



ARP EXECUTIVE COMMITTEE AGENDA PACKAGE

February 18, 2021

**9:15 a.m. [NOTE TIME] (or immediately
following the Board of Directors Meeting)**

Dial-in Info 877-668-4493 or 650-479-3208

Meeting Number 180 361 4623#

Meeting Password: 8553

Committee Members

Howard McKinnon, Havana - Chairman

Lynne Tejeda, Key West – Vice Chairwoman

Jody Young, Bushnell

Lynne Mila, Clewiston

Jan Bagnall, Fort Meade

Paul Jakubczak, Fort Pierce

Robert Page, Green Cove Springs

Allen Putnam, Jacksonville Beach

Larry Mattern, Kissimmee

Brad Chase, Leesburg

Bill Conrad, Newberry

Eric Weaver, Ocala

John Holman, Starke

Meeting Location

Florida Municipal Power Agency

8553 Commodity Circle

Orlando, FL 32819

(407) 355-7767



MEMORANDUM

TO: FMPA Executive Committee
 FROM: Jacob A. Williams, General Manager and CEO
 DATE: February 9, 2021
 RE: FMPA Executive Committee Meeting
Thursday, February 18, 2021 at 9:15 a.m. [NOTE TIME]
 (or immediately following the Board of Directors meeting)
 PLACE: Florida Municipal Power Agency
 8553 Commodity Circle, Orlando, FL 32819
 Fredrick M. Bryant Board Room

**DIAL-IN: (877) 668-4493 or 650-479-3208, Meeting Number 180 361 4623#
 PASSWORD 8553# - WebEx Link:**

**<https://fmpa.webex.com/fmpa/j.php?MTID=me0627911c58f6bd47b1a1279120d2a90>
 (If you have trouble connecting via phone or internet, call 407-355-7767)**

Chairman Howard McKinnon, Presiding

AGENDA

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***Item also on the Board of Directors Agenda.**

**** Item(s) Subject to Super Majority Vote**

NOTE: One or more participants in the above referenced public meeting may participate by telephone. At the above location there will be a speaker telephone so that any interested person can attend this public meeting and be fully informed of the discussions taking place either in person or by telephone communication. If anyone chooses to appeal any decision that may be made at this public meeting, such person will need a record of the proceedings and should accordingly ensure that a verbatim record of the proceedings is made, which includes the oral statements and evidence upon which such appeal is based. This public meeting may be continued to a date and time certain, which will be announced at the meeting. Any person requiring a special accommodation to participate in this public meeting because of a disability, should contact FMPA at (407) 355-7767 or (888) 774-7606, at least two (2) business days in advance to make appropriate arrangements.

**AGENDA ITEM 1 – CALL TO ORDER,
ROLL CALL, DECLARATION OF QUORUM**

**Executive Committee
February 18, 2021**

AGENDA ITEM 2 – SET AGENDA (By Vote)

**Executive Committee
February 18, 2021**

**AGENDA ITEM 3 – RECOGNITION OF
GUESTS**

**Executive Committee
February 18, 2021**

**AGENDA ITEM 4 –PUBLIC COMMENTS
(INDIVIDUAL COMMENTS TO BE LIMITED
TO 3 MINUTES)**

**Executive Committee
February 18, 2021**

VERBAL REPORT

**AGENDA ITEM 5 – COMMENTS FROM THE
CHAIRMAN**

**Executive Committee
February 18, 2021**

VERBAL REPORT

**AGENDA ITEM 6 – REPORT FROM THE
GENERAL MANAGER**

**Executive Committee
February 18, 2021**

AGENDA ITEM 7 – CONSENT AGENDA

- a) Approval of Meeting Minutes – Meetings Held January 21, 2021 and ARP Telephonic Rate Workshop Held January 12, 2021**

**Executive Committee
February 18, 2021**

CLERKS DULY NOTIFIEDJANUARY 12, 2021
AGENDA PACKAGES POSTEDJANUARY 12, 2021

MINUTES
EXECUTIVE COMMITTEE MEETING
THURSDAY JANUARY 21, 2021
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL 32819

PARTICIPANTS Jody Young, Bushnell (via telephone)
PRESENT: Lynne Mila, Clewiston
Paul Jakubczak, Fort Pierce
Bob Page, Green Cove Springs
Howard McKinnon, Havana
Allen Putnam, Jacksonville Beach
Lynne Tejada, Key West (via telephone)
Larry Mattern, Kissimmee
Bill Conrad, Newberry
John Holman, Starke

OTHERS John Tompeck, Fort Pierce
PRESENT Barbara Quiñones, Homestead
Craig Dunlap, Dunlap & Associates, Inc.

STAFF Jacob Williams, General Manager and CEO
PRESENT Jody Finklea, Deputy General Counsel (via telephone)
Ken Rutter, Chief Operating Officer
Linda S. Howard, Chief Financial Officer
Cairo Vanegas, Manager of Member Services Development
Chris Gowder, Business Development and System
Operations Director
Dan O'Hagan, Assistant General Counsel and Regulatory
Compliance Counsel
Rich Popp, Treasurer and Risk Director
Mark McCain, Vice President of Member Services
and Public Relations
Sharon Adams, Vice President of Human Resources
and Shared Services
Sue Utley, Executive Asst. /Asst. Secy. to the Board
Susan Schumann, Public Relations and External Affairs Manager
Carter Manucy, IT/OT & Cybersecurity Manager
Melisa Inanc, Public Relations Specialist
Ryan Dumas, Public Relations Specialist
Isabel Montoya, IT Specialist
Denise Fuentes, Budget and Financial Analyst II
Danyel Sullivan-Marrero, Controller

ITEM 1 - CALL TO ORDER, ROLL CALL, AND DECLARATION OF QUORUM

Chairman Howard McKinnon, Havana, called the FMPA telephonic Executive Committee Meeting to order at 11:45 a.m., Thursday, January 21, 2021 in the Frederick M. Bryant Board Room at Florida Municipal Power Agency 8553 Commodity Circle, Orlando, Florida. The roll was taken, and a quorum was declared with 10 members present out of a possible 13.

ITEM 2 – SET AGENDA (BY VOTE)

MOTION: Allen Putnam, Jacksonville Beach, moved approval of the agenda as presented. John Holman, Starke, seconded the motion. Motion carried 10 – 0.

ITEM 3 – RECOGNITION OF GUESTS

None

ITEM 4 – PUBLIC COMMENTS

None

ITEM 5 – COMMENTS FROM THE CHAIRMAN

Chairman McKinnon said it was great to see Mike McCleary back at work; congratulated the Cyber team on the outstanding work on the SolarWinds Cybersecurity incident; congratulated Linda S. Howard on her award from the City of Starke, and all the FMPA team members for the great work they do for the members.

Jody Finklea reported that one of our bankers requires us to amend our swap agreement per the Dodd Frank Act. Even though we don't have any current swaps, our banker still wants us to sign the agreement. This item will be on the Consent Agenda for the February Executive Committee meeting.

ITEM 6 – REPORT FROM GENERAL MANAGER

Jacob Williams stressed the importance of everyone attending the Strategic Planning Session February 17, 2021.

ITEM 7 – CONSENT AGENDA

**Item 7a – Approval of Meeting Minutes – Meeting Held December 10, 2020 and
ARP Telephonic Rate Workshop Held December 15, 2020**

Item 7b – Approval of the Treasury Reports – As of November 30, 2020

**Item 7c – Approval of the Preliminary Agency and All-Requirements Project
Financials as of November 30, 2020**

MOTION: Allen Putnam, Jacksonville Beach, moved approval of the Consent Agenda as presented. Paul Jakubczak, Fort Pierce, seconded the motion. Motion carried 10 – 0.

ITEM 8 – ACTION ITEMS:

a. Approval of External Audit Report & Audited Financial Statements

MOTION: Bill Conrad, Newberry, moved approval of the 2020 External Audit Report and Audited Financial Statements. Allen Putnam, Jacksonville Beach, seconded the motion. Motion carried 10 – 0.

ITEM 9 – INFORMATION ITEMS:

a. Revision to Agency Spending Authority Due to Organizational Changes

Denise Fuentes reported on the revision to the Agency Spending Authority Due to Organizational Changes.

b. Revision to Gas Storage Commitment

Chris Gowder reported on the revision to the Gas Storage Commitment.

c. Update on Debt Strategy and Impact on Renewal and Replacement Funding

Rich Popp gave an update on Debt Strategy and the Impact on Renewal and Replacement Funding.

ITEM 10 – Member Comments

None

ITEM 11 – Adjournment

There being no further business, the meeting was adjourned at 12:24 p.m.

Howard McKinnon
Chairman, Executive Committee

Sue Utley
Assistant Secretary

Approved: _____

Seal

PUBLIC NOTICE SENT TO CLERKS JANUARY 6, 2021
AGENDA PACKAGES SENT TO MEMBERS JANUARY 11, 2021

**MINUTES
EXECUTIVE COMMITTEE
ALL-REQUIREMENTS POWER SUPPLY PROJECT
TELEPHONIC RATE WORKSHOP
TUESDAY, JANUARY 12, 2021
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FLORIDA 32819**

COMMITTEE MEMBERS PRESENT VIA TELEPHONE

Christina Simmons, Bushnell
Lynne Mila, Clewiston
Paul Jakubczak, Fort Pierce
Bob Page, Green Cove Springs
Howard McKinnon, Havana
Lynne Tejada, Key West
Larry Mattern, Kissimmee
Sabrina Hubbell, Leesburg
Bill Conrad, Newberry
Maria Brooks, Ocala

COMMITTEE MEMBERS ABSENT

Jan Bagnell, Fort Meade
Allen Putnam, Jacksonville Beach
John Holman, Starke

STAFF PRESENT

Ken Rutter, Chief Operating Officer
Jody Finklea, General Counsel/Chief Legal Officer (via telephone)
Linda S. Howard, Chief Financial Officer (via telephone)
Jason Wolfe, Financial Planning, Rates and Budget Director
Denise Fuentes, Financial Planning, Budget and Financial Analyst II
Sue Utley, Executive Assistant to General Manager and CEO / Asst.
Secy. to the Board

Item 1 – Call to Order

Howard McKinnon, Havana, Chair, called the Executive Committee All-Requirements Telephonic Rate Workshop to order at 2:00 p.m. on Tuesday, January 12, 2021, via telephone. A speaker telephone for public attendance and participation was located in the Library Conference Room at Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida.

Item 2 – Information Items

Denise Fuentes gave a verbal update on the natural gas markets; provided an overview of the December loads and reviewed the December ARP rate calculation.

Item 3 – Member Comments

There being no further business, the meeting was adjourned at 2:06 p.m.

Approved

HM/su

AGENDA ITEM 7 – CONSENT AGENDA

**b) Approval of Treasury Reports as of
December 31, 2020**

**Executive Committee
February 18, 2021**



AGENDA PACKAGE MEMORANDUM

TO: FMPA Executive Committee
FROM: Gloria Reyes
DATE: February 9, 2021
ITEM: EC 7(b) – Approval of the All-Requirements Project Treasury Reports as of December 31, 2020

- Introduction
- This report is a quick summary update on the Treasury Department’s functions.
 - The Treasury Department reports for December are posted in the member portal section of FMPA’s website.
-

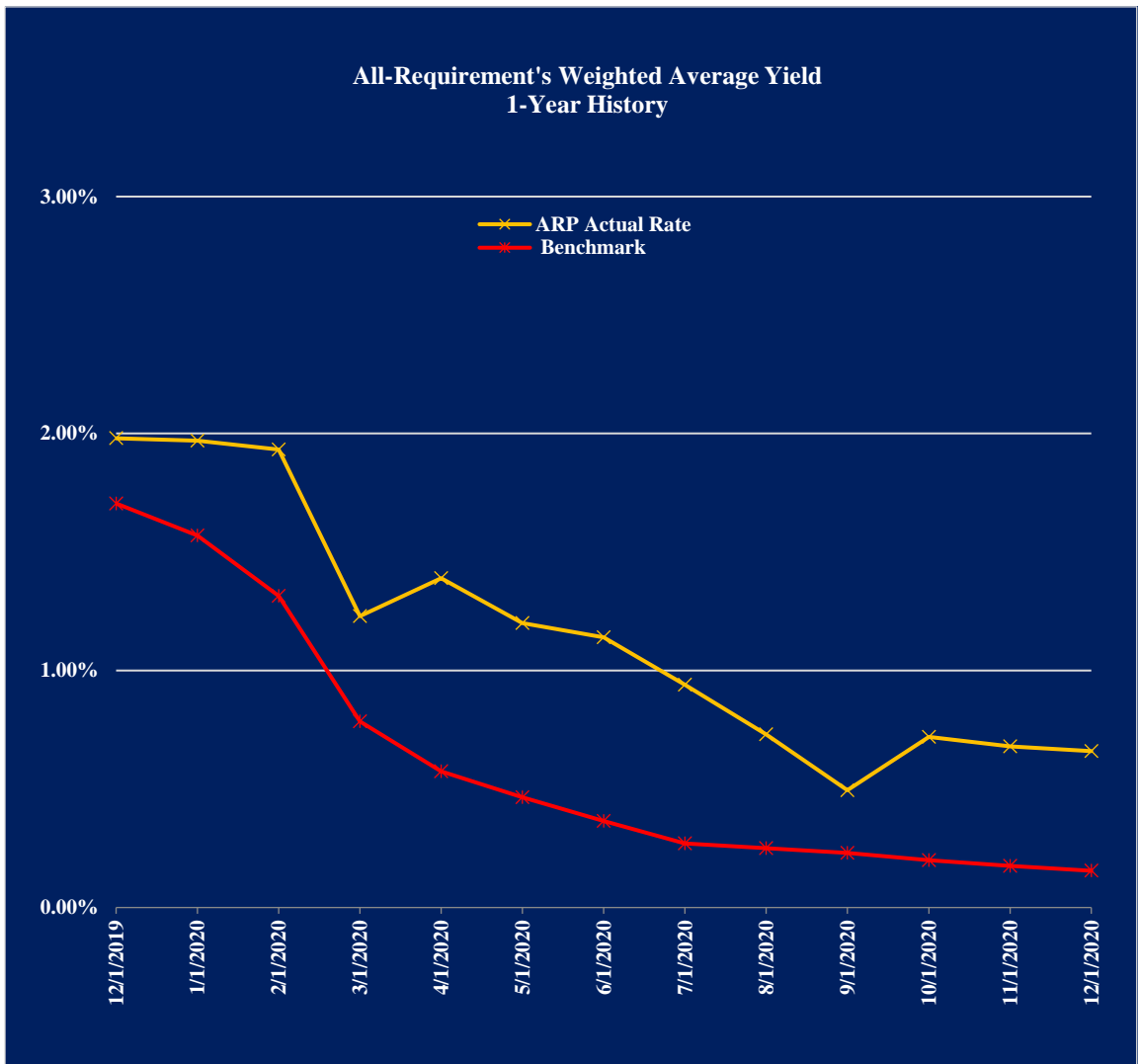
Debt Discussion

The All-Requirements Project has fixed rate debt. The fixed rate percentage of total debt is 100%. The estimated debt interest funding for fiscal year 2021 as of December 31, 2020 is \$35,118,999.01. The total amount of debt outstanding is \$736,650,000.

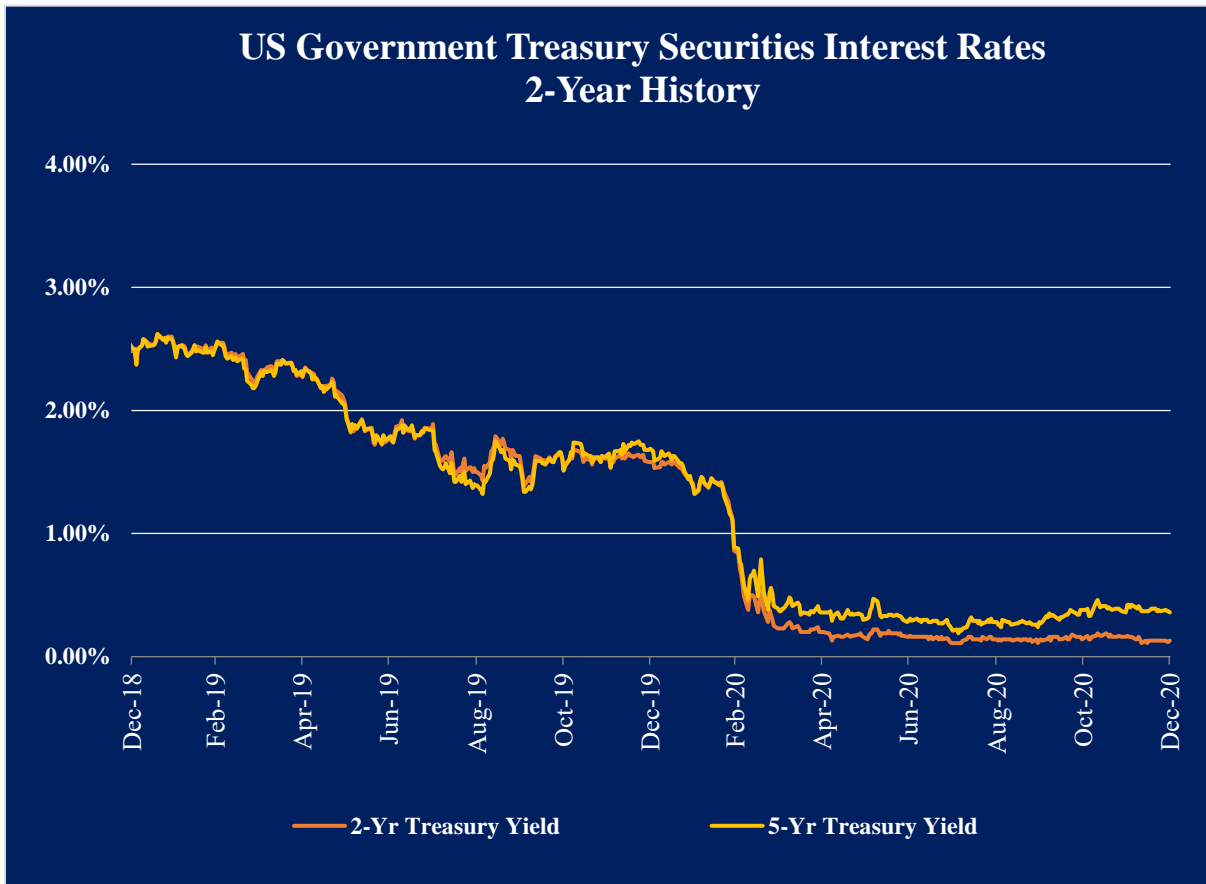
Investment Discussion

The investments in the Project are comprised of debt from the government-sponsored enterprises such as the Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae), as well as investments in U.S. Treasuries, Municipal Bonds, Certificates of Deposits, Corporate Notes, Commercial Paper, Local Government Investment Pools and Money Market Mutual Funds.

