

**CITY OF CLEARWATER, FLORIDA**  
**\$ \_\_\_\_\_**  
**WATER AND SEWER REVENUE REFUNDING BONDS, SERIES 2017**  
**BOND PURCHASE AGREEMENT**

January \_\_, 2017

City Council of the City of Clearwater, Florida  
 112 S. Osceola Avenue  
 Clearwater, FL 33756

Ladies and Gentlemen:

Merrill Lynch, Pierce, Fenner & Smith Incorporated, on behalf of itself and as representative (the "Representative") of RBC Capital Markets, LLC and Wells Fargo Bank, National Association (collectively, with the Representative, the "Underwriters"), hereby offers to enter into this Bond Purchase Agreement (the "Purchase Agreement") with the City of Clearwater, Florida, a municipal corporation duly organized and validly existing under and pursuant to the laws of the State of Florida (the "Issuer"), whereby the Underwriters will purchase and the Issuer will sell the Bonds (as defined and described below). The Underwriters are making this offer subject to the acceptance by the Issuer at or before 5:00 P.M., Eastern Standard Time, on the date hereof. If the Issuer accepts this Purchase Agreement, this Purchase Agreement shall be in full force and effect in accordance with its terms and shall bind both the Issuer and the Underwriters. The Underwriters may withdraw this Purchase Agreement upon written notice delivered by the Representative to the Finance Director of the Issuer at any time before the Issuer accepts this Purchase Agreement. Terms used but not defined in this Purchase Agreement are defined in the Bond Ordinance (as defined below).

1. Purchase and Sale. Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriters hereby agree to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriters, all (but not less than all) of the following bonds: City of Clearwater, Florida, Water and Sewer Revenue Refunding Bonds, Series 2017 (the "Bonds"), at the purchase price of \$\_\_\_\_\_, representing the aggregate principal amount of the Bonds less an Underwriters' discount of \$\_\_\_\_\_ [plus net original issue premium of \$\_\_\_\_\_/less net original issue discount of \$\_\_\_\_\_].

The Issuer acknowledges and agrees that: (i) the primary role of the Underwriters, as underwriters, is to purchase securities, for resale to investors, in an arm's length commercial transaction between the Issuer and the Underwriters, and the Underwriters have financial and other interests that differ from those of the Issuer; (ii) the Underwriters are acting solely as principals and are not acting as municipal advisors, financial advisors or fiduciaries to the Issuer

and have not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters, or any of them, have provided other services or are currently providing other services to the Issuer on other matters); (iii) the only obligations the Underwriters have to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement; and (iv) the Issuer has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it has deemed appropriate.

2. Description and Purpose of the Bonds. The Bonds have been authorized pursuant to the charter of the Issuer, the Constitution and laws of the State of Florida, particularly Chapter 166, Part II, Florida Statutes and other applicable provisions of law (collectively, the "Act"), Ordinance Nos. 3674-84, 6915-01 and 8620-14, duly enacted by the City Council of the Issuer (the "City Council") on August 2, 1984, November 15, 2001, and December 4, 2014, respectively, as supplemented by Resolution No. 17-02, duly adopted by the City Council on January 19, 2017 (collectively, the "Bond Ordinance"). The Bonds shall be dated the date of delivery.

The proceeds of the sale of the Bonds will be used to (i) advance refund all or a portion of the Issuer's outstanding Water and Sewer Revenue Bonds, Series 2009A (the "Series 2009A Bonds") and Water and Sewer Revenue Refunding Bonds, Series 2011 (the "Series 2011 Bonds," the refunded portion thereof, collectively with the refunded portion of the Series 2009A Bonds, being referred to herein as the "Refunded Bonds") and (ii) pay certain costs of issuance associated with the Bonds.

The Bonds will be secured from Net Revenues of the System, pursuant to the provisions of the Bond Ordinance. The Bonds shall mature in the years, bear interest, be purchased at the prices and be subject to optional and mandatory redemption at the times and in the amounts, all as set forth in Schedule I attached hereto. The Authorized Denominations, Record Dates, Interest Payment Dates, mandatory redemption provisions, and other details and particulars of the Bonds shall be as described in the Bond Ordinance and the Official Statement (as defined below) of the Issuer.

The disclosure statement required by Section 218.385, Florida Statutes, is attached hereto as Exhibit A.

3. Public Offering. The Underwriters agree to make a *bona fide* public offering of the Bonds at a price not in excess of the initial offering price or prices or yields not less than the yields set forth on the inside cover page of the printed paper form of the Official Statement of the Issuer; *provided, however*, the Underwriters reserve the right to change such initial public offering prices as the Underwriters deem necessary or desirable, in their sole discretion, in connection with the marketing of the Bonds, and may offer and sell the Bonds to certain dealers, unit investment trusts and money market funds, certain of which may be sponsored or managed by one or more of the Underwriters at prices lower than the public offering prices or yields greater than the yields set forth therein. The Representative shall provide to the Issuer a certificate setting forth the offering prices of the Bonds in substantially the form set forth on Exhibit B.

Delivered to the Issuer herewith is a corporate check or checks payable to its order in the amount of \$\_\_\_\_\_ for the Bonds (the "Good Faith Check"). If the Issuer does not accept this offer, the Issuer shall promptly return the Good Faith Check to the Representative. If it accepts this offer, the Issuer agrees to hold the Good Faith Check uncashed until the Closing (as defined herein). At the Closing and upon the delivery of the Bonds, the Issuer shall return the Good Faith Check to the Representative, and the Underwriters shall pay the Issuer the entire purchase price of the Bonds. If the Issuer fails to deliver the Bonds at the Closing, or if the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriters set forth in this Purchase Agreement (unless waived by the Underwriters), or if the obligations of the Underwriters shall be terminated for any reason permitted by this Purchase Agreement, the Issuer shall promptly return the Good Faith Check to the Representative, and such return shall constitute a full release and discharge of all claims and rights hereunder of the Underwriters against the Issuer. If the Underwriters fail (other than for a reason permitted herein) to accept delivery of and to pay for the Bonds at the Closing as herein provided, the Issuer shall retain and cash the Good Faith Check as and for full liquidated damages for such failure and for any defaults hereunder on the part of the Underwriters and, except as set forth in this Section and Sections 5 and 10 hereof, neither party shall have any further rights against the other hereunder. No interest shall be paid by the Issuer upon the principal amount of the Good Faith Check.

