision unless expressly stated in such written waiver. Any delay in enforcing any remedy available under this Agreement shall not be construed as a waiver any provision of this Agreement.

Section 8.07. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 8.08. No Waiver of Sovereign Immunity. Nothing herein shall be construed as waiving the sovereign immunity of the State of Florida.

Section 8.09. Severability. Any provision of this Agreement which is prohibited, unenforceable, or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability, or nonauthorization without invalidating the remaining provisions hereof or affecting the validity, enforceability, or legality of such provision in any other jurisdiction.

Section 8.10. Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not have any effect for purposes of interpretation or construction of the terms of this Agreement.

Section 8.11. Complete and Controlling Agreement. This Agreement and the other Related Documents completely set forth the agreements between the Liquidity Provider and FIAIA and fully supersede all prior agreements, both written and oral, between the Liquidity Provider and FIAIA relating to all matters set forth herein and in the Related Documents. The terms and provisions of this Agreement may be amended or superseded only by a written instrument and no oral agreements, practices, standards, or other extrinsic communications or facts shall have any bearing on the interpretation or enforcement of this Agreement or the Related Documents except as otherwise expressly agreed to in writing by the Liquidity Provider and FIAIA.

Section 8.12. Expiration of Agreement. This Agreement shall expire and terminate on September 9, 2032.

Section 8.13. No Remedy Exclusive. No remedy conferred upon or reserved to the parties under this Agreement is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof but any such right and power may be exercised from time to time and as often as may be deemed expedient by the non-defaulting party.

Section 8.14. Regarding the Trustee. Each of the other parties hereto acknowledge and agree that the Trustee is executing this Agreement not in its individual capacity but solely in its capacity as Trustee under the Trust Indenture and that each of the rights, protections, and indemnifications provided to the Trustee under the Related Documents shall also be afforded the Trustee with respect to this Agreement.

## **ARTICLE IX LIMITED RECOURSE**

THE OBLIGATIONS AND LIABILITIES OF FIAIA AND THE TREASURY HEREUNDER AND THE OBLIGATIONS AND LIABILITIES OF FIAIA UNDER THE BONDS ARE LIMITED OBLIGATIONS OF FIAIA AND THE TREASURY (AS APPLICABLE) AND THE OBLIGATIONS AND LIABILITIES OF FIAIA UNDER THE BONDS ARE PAYABLE SOLELY FROM THE PROPERTIES AND FUNDS PLEDGED FOR PAYMENT THEREOF UNDER THE TRUST INDENTURE. NEITHER THE DIRECTORS, OFFICERS NOR EMPLOYEES OF FIAIA OR THE TREASURY NOR ANY PERSON EXECUTING THIS AGREEMENT OR ANY BONDS SHALL BE LIABLE PERSONALLY ON THE OBLIGATIONS OF FIAIA OR THE TREASURY HEREUNDER OR THEREUNDER OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE EXECUTION THEREOF. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER NOR ANY MORAL OBLIGATION OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE OBLIGATIONS OF FIAIA OR THE TREASURY HEREUNDER OR UNDER THE BONDS. OWNERS OF BONDS SHALL HAVE NO POWER TO COMPEL THE STATE TO LEVY ANY TAX OR APPROPRIATE ANY FUNDS IN SATISFACTION OF THE TREASURY'S OBLIGATIONS AND LIABILITIES HEREUNDER.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their duly authorized officers, all as of the day and year first above written.

Attest:

FLORIDA INSURANCE ASSISTANCE  
INTERLOCAL AGENCY

By: \_\_\_\_\_  
Name: Corey Neal  
Title: Secretary/Treasurer

By: \_\_\_\_\_  
Name: Pamn Henderson  
Title: Chair

Attest:

DEPARTMENT OF FINANCIAL  
SERVICES

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

By: \_\_\_\_\_  
Name: Tanner Collins  
Title: Director, Division of Treasury

THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., as Trustee

By: \_\_\_\_\_  
Name: Daniel Todd  
Title: Vice President



EXHIBIT A  
FORM OF NOTICE OF PURCHASE

[DATE]

State of Florida  
Department of Financial Services  
Division of Treasury  
1801 Hermitage Boulevard  
Tallahassee, Florida 32308

Ladies and Gentlemen:

The undersigned refers to the Revolving Standby Bond Purchase Agreement dated as of July 13, 2023 (the "Agreement") (all capitalized terms used herein and not defined shall have the meaning assigned in the Agreement), between you and the Florida Insurance Assistance Interlocal Agency and The Bank of New York Mellon Trust Company, N.A., as Trustee, and hereby requests pursuant to Section 2.01 of the Agreement that you purchase Bonds under the Agreement, and in that connection sets forth below the information relating to the desired purchase (the "Proposed Purchase") as required by Section 2.01 of the Agreement:

(i) The Remarketing Agent has notified the undersigned that on [date], the principal amount of tendered Bonds will exceed the principal amount of Bonds to be remarketed by the Remarketing Agent on such day;

(ii) The date and time of the Proposed Purchase is \_\_\_\_\_ at \_\_\_\_\_ (which is not sooner than \_\_\_\_\_ after the [date] [time] this Notice of Purchase was received by the Liquidity Provider);

(iii) The total Principal Amount of the Bonds (the identifying numbers of which is [are]\_\_\_\_) to be purchased is \$\_\_\_\_\_ which amount does not exceed the Available Commitment;

(iv) The total accrued interest on the Bonds to be purchased is \$\_\_\_\_\_, which does not exceed the Available Interest Commitment; and

(v) The undersigned duly authorized representative of the Trustee does not have actual knowledge of the occurrence and continuance of any Event of Default under Section 6.01 of the Agreement which has not been cured or waived.

Very truly yours,

THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A.,  
as Trustee

By \_\_\_\_\_  
Name \_\_\_\_\_  
Authorized Representative

EXHIBIT B

WIRING AND DELIVERY INSTRUCTIONS

If DTC delivery:

Agent ID  
Institution  
Account

If physical delivery:

FedWires:



