



Kyle P. Keith  
2307 W Kennedy Blvd  
Tampa, FL 33609

(813) 250-3069  
(813) 250-3011 (fax)

October 30, 2014

City of Clearwater, Florida  
100 S. Myrtle Avenue  
Clearwater, Florida 33758

Attention: Mr. Jay Ravins, Finance Director

**RE: Interest Rate Lock Agreement**

Dear Mr. Ravins,

In connection with a request for business purpose financing, The City of Clearwater, Florida (the "Proposed Borrower") has requested that TD Bank, N.A. (the "Bank") fix an interest rate to be applicable to a proposed commercial loan (the "Proposed Loan") in accordance with that certain Credit Accommodation accepted by the Proposed Borrower dated as of the date hereof, a true copy of which is attached hereto as Exhibit A (the "Credit Accommodation"), subject to (i) Proposed Borrower's satisfaction all of the conditions of the Credit Accommodation and (ii) actual funding of the Proposed Loan, in each case, on or before the Interest Rate Agreement Disbursement Date, as described in the Schedule attached hereto (the "Schedule").

The Bank is pleased to offer the Proposed Borrower this agreement to provide a fixed interest rate subject to the terms and conditions set forth herein and outlined in the Schedule, the terms of which are incorporated herein (this "Interest Rate Lock Agreement").

This Interest Rate Lock Agreement shall become effective upon the Bank's receipt of an executed counterpart of this Interest Rate Lock Agreement and payment in full of the Rate Hold Deposit, as defined in the Schedule (the date upon which such conditions are satisfied being the "Effective Date"), and is subject to the further condition that there shall not occur at any time after the date hereof up through and including the Effective Date, any increase of more than 0.05% in the yield of United States Treasury securities, adjusted to a constant maturity equal to the Fixed Rate Term as defined in the Schedule ("Ordinary Rate Volatility"). Any offer to enter into an agreement hereunder and/or this Interest Rate Lock Agreement shall terminate in the event of Ordinary Rate Volatility.

Except as expressly provided herein, this Interest Rate Lock Agreement does not supersede, amend, or in any way supplant the Commitment Letter or any definitive loan documentation that may govern the Proposed Loan. This Interest Rate Lock Agreement is not to be deemed, by itself as a commitment to lend, or to be an amendment of any of the conditions or other terms of the Proposed Loan or any other proposed financing which the Bank requires the Proposed Borrower to meet in connection with the Proposed Loan or any other credit

facilities. This Interest Rate Lock Agreement is intended only to establish the Interest Rate to be charged on the Proposed Loan in the event that the Proposed Loan is actually funded on or before the Interest Rate Agreement Disbursement Date, all in accordance with the Proposed Loan. In the event the Bank fails to approve the Proposed Loan materially in accordance with the attached terms, the Borrower shall not be responsible for the Breakage Fee.

Proposed Borrower agrees to act and negotiate in good faith to consummate the closing of the Proposed Loan prior to the expiration of the Interest Rate Agreement Disbursement Date, including, without limitation, (a) satisfying all of the terms and conditions of the Proposed Loan, (b) providing to the Bank, promptly upon request therefore, all materials reasonably requested by Bank and (c) executing final loan documents and other agreements satisfactory to the Bank.

This Interest Rate Lock Agreement may be executed in two or more counterparts, each of which shall be an original, but all of which shall constitute but one agreement. Delivery of an executed counterpart of this Interest Rate Lock Agreement by fax or email shall be equally as effective as delivery of an original executed counterpart of this Interest Rate Lock Agreement. This Interest Rate Lock Agreement and the Credit Accommodation constitute the entire agreement and understanding between and among the parties hereto relating to the subject matter hereof, and supersede all prior proposals, negotiations, agreements and understandings among the parties hereto with respect to such subject matter. This Interest Rate Lock Agreement shall be binding upon and inure to the benefit of the respective heirs, executors, administrators, legal representatives, successors and assigns of the parties hereto, and shall remain in full force and effect (and the Bank shall be entitled to rely thereon) until released in writing by the Bank. The Bank may transfer and assign this Interest Rate Lock Agreement and deliver it to the assignee, who shall thereupon have all of the rights of the Bank; and the Bank shall then be relieved and discharged of any responsibility or liability with respect to this Interest Rate Lock Agreement. The Proposed Borrower may not assign or transfer any of its rights or obligations under this Interest Rate Lock Agreement. This Interest Rate Lock Agreement may not be amended without the express written consent of the parties.