4. Delivery of the Official Statement and Other Documents.

(a) The Issuer has delivered or caused to be delivered to the Underwriters copies of the Preliminary Official Statement dated January \_\_\_\_, 2017, which, together with the cover page and appendices thereto, is herein referred to as the "Preliminary Official Statement." It is acknowledged by the Issuer that the Underwriters may deliver the Preliminary Official Statement and a final Official Statement (as hereinafter defined) electronically over the internet and in printed paper form. For purposes of this Purchase Agreement, the printed paper form of the Preliminary Official Statement and the Official Statement are deemed controlling. The Issuer deems the Preliminary Official Statement final as of its date and as of the date hereof for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), except for any information which is permitted to be omitted therefrom in accordance with paragraph (b)(1) thereof.

(b) Within seven (7) business days from the date hereof, and in any event not later than two (2) business days before the Closing Date (as defined herein), the Issuer shall deliver to the Underwriters a final Official Statement relating to the Bonds dated the date hereof (such Official Statement, including the cover page, and all appendices attached thereto, together with all information previously permitted to have been omitted by Rule 15c2-12 and any amendments or supplements and statements incorporated by reference therein or attached thereto, as have been approved by the Issuer, Bond Counsel, Disclosure Counsel and the Representative, is referred to herein as the "Official Statement") and such additional conformed copies thereof as the Representative may reasonably request in sufficient quantities to comply with Rule 15c2-12, rules of the Municipal Securities Rulemaking Board ("MSRB") and to meet potential customer requests for copies of the Official Statement. The Underwriters agree to file a copy of the Official Statement, including any amendments or supplements thereto prepared by the Issuer, with the MSRB on its Electronic Municipal Markets Access ("EMMA") system. The

Issuer shall execute the Official Statement by an authorized officer of the Issuer. The Official Statement shall be in substantially the same form as the Preliminary Official Statement and, other than information previously permitted to have been omitted by Rule 15c2-12, the Issuer shall only make such other additions, deletions and revisions in the Official Statement which are approved by the Representative. The Underwriters hereby agree to cooperate and assist in the preparation of the Official Statement. The Issuer hereby agrees to deliver to the Underwriters an electronic copy of the Official Statement in a form that permits the Underwriters to satisfy their obligations under the rules and regulations of the MSRB and the U.S. Securities and Exchange Commission ("SEC"). The Issuer hereby ratifies, confirms and approves the use and distribution by the Underwriters before the date hereof of the Preliminary Official Statement and hereby authorizes the Underwriters to use the Official Statement and the Bond Ordinance in connection with the public offering and sale of the Bonds.

(c) In order to assist the Underwriters in complying with Rule 15c2-12, the Issuer will undertake, pursuant to the Continuing Disclosure Certificate of the Issuer, dated as of the date of delivery of the Bonds (the "Disclosure Certificate"), to provide annual financial information and notices of the occurrence of specified events. A description of the Disclosure Certificate is set forth in, and a form of such agreement is attached as an appendix to, the Preliminary Official Statement and the Official Statement.

5. Representations. The Issuer represents to and agrees with the Underwriters that:

(a) The Issuer is duly organized and validly existing, with full legal right, power and authority to issue, sell and deliver the Bonds to the Underwriters pursuant to the Act and the Bond Ordinance, and to execute, deliver and perform its obligations, as the case may be, under this Purchase Agreement, the Bond Ordinance, the Bonds, the Disclosure Certificate, the Escrow Deposit Agreement by and between the Issuer and U.S. Bank National Association dated as of the Closing Date and pertaining to the refunding of the Refunded Bonds (the "Escrow Agreement") and the Paying Agent Agreement by and between the Issuer and U.S. Bank National Association as Registrar and Paying Agent for the Bonds dated as of the Closing Date (the "Paying Agent Agreement") (collectively, the "Legal Documents") and to perform and consummate all obligations and transactions required or contemplated by each of the Legal Documents and the Official Statement.

(b) The Bond Ordinance approving and authorizing the execution and delivery by the Issuer of the Legal Documents was duly enacted at meetings of the City Council of the Issuer called and held pursuant to law and with all public notice required by law and at which quorums were present and acting throughout, and is in full force and effect and has not been amended or repealed.

(c) The Bond Ordinance and the Bonds conform to the descriptions thereof contained in the Official Statement, and the Bonds, when duly issued and authenticated in accordance with the Bond Ordinance and delivered to the Underwriters as provided herein, will be validly issued and outstanding obligations of the Issuer, entitled to the benefits of the Bond Ordinance and payable from the sources therein specified.

(d) The Issuer has executed and delivered, or will execute and deliver on or before the Closing Date, each of the Legal Documents. Each of the Legal Documents constitutes, or will, as of the Closing Date, constitute, a legal, valid and binding obligation of the Issuer enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted. To the best knowledge of the Issuer, each of the Legal Documents has been executed and delivered, or will be executed and delivered on or before the Closing Date, by each respective signatory and is currently in full force and effect or, as of the Closing Date, will be in full force and effect.

(e) Except as described in the Official Statement, the Issuer is not in any material respect in breach of or default under any constitutional provision, law or administrative regulation of the State or of the United States or any agency or instrumentality of either, or of any other governmental agency, or any Material Judgment or Agreement (as defined below), and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any Material Judgment or Agreement; and the enactment of the Bond Ordinance, the issuance, delivery and sale of the Bonds and the execution and delivery of the Legal Documents and compliance with and performance of the Issuer's obligations therein and herein will not in any material respect conflict with, violate or result in a breach of or constitute a default under, any such constitutional provision, law, administrative regulation or any Material Judgment or Agreement, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Issuer or under the terms of any such law, administrative regulation or Material Judgment or Agreement. As used herein, the term "Material Judgment or Agreement" means any judgment or decree or any loan agreement, indenture, bond, note or resolution or any material agreement or other instrument to which the Issuer is a party or to which the Issuer or any of its property or assets is otherwise subject (including, without limitation, the Act, the Bond Ordinance and the Legal Documents).

(f) All approvals, consents and orders of any governmental authority, board, agency, council, commission or other body having jurisdiction which would constitute a condition precedent to the performance by the Issuer of its obligations hereunder and under the Legal Documents have been obtained; *provided*, that the Issuer makes no representations as to any approvals, consents or other actions which may be necessary to qualify the Bonds for offer and sale under Blue Sky or other state securities laws or regulations.

(g) Any certificates executed by any officer of the Issuer and delivered to the Underwriters pursuant hereto or in connection herewith shall be deemed a representation and warranty of the Issuer as to the accuracy of the statements therein made.

(h) Between the date hereof and the time of the Closing, the Issuer shall not, without the prior written consent of the Representative, offer or issue in any material amount any bonds, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, except in the course of normal business operations of the Issuer or except for such borrowings as may be described in or contemplated by the Official Statement.

(i) The audited financial statements of the Issuer as of September 30, 2015, as well as any unaudited information as of September 30, 2016 provided by the Issuer for inclusion in the Official Statement, fairly represent the receipts, expenditures, assets, liabilities and cash balances of such amounts and, insofar as presented, other funds of the Issuer as of the dates and for the periods therein set forth. Except as disclosed in the Official Statement or otherwise disclosed in writing to the Underwriters, there has not been any materially adverse change in the financial condition of the Issuer or in its operations since September 30, 2015, and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(j) Except for information which is permitted to be omitted pursuant to Rule 15c2-12(b)(1), the Preliminary Official Statement (excluding therefrom the information under the caption "DESCRIPTION OF THE SERIES 2017 BONDS – Book-Entry Only System" or information under the caption "UNDERWRITING" that has been provided by the Underwriters, as to each of which no representations or warranties are made), as of its date and as of the date hereof was and is true and correct in all material respects and did not and does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) The Official Statement is, as of its date and at all times after the date of the Official Statement (excluding therefrom the information under the caption "DESCRIPTION OF THE SERIES 2017 BONDS – Book-Entry Only System" or information under the caption "UNDERWRITING" that has been provided by the Underwriters, as to each of which no representations or warranties are made) up to and including the Closing Date will be, true and correct in all material respects and will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(l) If the Official Statement is supplemented or amended, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended) at all times subsequent thereto up to and including the time of the Closing, the Official Statement as so supplemented or amended will be true and correct in all material respects and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(m) If between the date hereof and the time of Closing, any event shall occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Issuer shall notify the Representative thereof, and if, in the opinion of the Representative, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer shall promptly (and in any event before the Closing) prepare and furnish (at the expense of the Issuer) a reasonable number of copies of an

amendment of or supplement to the Official Statement in form and substance satisfactory to the Representative.

(n) Except as described in the Preliminary Official Statement, no litigation, proceeding or official investigation of any governmental or judicial body is pending against the Issuer or against any other party of which the Issuer has notice or, to the knowledge of the Issuer, threatened against the Issuer, (i) seeking to restrain or enjoin the issuance, sale or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, (ii) in any way contesting or affecting any authority for the issuance of the Bonds or the validity or binding effect of any of the Legal Documents, (iii) which is in any way contesting the creation, existence, powers or jurisdiction of the Issuer or the validity or effect of the Bond Ordinance or the Act or any provision thereof or the application of the proceeds of the Bonds, including, without limitation, the refunding of the Refunded Bonds, or (iv) which, if adversely determined, could materially adversely affect the financial position or operating condition of the Issuer or the transactions contemplated by the Official Statement or any of the Legal Documents. The Issuer shall advise the Representative promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Preliminary Official Statement or the Official Statement in connection with the offering, sale or distribution of the Bonds.

(o) Except as described in the Preliminary Official Statement, during the last five years, the Issuer has not failed to materially comply with any previous undertaking relating to continuing disclosure of information pursuant to Rule 15c2-12.

(p) The Issuer has the authority to advance refund the Refunded Bonds as described in the Preliminary Official Statement.

All representations, warranties and agreements of the Issuer shall remain operative and in full force and effect, regardless of any investigations made by any of the Underwriters or on the Underwriters' behalf, and shall survive the delivery of the Bonds.

6. Closing. At 10 A.M., Eastern Standard Time, on \_\_\_\_\_, 2017, or at such other time or date as the Representative and the Issuer may mutually agree upon as the date and time of the Closing (the "Closing Date"), the Issuer will deliver or cause to be delivered to the Underwriters, at the offices of Bryant Miller Olive P.A. ("Bond Counsel"), or at such other place as the Representative and the Issuer may mutually agree upon, the Bonds, through the facilities of The Depository Trust Company, New York, New York ("DTC"), duly executed and authenticated, and the other documents specified in Section 7 (the "Closing"). At the Closing, (a) upon satisfaction of the conditions herein specified, the Underwriters shall accept the delivery of the Bonds, and pay the purchase price therefor in federal funds payable to the account of the Issuer and (b) the Issuer shall deliver or cause to be delivered the Bonds to the Underwriters through the facilities of DTC in definitive or temporary form, duly executed by the Issuer and in the authorized denominations as specified by the Representative at the Closing, and the Issuer shall deliver the other documents hereinafter mentioned. The Bonds shall be made available to the Underwriters at least one (1) business day before the Closing Date for purposes of inspection.

7. Conditions Precedent. The Underwriters have entered into this Purchase Agreement in reliance upon the representations and agreements of the Issuer contained herein and the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the Closing Date.

(a) The Underwriters' obligations under this Purchase Agreement are and shall be subject to the following further conditions:

(i) The representations of the Issuer contained herein shall be true, complete and correct in all material respects on the date of acceptance hereof and on and as of the Closing Date.

(ii) At the time of the Closing, the Official Statement, the Bond Ordinance and the Legal Documents shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Representative.

(iii) The Issuer shall perform or have performed all of its obligations required under or specified in the Bond Ordinance, the Legal Documents and the Official Statement to be performed at or prior to the Closing.

(iv) The Issuer shall have delivered to the Underwriters final Official Statements by the time, and in the numbers, required by Section 4 of this Purchase Agreement.

(v) As of the date hereof and at the time of Closing, all necessary official action of the Issuer relating to the Legal Documents and the Official Statement shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect.

(vi) After the date hereof, up to and including the time of the Closing, there shall not have occurred any change in or particularly affecting the Issuer, the Act, the Bond Ordinance, the Legal Documents, the System or the Net Revenues as the foregoing matters are described in the Official Statement, which in the reasonable professional judgment of the Representative materially impairs the investment quality of the Bonds.

(vii) At or prior to the Closing, the Representative shall receive the following documents (in each case with only such changes as the Representative shall approve):

(1) The approving opinion of Bond Counsel relating to the Bonds, dated the Closing Date, substantially in the form attached as Appendix E to the Official Statement, and a reliance letter with respect thereto addressed to the Underwriters;

(2) The supplemental opinion of Bond Counsel, addressed to the Underwriters, dated the Closing Date, to the effect that:

(A) This Purchase Agreement has been duly executed and delivered by the Issuer and is a legal, valid and binding obligation of the Issuer



enforceable in accordance with its terms, subject to laws relating to bankruptcy, insolvency, reorganization or creditors' rights generally, to the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State of Florida;

- (B) The statements contained in the Official Statement on the cover page and in the sections entitled "INTRODUCTION," "DESCRIPTION OF THE SERIES 2017 BONDS" (other than the information concerning DTC and its book-entry system), "SECURITY FOR THE SERIES 2017 BONDS," and "SUMMARY OF 2014 AMENDING ORDINANCE," insofar as such statements expressly summarize certain provisions of the Bond Ordinance and the Bonds, are accurate summaries of the provisions purported to be summarized, and the form and content of such counsel's opinion attached as Appendix E to the Official Statement and the statements under the section "TAX MATTERS" are accurate; and
- (C) The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended (the "1933 Act") and the Bond Ordinance is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act");

(3) An opinion of Bond Counsel, dated the Closing Date and addressed to the Issuer and the Underwriters, in such form as is acceptable to the Issuer and the Representative, to the effect that the Refunded Bonds have been legally defeased and are no longer outstanding under the Bond Ordinance;

(4) An opinion, dated the Closing Date and addressed to the Underwriters, from Nabors Giblin & Nickerson, P.A., Disclosure Counsel, to the effect that:

- (A) Based upon the information made available to them in the course of their participation in the preparation of the Official Statement and without passing on and without assuming any responsibility for the accuracy, completeness and fairness of the statements in the Official Statement, and having made no independent investigation or verification thereof, nothing has come to their attention which would lead them to believe that the Official Statement as of its date and as of the Closing Date (excluding therefrom any information in the Official Statement relating to DTC, the operation of its book-entry system or any other financial or statistical data or projections or estimates or expressions of opinion included in the Official Statement and the appendices thereto, as to which no opinion need be expressed) contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements

therein, in the light of the circumstances under which they were made, not misleading in any material respect;

(5) The opinion of Pamela K. Akin, Esq., the City Attorney of the Issuer, dated the date of the Closing and addressed to the Underwriters, to the effect that:

- (A) The Issuer has been duly organized and is validly existing under the Constitution and laws of the State of Florida, and has all requisite power and authority thereunder: (a) to adopt the Bond Ordinance, and to enter into, execute, deliver and perform its covenants and agreements under the Legal Documents; (b) to approve and authorize the use, execution and distribution of the Preliminary Official Statement and the Official Statement; (c) to issue, sell, execute and deliver the Bonds; (d) to pledge the Net Revenues as contemplated by the Legal Documents; and (e) to carry on its activities as currently conducted;
- (B) The Issuer has taken all actions required to be taken by it before the Closing Date material to the transactions contemplated by the documents mentioned in paragraph (a) above, and the Issuer has duly authorized the execution and delivery of, and the due performance of its obligations under, the Legal Documents;
- (C) The Bond Ordinance was duly enacted by the City Council of the Issuer at meetings of the governing body of the Issuer which were called and held pursuant to law and with all required notices and in accordance with all applicable open meetings laws and at which quorums were present and acting at the time of the enactment of the Bond Ordinance;
- (D) The enactment of the Bond Ordinance, the execution and delivery by the Issuer of the Legal Documents and the compliance with the provisions of the Legal Documents, do not and will not conflict with or violate in any material respect any Florida constitutional, statutory or regulatory provision, or, to the best of such counsel's knowledge after due inquiry, conflict with or constitute on the part of the Issuer a material breach of or default under any agreement or instrument to which the Issuer is a party or by which it is bound;
- (E) The Legal Documents have been duly authorized and executed by the Issuer, are in full force and effect and constitute legal, valid and binding obligations of the Issuer and are enforceable according to the terms thereof, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights generally, and by the application of equitable principles if equitable remedies are sought, by the exercise of

judicial discretion and the limitations on legal remedies against public entities in the State;