As of December 31, 2020, the All-Requirements Project investment portfolio earned a weighted average yield of .66%, reflecting the All-Requirements Project need for liquidity. The benchmarks (SBA’s Florida Prime Fund and the 2-year US Treasury Note) and the Project’s yields are graphed below:



Below is a graph of daily US Treasury yields for the past 2 years. The orange line is the 2-year Treasury which closed the month of December at .13%. The yellow line is the 5-year Treasury which was .36%.



The Investment Report for December is posted in the “Member Portal” section of FMPA’s website.

Recommended
Motion

Move for approval of the Treasury Reports for December 31, 2020

AGENDA ITEM 7 – CONSENT AGENDA

- c) Approval of the Preliminary Agency and All-Requirements Project Financials as of December 31, 2020**

**Executive Committee
February 18, 2021**



Linda S. Howard, CPA, CTP
Chief Financial Officer

MEMORANDUM

TO: FMPA Executive Committee
FROM: Linda Howard
DATE: February 9, 2021
SUBJECT: EC 7c – Approval of the Agency and All-Requirements Project Financials for the period ended December 31, 2020

Discussion: The summary and detailed financial statements, which include GASB #62 transactions, of the Agency and All- Requirements Project for the period ended December 31, 2020 are posted on the Document Portal section of FMPA’s website.

Recommended Motion: Move approval of the Agency and All-Requirements Project Financial reports for the month of December 31, 2020.

LH/GF

AGENDA ITEM 7 – CONSENT AGENDA

- d) Bilateral Agreement with Wells Fargo Bank, N.A., and Affiliates to Comply with U.S. Stay Regulations for Qualified Financial Contracts (as authorized by Resolution 2019-EC1)**

**Executive Committee
February 18, 2021**



7d - Bilateral Agreement with Wells Fargo Bank, N.A., and Affiliates to Comply With U.S. Stay Regulations for Qualified Financial Contracts (as authorized by Resolution 2019-EC1)

Executive Committee

February 18, 2021

US Stay Regulations

FMPA's Obligations to Comply

- Following the Dodd Frank Wall Street Reform and Consumer Protection Act (2010), a number of federal banking agencies issued “Stay Regulations” to ensure that certain too-big-to-fail banks (U.S. global systemically important organizations or “G-SIBs”) could not fail due to systemic market failures.
- These Stay Regulations apply to any qualified financial contract (QFC), and the first compliance date was January 1, 2019.
- Several of FMPA’s banking partners are G-SIBs, including Wells Fargo, JP Morgan, Morgan Stanley, and Bank of America.

Resolution 2019-EC1 Authorized Certain Transactions

First Implementation

- In February 2019, the Executive Committee adopted Resolution 2019-EC1 to authorize FMPA, on behalf of the ARP, to enter into agreements or to adhere to ISDA protocols for outstanding swap contracts to comply with the Stay Regulations.
- In 2019, the Stay Regulations applied mainly to ARP (swap) agreements, which are QFCs.
 - Today, though, pursuant to the Executive Committee's direction, there are no outstanding swaps for the ARP.
 - Thus, no documentation has been entered into for FMPA compliance with the US Stay Regulations, to this point.
- Wells Fargo (currently, under consideration for the Series 2021A&B bonds) has taken the position that it cannot enter into a new arrangement with FMPA without complying with the Stay Regulations. Contemplated agreements for the new bonds may be QFCs.
- To address this, we have negotiated a bilateral agreement with Wells Fargo to provide for US Stay Regulation compliance.

Wells Fargo Bilateral Agreement

Ensures US Stay Regulation Compliance

- Using the authority granted by Resolution 2019-EC1 (included), the purpose of this agenda item is to ensure the Executive Committee is aware that FMPA is entering into the bilateral agreement (also included) with Wells Fargo, to effectuate future transactions with Wells Fargo and comply with the Stay Regulations. This could include interest rate swaps
- However, the Executive Committee has given clear direction: “no interest rate swaps.”
- Therefore, no swap transactions will be entered into using the included bilateral agreement, unless expressly approved by the Executive Committee at some point in the future.

Request for Action

- Move approval of this report.

AGREEMENT TO AMEND CERTAIN QUALIFIED FINANCIAL CONTRACTS

This AGREEMENT TO AMEND CERTAIN QUALIFIED FINANCIAL CONTRACTS (this “**Agreement**”) is entered into as of December 22, 2020 (the “**Execution Date**”) by and among Wells Fargo Bank, N.A. and each of its BHCA Affiliates listed on the signature pages hereof (together with Wells Fargo Bank, N.A., the “**Covered Entity Group**”), and Florida Municipal Power Agency, with respect to the All Requirements Power Supply Project (referred to herein as the “Counterparty” and as the “**Counterparty Group**”).

Capitalized terms used but not otherwise defined herein have the meanings specified in the Appendix.

RECITALS

1. The Covered Entity Group is subject to the requirements of the QFC Stay Rules. These rules require that all Covered Agreements between members of the Covered Entity Group and members of the Counterparty Group be amended to expressly recognize the stay-and-transfer powers of the FDIC under the FDI Act and OLA and limit the exercise of certain default rights and transfer restrictions related to a BHCA Affiliate of a Covered Entity entering into insolvency or resolution proceedings.
2. Under the QFC Stay Rules, if members of the Covered Entity Group enter into new QFCs with members of the Counterparty Group after January 1, 2019, all existing Covered Agreements between members of the Covered Entity Group and the Counterparty Group must be amended to comply with the requirements of the QFC Stay Rules by the Applicable Compliance Date.
3. The Parties wish to enter into this Agreement to amend the Covered Agreements on the terms provided herein in order to comply with requirements of the QFC Stay Rules.

Now, therefore, the Parties hereto agree as follows:

SECTION 1 RECOGNITION OF U.S. SPECIAL RESOLUTION REGIMES

Each Covered Agreement shall be modified as follows:

1.1. Recognition of U.S. Special Resolution Regimes.

(a) In the event that a Covered Entity becomes subject to a proceeding under the FDI Act or OLA (together, the “**U.S. Special Resolution Regimes**”), the transfer of the Covered Agreement, and any interest and obligation in or under, and any property securing, the Covered Agreement, from a Covered Entity will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Covered Agreement, and any interest and obligation in or under, and any property securing, the Covered Agreement, were governed by the laws of the United States or a State of the United States. In the event a Covered Entity or a BHCA Affiliate of such Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights with respect to the Covered Agreement that may be exercised against the Covered Entity are permitted to be exercised to no greater extent than such Default Rights could be exercised under such U.S. Special Resolution Regime if the Covered Agreement were governed by the laws of the United States or a State of the United States.

(b) The terms of this Section 1.1 shall not apply to any Covered Agreement described in 12 C.F.R. 252.83(a), 12 C.F.R. 382.3(a) or 12 C.F.R. 47.4(a).

SECTION 2 LIMITATIONS ON EXERCISE OF CERTAIN DEFAULT RIGHTS

Each Covered Agreement shall be modified as follows:

2.1. Limitation on Exercise of Certain Default Rights Related to a BHCA Affiliate's Entry Into Insolvency Proceedings. Notwithstanding anything to the contrary in the Covered Agreement or any other agreement, the Parties expressly acknowledge and agree that:

(a) Subject to Sections 2.2, 2.3 and 2.4, a Counterparty Entity shall not be permitted to exercise any Default Right with respect to such Covered Agreement that is related, directly or indirectly, to a BHCA Affiliate of the Direct Party becoming subject to an Insolvency Proceeding, and

(b) Nothing in a Covered Agreement shall prohibit the transfer of any Covered Affiliate Credit Enhancement, any interest or obligation in or under such Covered Affiliate Credit Enhancement, or any property securing such Covered Affiliate Credit Enhancement to a Transferee upon or following a BHCA Affiliate of the Direct Party becoming subject to an Insolvency Proceeding, unless the transfer would result in the Counterparty Entity being the beneficiary of such Covered Affiliate Credit Enhancement in violation of any law applicable to the Counterparty Entity.

2.2. General Creditor Protections. Nothing in Section 2.1 shall restrict the exercise by a Counterparty Entity of any Default Right with respect to a Covered Direct QFC or a Covered Affiliate Credit Enhancement that supports a Covered Direct QFC that arises as a result of:

(a) the Direct Party becoming subject to an Insolvency Proceeding;

(b) the Direct Party not satisfying a payment or delivery obligation pursuant to (A) such Covered Agreement or (B) another contract between the relevant Covered Entity and the relevant Counterparty Entity that gives rise to a Default Right in the Covered Agreement, or

(c) the failure of a Covered Affiliate Support Provider, or any Transferee thereof, to satisfy a payment or delivery obligation pursuant to any Covered Affiliate Credit Enhancement that supports the Covered Direct QFC.

2.3. Additional Creditor Protections. With respect to a Covered Direct QFC that is supported by a Covered Affiliate Credit Enhancement, nothing in Section 2.1 shall restrict the exercise by a Counterparty Entity after the QFC Stay Period of a Default Right that is related, directly or indirectly, to a Covered Affiliate Support Provider becoming subject to an Insolvency Proceeding if:

(a) the Covered Affiliate Support Provider that remains obligated under the Covered Affiliate Credit Enhancement becomes subject to an Insolvency Proceeding other than a Chapter 11 Proceeding;

(b) subject to Section 2.4, the Transferee, if any, becomes subject to an Insolvency Proceeding;

(c) the Covered Affiliate Support Provider does not remain, and a Transferee does not become, obligated to the same, or substantially similar, extent as the Covered Affiliate Support Provider was obligated immediately prior to entering such Insolvency Proceeding with respect to:

(i) such Covered Affiliate Credit Enhancement;

(ii) all other Covered Affiliate Credit Enhancements provided by the Covered Affiliate Support Provider in support of other Covered Direct QFCs between the Direct Party and the supported Counterparty Entity under the Covered Affiliate Credit Enhancement referenced in (i) above; and

(iii) all Covered Affiliate Credit Enhancements provided by the Covered Affiliate Support Provider in support of Covered Direct QFCs between the Direct Party and Counterparty Affiliates of the supported Counterparty Entity referenced in (ii) above; or

(d) in the case that the Covered Affiliate Credit Enhancement is transferred to a Transferee:

(i) all of the ownership interests of the Direct Party directly or indirectly held by the Covered Affiliate Support Provider are not transferred to the Transferee; or

(ii) reasonable assurance has not been provided that all or substantially all of the assets of the Covered Affiliate Support Provider (or net proceeds therefrom), excluding any assets reserved for the payment of costs and expenses of administration in the Insolvency Proceeding, will be transferred or sold to the Transferee in a timely manner.

2.4. Limitation on Exercise of Certain Default Rights Upon Entry of a BHCA Affiliate Into FDI Act Proceedings. Notwithstanding anything to the contrary in Sections 2.1, 2.2 or 2.3, with respect to a Covered Direct QFC that is supported by a Covered Affiliate Credit Enhancement, the Counterparty Entity supported by such Covered Affiliate Credit Enhancement may exercise a Default Right that is related, directly or indirectly, to the Covered Affiliate Support Provider becoming subject to proceedings under the FDI Act:

(a) after the FDI Act Stay Period, if such Covered Affiliate Credit Enhancement is not transferred pursuant to 12 U.S.C. 1821(e)(9)–(e)(10) and any regulations promulgated thereunder; or

(b) during the FDI Act Stay Period, if the Default Right may only be exercised so as to permit such Counterparty Entity to suspend performance with respect to such Counterparty Entity’s obligations under the Covered Direct QFC to the same extent as such Counterparty Entity would be entitled to do so if the Covered Direct QFC were with such Covered Affiliate Support Provider and were treated in the same manner as such Covered Affiliate Credit Enhancement.

2.5. Scope of Application of Sections 2.1, 2.2, 2.3 and 2.4. The terms of Sections 2.1, 2.2, 2.3 and 2.4 shall not apply to any Covered Agreement described in 12 C.F.R. 252.84(a), 12 C.F.R. 382.4(a) or 12 C.F.R. 47.5(a).

2.6. Burden of Proof. After a BHCA Affiliate of a Covered Entity has become subject to an Insolvency Proceeding, a Counterparty Entity that seeks to exercise any Default Right with respect to a Covered Agreement with such Covered Entity shall have the burden of proof, by clear and convincing evidence, that the exercise of such Default Right is permitted under the Covered Agreement, as amended hereby.¹

2.7. Relationship Between Sections 1 and 2. The requirements of Section 1 apply notwithstanding Sections 2.2, 2.3 and 2.4.

¹ See 12 C.F.R. 47.5(i); 12 C.F.R. 252.84(i); 12 C.F.R. 382.4(i).

SECTION 3 REPRESENTATIONS AND UNDERTAKINGS

3.1. Each Counterparty Entity represents to each Covered Entity with which it has entered into a Covered Agreement or to which it has provided or from which it has received a Covered Agreement, and each Covered Entity represents to each Counterparty Entity with which it has entered into a Covered Agreement or to which it has provided or from which it has received a Covered Agreement, that, as of the date such Person became a Party:

(a) Status. It is, if relevant, duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing or, if it otherwise represents its status in or pursuant to the Covered Agreement, has such status.

(b) Powers. It has the power to execute and deliver this Agreement and to perform its obligations under this Agreement and the Covered Agreement as amended by this Agreement, and has taken all necessary action to authorize such execution, delivery and performance.

(c) No Violation or Conflict. Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

(d) Consents. All governmental and other consents that are required to have been obtained by it with respect to this Agreement and the Covered Agreement, as amended by this Agreement, have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

(e) Obligations Binding. This Agreement has been duly executed and delivered by it and its obligations under this Agreement and the Covered Agreement, as amended by this Agreement, constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(f) Credit Support. Its amendment under this Agreement (other than any amendments affecting when rights in respect of a Credit Enhancement or Third Party Credit Enhancement may be exercised) will not, in and of itself, adversely affect the enforceability, effectiveness or validity of any obligations owed, whether by it or by any Third Party, under any Credit Enhancement or Third Party Credit Enhancement in respect of its obligations relating to the Covered Agreement as amended by this Agreement.

3.2. [Intentionally Omitted]

3.3. In the case of a Covered Agreement that contains a Default Right based on a misrepresentation or other analogous provision, the Parties hereto agree that, for purposes of such provisions, each of the foregoing representations will be deemed to be a representation under such Covered Agreement that is made as of the date on which such Party executes this Agreement.

3.4. Each Counterparty Entity and Covered Entity agrees to do all such further things and execute such further documents as the other may reasonably request to ensure that this Agreement and the amendments described herein extend to, and are effective and enforceable under applicable law with respect to, all Covered Agreements to which such Counterparty Entity is a party or provided by or to such

Counterparty Entity. Without limiting the generality of the foregoing, with respect to any Covered Agreement between a Covered Entity and a Counterparty Entity to which a Third Party is also a party, each such Counterparty Entity and Covered Entity agrees (i) that this Agreement amends and modifies the rights of the Counterparty Entity under such Covered Agreement on the terms provided herein as between such Counterparty Entity and Covered Entity, and (ii) to exercise any rights it may have to direct such Third Party to execute such further documents as may be necessary to give effect to the provisions of this Agreement.

3.5. With respect to any Covered Agreement or Third Party Credit Enhancement that expressly requires the consent, approval, agreement, authorization or other action (each, a “consent”) of a Third Party to be obtained, each Party whose obligations under such arrangements are secured, guaranteed or otherwise supported by such Third Party Credit Enhancement undertakes that it has obtained the consent of such Third Party and that it will, upon demand, deliver evidence thereof. To the extent any such required consent has not been obtained, the relevant Covered Agreement supported by such Third Party will not be amended hereby. Each Party that is also a Third Party in relation to a Third Party Credit Enhancement is hereby deemed to have consented to the amendments imposed by this Agreement on the Covered Agreements supported by such Third Party Credit Enhancement.

3.6. Notwithstanding any provision in a Covered Agreement to which a Third Party is also a party or a Third Party Credit Enhancement that, in each case, expressly requires the consent of, or a writing signed by, all parties (including a Third Party) in order to amend such Covered Agreement or Third Party Credit Enhancement, each Party agrees and consents to (i) amend such Covered Agreement or Third Party Credit Enhancement as herein provided; (ii) such Third Party providing its consent to such amendment in a separate writing; and (iii) the amendment of such Covered Agreement or Third Party Credit Enhancement as between such Third Party and the relevant Covered Entity in such form as is consistent with this Agreement.

SECTION 4 GENERAL CONDITIONS

4.1. Covered Agreements. Notwithstanding anything to the contrary contained in this Agreement, the only Covered Agreements and Covered Direct QFCs governed by the terms of this Agreement shall be the following: (i) the ISDA Master Agreement (including the Schedule and Credit Support Annex thereto) dated as of December 1, 2005, as amended from time to time, between Wells Fargo Bank, N.A. (as successor by merger to Wachovia Bank, National Association) and Florida Municipal Power Agency, with respect to the All-Requirements Power Supply Project and (ii) the ISDA Master Agreement (including the Schedule and Credit Support Annex thereto) dated as of September 27, 2006, as amended from time to time, between Wells Fargo Bank, National Association and Florida Municipal Power Agency, with respect to the All-Requirements Power Supply Project.

4.2. Effectiveness. The amendments contemplated by this Agreement, on the terms and conditions set forth herein, shall become effective between a Counterparty Entity and a Covered Entity as of the applicable Effective Date.

4.3. Entire Agreement; Restatement; Survival.

(a) This Agreement constitutes the entire agreement and understanding of each Party with respect to its subject matter and supersedes all oral communication and prior writings (except as otherwise provided herein) with respect thereto. Each Party acknowledges that in executing this Agreement it has not relied on any oral or written representation, warranty or other assurance (except as provided for or referred to elsewhere in this Agreement) and waives all rights and remedies which might

otherwise be available to it in respect thereof, except that nothing in this Agreement will limit or exclude any liability of a Party for fraud.

(b) Except for any amendment made or deemed made pursuant to this Agreement in respect of any Covered Agreement, all terms and conditions of each Covered Agreement will continue in full force and effect in accordance with its provisions as in effect immediately prior to the date on which it first becomes subject to this Agreement. Except as explicitly stated in this Agreement, nothing herein shall constitute a waiver or release of any rights of any Party under any Covered Agreement to which it is a party or a provider or recipient of any Credit Enhancement. This Agreement will, with respect to its subject matter, survive, and any amendments made or deemed made pursuant to this Agreement will form a part of each Covered Agreement, notwithstanding any statements in a Covered Agreement to the effect that such Covered Agreement constitutes the entire agreement and understanding between the parties to such Covered Agreement with respect to the subject of such Covered Agreement.

4.4. Amendments. An amendment, modification or waiver in respect of the matters contemplated by this Agreement will be effective in respect of a Covered Agreement only if made in accordance with the terms of the Covered Agreement and then only with effect between the parties to that Covered Agreement (and will only be effective to amend or override the provisions set forth in this Agreement if it expressly refers in writing to this Agreement). No amendment of any provision of this Agreement, other than an amendment pursuant to Section 4.5 below, shall be valid unless made by a document in writing signed by all Parties.

4.5. Subsequent Adherence to the ISDA Protocol. In the event a Counterparty Entity adheres to the ISDA Protocol after becoming a Party hereto, the terms of the ISDA Protocol will supersede and replace the terms of this Agreement with respect to the Counterparty Entity and its Protocol Covered Agreements (as defined under the ISDA Protocol) with all Covered Entities that are adhering parties to the ISDA Protocol.

4.6. Addition of New Parties.

(a) [Intentionally Omitted]

(b) [Intentionally Omitted]

(c) [Intentionally Omitted]

4.7. Governing Law. This Agreement will, as between the Parties and in respect of each Covered Agreement between them or provided by one of them to the other, be governed by and construed in accordance with the laws of the State of New York, without reference to choice of law doctrine, *provided* that the amendments to each Covered Agreement shall be governed by and construed in accordance with the law specified to govern that Covered Agreement and otherwise in accordance with the applicable choice of law doctrine.

4.8. Notice. Any notice, demand or other communication hereunder, shall be delivered in writing and shall be effective upon receipt:

If to any member of the Covered Entity Group, at, or care of:

Wells Fargo Bank, N.A.

45 Fremont Street

30th Floor

MAC A0194-300

San Francisco, CA 94105

Facsimile No.: (877) 564-8524

Attention: Documentation Manager

If to any member of the Counterparty Group, at, or care of:

Florida Municipal Power Agency

8553 Commodity Circle,

Orlando, FL 32819

Attention: Chief Financial Officer

Facsimile No.: 407-355-5795

With a copy to:

Florida Municipal Power Agency

2061 Delta Way, Ste 2,

Tallahassee, Florida 32303

Attention: General Counsel

Facsimile No.: 850 297-2014

4.9. Headings. The headings used in this Agreement are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and delivered by their proper and duly authorized representatives as of the Execution Date.

**Florida Municipal Power Agency (All Requirements
Power Supply Project)**

By: _____
Name:
Title:

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and delivered by their proper and duly authorized representatives as of the Execution Date.

Wells Fargo & Company
Wells Fargo Bank, N.A.
Wells Fargo Securities, LLC
Wells Fargo Capital Finance, LLC
Wells Fargo Commodities, LLC
Wells Fargo Equipment Finance, Inc.
Wells Fargo Securities International Limited

By: _____
Name:
Title:

Appendix

1. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

“*Applicable Compliance Date*” means, (a) for a Covered Entity that was subject to the requirements of the QFC Stay Rules on January 1, 2018, with respect to a Covered Agreement: (1) if the Counterparty Entity is itself subject to the requirements of the QFC Stay Rules, January 1, 2019; (2) if the Counterparty Entity is a Financial Counterparty (other than a Small Financial Institution) that is not itself subject to the requirements of the QFC Stay Rules, July 1, 2019 and (3) if the Counterparty Entity is an entity not described in clause (a)(1) or (a)(2) above, January 1, 2020; and (b) for a Covered Entity that becomes subject to the requirements of the QFC Stay Rules after January 1, 2018, with respect to a Covered Agreement: (1) if the Counterparty Entity is itself subject to the requirements of the QFC Stay Rules, the first day of the calendar quarter immediately following one year after the Covered Entity first became subject to the QFC Stay Rule, (2) if the Counterparty Entity is a Financial Counterparty (other than a Small Financial Institution) that is not itself subject to the requirements of the QFC Stay Rules, the first day of the calendar quarter immediately following 18 months from the date the Covered Entity first became subject to the QFC Stay Rule, and (3) if the Counterparty Entity is an entity not described in clause (b)(1) or (b)(2) above, the first day of the calendar quarter immediately following two years from the date the Covered Entity first became subject to the QFC Stay Rule.

“*BHCA Affiliate*” has the same meaning as the term “affiliate” as defined in, and shall be interpreted in accordance with, 12 U.S.C. 1841(k).

“*Chapter 11 Proceeding*” means a proceeding under Chapter 11 of the United States Bankruptcy Code.

“*Consolidated Affiliate*” has the same meaning specified in, and shall be interpreted in accordance with, 12 C.F.R. 252.81, 12 C.F.R. 382.1 and 12 C.F.R. 47.2.

“*Counterparty Entity*” means a Party to this Agreement that is a member of the Counterparty Group.

“*Counterparty Group*” has the meaning specified in the Recitals hereto.

“*Counterparty Affiliate*” means a Consolidated Affiliate of a Counterparty Entity.

“*Covered Affiliate Credit Enhancement*” means a Credit Enhancement provided by a Covered Entity that is a BHCA Affiliate of a Direct Party.

“*Covered Affiliate Support Provider*” means an obligor on any Covered Affiliate Credit Enhancement, provided that it is not a Transferee.

“*Covered Agreement*” means:

(a) any Covered Direct QFC that is an In-Scope QFC that has been entered into (or deemed entered into) between a Covered Entity and a Counterparty Entity; or

(b) any Credit Enhancement that is an In-Scope QFC that has been entered into (or deemed entered into) between a Covered Entity and a Counterparty Entity, provided by a Covered Entity to a

Counterparty Entity or provided by a Counterparty Entity to a Covered Entity in respect of a QFC, including without limitation any Covered Affiliate Credit Enhancement;

in each case, on or prior to the Execution Date (or, if later, the date such Counterparty Entity or Covered Entity became a Party to this Agreement), but does not include any QFC that meets one of the exclusions or exemptions contained in 12 C.F.R. 252.88 (a), (c)-(d), 12 C.F.R. 382.7(a), (c)-(d) or 12 C.F.R. 47.8(a), (c)-(d).

“*Covered Direct QFC*” means a Direct QFC between a Counterparty Entity and a Covered Entity (including all transactions thereunder).

“*Covered Entity Group*” has the meaning specified in the Recitals hereto.

“*Covered Entity*” means a Party to this Agreement that is a member of the Covered Entity Group.

“*Credit Enhancement*” means any credit enhancement or credit support arrangement in support of the obligations of a Covered Entity or a Counterparty Entity under or with respect to a QFC, including any guarantee, collateral arrangement (including any pledge, charge, mortgage or other security interest in collateral or title transfer arrangement), trust or similar arrangement, letter of credit, transfer of margin, reimbursement obligation or any similar arrangement.

“*Direct Party*” means a Covered Entity that is a party to a Covered Direct QFC.

“*Direct QFC*” means a QFC that is not a Credit Enhancement. For a QFC that is a master agreement that includes a Covered Affiliate Credit Enhancement as a supplement to the master agreement, the Direct QFC does not include such Covered Affiliate Credit Enhancement.

“*Default Right*” means, with respect to a Covered Agreement, any:

(a) right of a party, whether contractual or otherwise (including, without limitation, rights incorporated by reference to any other contract, agreement, or document, and rights afforded by statute, civil code, regulation, and common law), to liquidate, terminate, cancel, rescind, or accelerate such agreement or transactions thereunder, set off or net amounts owing in respect thereto (except rights related to same-day payment netting), exercise remedies in respect of collateral or other credit support or property related thereto (including the purchase and sale of property), demand payment or delivery thereunder or in respect thereof (other than a right or operation of a contractual provision arising solely from a change in the value of collateral or margin or a change in the amount of an economic exposure), suspend, delay, or defer payment or performance thereunder, or modify the obligations of a party thereunder, or any similar rights; and

(b) right or contractual provision that alters the amount of collateral or margin that must be provided with respect to an exposure thereunder, including by altering any initial amount, threshold amount, variation margin, minimum transfer amount, the margin value of collateral, or any similar amount, that entitles a party to demand the return of any collateral or margin transferred by it to the other party or a custodian or that modifies a transferee’s right to reuse collateral or margin (if such right previously existed), or any similar rights, in each case, other than a right or operation of a contractual provision arising solely from a change in the value of collateral or margin or a change in the amount of an economic exposure;

provided that, as used in Sections 2.1, 2.2, 2.3 or 2.4 hereof, the term “Default Right” does not include any right under a contract that allows a party to terminate the contract on demand or at its option at a specified time, or from time to time, without the need to show cause.

References to the “exercise” of a Default Right or the entitlement “to exercise” a Default Right shall include the automatic or deemed exercise of a Default Right.

“*Effective Date*” means, with respect to a Covered Agreement entered into, or provided by or to, a Counterparty Entity, the latest of the Applicable Compliance Date and the date such Counterparty Entity or the relevant Covered Entity becomes a Party to this Agreement.

“*Execution Date*” has the meaning set forth in the Recitals hereto.

“*FDI Act*” means the Federal Deposit Insurance Act and the regulations promulgated thereunder.

“*FDI Act Stay Period*” has the same meaning specified in, and shall be interpreted in accordance with, 12 C.F.R. 252.81, 12 C.F.R. 382.1 and 12 C.F.R. 47.2.

“*FDIC*” refers to the Federal Deposit Insurance Corporation.

“*Financial Counterparty*” has the meaning given to such term in, and shall be interpreted in accordance with, 12 C.F.R. 252.81, 12 C.F.R. 382.1 and 12 C.F.R. 47.2.

“*In-Scope QFC*” has the meaning given to such term in, and shall be interpreted in accordance with, 12 C.F.R. 252.82(d), 12 C.F.R. 382.2(d) and 12 C.F.R. 47.3(d).

“*Insolvency Proceeding*” means a receivership, insolvency, liquidation, resolution, or similar proceeding.

“*ISDA*” refers to International Swaps and Derivatives Association, Inc.

“*ISDA Protocol*” means the ISDA 2018 U.S. Resolution Stay Protocol, as published by ISDA as of July 31, 2018.

“*OLA*” means Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

“*Party*” refers to a Person that is listed on the signature pages hereof as a party to this Agreement.

“*Person*” includes an individual, bank, corporation, partnership, trust, association, joint venture, pool, syndicate, sole proprietorship, unincorporated organization, or any other form of entity.

“*QFC*” has the meaning assigned to the term “qualified financial contract” as defined in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

“*QFC Stay Rules*” means, (i) with respect to a Covered Entity described in 12 C.F.R. 252.82(b), the regulations that are codified at 12 C.F.R. 252.2, 252.81–8 (the “**FRB Rule**”); (ii) with respect to a Covered Entity described in 12 C.F.R. 382.2(b), the regulations that are codified at 12 C.F.R. 382.1-7 (the “**FDIC Rule**”); and (iii) with respect to a Covered Entity described in 12 C.F.R. 47.3(b), the regulations that are codified at 12 C.F.R. 47.1-8 (the “**OCC Rule**”). All references in this Agreement to specific provisions of the FRB Rule, the FDIC Rule and the OCC Rule shall be construed, in respect of a Covered

Entity or a Covered Agreement to which such Covered Entity is a party or provided by or to such Covered Entity, to refer to the QFC Stay Rules applicable to such Covered Entity.

“*QFC Stay Period*” means, in the event of an Insolvency Proceeding, the period of time beginning on the commencement of such Insolvency Proceeding and ending at the later of 5:00 p.m. (Eastern Time) on the first day on which commercial banks in the jurisdiction of the proceeding are open for general business (including dealings in foreign exchange and foreign currency deposits) following the date of the commencement and 48 hours after the commencement of such Insolvency Proceeding.

“*Small Financial Institution*” has the meaning given to such term in, and shall be interpreted in accordance with, 12 C.F.R. 252.81, 12 C.F.R. 382.1 and 12 C.F.R. 47.2.

“*State*” means any state, commonwealth, territory, or possession of the United States of America, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, or the United States Virgin Islands.

“*Third Party Credit Enhancement*” means, with respect to a Party and a Covered Agreement, any Credit Enhancement that is executed or provided by one or more Third Parties (whether or not a Party is also a party thereto), regardless of whether or not such document is identified as a Third Party Credit Enhancement.

“*Third Party*” means any Person other than the Parties to this Agreement.

“*Transferee*” means, in respect of a Covered Affiliate Credit Enhancement, a Person to whom such Covered Affiliate Credit Enhancement is transferred upon the Covered Affiliate Support Provider entering Insolvency Proceeding or thereafter as part of the resolution, restructuring, or reorganization involving such Covered Affiliate Support Provider.

“*U.S. Special Resolution Regimes*” has the meaning set forth in Section 1.1(a).

2. Terms Generally. The definitions of terms herein (including those incorporated by reference to another document) apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun includes the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise, (i) any definition of or reference to any agreement, schedule, instrument or other document herein shall be construed as referring to such agreement, schedule, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (ii) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (iii) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (iv) all references herein to Schedules shall be construed to refer to Sections of, and Schedule to, this Agreement, unless otherwise noted, and (v) the word “property” shall be construed to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF FLORIDA MUNICIPAL POWER AGENCY (I) RECITING STATEMENT OF AUTHORITY; (II) AUTHORIZING FLORIDA MUNICIPAL POWER AGENCY TO TAKE STEPS NECESSARY TO EVIDENCE COMPLIANCE WITH U.S. STAY REGULATIONS IN CONNECTION WITH QUALIFIED FINANCIAL CONTRACTS; (III) DELEGATING TO AUTHORIZED SIGNATORIES THE AUTHORITY TO ENTER INTO DOCUMENTATION TO EVIDENCE COMPLIANCE WITH U.S. STAY REGULATIONS; (IV) DESIGNATING AUTHORIZED SIGNATORIES (V) DESIGNATING AUTHORIZED OFFICERS; (VI) PROVIDING FOR THE TAKING OF CERTAIN OTHER ACTIONS; (VII) PROVIDING FOR SEVERABILITY; AND (VIII) PROVIDING FOR AN EFFECTIVE DATE.

BE IT RESOLVED BY THE EXECUTIVE COMMITTEE OF THE FLORIDA MUNICIPAL POWER AGENCY (“FMPA”) THAT:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This resolution (the “Resolution”) is adopted pursuant to the provisions of Chapter 361, Part II, Florida Statutes, as amended, Section 163.01, Florida Statutes, as amended, and Chapter 166, Part II, Florida Statutes, as amended.

SECTION 2. AUTHORIZATION TO TAKE STEPS NECESSARY TO EVIDENCE COMPLIANCE WITH U.S. STAY REGULATIONS IN CONNECTION WITH QUALIFIED FINANCIAL CONTRACTS. In order to enter into future qualified financial contracts or to terminate, modify or transfer qualified financial contracts, in each case involving financial institutions that are subject to the regulations issued by the Board of Governors of the Federal Reserve System (the “FRB”) (12 C.F.R. §§ 252.81-88), the Federal Deposit Insurance Corporation (the “FDIC”) (12 C.F.R. §§ 382.1-7) and the Office of the Comptroller of the Currency (the “OCC”) (12 C.F.R. §§ 47.1-8) (collectively, the “U.S. Stay Regulations”), FMPA is authorized to evidence compliance with the U.S. Stay Regulations with respect to qualified financial contracts to be entered into or with respect to qualified financial contracts to be terminated, modified or transferred, in each case involving such financial institutions by any of the following approaches: (i) enter into the ISDA 2018 U.S. Resolution Stay Protocol (the “ISDA U.S. Stay Protocol”) or an alternative protocol, (ii) enter into bilateral contracts with financial institutions that are subject to the U.S. Stay Regulations, and (iii) amend existing contracts with financial institutions that are subject to the U.S. Stay Regulations in a manner so that the steps mentioned in clause (i) and clause (ii) above are not necessary to evidence FMPA’s compliance with the U.S. Stay Regulations.

SECTION 3. DELEGATING TO AUTHORIZED SIGNATORIES THE AUTHORITY TO ENTER INTO DOCUMENTATION TO EVIDENCE COMPLIANCE WITH U.S. STAY REGULATIONS. Each Authorized Signatory is hereby authorized to enter into any documentation determined to be necessary or appropriate by such Authorized Signatory to evidence compliance by FMPA with the U.S. Stay Regulations, including, but not limited to, the ISDA U.S. Stay Protocol, a form of which is attached as Exhibit A hereto.

SECTION 4. DESIGNATION OF AUTHORIZED SIGNATORIES. The General Manager and CEO of FMPA, the Chief Financial Officer of FMPA, and the General Counsel and Chief Legal Officer of FMPA are each hereby designated as Authorized Signatories and are authorized to execute and deliver any documentation determined to be necessary or appropriate by any such Authorized Signatory

SECTION 5. DESIGNATION OF AUTHORIZED OFFICERS. The Chairperson of the Executive Committee, the Vice Chairperson of the Executive Committee, the Secretary, the elected Treasurer of FMPA, the General Manager and CEO of FMPA, any Assistant Secretary, the Chief Financial Officer of FMPA and the General Counsel and Chief Legal Officer of FMPA are each hereby designated as Authorized Officers.

SECTION 6. FURTHER ACTIONS. Each Authorized Officer designated hereunder is hereby authorized and empowered to take all further actions as may be necessary or desirable in carrying out the terms and provisions of this Resolution and each of the documents referred to herein.

SECTION 7. SEVERABILITY. If one or more provisions of this Resolution should be determined by a court of competent jurisdiction to be contrary to law, such provisions shall be deemed to be severable from the remaining provisions hereof, and shall in no way affect the validity or enforceability of such remaining provisions.

SECTION 8. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

This Resolution 2019-EC1 is hereby approved and adopted by the Executive Committee of the Florida Municipal Power Agency on February 14, 2019.

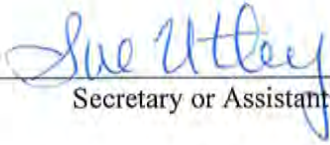


Chairperson, Executive Committee

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I HEREBY CERTIFY that, on February 14, 2019, the above Resolution 2019-EC1 was approved and adopted by the Executive Committee of the Florida Municipal Power Agency, and that this is a true and conformed copy of Resolution 2019-EC1.

ATTEST:



Secretary or Assistant Secretary

SEAL



EXHIBIT A

ISDA U.S. STAY PROTOCOL

[PLEASE SEE ATTACHED]



International Swaps and Derivatives Association, Inc.

ISDA 2018 U.S. RESOLUTION STAY PROTOCOL

published on July 31, 2018
by the International Swaps and Derivatives Association, Inc.

The International Swaps and Derivatives Association, Inc. (**ISDA**) has published this ISDA 2018 U.S. Resolution Stay Protocol (this **Protocol**) to enable parties to Protocol Covered Agreements (as defined below) to amend the terms of each such Protocol Covered Agreement to contractually recognize the cross-border application of special resolution regimes applicable to certain financial companies and support the resolution of certain financial companies under the United States Bankruptcy Code.

Accordingly, a party may adhere to this Protocol and be bound by its terms by completing and delivering a letter substantially in the form of Exhibit 1 to this Protocol (an **Adherence Letter**) to ISDA, as agent, as described below (each such party, an **Adhering Party**).

1. Adherence to and Effectiveness of the Protocol

(a) If an Adhering Party is an Entity Subject to U.S. Regulations or has a branch or agency that is an Entity Subject to U.S. Regulations and identifies itself as a Regulated Entity in its Adherence Letter, it shall be a **Regulated Entity** for purposes of this Protocol.

