

March 23, 2015

City of Orlando, Florida  
400 South Orange Avenue, 4th Floor  
Orlando, Florida 32801  
Attn: Christopher P. McCullion

Re: Forward Fixed Rate Lock Letter

The City of Orlando, Florida (the "*City*") has requested that Wells Fargo Bank, National Association or an affiliate thereof (the "*Bank*") provide the City with a forward rate commitment (the "*Forward Rate*") for the loan to be evidenced by the City's Capital Improvement Refunding Special Revenue Bond, Series 2015A (the "*Bond*") described in our term sheet dated February 24, 2015 as revised by the term sheet dated March 10, 2015 (the "*Terms and Conditions*"). The Forward Rate is offered at a fixed rate of **[Fixed Rate%]** per annum for a principal amount of not exceeding **[\$6,000,000]** through March 31, 2015 (the "*Rate Lock Expiration Date*"). Principal and interest on the Bond shall be repaid as provided in the resolution of the City adopted March 23, 2015 authorizing the issuance of the Bond and the Direct Purchase Agreement dated March 31, 2015, between the City and the Bank (collectively, the "*Financing Documents*") other documents pursuant to which the Bond is issued.

The Bank hereby commits to the Forward Rate upon the terms and conditions specified herein; *provided, however*, the Bank's purchase of the Bond and the loan to the City evidenced thereby is subject to execution and delivery of the Financing Documents. The Financing Documents must be executed and delivered and purchase of the Bond must occur by a date (the "*Closing Date*") which is no later than the Rate Lock Expiration Date.

By accepting this letter, the City agrees that in the event that for any reason other than by reason of the Bank's failure to comply with the Terms and Conditions the Closing Date does not occur on or before the Rate Lock Expiration Date, the Bank shall not be obligated to provide the Forward Rate and the City shall pay to the Bank a Breakage Fee determined as provided in Exhibit A hereto. Such payment shall be due two (2) business days after the Bank gives notice to the City of the amount thereof, setting forth in reasonable detail the basis for the calculation thereof. A certificate by the Bank as to such amount shall be conclusive if made in good faith. The City acknowledges and agrees that such amount, if any, represents reasonable compensation for loss of bargain and is not a penalty.

The City agrees that the Bank's willingness to lock in the Forward Rate in advance of the Closing Date is sufficient consideration for the City's agreement to pay the amounts due hereunder,

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if any. Any amount due hereunder which is not paid when due shall bear interest until paid at the default rate set forth in the Terms and Conditions.

TO THE EXTENT PERMITTED BY APPLICABLE LAWS, EACH OF THE PARTIES HERETO HEREBY WAIVES ITS RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE BOND OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS.

This letter is governed by the laws of the State of Florida. No modification or waiver of any of the terms of this letter will be valid unless agreed to in writing by the Bank. When accepted, this letter will constitute the entire agreement between the Bank and the City concerning the Forward Rate, and shall supersede all prior and contemporaneous understandings and agreements (written or oral) relating thereto.

To accept this letter, please sign the enclosed copy where indicated below and return it to the Bank no later than the Bank's close of business on March 23, 2015. If this letter is not accepted by said date, this letter will automatically terminate without liability or further obligation of the Bank.

Very truly yours,

WELLS FARGO BANK, NATIONAL ASSOCIATION

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

### **ACCEPTANCE**

The City hereby agrees to the above provisions, intending to be legally bound hereby. The City understands that the above provisions may obligate the City to make a significant payment to the Bank in the event the Closing Date does not occur by the Rate Lock Expiration Date, and the amount of any such payment cannot be predicted in advance of such event. The City is fully informed of and is capable of evaluating, and has evaluated, the potential financial risks and benefits and the appropriateness in light of its individual circumstances, of this letter. The City is entering into this letter in reliance only upon its own judgment, and is not relying upon any representations, warranty, views or advice of the Bank.

City of Orlando, Florida

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

## EXHIBIT A

### CALCULATION OF BREAKAGE FEE

The Breakage Fee applicable to non-delivery of the Bond, in whole or in part, for any reason, shall be calculated as set forth in this Exhibit A.

1. Capitalized terms used in this Exhibit A and not otherwise defined herein have the meanings assigned thereto in the Financing Documents.

The following defined terms are used in this Exhibit A:

*“Breakage Fee”* means the premium required to be paid by the City in connection with any Termination, calculated as provided in this Exhibit A.

*“Calculation Agent”* means Wells Fargo Bank, National Association or its affiliates or such other entity designated by the Bank.

*“Day Count Fraction”* is the anticipated basis on which interest is to be computed on the Bond. The Day Count Fraction utilizes 30-day months and 360-day years.