- (F) No litigation is pending or, to the best of such counsel's knowledge after due inquiry, threatened against the Issuer in any court in any way affecting the titles of the officials of the Issuer to their respective positions, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, or the collection of revenues pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bond Ordinance or the Legal Documents, or contesting in any way the completeness or accuracy of the Official Statement, or contesting the powers of the Issuer or its authority with respect to the Bond Ordinance or the Legal Documents;
- (G) The information contained in the Official Statement under the captions "INTRODUCTION" pertaining to the Issuer and "LITIGATION" does not contain any untrue statement of a material fact and does not omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;
- (H) To the best of such counsel's knowledge after due inquiry, no authorization, approval, consent or other order of the State or any local agency of the State, other than such authorizations, approvals and consents which have been obtained, is required for the valid authorization, execution and delivery by the Issuer of the Legal Documents and the authorization and distribution of the Preliminary Official Statement and the Official Statement (provided that no opinion need be expressed as to any action required under state securities or Blue Sky laws in connection with the purchase of the Bonds by the Underwriters); and
- (I) To the best of such counsel's knowledge after due inquiry, the Issuer is not in breach of or default under any applicable law or administrative regulation of the State or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or is otherwise subject, which breach or default would materially adversely affect the Issuer's ability to enter into or perform its obligations under the Legal Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument and which would materially adversely

affect the Issuer's ability to enter into or perform its obligations under the Legal Documents;

(6) The opinion of GrayRobinson, P.A., counsel to the Underwriters, dated the date of the Closing and addressed to the Underwriters, and covering such matters as the Representative may reasonably request;

(7) A certificate, dated the Closing Date, signed by the Mayor, the City Manager and the City Clerk of the Issuer to the effect that: (a) the representations and agreements of the Issuer contained herein are true and correct in all material respects as of the Closing Date; (b) the Legal Documents have been duly executed on behalf of the Issuer by representatives of the Issuer named therein; (c) except as described in the Official Statement, no litigation is pending or, to his or her knowledge, threatened (i) seeking to restrain or enjoin the issuance or delivery of any of the Bonds, (ii) in any way contesting or affecting any authority for the issuance of the Bonds or the validity of the Bonds, the Bond Ordinance or any Legal Document, (iii) in any way contesting the creation, existence or powers of the Issuer or the validity or effect of the Act or any provision thereof or the application of the proceeds of the Bonds, including without limitation the refunding of the Refunded Bonds, or (iv) which, if adversely determined, could materially adversely affect the financial position or operating condition of the Issuer or the transactions contemplated by the Official Statement or any Legal Document; and (d) the Official Statement is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except no review has been made of information in the Official Statement under the caption "DESCRIPTION OF THE SERIES 2017 BONDS – Book-Entry Only System" or under the caption "UNDERWRITING" that has been provided by the Underwriters;

(8) A certificate, dated the Closing Date, signed by the Financial Director of the Issuer, in form and substance satisfactory to the Representative, to the effect that (i) the financial statements of the Issuer as of September 30, 2015, as well as any unaudited information as of September 30, 2016 provided by the Issuer for inclusion in the Official Statement, fairly represent the receipts, expenditures, assets, liabilities and cash balances of such amounts and, insofar as presented, other funds of the Issuer as of the dates and for the periods therein set forth and (ii) except as disclosed in the Official Statement, since September 30, 2015, no materially adverse change has occurred, or any development involving a prospective material change, in the financial position or results of operations of the Issuer, and the Issuer has not incurred since September 30, 2015, any material liabilities other than in the ordinary course of business or as set forth in or contemplated by the Official Statement;

(9) Certified copies of the Bond Ordinance;

- (10) Executed or certified copies of each other Legal Document;
- (11) A Tax Certificate of the Issuer, in form satisfactory to Bond Counsel, executed by such officials of the Issuer as shall be satisfactory to the Representative;
- (12) Evidence satisfactory to the Representative of the assignment of long-term ratings to the Bonds by S&P Global Ratings and Moody's Investors Service not lower than "\_\_\_\_" and "\_\_\_\_," respectively;
- (13) The verification report of Causey Demgen & Moore P.C. with respect to the Refunded Bonds, in form and substance satisfactory to the Underwriters;
- (14) Copies of the "City of Clearwater FY 2016 Water & Sewer Revenue Sufficiency Analysis" dated July 21, 2016, prepared by Burton & Associates (the "Rate Study");
- (15) A certificate of an authorized officer of Burton & Associates, dated as of the Closing Date, to the effect that (i) Burton & Associates consents to the inclusion of the Rate Study in the Preliminary Official Statement and the Official Statement and to the references to Burton & Associates therein, (ii) to the best of our knowledge, there has been no change which would materially adversely affect the assumptions made or the conclusions reached in the Rate Study, and the considerations and assumptions used in compiling the Rate Study were reasonable, and (iii) the information set forth in the Preliminary Official Statement and the Official Statement under the caption "THE WATER AND SEWER SYSTEM" provided by Burton & Associates and in "APPENDIX F: FISCAL YEAR 2016 WATER AND SEWER REVENUE SUFFICIENCY ANALYSIS (RATE STUDY)" [and "APPENDIX G: SCHEDULE OF RATES, FEES AND CHARGES"] did not as of the respective dates of the Preliminary Official Statement and the Official Statement, and does not as of the Closing Date, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;
- (16) A certificate of an authorized officer of U.S. Bank National Association (the "Bank"), as escrow agent, paying agent and registrar, dated as of the Closing Date, to the effect that: (a) the Bank is a national banking association organized and existing under and by virtue of the laws of the United States, having the full power and being qualified to enter into and perform its duties under the Escrow Agreement and the Paying Agent Agreement; (b) the Bank is duly authorized to enter into the Escrow Agreement and the Paying Agent Agreement; (c) when delivered to and paid for by the Underwriters at the Closing, the Bonds will have been duly authenticated in accordance with the terms of the Bond Ordinance; (d) the execution and delivery of the Escrow Agreement and the Paying Agent Agreement, and compliance with the provisions on the Bank's part