(b) By adhering to this Protocol in the manner set forth in this paragraph 1, each Adhering Party agrees that (i) the terms of each Covered Agreement between such Adhering Party and any Regulated Entity or provided by one to the other and (ii) the terms of each Covered Credit Enhancement between such Adhering Party and any Regulated Entity or provided by one to the other will, in each case, be amended in accordance with the terms and subject to the conditions set forth in the Attachment hereto.

(c) Adherence to this Protocol will be evidenced by the execution and online delivery, in accordance with this paragraph, to ISDA, as agent, of an Adherence Letter (in accordance with subparagraphs 1(c)(i) through 1(c)(iii) below). ISDA shall have the right, in its sole and absolute discretion, upon thirty calendar days' notice on the "ISDA 2018 U.S. Resolution Stay Protocol" section of its website at www.isda.org (or by other suitable means), to designate a closing date of this Protocol (such closing date, the **Cut-off Date**). After the Cut-off Date, ISDA will not accept any further Adherence Letters to this Protocol.

(i) Each Adhering Party will access the Protocol Management section of the ISDA website at www.isda.org to enter information online that is required to generate its form of Adherence Letter. Each Adhering Party that is an Entity Subject to U.S. Regulations or has a branch or agency that is an Entity Subject to U.S. Regulations and that wishes to be treated as a Regulated Entity for purposes of this Protocol shall identify itself as a Regulated Entity in section 1 of its Adherence Letter. Either by directly downloading the populated Adherence Letter from the Protocol Management system or upon receipt via e-mail of the populated Adherence Letter, each Adhering Party will print, sign and upload the signed Adherence Letter as a PDF (portable document format) attachment into the Protocol Management system. Once the signed Adherence Letter has been approved and accepted by ISDA, such Adhering Party will receive an e-mail confirmation of the Adhering Party's adherence to the Protocol.

- (ii) A conformed copy of each Adherence Letter containing, in place of each signature, the printed or typewritten name of each signatory will be published by ISDA so that it may be viewed by all Adhering Parties. Each Adhering Party agrees that, for evidentiary purposes, a conformed copy of an Adherence Letter certified by the General Counsel (or other appropriate officer) of ISDA will be deemed to be an original.
- (iii) Each Adhering Party agrees that the determination of the date and time of acceptance of any Adherence Letter will be determined by ISDA in its absolute discretion.
- (d) As between an Adhering Party and a Regulated Entity (including, for the avoidance of doubt, any two Regulated Entities), the agreement to make the amendments contemplated by this Protocol, on the terms and conditions set forth in this Protocol, will be effective on the Implementation Date and the amendments shall be made on the later of (i) the Implementation Date and (ii) the Compliance Date.
- (i) The **Compliance Date** with respect to a Protocol Covered Agreement shall be determined as follows:—
- (A) if each party to such Protocol Covered Agreement is an Entity Subject to U.S. Regulations, 1 January 2019;
- (B) if each party to such Protocol Covered Agreement (other than the Entity Subject to U.S. Regulations) is a Financial Counterparty that is not an Entity Subject to U.S. Regulations, 1 July 2019; and
- (C) if a party to such Protocol Covered Agreement (other than the Entity Subject to U.S. Regulations) is not described in clause (A) or (B) or if, notwithstanding (B), a party to such Protocol Covered Agreement (other than the Entity Subject to U.S. Regulations) is a Small Financial Institution, 1 January 2020.
- (ii) The **Implementation Date** with respect to any Adhering Party and a Regulated Entity shall be the date of acceptance by ISDA, as agent, of an Adherence Letter (in accordance with paragraph 1(c) above) from the later of such two Adhering Parties to adhere. Acceptance by ISDA of a subsequent or revised Adherence Letter from either such Adhering Party will not have the effect of changing such Implementation Date.
- (e) This Protocol is intended for use without negotiation, but without prejudice to any amendment, modification or waiver in respect of a Protocol Covered Agreement that the parties may otherwise effect in accordance with the terms of that Protocol Covered Agreement.
- (i) In adhering to this Protocol, an Adhering Party may not specify additional provisions, conditions or limitations in its Adherence Letter.
- (ii) Any purported adherence that ISDA, as agent, determines in good faith is not in compliance with this Protocol will be void and ISDA will inform the relevant party of such fact as soon as reasonably possible after making such determination.
- (f) Each Adhering Party acknowledges and agrees that adherence to this Protocol is irrevocable, except that an Adhering Party may deliver to ISDA, as agent, a notice substantially in the form of Exhibit 2 to this Protocol that is effective (determined pursuant to paragraph 3(f) below) on any Protocol Business Day during the Annual Revocation Period (a **Revocation Notice**) to designate the next Annual

Revocation Date as the last date on which (i) any counterparty may adhere to this Protocol in respect of any Covered Agreement between the counterparty and such Adhering Party or (ii) any provider of credit support to, or recipient of credit support from, such Adhering Party pursuant to any Credit Enhancement may adhere to this Protocol with respect to such Credit Enhancement.

(i) Upon the effective designation of the next Annual Revocation Date by an Adhering Party, this Protocol will not amend any (A) Covered Agreement between that Adhering Party and an Adhering Party which adheres to this Protocol after that Annual Revocation Date occurs or (B) Credit Enhancement by that Adhering Party in favor of a party which adheres to this Protocol after that Annual Revocation Date occurs, or by such a party in favor of that Adhering Party, and such Covered Agreement or Credit Enhancement will not be a Protocol Covered Agreement. The foregoing is without prejudice to any amendment effected pursuant to this Protocol to any Protocol Covered Agreement between two Adhering Parties (or by one Adhering Party in favor of another Adhering Party) that each adhered to this Protocol on or before the day on which that Annual Revocation Date occurs or is deemed to occur, regardless of the date on which such Protocol Covered Agreement is entered into, and any such amendment shall be effective notwithstanding the occurrence or deemed occurrence of such Annual Revocation Date.

(ii) Each Revocation Notice must be delivered by the means specified in paragraph 3(f) of this Protocol below.

(iii) Each Adhering Party agrees that, for evidentiary purposes, a conformed copy of a Revocation Notice certified by the General Counsel or an appropriate officer of ISDA will be deemed to be an original.

(iv) Any purported revocation that ISDA, as agent, determines in good faith is not in compliance with this paragraph 1(f) will be void.

2. Representations and Undertakings

(a) As of the date on which an Adhering Party adheres to this Protocol in accordance with paragraph 1 above, such Adhering Party represents to each other Adhering Party with which it has entered into a Protocol Covered Agreement, or to which it has provided or from which it has received a Protocol Covered Agreement, each of the following matters:

(i) **Status.** It is, if relevant, duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing or, if it otherwise represents its status in or pursuant to the Protocol Covered Agreement, has such status.

(ii) **Powers.** It has the power to execute and deliver the Adherence Letter and to perform its obligations under the Adherence Letter and the Protocol Covered Agreement as amended by the Adherence Letter and this Protocol (including the Attachment hereto), and has taken all necessary action to authorize such execution, delivery and performance.

(iii) **No Violation or Conflict.** Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

(iv) **Consents.** All governmental and other consents that are required to have been obtained by it with respect to the Adherence Letter and the Protocol Covered Agreement, as amended by the Adherence Letter and this Protocol (including the Attachment hereto), have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

(v) **Obligations Binding.** Its obligations under the Adherence Letter and the Protocol Covered Agreement, as amended by the Adherence Letter and this Protocol (including the Attachment hereto), constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(vi) **Credit Support.** Its adherence to this Protocol and any amendment contemplated by this Protocol (other than any amendments affecting when rights in respect of a Credit Enhancement or Third Party Credit Enhancement may be exercised) will not, in and of itself, adversely affect the enforceability, effectiveness or validity of any obligations owed, whether by it or by any third party, under any Credit Enhancement or Third Party Credit Enhancement in respect of its obligations relating to the Protocol Covered Agreement as amended by the Adherence Letter and this Protocol (including the Attachment hereto).

(b) Each Adhering Party agrees with each other Adhering Party with which it has entered into a Protocol Covered Agreement, or to which it has provided a Protocol Covered Agreement that is a Covered Credit Enhancement, that each of the foregoing representations will be deemed, in the case of a Protocol Covered Agreement that is an ISDA Master Agreement, to be a representation for purposes of Section 5(a)(iv) and in the case of any other Protocol Covered Agreement, to be a representation for purposes of any analogous provisions of each such Protocol Covered Agreement, that is made by each Adhering Party as of the later of (A) the date on which such Adhering Party adheres to this Protocol in accordance with paragraph 1 above and (B) the date of such Protocol Covered Agreement.

(c) **Undertakings in respect of Covered Agreements and Credit Enhancements with Third Party Credit Enhancements.** With respect to Covered Agreements and Credit Enhancements with Third Party Credit Enhancements that expressly require the consent, approval, agreement, authorization or other action of a Third Party to be obtained, each Adhering Party whose obligations under such arrangements are secured, guaranteed or otherwise supported by such Third Party undertakes to each other Adhering Party with which it has entered into such arrangements that it has obtained the consent (including by way of paragraph 2(d) below), approval, agreement, authorization or other action of such Third Party and that it will, upon demand, deliver evidence of such consent, approval, agreement, authorization or other action to such other Adhering Party.

(d) **Deemed Third Party Consent.** Each Adhering Party which is also a Third Party in relation to a Third Party Credit Enhancement is hereby deemed to have consented to the amendments imposed by this Protocol on the Covered Agreement and/or Credit Enhancement supported by such Third Party Credit Enhancement.

3. Miscellaneous

(a) **Entire Agreement; Restatement; Survival.**

(i) This Protocol constitutes the entire agreement and understanding of the Adhering Parties with respect to its subject matter and supersedes all oral communication and prior writings (except as otherwise provided herein) with respect thereto. Each Adhering Party acknowledges

that in adhering to this Protocol it has not relied on any oral or written representation, warranty or other assurance (except as provided for or referred to elsewhere in this Protocol or in the Attachment) and waives all rights and remedies which might otherwise be available to it in respect thereof, except that nothing in this Protocol will limit or exclude any liability of an Adhering Party for fraud.

(ii) Except for any amendment deemed to be made pursuant to this Protocol in respect of any Protocol Covered Agreement, all terms and conditions of each Protocol Covered Agreement will continue in full force and effect in accordance with its provisions as in effect immediately prior to the date on which it first becomes subject to this Protocol. Except as explicitly stated in this Protocol, nothing herein shall constitute a waiver or release of any rights of any Adhering Party under any Protocol Covered Agreement to which such Adhering Party is a party or a provider or recipient of credit support. This Protocol will, with respect to its subject matter, survive, and any amendments deemed to be made pursuant to this Protocol will form a part of each Protocol Covered Agreement between the Adhering Parties, notwithstanding any statements in a Protocol Covered Agreement to the effect that such Protocol Covered Agreement constitutes the entire agreement and understanding between the parties to such Protocol Covered Agreement with respect to the subject of such Protocol Covered Agreement.

(b) **Exclusion of Agreements.** Notwithstanding anything in Section 1(b) hereof, with respect to any agreement between Adhering Parties, if the parties to such agreement have expressly stated in such agreement or otherwise agreed in writing that this Protocol shall not apply then such agreement shall not be a Protocol Covered Agreement.

(c) **Amendments.** An amendment, modification or waiver in respect of the matters contemplated by this Protocol will only be effective in respect of a Protocol Covered Agreement if made in accordance with the terms of the Protocol Covered Agreement and then only with effect between the parties to that Protocol Covered Agreement (and will only be effective to amend or override the provisions set forth in this Protocol and the Attachment if it expressly refers in writing to this paragraph 3(c) of this Protocol).

(d) **Headings.** The headings used in this Protocol and any Adherence Letter are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Protocol or any Adherence Letter.

(e) **Governing Law.** This Protocol and each Adherence Letter will, as between two Adhering Parties and in respect of each Protocol Covered Agreement between them or provided by one of them to the other, be governed by and construed in accordance with the law of the State of New York, without reference to choice of law doctrine, provided that the amendments to each Protocol Covered Agreement shall be governed by and construed in accordance with the law specified to govern that Protocol Covered Agreement and otherwise in accordance with the applicable choice of law doctrine.

(f) **Notices.** Any Revocation Notice must be in writing and delivered as a locked PDF (portable document format) attachment to an email to ISDA at isda@isda.org and will be deemed effectively delivered on the date it is delivered unless on the date of that delivery ISDA's London office is closed or that communication is delivered after 5:00 p.m., London time, in which case that communication will be deemed effectively delivered on the next day ISDA's London office is open.

(g) **Ability of an Agent to Adhere to the Protocol on Behalf of a Client.**

(i) An Agent may adhere to this Protocol:

(A) on behalf of all Clients listed in each Protocol Covered Agreement (or other agreement which deems a Protocol Covered Agreement to have been created) between such Agent (as agent) and each Regulated Entity, provided by such Agent (as agent) to each Regulated Entity or received by such Agent (as agent) from each Regulated Entity (in which case such Agent need not identify each Client through an online platform available generally to the industry, including, for example, the ISDA Amend platform provided by IHS Markit); or

(B) on behalf of each Client represented by such Agent that is specifically named or identified through an online platform available generally to the industry, including, for example, the ISDA Amend platform provided by IHS Markit; or

(C) on behalf of all Clients listed in each Protocol Covered Agreement (or other agreement which deems a Protocol Covered Agreement to have been created) between such Agent (as agent) and each Regulated Entity, provided by such Agent (as agent) to each Regulated Entity or received by such Agent (as agent) from each Regulated Entity, except any Client that such Agent specifically names or identifies as excluded from adherence through an online platform available generally to the industry, including, for example, the ISDA Amend platform provided by IHS Markit; or

(D) solely for the purpose of amending one or more Agent Protocol Covered Agreements entered into with, provided by or received from Regulated Entities on behalf of principals that are not Clients at the time of such adherence and to which New Clients may be added pursuant to paragraph 3(h), in which case the Agent may adhere but not identify any Clients at the time of such adherence;

provided, in each case, that such adherence shall only be effective with respect to Protocol Covered Agreements entered into, provided to or received by such Agent on behalf of any such Client and only to designate any such Client as an Adhering Party but not a Regulated Entity.

(ii) Where an Agent adheres to this Protocol on behalf of a Client by executing and delivering an Adherence Letter on behalf of such Client in accordance with paragraph 1 and this paragraph 3(g), references to the Adhering Party for purposes of this Protocol (including the Attachment hereto) and the Adherence Letter shall be interpreted to refer to such Client.

(h) **Clients Added to an Agent Protocol Covered Agreement after the Implementation Date.** In respect of any Client added to an Agent Protocol Covered Agreement between an Agent and a Regulated Entity, or provided or received by the Agent to or from such Regulated Entity, after the Implementation Date (a **New Client**), the Agent and such Regulated Entity agree that the terms of such Agent Protocol Covered Agreement as between such Regulated Entity and any New Client will be subject to the amendments effected by this Protocol, unless otherwise agreed between such Agent and such Regulated Entity.

(i) **Adhering Party that is an Agent with respect to a Protocol Covered Agreement.** An Adhering Party that executes a Protocol Covered Agreement (including an annex thereto) as agent with respect to that Protocol Covered Agreement, shall not for purposes of this Protocol be considered to be a party to or to have entered into such Protocol Covered Agreement solely by acting as agent with respect to that Protocol Covered Agreement.

(j) **Agent Representation.** If an Agent adheres to this Protocol on behalf of one or more Clients pursuant to paragraph 3(g)(i)(B), 3(g)(i)(C) or 3(g)(i)(D) or adds New Clients pursuant to paragraph 3(h),

it must communicate the identity of each such Client to each Regulated Entity with, to or from which the Agent has entered into, provided or received one or more Protocol Covered Agreements on behalf of such Client. When an Agent communicates the identity of a Client to a Regulated Entity in accordance with paragraph 3(g) and this paragraph 3(j), it is deemed to represent to such Regulated Entity that the Agent has communicated the identity of the Client to each other Regulated Entity with, to or from which the Agent has entered into, provided or received one or more Protocol Covered Agreements on behalf of such Client.

4. Definitions

References in this Protocol and the Attachment to the following terms shall have the following meanings:

Adherence Letter has the definition given to such term in the introductory paragraphs hereof.

Adhering Party has the definition given to such term in the introductory paragraphs hereof.

Agent means an entity that enters into, or provides or receives the benefit of, a Protocol Covered Agreement and executes and delivers an Adherence Letter with respect to this Protocol on behalf of, and as agent for, one or more clients, investors, funds, accounts and/or other principals. With respect to paragraph 3(h), Agent also means an entity that enters into, or provides or receives the benefit of, a Protocol Covered Agreement and executes and delivers an Adherence Letter pursuant to subparagraph 3(g)(i)(D) solely for purposes of amending such agreements to which New Clients may be added under paragraph 3(h).

Agent Covered Credit Enhancement means any Credit Enhancement that is an In-Scope QFC that is entered into between, or provided by or to, an Agent, in each case on behalf of or for the benefit of a Client, with, to or from a Regulated Entity prior to the date of receipt by ISDA of an Adherence Letter from the later of such Regulated Entity or such Agent, provided that an Excluded Agreement shall not be an Agent Covered Credit Enhancement.

Agent Covered Agreement means any In-scope QFC other than an Excluded Agreement or a Credit Enhancement that is signed by an Agent and a Regulated Entity prior to the date of receipt by ISDA of an Adherence Letter from the later of such Regulated Entity or such Agent.

Agent Protocol Covered Agreement means an Agent Covered Credit Enhancement or an Agent Covered Agreement.

Annual Revocation Date means, with respect to each calendar year, December 31 of such calendar year. If December 31 in any calendar year is not a day on which ISDA's London office is open, the Annual Revocation Date with respect to such calendar year will be deemed to occur on the next day that ISDA's London office is open.

Annual Revocation Period means the period between October 1 and October 31 of any calendar year.

BHCA Affiliate has the meaning given to the term "affiliate":—

- (a) with respect to a Covered Bank, in the OCC Regulation; or
- (b) with respect to a Covered Entity, in the FRB Regulation; or
- (c) with respect to a Covered FSI, in the FDIC Regulation,

and shall be interpreted in accordance with such regulation.

CCP has the meaning given to the term “central counterparty (CCP)” in the FRB Regulation.

Client means a client, investor, fund, account and/or other principal on whose behalf an Agent acts.

Compliance Date has the meaning given to such term in subparagraph 1(d)(i).

Covered Affiliate Credit Enhancement means a Covered Credit Enhancement to which a Covered Bank, Covered Entity or Covered FSI is the obligor.