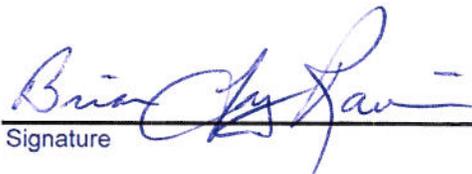
We ask that if you wish to accept this Interest Rate Lock Agreement, please do so by signing and returning the attached duplicate copy of this letter together with the Rate Hold Deposit, to the undersigned. This offer will expire if not accepted in writing and received by the Bank, together with the Rate Hold Deposit, on or before **4:30pm, October 30, 2014**.

TO: TD BANK, N.A.:

The City of Clearwater, Florida hereby accepts the terms as indicated above this 14<sup>th</sup> day of November, 2014.



Signature



Signature



Kyle P. Keith, Vice President

Brian Jay Davins, Finance Director  
Print Signing Officer Name & Position

**SCHEDULE TO INTEREST RATE LOCK AGREEMENT**

FIXED INTEREST RATE:	3.18%	
INTEREST RATE AGREEMENT DISBURSEMENT DATE:	On or before December 13, 2014.	
FIXED RATE TERM:	A term commencing on the initial disbursement of the Proposed Loan and ending 18 years from the date of closing.	
INTEREST RATE LOCK AGREEMENT TERM:	This Interest Rate Lock Agreement shall terminate on the earliest of the Interest Rate Agreement Disbursement Date, the occurrence of a Breakage Event or the closing and funding of the Proposed Loan.	
RATE HOLD DEPOSIT:	0% of the principal of the Proposed Loan as set forth in the Commitment Letter, payable to the Bank at the time of acceptance of this Interest Rate Lock Agreement. The Rate Hold Deposit will be refundable in full (or applied to amounts owed to the Bank at closing) in the event that the Proposed Loan is actually closed and funded on or before the Interest Rate Agreement Disbursement Date.	
BREAKAGE EVENTS:	(a) Proposed Borrower opts not to close the Proposed Loan on or before Interest Rate Agreement Disbursement Date for any reason, or (b) The Proposed Loan does not close and fund on or before Interest Rate Agreement Disbursement Date because of any failure of any the conditions set forth in the Commitment Letter	
BREAKAGE FEE:	In the event that a Breakage Event occurs, the Proposed Borrower shall pay to the Bank a fee, calculated as provided herein, which shall be due and payable by the Borrower in the amount calculated herein upon receipt of the Settlement Statement (as defined below). The Proposed Borrower acknowledges that the Bank may incur fees and other costs in the event that the Proposed Loan does not close and agrees that the Breakage Fee is a reasonable and appropriate method of calculating liquidated damages associated with any Breakage Event. Proposed Borrower understands and agrees that the Bank is under no obligation to give, and will not give, Borrower the benefit of any decline in interest rates subsequent to the Bank's locking of the interest rate hereunder.	
	BREAKAGE FEE AMOUNT:	\$15,000.00.
	INTEREST RATE DIFFERENTIAL FEE:	N/A.
	TAX EXEMPT FACTOR:	N/A.
	INDEX RATE: SPREAD:	N/A.
SECURITY:	Payment of the Breakage Fee shall be secured by the Rate Hold Deposit. Upon acceptance of this Interest Rate Lock Agreement, Proposed Borrower hereby grants to the Bank a security interest in the Rate Hold Deposit, to be held by Bank or held in a deposit account of the Proposed Borrower maintained with the Bank, plus such other additional collateral as may be requested by the Bank in its discretion, including, without limitation, additional cash collateral, a hold on existing deposits, or a hold or draw upon on an existing line of credit.	
SETTLEMENT	Following the occurrence of a Breakage Event, the Bank shall promptly issue to the Proposed Borrower a settlement statement setting forth the Breakage Event and the Breakage Fee (the "Settlement Statement") and the Bank's calculation of the Breakage	

		Fee set forth therein shall be conclusive evidence of the amount of such fee absent manifest error; and the Bank may, in addition to any rights of a secured party or other rights or remedies under applicable law, set off the amount of the Breakage Fee from the Rate Hold Deposit and/or any other deposit account or other accounts of the Proposed Borrower with the Bank.
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