contained therein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, note, resolution, agreement or other instrument to which the Bank is a party or is otherwise subject (except that no representation, warranty or agreement is made with respect to any federal or state securities or blue sky laws or regulations), which conflict, breach or default would materially impair the ability of the Bank to perform its obligations under the Escrow Agreement or the Paying Agent Agreement, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets held by the Bank pursuant to the Escrow Agreement or the Paying Agent Agreement under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Bond Ordinance, the Escrow Agreement or the Paying Agent Agreement; and (e) to the best of the knowledge of the Bank, it has not been served with any action, suit, proceeding, inquiry or investigation in law or in equity, before or by any court, governmental agency, public board or body, nor is any such action or other proceeding threatened against the Bank, affecting the existence of the Bank, or the titles of its officers to their respective offices or seeking to prohibit, restrain, or enjoining the execution and delivery of the Bonds or the collection of revenues to be applied to pay the principal, premium, if any, and interest with respect to the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Escrow Agreement or the Paying Agent Agreement, or contesting the powers of the Bank or its authority to enter into, adopt or perform its obligations under any of the foregoing to which it is a party, wherein an unfavorable decision, ruling or funding would materially adversely affect the validity or enforceability of the Escrow Agreement or the Paying Agent Agreement or the power and authority of the Bank to enter into and perform its duties thereunder;

(17) Evidence that a Form 8038-G relating to the Bonds has been executed by the Issuer and will be filed with the Internal Revenue Service (the "IRS") within the applicable time limit:

(18) A copy of the Blue Sky Survey with respect to the Bonds;

(19) A copy of the Issuer's executed Blanket Letter of Representation to The Depository Trust Company; and

(20) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Representative, counsel for the Underwriters or Bond Counsel may reasonably request to evidence compliance by the Issuer with legal requirements, the truth and accuracy, as of the time of Closing, of the representations of the Issuer herein contained and the due performance or satisfaction by the Issuer at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Issuer and all

conditions precedent to the issuance of additional Bonds pursuant to the Bond Ordinance shall have been fulfilled.

8. Termination. If the Issuer shall be unable to satisfy the conditions to the Underwriters' obligations contained in this Purchase Agreement, or if the Underwriters' obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be cancelled by the Representative at, or at any time before, the time of the Closing. Notice of such cancellation shall be given by the Representative to the Issuer in writing, or by telephone confirmed in writing. The performance by the Issuer of any and all conditions contained in this Purchase Agreement for the benefit of the Underwriters may be waived by the Representative.

(a) The Underwriters shall also have the right, before the time of Closing, to cancel their obligations to purchase the Bonds, by written notice by the Representative to the Issuer, if between the date hereof and the time of Closing:

(i) Any event or circumstance occurs or information becomes known, which, in the professional judgment of the Representative, makes untrue any statement of a material fact set forth in the Official Statement or results in an omission to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; or

(ii) The market for the Bonds or the market prices of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds shall have been materially and adversely affected, in the professional judgment of the Representative, by:

(1) An amendment to the Constitution of the United States or the State of Florida shall have been passed or legislation shall have been introduced in or enacted by the Congress of the United States or the legislature of any state having jurisdiction of the subject matter or legislation pending in the Congress of the United States shall have been amended or legislation shall have been recommended to the Congress of the United States or to any state having jurisdiction of the subject matter or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation shall have been proposed for consideration by either such Committee by any member thereof or presented as an option for consideration by either such Committee by the staff of such Committee or by the staff of the joint Committee on Taxation of the Congress of the United States, or legislation shall have been favorably reported for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States or of the State of Florida or the Tax Court of the United States, or a ruling shall have been made or a regulation or temporary regulation shall have been proposed or made or any other release or

announcement shall have been made by the Treasury Department of the United States, the Internal Revenue Service or other federal or State of Florida authority, with respect to federal or State of Florida taxation upon revenues or other income of the general character to be derived by the Issuer or upon interest received on obligations of the general character of the Bonds which, in the judgment of the Representative, may have the purpose or effect, directly or indirectly, of affecting the tax status of the Issuer, its property or income, its securities (including the Bonds) or the interest thereon, or any tax exemption granted or authorized by federal or State of Florida legislation; or

(2) The declaration of war or engagement in or escalation of military hostilities by the United States or the occurrence of any other national emergency or calamity or terrorism affecting the operation of the government of, or the financial community in, the United States; or

(3) The declaration of a general banking moratorium by federal, New York or Florida authorities; or

(4) The occurrence of a major financial crisis, a material disruption in commercial banking or securities settlement or clearance services, or a material disruption or deterioration in the fixed income or municipal securities market; or

(5) Additional material restrictions not in force or being enforced as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; or

(6) The general suspension of trading on any national securities exchange; or

(iii) Legislation enacted, introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the Tax Court of the United States, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter shall have been made or issued to the effect that the Bonds, other securities of the Issuer or obligations of the general character of the Bonds are not exempt from registration under the 1933 Act, or that the Bond Ordinance is not exempt from qualification under the Trust Indenture Act; or

(iv) Any change in or particularly affecting the Issuer, the Act, the Bond Ordinance, the Legal Documents or the Net Revenues as the foregoing matters are described in the Official Statement, which in the professional judgment of the Representative materially impairs the investment quality of the Bonds; or

(v) An order, decree or injunction of any court of competent jurisdiction, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including any or all



underlying obligations, as contemplated hereby or by the Preliminary Official Statement or the Official Statement, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws as amended and then in effect; or

(vi) A stop order, ruling, regulation or official statement by the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the Bonds, or the execution and delivery of any Legal Documents, as contemplated hereby or by the Preliminary Official Statement or the Official Statement, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws, including the 1933 Act, the Securities Exchange Act of 1934 or the Trust Indenture Act, each as amended and as then in effect; or

(vii) Any litigation shall be instituted or be pending at the time of the Closing to restrain or enjoin the issuance, sale or delivery of the Bonds, or in any way contesting or affecting any authority for or the validity of the proceedings authorizing and approving the Act, the Bond Ordinance, the Legal Documents or the existence or powers of the Issuer with respect to its obligations under the Legal Documents; or

(viii) A reduction or withdrawal in any of the following assigned ratings, or, as of the Closing Date, the failure by any of the following rating agencies to assign the following ratings, to the Bonds: long-term ratings by S&P Global Ratings and Moody's Investors Service not lower than "\_\_\_\_" and "\_\_\_\_," respectively.