Covered Agreement means, with respect to an Adhering Party and a Regulated Entity, subject to an Adhering Party’s right to deliver a Revocation Notice pursuant to paragraph 1(f) above:—

(a) an In-scope QFC, other than a Credit Enhancement, between such Adhering Party and such Regulated Entity, provided by such Regulated Entity to such Adhering Party or provided by such Adhering Party to such Regulated Entity, in each case, entered into by the Adhering Parties on or prior to the Implementation Date (and including all outstanding transactions thereunder);

(b) an In-scope QFC, other than a Credit Enhancement, that is an ISDA Master Agreement entered into at any time after the Implementation Date and prior to the Cut-off Date by execution by such Adhering Party and such Regulated Entity of a confirmation pursuant to which such Adhering Party and such Regulated Entity are deemed to have entered into such ISDA Master Agreement until such time as an ISDA Master Agreement has been executed by such Adhering Party and such Regulated Entity, provided that if:

(i) any consent, approval, agreement, authorization or other action of any Third Party is expressly required, under the terms of a Third Party Credit Enhancement or such ISDA Master Agreement, to amend or otherwise modify such ISDA Master Agreement; or

(ii) such Third Party Credit Enhancement or such ISDA Master Agreement includes express terms to the effect that any amendment or modification of such ISDA Master Agreement without the consent, approval, agreement, authorization or other action of any such Third Party would void, impair or otherwise adversely affect existing or future obligations owed under such Third Party Credit Enhancement; or

(iii) such ISDA Master Agreement, if amended or modified in accordance with this Protocol without the consent, approval, agreement, authorization or other action of any such Third Party would void, impair or otherwise adversely affect existing or future obligations owed under such Third Party Credit Enhancement,

then such ISDA Master Agreement shall not be a Covered Agreement unless such consent, approval, agreement, authorization or other action has been obtained or is deemed to have been given under paragraph 2(d) above; and

(c) an Agent Covered Agreement signed by the Agent and the Regulated Entity prior to adherence by both the Regulated Entity and the Agent on behalf of the relevant Client (and including all outstanding transactions thereunder and outstanding Credit Enhancements entered into in connection therewith),

provided that an Excluded Agreement shall not be a Covered Agreement.

Covered Bank has the meaning given to the term “covered bank” in the OCC Regulation and shall be interpreted in accordance with such regulation.

Covered Credit Enhancement means, subject to an Adhering Party’s right to deliver a Revocation Notice pursuant to paragraph 1(f) above any (a) Credit Enhancement that is an In-Scope QFC executed by two Adhering Parties or entered into by such Adhering Parties on or prior to the Implementation Date or (b) Credit Enhancement that is an In-Scope QFC executed by an Adhering Party and provided to another Adhering Party on or prior to the Implementation Date, or in the case of an Agent Covered Credit Enhancement, executed by the Agent and an Adhering Party, or by the Agent and provided to an Adhering Party or by an Adhering Party and provided to the Agent, prior to adherence by both the Adhering Party and the Agent on behalf of the relevant Client provided that if:—

(a) any consent, approval, agreement, authorization or other action of a Third Party is expressly required under the terms of such Credit Enhancement or a Third Party Credit Enhancement, to amend or otherwise modify such Credit Enhancement; or

(b) such Credit Enhancement or a Third Party Credit Enhancement includes express terms to the effect that any amendment or modification of such Credit Enhancement without the consent, approval, agreement, authorization or other action of a Third Party would void, impair or otherwise adversely affect existing or future obligations owed under such Credit Enhancement or such Third Party Credit Enhancement; or

(c) such Credit Enhancement, if amended or modified in accordance with this Protocol without the consent, approval, agreement, authorization or other action of a Third Party would void, impair or otherwise adversely affect existing or future obligations owed under a Third Party Credit Enhancement,

then such Credit Enhancement shall not be a Covered Credit Enhancement unless such consent, approval, agreement, authorization or other action has been obtained or is deemed to have been given under paragraph 2(d) above, provided further that an Excluded Agreement shall not be a Covered Credit Enhancement.

Covered Entity has the meaning given to the term “covered entity” in the FRB Regulation and shall be interpreted in accordance with such regulation.

Covered FSI has the meaning given to the term “covered FSI” in the FDIC Regulation and shall be interpreted in accordance with such regulation.

Credit Enhancement has the meaning specified for such term in the Attachment hereto.

Credit Support Document means, in respect of an Adhering Party and a Protocol Covered Agreement, any document in effect on the Implementation Date, which by its terms secures, guarantees or otherwise supports such Adhering Party’s obligations under such Protocol Covered Agreement from time to time, whether or not such document is specified as such therein or in the Protocol Covered Agreement.

Cut-off Date has the meaning given to such term in subparagraph 1(c).

Default Right has the meaning given to such term in the Attachment.

Entity Subject to U.S. Regulations means a Covered Bank, Covered Entity or Covered FSI.

Excluded Agreement means any:—

- (a) In-scope QFC to which (1) a CCP is a party or (2) each party (other than the Entity Subject to U.S. Regulations) is an FMU;
- (b) Excluded Foreign Bank Agreement;
- (c) Excluded Investment Advisory Contract; and
- (d) Excluded Warrant.

Excluded Foreign Bank Agreement means a Foreign Bank Agreement that does not permit agreements or transactions to be booked at:—

- (a) with respect to a Covered Bank, a “Federal branch” or “Federal agency,” each of which has the meaning given to such term in the OCC Regulation; or
- (b) with respect to a Covered Entity, a “U.S. branch” or “U.S. agency,” each of which has the meaning given to such term in the FRB Regulation.

Excluded Investment Advisory Contract means any contract or agreement:—

- (a) with respect to a Covered Bank, described in section 47.8(c)(1) of the OCC Regulation; or
- (b) with respect to a Covered Entity, described in section 252.88(c)(1) of the FRB Regulation; or
- (c) with respect to a Covered FSI, described in section 382.7(c)(1) of the FDIC Regulation.

Excluded Warrant means any warrant:—

- (a) with respect to a Covered Bank, described in section 47.8(c)(2) of the OCC Regulation; or
- (b) with respect to a Covered Entity, described in section 252.88(c)(2) of the FRB Regulation; or
- (c) with respect to a Covered FSI, described in section 382.7(c)(2) of the FDIC Regulation.

FDIC Regulation means 12 C.F.R. §§ 382.1-7.

Financial Counterparty has the meaning given to the term “financial counterparty” in the FRB Regulation.

FMU has the meaning given to the term “financial market utility (FMU)” in the FRB Regulation.

Foreign Bank means an entity that is not organized under the laws of the United States of America or of a State that has:—

- (a) a “Federal branch” or “Federal agency,” each of which has the meaning given to such term in the OCC Regulation, that is a Covered Bank; or
- (b) a “U.S. branch” or “U.S. agency,” each of which has the meaning given to such term in the FRB Regulation, that is a Covered Entity.

Foreign Bank Agreement means an In-scope QFC that is between:—

- (a) (i) Foreign Bank; or
- (ii) a branch or agency (including a non-U.S. branch or agency) of a Foreign Bank; and
- (b) an Adhering Party that is not an Entity Subject to U.S. Regulations.

FRB Regulation means 12 C.F.R. §§ 252.2, 252.81-88.

Implementation Date has the meaning given to such term in subparagraph 1(d)(ii).

In-scope QFC means a Qualified Financial Contract that explicitly:—

- (a) restricts the transfer of a Qualified Financial Contract (or any interest or obligation in or under, or any property securing, the Qualified Financial Contract) from an Entity Subject to U.S. Regulations; or
- (b) provides one or more Default Rights with respect to a Qualified Financial Contract that may be exercised against an Entity Subject to U.S. Regulations.

ISDA Master Agreement means a 2002 ISDA Master Agreement, 1992 ISDA Master Agreement (Multicurrency – Cross Border), 1992 ISDA Master Agreement (Local Currency – Single Jurisdiction), 1987 ISDA Interest Rate and Currency Exchange Agreement or 1987 ISDA Interest Rate Swap Agreement, in each case as published by ISDA, in each case, including any Credit Support Annex (as defined or specified therein) forming a part thereof.

New Client has the meaning given to such term in subparagraph 3(h).

OCC Regulation means 12 C.F.R. §§ 47.1-8.

Protocol has the meaning given to such term in the introductory paragraphs hereof.

Protocol Business Day means a day on which commercial banks and foreign exchange markets are generally open to settle payments in both London and New York.

Protocol Covered Agreement means a Covered Agreement or a Covered Credit Enhancement.

Qualified Financial Contract has the same meaning as in section 210(c)(8)(D) of Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. § 5390(c)(8)(D)).

Regulated Entity has the meaning given to such term in subparagraph 1(a).

Revocation Notice has the meaning given to such term in subparagraph 1(f).

Section 1 Excluded Agreement means a Protocol Covered Agreement:—

- (a) that designates the U.S. Special Resolution Regime – FDIA and U.S. Special Resolution Regime – OLA as part of the law governing the Protocol Covered Agreement by:
 - (i) explicitly providing that the Protocol Covered Agreement is governed by the laws of the United States of America or a State; and
 - (ii) not explicitly providing that one or both of the U.S. Special Resolution Regime – FDIA and U.S. Special Resolution Regime – OLA, or a broader set of laws that includes the U.S.

Special Resolution Regime – FDIA or U.S. Special Resolution Regime – OLA, is excluded from the laws governing the Protocol Covered Agreement; and

(b) where each party to such Protocol Covered Agreement other than the Entity Subject to U.S. Regulations is:

- (i) an individual that is domiciled in the United States of America, including in any State; or
- (ii) a company that is incorporated in or organized under the laws of the United States of America or any State; or
- (iii) a company the principal place of business of which is located in the United States of America, including any State; or
- (iv) with respect to a Protocol Covered Agreement that is entered into with or provided to or by a Covered Bank, a “U.S. branch” or “U.S. agency,” each of which has the meaning given to such term in the OCC Regulation; or
- (v) with respect to a Protocol Covered Agreement that is entered into with or provided to or by a Covered Entity, a “U.S. branch” or “U.S. agency,” each of which has the meaning given to such term in the FRB Regulation; or
- (vi) with respect to a Protocol Covered Agreement that is entered into with or provided to or by a Covered FSI, a “U.S. branch” or “U.S. agency,” each of which has the meaning given to such term in the FDIC Regulation.

Section 2 Excluded Agreement means a Protocol Covered Agreement that:—

(a) does not explicitly provide any Default Right with respect to the Protocol Covered Agreement that is related, directly or indirectly, to a BHCA Affiliate of the Entity Subject to U.S. Regulations becoming subject to a receivership, insolvency, liquidation, resolution, or similar proceeding; and

(b) does not explicitly prohibit the transfer of a Covered Affiliate Credit Enhancement, any interest or obligation in or under the Covered Affiliate Credit Enhancement, or any property securing the Covered Affiliate Credit Enhancement to a transferee upon or following a BHCA Affiliate of the Entity Subject to U.S. Regulations becoming subject to a receivership, insolvency, liquidation, resolution, or similar proceeding, or would prohibit such a transfer only if the transfer would result in the supported party being the beneficiary of the Covered Affiliate Credit Enhancement in violation of any law applicable to the supported party.

Small Financial Institution has the meaning given to the term “small financial institution” in the FRB Regulation.

State means any state, commonwealth, territory, or possession of the United States of America, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, or the United States Virgin Islands.

Third Party means, in relation to an agreement supported by a Third Party Credit Enhancement, any party to such Third Party Credit Enhancement other than either of the Adhering Parties which are parties to the agreement.

Third Party Credit Enhancement means, with respect to an Adhering Party and a Protocol Covered Agreement, any Credit Support Document which is executed by one or more Third Parties (whether or not an Adhering Party is a party thereto), whether or not such document is specified as a Third Party Credit Enhancement or as a Credit Support Document therein or in the Protocol Covered Agreement.

U.S. Special Resolution Regime – FDIA has the meaning given to such term in the Attachment.

U.S. Special Resolution Regime – OLA has the meaning given to such term in the Attachment.

EXHIBIT 1
to the ISDA 2018 U.S. RESOLUTION STAY PROTOCOL

Form of Adherence Letter

[Letterhead of Adhering Party]

[Date]

International Swaps and Derivatives Association, Inc.

Ladies and Gentlemen,

ISDA 2018 U.S. RESOLUTION STAY PROTOCOL

The purpose of this letter is to confirm our adherence to the ISDA 2018 U.S. Resolution Stay Protocol as published by the International Swaps and Derivatives Association, Inc. (**ISDA**) on July 31, 2018 (the **Protocol**). By submitting this Adherence Letter, we confirm that we are an **Adhering Party** to the Protocol. This letter constitutes, as between each other Adhering Party and us, an Adherence Letter as referred to in the Protocol. The definitions and provisions contained in the Protocol are incorporated into this Adherence Letter, which will supplement and form part of each Covered Agreement and Covered Credit Enhancement between us and each other Adhering Party, by us in favor of each other Adhering Party or in favor of us by each other Adhering Party.

1. Regulated Entity Identification

Regulated Entity.

By checking this box we acknowledge and agree that for purposes of this Protocol, we are: (1) an Adhering Party and (2) an Entity Subject to U.S. Regulations or have a branch or agency that is an Entity Subject to U.S. Regulations and wish to be treated as a Regulated Entity for purposes of this Protocol.

We acknowledge and agree that for each Protocol Covered Agreement between us and each other Regulated Entity, by us in favor of each other Regulated Entity or in favor of us by each other Regulated Entity, Sections 2 and 3 of this Adherence Letter, and the Protocol, shall apply to us both as an Adhering Party and as a Regulated Entity (with each other Regulated Entity treated as an Adhering Party with respect to us).

2. Adhering Party Specified Terms

As an Adhering Party for purposes of this Protocol, as between each Regulated Entity and us, we acknowledge and agree that the amendments in the Attachment to the Protocol shall apply to each Protocol Covered Agreement to which we are a party, or with respect to which we receive or provide credit support, in accordance with the terms of the Protocol and this Adherence Letter. We understand that the terms of this Protocol apply to both Covered Agreements and Covered Credit Enhancements between us and each Regulated Entity, by us in favor of each Regulated Entity or in favor of us by each Regulated Entity.

3. Regulated Entity Specified Terms

As a Regulated Entity for purposes of this Protocol, as between each Adhering Party and us, we acknowledge and agree that the amendments in the Attachment to the Protocol shall apply to each Protocol Covered Agreement to which we are a party, or with respect to which we receive or provide credit support, in accordance with the terms of the Protocol and this Adherence Letter. We understand that the terms of this Protocol apply to both Covered Agreements and Covered Credit Enhancements between us and each Adhering Party, by us in favor of each Adhering Party or in favor of us by each Adhering Party.

4. Appointment as Agent and Release

We hereby appoint ISDA as our agent for the limited purposes of the Protocol and accordingly we waive any rights and hereby release ISDA from any claims, actions or causes of action whatsoever (whether in contract, tort or otherwise) arising out of or in any way relating to this Adherence Letter or our adherence to the Protocol or any actions contemplated as being required by ISDA.

5. Payment

Each Adhering Party must submit a one-time fee of U.S. \$500 to ISDA at or before the submission of this Adherence Letter.

6. Contact Details

Our contact details for purposes of this Adherence Letter are:

- Name:
- Address:
- Telephone:
- Fax:
- E-mail:

We consent to the publication of a conformed copy of this letter by ISDA and to the disclosure by ISDA of the contents of this letter.

Yours faithfully,

[ADHERING PARTY]¹

¹ Specify legal name of Adhering Party.

If you are an Agent and act on behalf of multiple Clients, you may sign the Adherence Letter using one of the options below.

First, if you have the authority to adhere to this Protocol as Agent on behalf of all Clients, you may indicate the following in the signature block: “acting on behalf of each fund, account or other principal (each, a “Client”) listed in each Protocol Covered Agreement (or other agreement which deems a Protocol Covered Agreement to have been created) between it (as agent) and each Regulated Entity, provided by it (as agent) to each Regulated Entity or received by it (as agent) from each Regulated Entity and any New Clients added to each such Protocol Covered Agreement in the future” or such other language that indicates the Clients to which this letter is applicable. If such a signature block is used, a separate Adherence Letter for

By:

Name:
Title:
Signature:

each Client does not need to be submitted to ISDA and no specific names of Clients must be identified through an online platform available generally to the industry, including, for example, the ISDA Amend platform provided by IHS Markit.

Second, if you have the authority to adhere to this Protocol as Agent on behalf of Clients, you may indicate the following in the signature block: “acting on behalf of each fund, account or other principal (each, a “Client”) (a) identified through an online platform available generally to the industry, including, for example, the ISDA Amend platform provided by IHS Markit, in each case, with respect to each Protocol Covered Agreement (or other agreement which deems a Protocol Covered Agreement to have been created) between it (as agent) and each Regulated Entity, provided by it (as agent) to each Regulated Entity or received by it (as agent) from each Regulated Entity or (b) identified as New Clients in the future.” You will be responsible for identifying the relevant Clients on whose behalf you are adhering. If you cannot or do not wish to name such Clients, then provided that you can identify the adhering Clients by way of specific identifiers which will be known and recognized by all Regulated Entities with, to and from which the relevant Clients have entered into, provided and received Protocol Covered Agreements, you may identify such Clients using specific identifiers and without including any names. If you are able to do so, you may, if you wish, identify Clients by using both names and specific identifiers but this is optional provided you supply, at least, either names or specific identifiers. Choosing not to provide both does not affect the legal validity and binding nature of this Protocol.

Third, if you adhere to this Protocol as an agent on behalf of no current Clients, you may indicate the following in the signature block: “acting to amend each Protocol Covered Agreement (or other agreement which deems a Protocol Covered Agreement to have been created) between it (as agent) and each Regulated Entity, provided by it (as agent) to each Regulated Entity or received by it (as agent) from each Regulated Entity with respect to New Clients to be identified in the future.”

EXHIBIT 2
to the ISDA 2018 U.S. RESOLUTION STAY PROTOCOL

Form of Revocation Notice

[Letterhead of Adhering Party]

[Date]

International Swaps and Derivatives Association, Inc.

Send to: isda@isda.org

Ladies and Gentlemen,

ISDA 2018 U.S. RESOLUTION STAY PROTOCOL – Designation of Annual Revocation Date

The purpose of this letter is to notify you that we wish to designate this year’s Annual Revocation Date as the last date on which any party may adhere to the ISDA 2018 U.S. Resolution Stay Protocol as published by the International Swaps and Derivatives Association, Inc. (**ISDA**) on July 31, 2018 (the **Protocol**) in respect of any Protocol Covered Agreement between us, or provided by us in favor of such party or by such party in favor of us.

This letter constitutes a Revocation Notice as referred to in the Protocol.

We consent to the publication of the conformed copy of this notice by ISDA on and after the Annual Revocation Date and to the disclosure by ISDA of the contents of this letter.

Yours faithfully,

[ADHERING PARTY]²

² Specify legal name of Adhering Party.

If you are an Agent and act on behalf of multiple Clients, you may sign a Revocation Notice using one of the options below. Alternatively, you may submit one Revocation Notice per Client.