*“Interest Payment Frequency”* is the anticipated frequency of interest payments under the Bond. The Interest Payment Frequency is semi-annually, with interest to be paid on the first business day of each April and October, commencing on October 1, 2015.

*“Maturity Date”* is October 1, 2023.

*“Reference Rate”* means **[Reference Rate%]** *per annum*.

*“Scheduled Date”* means each date specified on Schedule 1 hereto in the columns labeled Scheduled Date.

*“Schedule of Principal Amounts”* is the anticipated principal amount of the Bond scheduled to be outstanding on the date the Bond is funded and on the Scheduled Date. The Schedule of Principal Amounts for the Scheduled Dates is specified in Schedule 1 to this Exhibit A.

*“Termination”* means the failure to deliver and close the purchase of the Bond on the Closing Date for any reason other than the Bank’s failure to comply with the Terms and Conditions, in whole or in part.

*“Termination Date”* means the Closing Date.

2. In connection with any Termination, a premium shall be paid by the City to the Bank if the Breakage Fee is a positive number. No Breakage Fee shall be payable for a Termination if

the Breakage Fee for that Termination is a negative number. Breakage Fees will be determined by the Calculation Agent, on the Business Day next preceding the Termination Date, as follows:

*“Breakage Fee”* for any Termination is the difference of:

(i) the sum of the present values of a series of amounts computed for each Scheduled Date after the Termination Date through the Maturity Date, each of which amounts is equal to the product of (A) the Affected Principal Amount for the Affected Principal Period ending on that Scheduled Date, times (B) the Reference Rate times (C) the Day Count Fraction for such Affected Principal Period,

*minus*

(ii) the sum of the present values of a series of amounts computed for each Scheduled Date after the Termination Date through the Maturity Date, each of which amounts is equal to the product of (A) the Affected Principal Amount for the Affected Principal Period ending on that Scheduled Date, times (B) the Termination Rate, times (C) the Day Count Fraction for such Affected Principal Period,

*where:*

(1) the Calculation Agent computes such present values by discounting each such series of amounts described in clauses (i) and (ii) above from their respective Scheduled Date to the Termination Date using a series of discount factors corresponding to those Scheduled Dates as determined by the Calculation Agent from the swap yield curve that the Calculation Agent would use as of the Termination Date in valuing a series of fixed rate interest rate swap payments similar to such series of amounts;

(2) the *“Affected Principal Amount”* for an Affected Principal Period is the principal amount of the Bond reflected in the Schedule of Principal Amounts scheduled to be outstanding during that Affected Principal Period determined as of the relevant Termination Date by reference to such Schedule of Principal Amounts before giving effect to any Termination on that Termination Date, and for any Termination, multiplying each such principal amount times the Termination Fraction;

(3) the *“Affected Principal Period”* is each period from and including a Scheduled Date to but excluding the next succeeding Scheduled Date; *provided, however*, if the Termination Date is not a Scheduled Date, the initial Affected Principal Period shall be the period from and including the Termination Date to but excluding the next succeeding Scheduled Date and the Affected Principal Amount for such initial Affected Principal Period shall be the amount stated in the Schedule of Principal Amounts Outstanding for the Scheduled Date next preceding the Termination Date;

(4) the *“Termination Fraction”* means, for each Scheduled Date, a fraction the numerator of which is the amount of the credit to be applied pursuant to the applicable provisions of the Agreement to reduce the amount of the payment otherwise due on such

date and the denominator of which is the amount of the payment otherwise due on such date (without regard to such credit); and

(5) the “*Termination Rate*” for any Termination Date is the fixed rate the Calculation Agent determines is representative of what swap dealers would be willing to pay to the Calculation Agent (or, if required to be cleared under the Commodity Exchange Act or a Commodity Futures Trading Commission rule or regulation promulgated thereunder, to a swap clearinghouse) as fixed rate payors semiannually in return for receiving one month LIBOR based payments semiannually under interest rate swap transactions that would commence on such Termination Date, and mature on, or as close as commercially practicable to, the Maturity Date.

3. The Calculation Agent shall determine the Breakage Fee hereunder with respect to each Termination reasonably and in good faith. The Calculation Agent’s determination in good faith shall be conclusive and binding in the absence of manifest error or the City demonstrates that the Calculation Agent has erred or used an unreasonable basis for determination of the Breakage Fee. The Calculation Agent will provide to the City the information necessary or desirable to show the computation of the Breakage Fee, including (i) the exact date and time market rates were utilized for the computation and (ii) the detailed computation of the Termination Rate, including the LIBOR swap yield curve used for the calculation.

## **SCHEDULE 1**

### **PRINCIPAL PAYMENTS**

<u>Scheduled Date</u>	<u>Schedule of Principal Amounts</u>
October 1, 2021	<b>[\$2,000,000]</b>
October 1, 2023	<b>[\$4,000,000]</b>