9. Amendments to Official Statement. During the period commencing on the Closing Date and ending twenty-five (25) days from the end of the underwriting period, the Issuer shall advise the Representative if any event relating to or affecting the Official Statement shall occur as a result of which it may be necessary or appropriate to amend or supplement the Official Statement in order to make the Official Statement not misleading in light of the circumstances existing at the time it is delivered to a purchaser or "potential customer" (as defined for purposes of Rule 15c2-12). If any such event occurs and in the reasonable judgment of the Representative and the Issuer, an amendment or supplement to the Official Statement is appropriate, the Issuer shall, at its expense, forthwith prepare and furnish to the Underwriters a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to counsel for the Underwriters) that will amend or supplement the Official Statement so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser or "potential customer," not misleading.

10. Expenses. All expenses and costs of the Issuer incident to the performance of its obligations in connection with the authorization, issuance and sale of the Bonds to the Underwriters, including the costs of printing or reproduction of the Bonds, the Legal Documents and the Official Statement in reasonable quantities, fees of consultants, fees of rating agencies, advertising expenses, fees and expenses of the Bank pursuant to the Escrow Agreement and the Paying Agent Agreement, and fees and expenses of counsel to the Issuer, Bond Counsel and

Disclosure Counsel, shall be paid by the Issuer from the proceeds of the Bonds or other revenues of the Issuer. The Issuer shall be solely responsible for and shall pay for any expenses incurred by the Underwriters on behalf of the Issuer's employees and representatives which are incidental to implementing this Purchase Agreement, including, but not limited to, meals, transportation, lodging, and entertainment of those employees and representatives. All expenses and costs of the Underwriters incurred under or pursuant to this Purchase Agreement, including, without limitation, the cost of preparing this Purchase Agreement and other Underwriter documents, travel expenses, continuing disclosure compliance review fees and the fees and expenses of counsel to the Underwriters, shall be paid by the Underwriters (which may be included as an expense component of the Underwriters' discount).

11. Use of Documents. The Issuer hereby authorizes the Underwriters to use, in connection with the public offering and sale of the Bonds, this Purchase Agreement, the Preliminary Official Statement, the Official Statement and the Legal Documents, and the information contained herein and therein.

12. Qualification of Securities. The Issuer will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Representative may reasonably request to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Representative may designate and to provide for the continuance of such qualification; *provided, however*, that the Issuer will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any state.

13. Notices. Any notice or other communication to be given to the Issuer under this Purchase Agreement may be given by delivering the same in writing to: 100 S. Myrtle Avenue, 3<sup>rd</sup> Floor, Clearwater, Florida 33756, Attn: Finance Director, and any such notice or other communication to be given to the Underwriter may be given by delivering the same in writing to: 250 S. Park Avenue, Suite 400, Winter Park, Florida 32789, Attn: Coleman Cordell, Managing Director.

14. Benefit. This Purchase Agreement is made solely for the benefit of the Issuer and the Underwriters (including their successors or assigns) and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. Except as otherwise expressly provided herein, all of the agreements and representations of the Issuer contained in this Purchase Agreement and in any certificates delivered pursuant hereto shall remain operative and in full force and effect regardless of: (i) any investigation made by or on behalf of the Underwriters; (ii) delivery of and payment for the Bonds hereunder; or (iii) any termination of this Purchase Agreement, other than pursuant to Section 8.

15. Attorneys' Fees. In the event of a dispute arising under this Purchase Agreement, the prevailing party shall have the right to collect from the other party its reasonable costs and necessary disbursements and attorneys' fees incurred in enforcing this Purchase Agreement.

16. Governing Law. THIS PURCHASE 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 NEW YORK WITHOUT REGARD TO CHOICE OF LAW RULES (OTHER THAN NEW YORK GENERAL OBLIGATIONS LAWS SECTION 5-1401 AND 5-1402); PROVIDED, HOWEVER, THAT THE OBLIGATION OF THE ISSUER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA.

17. Counterparts. This Purchase Agreement may be executed in several counterparts, each of which shall be deemed an original hereof.

[Signature Pages Follow]

Very truly yours,

By: MERRILL LYNCH, PIERCE, FENNER & SMITH  
INCORPORATED, as Representative

By: \_\_\_\_\_  
Coleman Cordell, Managing Director

Approved and Agreed to: \_\_\_\_\_, 2017

CITY OF CLEARWATER, FLORIDA

By: \_\_\_\_\_  
George N. Cretekos, Mayor

By: \_\_\_\_\_  
William B. Horne, II, City Manager

## SCHEDULE I

### Principal Amounts, Interest Rates and Prices

[To Come]

### Optional and Mandatory Redemption

#### *Optional Redemption.*

The Bonds maturing on December 1, 20\_\_\_ and thereafter will be subject to optional redemption prior to their respective maturity dates beginning on December 1, 20\_\_\_, at 100% of the par value thereof.

#### *Mandatory Redemption.*

The Bonds maturing on December 1, 20\_\_\_ will be subject to mandatory redemption prior to maturity, selected by lot, or in such manner as the Registrar may deem appropriate, at a redemption price equal to par plus accrued interest to the redemption date, on December 1, 20\_\_\_ and each December 1 thereafter, from amounts deposited in the Redemption Account in the Bond Service Fund established by the Bond Ordinance, in the following years and amounts as follows:

<u>Year</u>	<u>Amount</u>
-------------	---------------

\*

---

\* Maturity

**EXHIBIT A**

**DISCLOSURE STATEMENT**

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

**CITY OF CLEARWATER, FLORIDA  
WATER AND SEWER REVENUE REFUNDING BONDS, SERIES 2017**

\_\_\_\_\_, 2017

City Council of City of Clearwater  
Clearwater, Florida

Ladies and Gentlemen:

In connection with the proposed issuance by City of Clearwater, Florida (the "Issuer") of the issue of bonds referred to above (the "Bonds"), Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representative (the "Representative"), on behalf of itself and RBC Capital Markets, LLC and Wells Fargo Bank, National Association (collectively, the "Underwriters"), has agreed to underwrite a public offering of the Bonds. Arrangements for underwriting the Bonds will include a Bond Purchase Agreement dated the date hereof between the Issuer and the Underwriters (the "Purchase Contract"). Capitalized terms used but not defined herein shall have the meanings assigned to them in the Purchase Contract.