First, if you have the authority to deliver a Revocation Notice for this Protocol as Agent on behalf of all Clients, you may indicate the following in the signature block: “acting on behalf of each fund, account or other principal (each, a “Client”) listed in each Protocol Covered Agreement (or other agreement which deems a Protocol Covered Agreement to have been created) between it (as agent) and each Regulated Entity, provided by it (as agent) to each Regulated Entity or received by it (as agent) from each Regulated Entity” or such other language that indicates the Clients to which this letter is applicable. If such a signature block is used, a separate Revocation Notice for each Client does not need to be submitted to ISDA and no specific names of Clients must be identified through an online platform available generally to the industry, including, for example, the ISDA Amend platform provided by IHS Markit.

Second, if you have the authority to deliver a Revocation Notice for this Protocol as Agent on behalf of Clients, you may indicate the following in the signature block: “acting on behalf of each fund, account or

By:

Name:
Title:
Signature:

other principal (each, a “Client”) (a) identified through an online platform available generally to the industry, including, for example, the ISDA Amend platform provided by IHS Markit, in each case, with respect to each Protocol Covered Agreement (or other agreement which deems a Protocol Covered Agreement to have been created) between it (as agent) and each Regulated Entity, provided by it (as agent) to each Regulated Entity or received by it (as agent) from each Regulated Entity.” If you cannot or do not wish to name such Clients, then provided that you can identify the revoking Clients by way of specific identifiers which will be known and recognized by all Regulated Entities with, to and from which the relevant Clients have entered into, provided and received Protocol Covered Agreements, you may identify such Clients using specific identifiers and without including any names.

ATTACHMENT
to the ISDA 2018 U.S. RESOLUTION STAY PROTOCOL

Each Protocol Covered Agreement shall be modified as follows.

The following text shall be added to the Protocol Covered Agreement:

1. Exercise of Default Rights upon Resolution

(a) **Scope of Application.** The terms of this Section 1 shall not apply to any Protocol Covered Agreement that is a Section 1 Excluded Agreement.

(b) **Opt-in to Identified Regimes.**

(i) **Counterparty in Resolution.** If a Regulated Entity party to a Covered Agreement becomes subject to Resolution under an Identified Regime (a “**Party in Resolution**”):—

(A) **Exercise of Default Rights in Respect of a Covered Agreement.** Notwithstanding any provision of the Covered Agreement, or any other agreement, the other Adhering Party to the Covered Agreement (the “**Section 1(b)(i) Stayed Party**”) shall be entitled to exercise Default Rights in respect of the Covered Agreement only to the same extent that it would be entitled to do so under such Identified Regime in respect of an Equivalent Agreement;

(B) **Exercise of Default Rights by the Section 1(b)(i) Stayed Party in Respect of a Covered Credit Enhancement.** Notwithstanding any provision of a Covered Credit Enhancement entered into between the parties to the Covered Agreement, a Covered Credit Enhancement in respect of the Covered Agreement entered into between the Section 1(b)(i) Stayed Party and a Related Entity (that is an Adhering Party) of the Party in Resolution or a Covered Credit Enhancement in respect of the Covered Agreement provided to the Section 1(b)(i) Stayed Party by the Party in Resolution or a Related Entity (that is an Adhering Party) of the Party in Resolution, or any other agreement, the Section 1(b)(i) Stayed Party shall be entitled to exercise Default Rights in respect of the Covered Credit Enhancement only to the same extent that it would be entitled to do so under such Identified Regime in respect of an Equivalent Credit Enhancement;

(C) **Exercise of Default Rights by a Related Entity of the Section 1(b)(i) Stayed Party in Respect of a Covered Credit Enhancement.** Notwithstanding any provision of a Covered Credit Enhancement entered into between a Related Entity (that is an Adhering Party) of the Section 1(b)(i) Stayed Party and the Party in Resolution, or provided by the Related Entity (that is an Adhering Party) of the Section 1(b)(i) Stayed Party to the Party in Resolution, or any other agreement, the Related Entity shall be entitled to exercise Default Rights in respect of the Covered Credit Enhancement only to the same extent that it would be entitled to do so under such Identified Regime in respect of an Equivalent Credit Enhancement.

(D) **Transfers of a Covered Agreement.** A transfer, pursuant to such Identified Regime, of the Covered Agreement (and any interest and obligation in or under, and any property securing, the Covered Agreement) to a successor of the Party in Resolution shall be effective to the same extent that a transfer of an Equivalent Agreement (and any interest and obligation in or under, and any property securing, the Equivalent Agreement)

would be effective pursuant to such Identified Regime, notwithstanding any provision of the Covered Agreement, or any other agreement, purporting to prohibit, condition or void such a transfer;

(E) *Transfers of a Covered Credit Enhancement.* A transfer, pursuant to such Identified Regime, of a Covered Credit Enhancement (and any interest and obligation in or under, and any property securing, the Covered Credit Enhancement) entered into between the parties to the Covered Agreement, or provided by a party to the Covered Agreement in respect of the Covered Agreement, to a successor of the Party in Resolution shall be effective to the same extent that a transfer of an Equivalent Credit Enhancement (and any interest and obligation in or under, and any property securing, the Equivalent Credit Enhancement) would be effective pursuant to such Identified Regime, notwithstanding any provision of the Covered Credit Enhancement, or any other agreement, purporting to prohibit, condition or void such a transfer; and

(F) *Transfers of a Related Entity Covered Credit Enhancement.* A transfer, pursuant to such Identified Regime, of a Covered Credit Enhancement (and any interest and obligation in or under, and property securing, the Covered Credit Enhancement) entered into between a Related Entity (that is an Adhering Party) of the Section 1(b)(i) Stayed Party and the Party in Resolution, or provided by the Related Entity (that is an Adhering Party) of the Section 1(b)(i) Stayed Party in respect of the Covered Agreement, to a successor of the Party in Resolution shall be effective to the same extent that a transfer of an Equivalent Credit Enhancement (and any interest and obligation in or under, and any property securing, the Equivalent Credit Enhancement) would be effective pursuant to such Identified Regime, notwithstanding any provision of the Covered Credit Enhancement, or any other agreement, purporting to prohibit, condition or void such a transfer.

(ii) *Related Entity in Resolution.* If a Related Entity of a Regulated Entity becomes subject to Resolution under an Identified Regime (a “**Related Entity in Resolution**”):—

(A) *Exercise of Default Rights in Respect of a Covered Agreement.* Notwithstanding any provision of the Covered Agreement, or any other agreement, the other Adhering Party to a Covered Agreement (the “**Section 1(b)(ii) Stayed Party**”) shall be entitled to exercise Default Rights in respect of the Covered Agreement only to the same extent that it would be entitled to do so under such Identified Regime in respect of an Equivalent Agreement;

(B) *Exercise of Default Rights in Respect of a Covered Credit Enhancement.*

(I) Notwithstanding any provision of a Covered Credit Enhancement between the parties to the Covered Agreement, or provided to the Section 1(b)(ii) Stayed Party in respect of the Covered Agreement, or any other agreement, the Section 1(b)(ii) Stayed Party shall be entitled to exercise Default Rights in respect of the Covered Credit Enhancement only to the same extent that it would be entitled to do so under such Identified Regime in respect of an Equivalent Credit Enhancement;

(II) Notwithstanding any provision of a Covered Credit Enhancement entered into between the Related Entity in Resolution (that is an Adhering Party) or another Related Entity (that is an Adhering Party) of such Regulated Entity party

to the Covered Agreement and the Section 1(b)(ii) Stayed Party, or provided by the Related Entity in Resolution (that is an Adhering Party) or such other Related Entity (that is an Adhering Party) in respect of the Covered Agreement, or any other agreement, the Section 1(b)(ii) Stayed Party shall be entitled to exercise Default Rights in respect of the Covered Credit Enhancement only to the same extent that it would be entitled to do so under such Identified Regime in respect of an Equivalent Credit Enhancement;

(C) *Exercise of Default Rights by a Related Entity of a Section 1(b)(ii) Stayed Party in Respect of a Covered Credit Enhancement.* Notwithstanding any provision of a Covered Credit Enhancement entered into between a Related Entity (that is an Adhering Party) of the Section 1(b)(ii) Stayed Party and the counterparty of the Section 1(b)(ii) Stayed Party under the Covered Agreement, or provided by the Related Entity (that is an Adhering Party) of the Section 1(b)(ii) Stayed Party to such counterparty in respect of the Covered Agreement, or any other agreement, the Related Entity of the Section 1(b)(ii) Stayed Party shall be entitled to exercise Default Rights in respect of the Covered Credit Enhancement only to the same extent it would be entitled to do so under such Identified Regime in respect of an Equivalent Credit Enhancement; and

(D) *Transfers of a Covered Credit Enhancement.* A transfer, pursuant to such Identified Regime, of a Covered Credit Enhancement (and any interest and obligation in or under, and any property securing, the Covered Credit Enhancement) entered into between the Related Entity in Resolution (that is an Adhering Party) and the Section 1(b)(ii) Stayed Party, or provided by the Related Entity in Resolution (that is an Adhering Party), to a successor of the Related Entity in Resolution shall be effective to the same extent that:

(I) A transfer of an Equivalent Credit Enhancement (and any interest and obligation in or under, and any property securing, the Equivalent Credit Enhancement) would be effective pursuant to such Identified Regime, notwithstanding any provision of the Covered Credit Enhancement, or any other agreement, purporting to prohibit, condition or void the transfer; and

(II) A transfer of an Equivalent Credit Enhancement (and any interest and obligation in or under, and any property securing, the Equivalent Credit Enhancement) supporting an Equivalent Agreement would be effective pursuant to such Identified Regime, notwithstanding any provision of the Covered Agreement, or any other agreement, purporting to prohibit, condition or void the transfer.

(iii) Sections 1(b)(i) and (ii) shall apply with respect to each Regulated Entity or Related Entity of such Regulated Entity subject to Resolution and each Identified Regime under which each such Regulated Entity or Related Entity is subject to Resolution.

(c) *Events and Conditions Deemed Not Occurring.* For so long as any Default Right is not exercisable under a Covered Agreement or a Covered Credit Enhancement as a consequence of the application of an Identified Regime under Section 1(b), any event of default, termination event or similar event, as defined therein, that gave rise to such Default Right shall be deemed not to be occurring, existing or continuing for purposes of determining under any other agreement whether a default, termination event or similar event has occurred or is continuing under such Covered Agreement or Covered Credit Enhancement, as applicable, but only to the extent that such Identified Regime would

render such default, termination event or similar event under such other agreement unenforceable were such Covered Agreement or Covered Credit Enhancement governed by the law of the jurisdiction of such Identified Regime.

(d) ***Maintenance of Perfection and Priority.*** If (i) an Identified Regime under which a Regulated Entity or its Related Entity is, as applicable, a Party in Resolution or a Related Entity in Resolution, or other applicable law, would preserve by operation of law the interests of the Section 1 Stayed Party in any property serving as security for obligations under an Equivalent Agreement or Equivalent Credit Enhancement, including the attachment, enforceability, perfection or priority thereof, notwithstanding the transfer thereof pursuant to such Identified Regime, and (ii) the Section 1 Stayed Party, as a party to or beneficiary of a Covered Agreement or Covered Credit Enhancement transferred pursuant to such Identified Regime, does not benefit from such preservation by operation of law by virtue of such Identified Regime applying to such Section 1 Stayed Party as a result of the Protocol, then if the relevant transferee does not promptly cause the equivalent preservation of such interests, the Section 1 Stayed Party shall be entitled to exercise any Default Rights it may have without regard to Section 1(b). This Section 1(d) shall be without prejudice to any contractual arrangement in respect of the preservation of the Section 1 Stayed Party's interest in property serving as security for obligations under such a Covered Agreement or Covered Credit Enhancement.

2. Limitation on Exercise of Default Rights upon U.S. Insolvency Proceedings

(a) ***Scope of Application.*** The terms of this Section 2 shall not apply to any Protocol Covered Agreement that is a Section 2 Excluded Agreement.

(b) ***Affiliate in U.S. Insolvency Proceedings (Not a Credit Enhancement Provider).*** Notwithstanding any provision of a Covered Agreement between a Regulated Entity (the "**Direct Party**") and another Adhering Party (the "**Section 2 Stayed Party**") or a related Credit Enhancement, if an Affiliate of the Direct Party becomes subject to U.S. Insolvency Proceedings (such Affiliate, a "**Party in U.S. Proceedings**"), and such Party in U.S. Proceedings is not a Credit Enhancement Provider with respect to the Covered Agreement, the Section 2 Stayed Party shall, subject to Section 2(f), be entitled to exercise only Performance Default Rights or Unrelated Default Rights in respect of the Covered Agreement or such a related Credit Enhancement, but shall not be entitled to exercise any other Default Rights in respect of the Covered Agreement or such a related Credit Enhancement.

(c) ***Credit Enhancement Provider in Chapter 11 Proceedings.*** Notwithstanding any provision of a Covered Agreement between the Direct Party and the Section 2 Stayed Party or a related Credit Enhancement, if the Party in U.S. Proceedings is a Credit Enhancement Provider with respect to the Covered Agreement, and such Party in U.S. Proceedings is subject to Chapter 11 Proceedings (such Party in U.S. Proceedings, the "**Party in Chapter 11 Proceedings**"), the Section 2 Stayed Party shall, subject to Section 2(f), be entitled to exercise only Performance Default Rights or Unrelated Default Rights in respect of the Covered Agreement or such a related Credit Enhancement, but shall not be entitled to exercise any other Default Rights in respect of the Covered Agreement or such a related Credit Enhancement.

(i) ***When Section 2(c) Default-Right Overrides Apply.*** The limitations on the exercise of Default Rights in Section 2(c) are applicable:—

(A) During the Stay Period; and

(B) Thereafter, only if the Party in Chapter 11 Proceedings files either a Transfer Motion or a DIP Motion before the expiration of the Stay Period, in which case only for so long as the conditions in Sections 2(c)(ii) or 2(c)(iii), as applicable, are satisfied.

(ii) *Transfer Conditions.* If the Party in Chapter 11 Proceedings files a Transfer Motion, with respect to a Transferee identified in such Transfer Motion, a Section 2 Stayed Party and the Covered Agreement between such Section 2 Stayed Party and the Direct Party:—

(A) During the Stay Period, such Transferee:—

(I) Is not subject to receivership, insolvency, liquidation, resolution or similar proceedings; and

(II) Satisfies all of its material payment and delivery obligations, if any, to each of its creditors;

(B) Upon the expiration of the Stay Period:—

(I) An order has been entered in respect of the Transfer Motion providing for all or substantially all of the assets of the Party in Chapter 11 Proceedings (or the net proceeds therefrom), excluding any assets reserved for the payment of costs and expenses of administration in the Chapter 11 Proceedings in respect of such Party in Chapter 11 Proceeding, to be transferred or sold, as soon as practicably possible, to the Transferee identified therein; and

(II) The Transfer Stay Conditions have been satisfied; and

(C) Following the Stay Period:—

(I) The Direct Party is and continues to be duly registered with and licensed by the regulatory body or bodies with principal supervisory authority over its business relating to transactions under Eligible Agreements and similar agreements;

(II) If the Transferee is a party other than a Bankruptcy Bridge Company, such Transferee satisfies and continues to satisfy all financial covenants and other terms applicable to the Credit Enhancement Provider under the Covered Agreement and each Credit Enhancement in respect thereof; and

(III) With respect to each Credit Enhancement (and any interest and obligation in or under, and any property securing, such Credit Enhancement) provided by the Party in Chapter 11 Proceedings with respect to Covered Agreements between the Direct Party and the Section 2 Stayed Party and the Direct Party and any Affiliate of the Section 2 Stayed Party that are transferred to the Transferee during the Stay Period, the Transferee continues to satisfy all provisions and covenants in such Credit Enhancements regarding the attachment, enforceability, perfection or priority of any security interest in property securing the obligations pursuant to such Credit Enhancements.

(iii) *U.S. Parent DIP Conditions.* If the Party in Chapter 11 Proceedings files a DIP Motion:—

- (A) The Party in Chapter 11 Proceedings is a U.S. Parent;
- (B) Upon the expiration of the Stay Period, the DIP Stay Conditions are satisfied with respect to the Section 2 Stayed Party; and
- (C) Following the Stay Period, the Direct Party is and continues to be duly registered with and licensed by the regulatory body or bodies with principal supervisory authority over its business relating to transactions under Eligible Agreements and similar agreements.

(d) ***Exercise of Default Rights Based on Payment Failure of U.S. Parent Credit Enhancement Provider to Other Section 2 Stayed Parties.*** With respect to a U.S. Parent that is a Party in Chapter 11 Proceedings and that has filed a DIP Motion, if a Section 2 Stayed Party's ability to exercise Default Rights in respect of a Covered Agreement with a Direct Party would be stayed pursuant to Sections 2(c)(i) and 2(c)(iii), such Section 2 Stayed Party may nevertheless exercise such Default Rights if:—

- (i) Such Direct Party fails to pay or deliver any Close-out Amount when due, in accordance with the terms of any Covered Agreement between such Direct Party and any other Section 2 Stayed Party; and
- (ii) The Party in Chapter 11 Proceedings fails to satisfy its obligations, when due, in accordance with the terms of any Credit Enhancement in respect of such Covered Agreement.

(e) ***Credit Enhancement Provider in FDIA Proceedings.*** Notwithstanding any provision of a Covered Agreement between the Direct Party and the Section 2 Stayed Party or a related Credit Enhancement, if the Party in U.S. Proceedings is a Credit Enhancement Provider with respect to the Covered Agreement, and such Party in U.S. Proceedings is subject to FDIA Proceedings, the Section 2 Stayed Party shall, subject to Section 2(f), be entitled to exercise only Performance Default Rights or Unrelated Default Rights in respect of the Covered Agreement or such a related Credit Enhancement, but shall not be entitled to exercise any other Default Rights in respect of the Covered Agreement or such a related Credit Enhancement.

(i) ***When Section 2(e) Default-Right Overrides Apply.*** The limitations on the exercise of Default Rights in Section 2(e) are applicable:—

- (A) During the FDIA Stay Period; and
- (B) Thereafter, only if the Credit Enhancement (and any interest and obligation in or under, and any property securing, such Credit Enhancement) between the Credit Enhancement Provider and the Section 2 Stayed Party or provided by the Credit Enhancement Provider in respect of such Covered Agreement has been transferred by the FDIC in accordance with the FDIA QFC Transfer Provisions.

(ii) ***Suspension of Performance.*** During such FDIA Proceedings, the Section 2 Stayed Party may exercise any contractual rights to suspend performance with respect to its obligations under the Covered Agreement between such Section 2 Stayed Party and the Direct Party to the same extent it would be entitled to do so as if the Covered Agreement were a Qualified Financial Contract with the Credit Enhancement Provider and were treated in the same manner as the Credit Enhancement.

(f) **Override of Unexercised Default Rights.** If an Affiliate of a Direct Party becomes subject to U.S. Insolvency Proceedings, then for so long as a Section 2 Stayed Party may not exercise Default Rights in respect of a Covered Agreement with such Direct Party or related Credit Enhancement as a consequence of Sections 2(b), 2(c) or 2(e), the Section 2 Stayed Party may not exercise any Default Right in respect of such Covered Agreement or related Credit Enhancement, other than any Performance Default Right, that exists at or prior to the time of commencement of U.S. Insolvency Proceedings but (i), in the case of a Covered Agreement, that has not resulted, prior to the commencement of such U.S. Insolvency Proceedings, in the occurrence of or designation by a Section 2 Stayed Party of an early termination date (including an “Early Termination Date”, as defined in the Covered Agreement) with respect to such Covered Agreement or otherwise resulted in the acceleration or termination of such Covered Agreement or transactions thereunder, or (ii) in the case of a related Credit Enhancement, that has not been exercised prior to the commencement of such U.S. Insolvency Proceedings.

(g) **Override of Transfer Restrictions.** No provision of a Covered Agreement or Credit Enhancement shall prevent the transfer of such Credit Enhancement (and any interest and obligation in or under, and any property securing, such Credit Enhancement) to a Transferee pursuant to Section 2(c)(ii) or to a transferee in accordance with the FDIA QFC Transfer Provisions; provided that this Section 2(g) will not apply if a transfer of such Credit Enhancement would result in the Section 2 Stayed Party being the beneficiary of a Credit Enhancement in violation of any law applicable to the Section 2 Stayed Party (including without limitation, the violation of the laws of any country in which payment or delivery pursuant to such Credit Enhancement or compliance with the terms thereof is required).

(h) **Events and Conditions Deemed Not Occurring.** For so long as any Default Right is not exercisable under a Covered Agreement or Credit Enhancement as a consequence of Section 2(b), 2(c) or 2(e), as applicable, any event of default, termination event or similar event, as defined therein, that gave rise to such Default Right shall be deemed not to be occurring, existing or continuing for purposes of determining under any other agreement that is not a Covered Agreement whether a default, termination event or similar event has occurred or is continuing under such Covered Agreement or Credit Enhancement, as applicable.

(i) **Rights not Subject to Section 2.** This Section 2 is without prejudice to any Default Right in respect of a Covered Agreement or any other agreement with or in favor of a Section 2 Stayed Party not specifically addressed herein, including without limitation, Default Rights that have resulted in the occurrence or designation of an “Early Termination Date” (as defined in the Covered Agreement or other agreement) or otherwise resulted in the acceleration or termination of such Covered Agreement or transactions thereunder prior to an Affiliate of a Direct Party entering U.S. Insolvency Proceedings.

(j) **Burden of Proof.** For purposes of determining whether a Section 2 Stayed Party is entitled to exercise a Default Right pursuant to Sections 2(b), 2(c) or 2(e), the Section 2 Stayed Party bears the burden of establishing that such Default Right may be exercised.

(k) **Multiple Affiliates in U.S. Insolvency Proceedings.** If more than one Affiliate of a Direct Party is subject to U.S. Insolvency Proceedings, Section 2 shall apply with respect to each such Affiliate that is a Party in U.S. Proceedings.

3. Proceedings under Section 1 and Section 2

(a) **Direct Party Subject to Identified Regime Proceedings.** If an Affiliate of a Direct Party becomes a Party in U.S. Proceedings subject to Section 2 and the Direct Party is or becomes a Party in Resolution subject to Section 1, then, notwithstanding anything to the contrary in Section 2, a Section 2 Stayed Party:—

- (i) May only exercise a Performance Default Right in respect of a Covered Agreement or related Credit Enhancement to the extent it would be entitled to do so pursuant to Section 1; and
- (ii) May not exercise any other Default Right in respect of such Covered Agreement with such Direct Party or related Credit Enhancement unless it would be entitled to do so under both Section 1 and Section 2.

(b) ***Affiliate Subject to Identified Regime Proceedings.*** If an Affiliate of a Direct Party becomes a Party in U.S. Proceedings subject to Section 2 and another Affiliate of such Direct Party becomes a Party in Resolution subject to Section 1, a Section 2 Stayed Party may not exercise any Default Right in respect of a Covered Agreement with such Direct Party or related Credit Enhancement unless it would be entitled to do so under both Section 1 and Section 2.

(c) ***Section 1 Applicable to Party in U.S. Proceedings.*** Subject to Section 5388 of Title 12 of the United States Code, and any implementing regulations and measures, as the same may be amended from time to time, if an Affiliate of a Direct Party becomes a Party in U.S. Proceedings subject to Section 2 and such Party in U.S. Proceedings is or becomes a Party in Resolution subject to Section 1, the provisions of Section 1 will prevail; provided, however, that if such Party in U.S. Proceedings is subject to FDIA Proceedings and is also a Party in Resolution subject to Section 1, a Section 1 Stayed Party or a Section 2 Stayed Party, as applicable, may not exercise a Default Right in respect of a Covered Agreement or related Credit Enhancement unless it would be entitled to do so under both Section 1 and Section 2.

4. Effectiveness

(a) ***Single-party Election Provisions.***

(i) ***Section 1 Opt-outs.***

(A) ***SRR Regulatory Restrictions.*** If a Regulated Entity (“X”) is not subject to SRR Regulatory Restrictions with respect to an Identified Regime by January 1, 2018, then any other Adhering Party (“Y”) shall be entitled, by written notice to X and X’s Primary Regulators, to elect that such Identified Regime will not, as between X and Y, constitute an Identified Regime with respect to X or its Related Entities. Such an election will remain effective until withdrawn by written notice from Y. For the avoidance of doubt, each Entity Subject to U.S. Regulations shall be deemed to have been subject to SRR Regulatory Restrictions with respect to the U.S. Special Resolution Regime – FDIA and U.S. Special Resolution Regime – OLA by January 1, 2018.

(B) ***Amendments to Identified Regimes.*** If an Adhering Party (“X”) determines in good faith that an amendment to an Identified Regime subsequent to the First Adherence Date relating to the length of any applicable stay (or the imposition of a stay), the obligations of parties during the pendency of a stay, the treatment of netting or setoff arrangements or the priority of claims (other than any amendment relating to a bank that gives priority to the depositors of such bank over general unsecured creditors of such bank) materially and adversely affects the ability to exercise Default Rights in respect of Eligible Agreements or related Credit Enhancements, X shall be entitled, by written notice (an “**Identified Regime Notice**”) to another Adhering Party (“Y”) eligible for resolution under such Identified Regime, and Y’s Primary Regulators, to elect that such Identified Regime will not, as between them, constitute an Identified Regime with respect to Y or its Related Entities for those Eligible Agreements with respect to which X’s ability to exercise Default Rights has been materially and adversely affected. In the case

of an Identified Regime Notice with respect to U.S. Special Resolution Regime – FDIA, Section 2(e) will be inapplicable as between X and Y. Any such election will remain effective until withdrawn by written notice from X.

(ii) *Opt-outs limited.* The Section 1 Opt-outs under this section 4(a) are only effective to the extent that the Covered Agreements and Covered Credit Enhancements affected by an Adhering Party's election hereunder would continue to meet the requirements of the FDIC Regulation, FRB Regulation and OCC Regulation, as applicable.

(iii) *Timing of Elections and Opt-outs.* An Adhering Party may not make any elections pursuant to the provisions of this Section 4(a), with respect to another Adhering Party upon or following such other Adhering Party or any of its Affiliates becoming a Party in Resolution, Related Entity in Resolution or Party in U.S. Proceedings, as applicable.

(b) ***Condition on Opt-in to Japanese Special Resolution Regime.*** Notwithstanding anything in this Attachment to the contrary, the provisions of Section 1(b) of this Attachment with respect to the Japanese Special Resolution Regime shall not apply with respect to a Covered Agreement unless, upon the commencement of Resolution, the Japanese Resolution Authority, Prime Minister or Minister of State for Financial Services issues a public statement announcing either that:—

(i) the Covered Agreement and any related Credit Enhancements, as applicable, will be transferred to a successor; or

(ii) the duration of any temporary stay on Default Rights imposed by the Japanese Resolution Authority with respect to the Covered Agreement and any related Credit Enhancements, as applicable, will not exceed two Business Days in Japan.

5. Miscellaneous

(a) ***Acknowledgement of the Parties.*** Each Adhering Party acknowledges and agrees that Default Rights and transfer restrictions in a Covered Agreement, Covered Credit Enhancement or another agreement between the parties, or provided in favor of an Adhering Party, may be limited, temporarily or permanently stayed or rendered unenforceable under certain circumstances to the extent provided under this Attachment and each applicable Identified Regime.

(b) ***Delivery of Notices.***

(i) Any notice deliverable under Section 4 by one Adhering Party to a Covered Agreement to another Adhering Party to the Covered Agreement may be effected by delivering such notice in accordance with the notice provisions of the Covered Agreement.

(ii) Any notice deliverable under Section 4 by one Adhering Party to a Covered Agreement to the Credit Enhancement Provider of another Adhering Party to the Covered Agreement, the obligations of which are supported by such Credit Enhancement Provider, may be effected by delivering such notice to such other Adhering Party in accordance with the notice provisions of such Covered Agreement.

(c) ***Clearing Organization Rules and Regulations.*** Solely with respect to Cleared Client Transactions, no provision of Section 1 or 2 shall apply to a Covered Agreement or related Credit

Enhancement if the application thereof violates the rules or regulations of any applicable clearing organization, provided that such rules and regulations are enforceable under applicable law.

(d) ***Applicability of Other Laws.*** Modifications with respect to Covered Agreements or Covered Credit Enhancements pursuant to the Protocol shall be without prejudice to the effect of any law to which an Adhering Party may be subject.

(e) ***Amendment to Certain Foreign Bank Agreements.***

(i) With respect to a Foreign Bank Agreement that is an ISDA Master Agreement, if under such ISDA Master Agreement the “Offices,” as defined therein, specified for the purposes of Section 10(b) of the ISDA Master Agreement do not include:

(A) with respect to a Covered Bank, a “Federal branch” or a “Federal agency,” each of which has the meaning given to such term in the OCC Regulation or

(B) with respect to a Covered Entity, a “U.S. branch” or “U.S. agency,” each of which has the meaning given to such term in the FRB Regulation,

then the parties agree that “Transactions,” as defined in such ISDA Master Agreement, will not be permitted to be booked at such Federal branch, Federal agency, U.S. branch or U.S. agency, as applicable.

(ii) With respect to a Foreign Bank Agreement that is not an ISDA Master Agreement, if such agreement:

(A) does not explicitly provide that agreements or transactions thereunder may be booked at:

(I) with respect to a Covered Bank, a “Federal branch” or “Federal agency,” each of which has the meaning given to such term in the OCC Regulation, or

(II) with respect to a Covered Entity, a “U.S. branch” or “U.S. agency,” each of which has the meaning given to such term in the FRB Regulation,

(B) does not explicitly list any such Federal branch, Federal agency, U.S. branch or U.S. agency, as applicable, in the agreement (as an office or otherwise) and

(C) does not explicitly identify any such Federal branch, Federal agency, U.S. branch or U.S. agency, as applicable, as a party to the agreement,

then the parties agree that they will not be permitted to book agreements or transactions thereunder at such Federal branch, Federal agency, U.S. branch or U.S. agency, as applicable.

6. Definitions

As used in this Attachment:

“*Affiliate*” means, in relation to any entity (“X”):—

(a) Any other entity that is Controlled, directly or indirectly, by X, any entity that Controls, directly or indirectly, X, or any entity directly or indirectly under common Control with X; and

(b) Any other entity that would be an Affiliate of X under clause (a) but for a transfer of the direct or indirect ownership of such entity or X pursuant to a resolution under an Identified Regime or pursuant to U.S. Insolvency Proceedings.

“Bankruptcy Bridge Company” means an entity organized for the purpose of becoming a transferee of assets of a Party in Chapter 11 Proceedings, the ultimate economic interest in which accrues to or for the benefit of the estate of such Party in Chapter 11 Proceedings, but that is not, or after giving effect to the transactions contemplated by a Transfer Motion will not be, Controlled by a Party in Chapter 11 Proceedings or creditors of, or Affiliates of, such Party in Chapter 11 Proceedings.

“BRRD” means Directive 2014/59/EU of the European Parliament and the Council of 15 May 2014.

“Business Day” means, with respect to a jurisdiction, a day on which commercial banks in such jurisdiction are open for general business (including dealings in foreign exchange and foreign currency deposits).

“Chapter 7 Proceedings” means, with respect to an Affiliate of a Direct Party, proceedings under Chapter 7 of the U.S. Bankruptcy Code, as amended from time to time, that commence upon the voluntary filing for Chapter 7 of such Affiliate, or, in the case of an involuntary filing for Chapter 7 of such Affiliate, upon the entry of an order for relief with respect to such Affiliate.

“Chapter 11 Proceedings” means, with respect to an Affiliate of a Direct Party, proceedings under Chapter 11 of the U.S. Bankruptcy Code, as amended from time to time, that commence upon the voluntary filing for Chapter 11 of such Affiliate, or, in the case of an involuntary filing for Chapter 11 of such Affiliate, upon the entry of an order for relief with respect to such Affiliate.

“Cleared Client Transaction” means a transaction, forming a part of a Covered Agreement, with respect to which a related cleared transaction exists between one party, acting as a Clearing Member, and a clearing organization.

“Clearing Member” means an Adhering Party that is a member of a clearing organization that clears a transaction related to a Cleared Client Transaction through such clearing organization.

“Close-out Amount” means the amount due under a Covered Agreement, including any credit support or other property deliverable, as a result of the acceleration, termination or other close-out of such Covered Agreement in accordance with the terms thereof.

“Close-out Stay” has the definition given to such term in the definition of “Creditor Safeguards”.

“Control” means, with respect to an entity, ownership of a majority of the voting power of the entity; provided that, with respect to a Bankruptcy Bridge Company, an owner of a majority of the voting power of the Bankruptcy Bridge Company shall not have Control if the ability to exercise such majority voting power lies with a fiduciary or third party not Controlled by such owner.

“Credit Enhancement” means, with respect to an Eligible Agreement, any credit enhancement or credit support arrangement provided by a party to the Eligible Agreement, or an Affiliate thereof, in connection with the Eligible Agreement, including any guarantee, collateral arrangement in support of obligations pursuant to the Eligible Agreement (including any pledge, charge, mortgage or other security interest in

collateral or title transfer arrangement), trust or similar arrangement, letter of credit, transfer of margin or any similar arrangement, in each case, only to the extent such credit enhancement relates to the Eligible Agreement, and with respect to an Eligible Agreement that is an ISDA Master Agreement, any 1995 Credit Support Deed (Bilateral Form – Security Interest).

“Credit Enhancement Provider” means an obligor or transferor with respect to a Credit Enhancement in support of a Covered Agreement.

“Creditor Protection Order” means, with respect to a U.S. Parent that is a Party in Chapter 11 Proceedings and that has filed a DIP Motion, a Direct Party, a Section 2 Stayed Party and a Covered Agreement, a court order that:—

(a) Grants administrative expense status to such Section 2 Stayed Party’s claims arising from the obligations of such Party in Chapter 11 Proceedings under any Credit Enhancement in respect of such Covered Agreement that have accrued and remain unsatisfied prior to or that become due following the commencement of Chapter 11 Proceedings with respect to such Party in Chapter 11 Proceedings; provided that the Creditor Protection Order may provide that the administrative expense claims of such Section 2 Stayed Party in respect of the obligations of such Party in Chapter 11 Proceedings under such Credit Enhancement will be subordinated in payment to administrative expense claims not arising under a Credit Enhancement, including by providing that such administrative expense claims of the Section 2 Stayed Party may be paid in cash only after (i) some or all other administrative expense claims have been paid or provided for in cash in full, and (ii) the Party in Chapter 11 Proceedings, after satisfying clause (i), has available cash sufficient to pay the credit support claims;

(b) Provides that, if such Direct Party fails to meet any of its material obligations to the Section 2 Stayed Party under the Covered Agreement or if the Party in Chapter 11 Proceedings fails to meet any of its material obligations to the Section 2 Stayed Party pursuant to any Credit Enhancement supporting such Covered Agreement between the Direct Party and the Section 2 Stayed Party, in each case, in accordance with the terms thereof, the Section 2 Stayed Party may terminate such Covered Agreement and exercise any rights with respect to any right of setoff or netting, any collateral or any other credit support pursuant to such Covered Agreement or Covered Credit Enhancement immediately without seeking the approval of the U.S. Bankruptcy Court, and the Party in Chapter 11 Proceedings shall, subject to clause (a) above, be authorized to perform its obligations under such Credit Enhancement; and

(c) Provides that, if (i) the Direct Party fails to pay or deliver any Close-out Amount when due, in accordance with the terms of any Covered Agreement between such Direct Party and any other Section 2 Stayed Party, and (ii) the Party in Chapter 11 Proceedings fails to satisfy its obligations, when due, under any Credit Enhancement in respect of such Covered Agreement, then the Section 2 Stayed Party may exercise any rights with respect to any right of setoff or netting, any collateral or any other credit support pursuant to the Covered Agreement between such Section 2 Stayed Party and the Direct Party or any Credit Enhancement provided by the Party in Chapter 11 Proceedings supporting such Covered Agreement immediately without seeking the approval of the U.S. Bankruptcy Court and the Party in Chapter 11 Proceedings shall, subject to clause (a) above, be authorized to perform its obligations under such Credit Enhancement.

“Creditor Safeguards” means the creditor protections in the context of a Resolution that provide:

(a) Creditors, with respect to Eligible Agreements and Credit Enhancements, are not treated differently from each other or from other creditors in respect of Covered Agreements and Covered Credit Enhancements, or similar agreements or obligations, on the basis of nationality, the location or domicile of creditors or the jurisdiction in which claims are payable; and

(b) Resolution-based Default Rights are, or at the discretion of the administrative authority may be, temporarily or permanently stayed, nullified, invalidated or otherwise overridden with respect to Covered Agreements and Covered Credit Enhancements with the failed financial company (“Close-out Stay”), provided that:—

(i) With respect to a temporary Close-out Stay:—

(A) The duration of any such temporary Close-out Stay does not exceed two Business Days; and

(B) During the pendency of any such temporary Close-out Stay, such laws include either or both of the following requirements:—

(I) All payment and delivery obligations of the failed financial company under such Covered Agreements and Covered Credit Enhancements are required to be satisfied; or

(II) All payment and delivery obligations of both parties under such Covered Agreements and Covered Credit Enhancements are deferred until the expiration of such Close-out Stay; and

(ii) With respect to any Close-out Stay:—

(A) All rights, whether contractual or otherwise (including, without limitation, rights incorporated by reference to any other contract, agreement or document, and rights afforded by statute, civil code, regulation and common law), to net or set off obligations relating to transactions documented under such Covered Agreements (including obligations arising from related credit support arrangements) and relating to Covered Credit Enhancements (including obligations arising from related credit support arrangements) remain in full force and effect;

(B) The failed financial company or a transferee remains obligated in respect of such Covered Agreements and Covered Credit Enhancements to the extent the failed financial company was obligated immediately prior to becoming subject to the exercise of powers under such laws;

(C) If all or substantially all of the assets of the failed financial company are transferred by the administrative authority to a transferee, Resolution-based Default Rights may be exercised in respect of any such Covered Agreements and Covered Credit Enhancements that are not transferred to such transferee;

(D) The failed financial company or, if such Covered Agreements and Covered Credit Enhancements are transferred by the administrative authority to a transferee, its transferee, (1) maintains all material regulatory licenses and registrations necessary under applicable law for the continued operation of its business and, if applicable, is in good standing, (2) has balance sheet assets that exceed its balance sheet liabilities, (3) is able to satisfy its obligations with respect to such Covered Agreements and Covered Credit Enhancements when due and (4) is at least as creditworthy as the failed financial company was immediately prior to the start of resolution proceedings;

(E) If such Covered Agreements and Covered Credit Enhancements are transferred, (1) any rights to net or set off thereunder, contractual or otherwise, are enforceable substantially to the same extent under the laws and regulations applicable to the transferee as under those applicable to the transferor and (2) the limitations on Resolution-based Default Rights under any financial company resolution laws and regulations applicable to the transferee are not substantially greater than those applicable to the transferor; and

(F) Such Close-out Stay does not apply with respect to Default Rights (1) that are not Resolution-based Default Rights or (2) that arise from subsequent and independent resolution proceedings.