The purpose of this letter is to furnish, pursuant to the provisions of Sections 218.385(2), (3) and (6), Florida Statutes, certain information in respect to the arrangement contemplated for the underwriting of the Bonds as follows:

(a) The nature and estimated amount of expenses to be incurred by the Underwriters in connection with the issuance of the Bonds are set forth on Schedule A-I attached hereto.

(b) There are no "finders," as that term is defined in Section 218.386, Florida Statutes, connected with the issuance of the Bonds.

(c) The amount of underwriting spread, including the management fee, expected to be realized is as follows:

	<u>Per \$1,000</u>	<u>Dollar Amount</u>
Average Takedown	\$	\$
Underwriters' Expenses		
Management Fee		
Total Underwriting Spread	<hr/> \$	<hr/> \$

No other fee, bonus or other compensation is estimated to be paid by the Underwriters in connection with the issuance of the Bonds to any person not regularly employed or retained by the Underwriters, except as described in Schedule A-I attached hereto.

(e) The name and address of the Representative are set forth below:

Merrill Lynch, Pierce, Fenner & Smith Incorporated  
250 S. Park Avenue, Suite 400  
Winter Park, Florida 32789

(f) The Issuer is proposing to issue \$\_\_\_\_\_ of its Water and Sewer Revenue Refunding Bonds, Series 2017, for the purposes of, together with other legally available funds of the Issuer, (i) advance refunding all or a portion of the Issuer's outstanding Water and Sewer Revenue Bonds, Series 2009A (the "Series 2009A Bonds") and Water and Sewer Revenue Refunding Bonds, Series 2011 (the "Series 2011 Bonds," the refunded portion thereof, collectively with the refunded portion of the Series 2009A Bonds, being referred to herein as the "Refunded Bonds") and (ii) paying certain costs of issuance associated with the Bonds.

The Bonds are expected to be repaid over a period of approximately \_\_\_\_\_ years (from the Closing Date). At a true interest cost rate of approximately \_\_\_\_\_%, total interest paid over the life of the Bonds will be \$\_\_\_\_\_.

The payment of the principal of, premium, if any, and interest on the Bonds shall be secured forthwith equally and ratably by a pledge of and lien upon the Net Revenues of the System. Authorizing the Bonds will result in an average of \$\_\_\_\_\_ of Net Revenues not being available to finance the other services of the Issuer each year for approximately \_\_\_\_\_ years.

We understand that the Issuer does not require any further disclosure from the Underwriters, pursuant to Sections 218.385(2), (3) and (6), Florida Statutes.

Very truly yours,

MERRILL LYNCH, PIERCE, FENNER & SMITH  
INCORPORATED, as Representative

By: \_\_\_\_\_  
Coleman Cordell, Managing Director

**SCHEDULE A-1**

[ To come ]



## **EXHIBIT B**

### **ISSUE PRICE CERTIFICATE OF THE UNDERWRITER**

This Certificate is furnished by Merrill Lynch, Pierce, Fenner & Smith Incorporated as representative of the underwriters (the "Underwriter") in connection with the sale and issuance by the City of Clearwater, Florida (the "Issuer") of its \$\_\_\_\_\_ aggregate principal amount of its City of Clearwater, Florida Water and Sewer Revenue Refunding Bonds, Series 2017 (the "Bonds") issued \_\_\_\_\_, 2017, and the Underwriter hereby certifies and represents the following, based upon information available to us:

1. Based on our assessment of the then prevailing market conditions, the Underwriter reasonably expected when it agreed to purchase the Bonds (the "Sale Date") that the first prices at which at least 10% of each maturity of the Bonds would be sold by the Underwriter to the general public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (the "Public") would be prices not higher than, or, in the case of obligations sold on a yield basis, at yields not lower than, those listed for each maturity on Schedule A hereto (the "Initial Offering Prices").

2. All of the Bonds have actually been offered to the Public in a bona fide public offering at prices not higher than, or, in the case of obligations sold on a yield basis, at yields not lower than, the Initial Offering Prices.

3. The first price, or yield in the case of obligations sold on a yield basis, at which ten percent (10%) of each maturity of the Bonds has been sold to the Public was at a price not higher than, or, in the case of obligations sold on a yield basis, at a yield not lower than, the Initial Offering Prices [except for the Bonds with the following maturities:].

4. The Underwriter had no reason to believe that any of the Initial Offering Prices of the Bonds exceeded the expected fair market value of the Bonds as of the Sale Date.

We understand that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and by Bryant Miller Olive P.A., in connection with rendering its opinion to the Issuer that the interest on the Bonds is not includable in gross income of the owners thereof for federal income tax purposes. The undersigned is certifying only as to facts in existence on the date hereof. Nothing herein represents the undersigned's interpretation of any laws; in particular the regulations under the Internal Revenue Code of 1986, or the application of any laws to these facts. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein. Although certain information furnished in this Certificate has been derived from other purchasers, bond houses and brokers and cannot be independently verified by us, we have no reason to believe it to be untrue in any material respect.

[Signature Page Follows]

MERRILL LYNCH, PIERCE, FENNER & SMITH  
INCORPORATED, as Representative of the  
Underwriters

By: \_\_\_\_\_  
Coleman Cordell, Managing Director

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