“Default Right” means, with respect to a Covered Agreement or Credit Enhancement, any:—

(a) Right of a party, whether contractual or otherwise (including, without limitation, rights incorporated by reference to any other contract, agreement or document, and rights afforded by statute, civil code, regulation and common law), to liquidate, terminate, cancel, rescind or accelerate such agreement or transactions thereunder, set off or net amounts owing in respect thereto (except rights related to same-day payment netting), exercise remedies in respect of collateral or other credit support or property related thereto (including the purchase and sale of property), demand payment or delivery thereunder or in respect thereof (other than a right or operation of a contractual provision arising solely from a change in the value of collateral or margin or a change in the amount of an economic exposure), suspend, delay or defer payment or performance thereunder, modify the obligations of a party thereunder or any similar rights; and

(b) Right or contractual provision that alters the amount of collateral or margin that must be provided with respect to an exposure thereunder, including by altering any initial amount, threshold amount, variation margin, minimum transfer amount, the margin value of collateral or any similar amount, that entitles a party to demand the return of any collateral or margin transferred by it to the other party or a custodian or that modifies a transferee’s right to reuse collateral or margin (if such right previously existed), or any similar rights, in each case, other than a right or operation of a contractual provision arising solely from a change in the value of collateral or margin or a change in the amount of an economic exposure;

provided that, with respect to Section 2, the term “Default Right” does not include any right under a contract that allows a party to terminate the contract on demand or at its option at a specified time, or from time to time, without the need to show cause.

References to the “exercise” of a Default Right or the entitlement “to exercise” a Default Right shall include the automatic or deemed exercise of a Default Right.

“DIP Motion” means, with respect to a U.S. Parent of a Direct Party that becomes a Party in Chapter 11 Proceedings, a motion filed by such U.S. Parent that causes the U.S. Parent to remain obligated with respect to Credit Enhancements supporting one or more Covered Agreements to the same extent as such U.S. Parent was obligated with respect to such Credit Enhancements immediately prior to becoming a Party in Chapter 11 Proceedings.

“DIP Stay Conditions” means, with respect to a Direct Party, a Party in Chapter 11 Proceedings that is a U.S. Parent of such Direct Party and has filed a DIP Motion and a Section 2 Stayed Party:—

(a) An order has been entered under which such U.S. Parent of a Direct Party remains obligated with respect to each Credit Enhancement it provides in support of Covered Agreements between such Direct Party and the Section 2 Stayed Party and each Covered Agreement between such Direct Party and each Affiliate of such Section 2 Stayed Party to the same extent as such U.S. Parent was obligated immediately prior to becoming a Party in Chapter 11 Proceedings; and

(b) A Creditor Protection Order with respect to each Credit Enhancement described in clause (a) above has been entered for the benefit of such Section 2 Stayed Party and each such Affiliate.

“Direct Party” has the definition given to such term in Section 2(b).

“Eligible Agreement” means a Qualified Financial Contract that is not an Excluded Agreement.

“Equivalent Agreement” means, with respect to a Covered Agreement and a Resolution under an Identified Regime, an Eligible Agreement with the same terms as the Covered Agreement but governed by the laws of the jurisdiction of such Identified Regime, provided that:—

(a) If the jurisdiction of such Identified Regime is the United Kingdom, such governing law shall be the laws of England and Wales; and

(b) If the jurisdiction of such Identified Regime is the United States of America, such governing law shall be the law of the State of New York.

“Equivalent Credit Enhancement” means, with respect to a Covered Credit Enhancement and a Resolution under an Identified Regime, a Credit Enhancement with the same terms as the Covered Credit Enhancement but governed by the laws of the jurisdiction of such Identified Regime, provided that:—

(a) If the jurisdiction of such Identified Regime is the United Kingdom, such governing law shall be the laws of England and Wales; and

(b) If the jurisdiction of such Identified Regime is the United States of America, such governing law shall be the law of the State of New York.

“FDIA” means the Federal Deposit Insurance Act, and any implementing regulations and measures, as the same may be amended from time to time.

“FDIA Proceedings” means with respect to an Affiliate of a Direct Party, proceedings under the FDIA that commence upon the FDIC being appointed as receiver for such Affiliate.

“FDIA QFC Transfer Provisions” means FDIA Sections 11(e)(9) and (10), and any implementing regulations and measures, as the same may be amended from time to time.

“FDIA Stay Period” means, with respect to a Party in U.S. Proceedings that is in FDIA Proceedings, the period of time during which a party to a Qualified Financial Contract with such Party in U.S. Proceedings may not exercise any right that such party has to terminate, liquidate, or net such Qualified Financial Contract, in accordance with FDIA Section 11(e), and any implementing regulations and measures, as the same may be amended from time to time.

“FDIC” means the Federal Deposit Insurance Corporation.

“First Adherence Date” means the first date on which ISDA has accepted an Adherence Letter with respect to the Protocol from any Adhering Party.

“French Special Resolution Regime” means, other than any Ring-fence Provisions, Articles L. 613-34 to L. 613-63 and R. 613-40 to R. 613-79 of the French Monetary and Financial Code, and their implementing regulations and measures, as the same may be amended from time to time, except for Article L. 613-45-1, I. of the French Monetary and Financial Code insofar as it refers to the provisions of Articles L. 511-41-3, L. 511-41-5, L. 612-32, L. 612-33, L. 612-34, L. 613-36, L. 613-41 to L. 613-43-1, and L. 613-48 to L. 613-48-5 of the French Monetary and Financial Code but including Article L. 613-45-1, I. of the French Monetary and Financial Code insofar as it refers to the exercise of powers to write down or convert relevant capital instruments referred to in Article L. 613-48, I. of the French Monetary and Financial Code where exercised in the circumstances described in Article 59.1(b) of the BRRD.

“German Special Resolution Regime” means, other than any Ring-fence Provisions, (a) the German Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz*), (b) the German Credit Institutions Reorganization Act (*Kreditinstitute-Reorganisationsgesetz*), and (c) Section 36a in conjunction with Sections 30 through 36 of the German Covered Bonds Act (*Pfandbriefgesetz*), and each of their implementing regulations and measures, each as the same may be amended from time to time; provided that the German Special Resolution Regime shall not include Sections 82 through 84, 144, and 169 of the German Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz*) to the extent that they relate to the exercise of “crisis prevention measures” (*Krisenpräventionsmaßnahme*) as defined in Section 2(3) no. 37 of the German Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz*) other than the exercise of powers to write down or convert relevant capital instruments that are exercised in the circumstances described in Article 59.1(b) of the BRRD. For the avoidance of doubt, the provisions of Section 1(b) of the Attachment will not apply with respect to the imposition of a moratorium on payments and dispositions within the meaning of Section 46(1), sentence 2, number (4) of the German Banking Act (*Kreditwesengesetz*), if applicable, in respect of Covered Agreements or Covered Credit Enhancements to Adhering Parties from the entity subject to Resolution.

“Identified Regime” means, subject to Section 4(a), the French Special Resolution Regime, the German Special Resolution Regime, the Japanese Special Resolution Regime, the Swiss Special Resolution Regime, the U.K. Special Resolution Regime, the U.S. Special Resolution Regime – FDIA and the U.S. Special Resolution Regime – OLA.

“Identified Regime Notice” has the definition given to such term in Section 4(a)(i)(B).

“Japanese Special Resolution Regime” means, other than any Ring-fence Provisions, the provisions of the Deposit Insurance Act (Act No. 34 of 1971, as amended), and its implementing regulations and measures, as the same may be amended from time to time.

“Parent” means, with respect to an Adhering Party, the ultimate parent entity organized under the laws of any Identified Regime applicable to such Adhering Party, and if different, the ultimate parent entity of such Adhering Party.

“Party in Chapter 11 Proceedings” has the definition given to such term in Section 2(c).

“Party in Resolution” has the definition given to such term in Section 1(b)(i).

“Party in U.S. Proceedings” has the definition given to such term in Section 1(b).

“Performance Default Right” means any Default Right in respect of a Covered Agreement or related Credit Enhancement (including any Default Right that exists at the time of commencement of U.S. Insolvency Proceedings but (i) in the case of a Covered Agreement, that has not resulted, prior to the commencement of such U.S. Insolvency Proceedings, in the occurrence of or designation by a Section 2 Stayed Party of an early termination date (including an “Early Termination Date”, as defined in the Covered Agreement) with respect to such Covered Agreement or otherwise resulted in the acceleration or termination of such Covered Agreement or transactions thereunder (ii) in the case of a related Credit Enhancement, that has not been exercised prior to the commencement of such U.S. Insolvency Proceedings) that arises as a result of:—

- (a) The Direct Party entering receivership, insolvency, liquidation, resolution or similar proceedings; or
- (b) The failure by the Direct Party to satisfy a payment or delivery obligation to the Section 2 Stayed Party pursuant to the Covered Agreement (including for the avoidance of doubt, pursuant to a Credit Support Annex forming a part thereof), Credit Enhancement or any Related Contract between such parties in accordance with the terms thereof; or
- (c) The failure by a Credit Enhancement Provider under the Covered Agreement, or any successor thereto, to satisfy a payment or delivery obligation to the Section 2 Stayed Party pursuant to the Credit Enhancement of such Covered Agreement in accordance with the terms of such Credit Enhancement.

“Primary Regulator” means, with respect to a Regulated Entity, the regulatory body or bodies with principal supervisory authority over the Parent of such entity, and, if different, the regulatory body or bodies with principal supervisory authority over such entity.

“Related Contract” means, with respect to a Direct Party and a Section 2 Stayed Party, any contract under which the occurrence of a default, event of default or similar condition or event (however described) gives rise to a Default Right in a Covered Agreement between such parties (including, for example, contracts identified in an ISDA Master Agreement as a “Specified Transaction” or “Specified Indebtedness”, as defined in such ISDA Master Agreement).

“Related Entity” means, with respect to an Adhering Party and a Covered Agreement or Covered Credit Enhancement, (i) each Parent of the Adhering Party, and (ii) any Affiliate that (A) is identified as a “Credit Support Provider” in the Covered Agreement or otherwise provides a Credit Enhancement in respect of the Adhering Party’s obligations under the Covered Agreement or Covered Credit Enhancement or (B) is identified as a “Specified Entity” or is otherwise designated (including as part of a category of designated entities) in a Covered Agreement or a Covered Credit Enhancement for the purpose of defining when a Default Right may be exercised under the Covered Agreement or Covered Credit Enhancement.

“Related Entity in Resolution” has the definition given to such term in Section 1(b)(ii).

“Resolution” means, with respect to a Regulated Entity or a Related Entity of such Regulated Entity, the exercise of authority under an Identified Regime to address the failure or potential failure of such Regulated Entity or Related Entity.

“Resolution Authority” means, with respect to an Identified Regime, each administrative authority that is designated as responsible for exercising powers under such Identified Regime.

“Resolution-based Default Right” means any Default Right that arises directly or indirectly by reason of:—

- (a) The financial condition or insolvency of an entity or an affiliate of such entity; or
- (b) An entity or an affiliate of such entity becoming subject to an insolvency or resolution regime or the exercise of powers or authority thereunder; or
- (c) The appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official with respect to an entity or an affiliate of such entity; or
- (d) The transfer of assets or liabilities of an entity or an affiliate of an entity to a successor.

“Ring-fence Provisions” means any laws of a jurisdiction that:—

- (a) Provide for the liquidation of one or more branches or offices of an entity that operates through multiple branches or offices separately from other branches or offices of such entity; or
- (b) Provide for the resolution (but not liquidation) of one or more branches or offices of an entity that operates through multiple branches or offices separately from other branches or offices of such entity and that do not comply fully with each element of the Creditor Safeguards.

“Section 1(b)(i) Stayed Party” has the definition given to such term in Section 1(b)(i)(A).

“Section 1(b)(ii) Stayed Party” has the definition given to such term in Section 1(b)(ii)(A).

“Section 1 Stayed Party” means a Section 1(b)(i) Stayed Party and a Section 1(b)(ii) Stayed Party, as applicable.

“Section 2 Stayed Party” has the definition given to such term in Section 2(b).

“SIPA Proceedings” means with respect to an Affiliate of a Direct Party, proceedings under the Securities Investor Protection Act, as amended from time to time (“SIPA”), in respect of such Affiliate.

“SRR Regulatory Restrictions” means, with respect to an Adhering Party and an Identified Regime, any law, regulation or other binding measure that, at a minimum, has the effect of then (i) prohibiting, directly or indirectly, the Regulated Entity from entering into any transactions documented under such agreement, if such agreement is not governed by the laws of the jurisdiction(s) of the Identified Regimes applicable to such Regulated Entity or Related Entity, unless its counterparty to that agreement agrees to restrict the exercise of its Resolution-based Default Rights to the same extent as its exercise of such rights would be restricted under the applicable Identified Regime(s) with respect to similar transactions with the Regulated Entity governed by the laws of the jurisdiction(s) of the applicable Identified Regime(s), or (ii) requiring, directly or indirectly, the Regulated Entity in respect of any transactions documented under such agreement, if such agreement is not governed by the laws of the jurisdiction(s) of the applicable Identified Regime(s) of such Regulated Entity or Related Entity, to procure agreement and/or acknowledgement by its counterparty to that agreement to restrict the exercise of its Resolution-based Default Rights to the same extent as its exercise of such rights would be restricted under the applicable Identified Regime(s) with respect to similar transactions with the Regulated Entity governed by the laws of the jurisdiction(s) of the applicable Identified Regime(s).

“Stay Period” means, with respect to a Party in Chapter 11 Proceedings, the period of time beginning upon the commencement of the related Chapter 11 Proceedings and ending at the later of (a) 5 PM (Eastern Time) on the next Business Day in the jurisdiction of such Chapter 11 Proceedings and (b) 48 hours after the commencement of such Chapter 11 Proceedings.

“Swiss Special Resolution Regime” means, other than any Ring-fence Provisions, (a) Art. 24 and section eleven (*Massnahmen bei Insolvenzgefahr*) of the Swiss Federal Law on Banks and Savings Banks of 8 November 1934 (*Bundesgesetz über die Banken und Sparkassen; SR 952.0*); and (b) the Ordinance of the Swiss Financial Market Supervisory Authority on the Insolvency of Banks and Securities Dealers of 30 August 2012 (*Verordnung der Eidgenössischen Finanzmarktaufsicht über die Insolvenz von Banken und Effekthändlern; SR 952.05*); and (c) chapter eight (*Insolvenzrechtliche Bestimmungen*) of the second title of the Swiss Financial Market Infrastructure Act of 19 June 2015 (*Bundesgesetz über die Finanzmarktinfrastrukturen und das Marktverhalten im Effekten- und Derivatehandel*), and each of their implementing regulations and measures, as the same may be amended from time to time.

“Transfer Motion” means a motion filed by a Party in Chapter 11 Proceedings specifying that all or substantially all of the assets of such Party in Chapter 11 Proceedings (or the net proceeds therefrom), excluding any assets reserved for the payment of costs and expenses of administration in the Chapter 11 Proceedings, will be transferred or sold, as soon as practicably possible, to a Bankruptcy Bridge Company or to a third party that is not an Affiliate of the Party in Chapter 11 Proceedings (such Bankruptcy Bridge Company or third party, the **“Transferee”**).

“Transfer Stay Conditions” means, with respect to an Affiliate of a Direct Party that has filed a Transfer Motion, a Transferee identified in such Transfer Motion, a Section 2 Stayed Party and a Covered Agreement between such Section 2 Stayed Party and such Direct Party:—

- (a) All of the direct and indirect ownership interests held by the Affiliate, if any, in the Direct Party that is a party to such Covered Agreement with such Section 2 Stayed Party are transferred to the Transferee;
- (b) All Credit Enhancements (and any interest and obligation in or under, and any property securing, such Credit Enhancements) provided by the Affiliate in respect of each Covered Agreement between such Direct Party and the Section 2 Stayed Party are transferred to such Transferee, and such Transferee remains obligated in respect of such Credit Enhancements to the same extent as the Affiliate of the Direct Party immediately prior to becoming a Party in Chapter 11 Proceedings; and
- (c) All Credit Enhancements (and any interest and obligation in or under, and any property securing, such Credit Enhancements) provided by the Affiliate in respect of each Covered Agreement, if any, between such Direct Party and each Affiliate of the Section 2 Stayed Party are transferred to such Transferee, and such Transferee remains obligated in respect of such Credit Enhancements to the same extent as the Affiliate of the Direct Party immediately prior to becoming a Party in Chapter 11 Proceedings.

“Transferee” has the definition given to such term in the definition of “Transfer Motion”.

“U.K. Special Resolution Regime” means, other than any Ring-fence Provisions, the provisions of Part I of the U.K. Banking Act 2009, as amended, and their implementing instruments and measures, as the same may be amended from time to time, provided that U.K. Special Resolution Regime shall not include sections 48Z, 70A, 70B, 70C and 70D of the U.K. Banking Act 2009, as amended, to the extent that they relate to any “crisis prevention measure” as defined in section 48Z(1) of the U.K. Banking Act 2009, as

amended, other than the exercise of powers to write down or convert relevant capital instruments that are exercised in the circumstances described in Article 59.1(b) of the BRRD.

“U.S. Bankruptcy Code” means Title 11 of the United States Code.

“U.S. Insolvency Proceedings” means Chapter 7 Proceedings, Chapter 11 Proceedings, FDIA Proceedings and SIPA Proceedings.

“U.S. Parent” means, with respect to an Adhering Party, the ultimate parent entity organized under the laws of the United States of America or any state or territory thereof having direct or indirect Control of such Adhering Party.

“U.S. Special Resolution Regime – FDIA” means, other than any Ring-fence Provisions, the receivership provisions of the U.S. Federal Deposit Insurance Act, and its implementing regulations and measures, as the same may be amended from time to time.

“U.S. Special Resolution Regime – OLA” means, other than any Ring-fence Provisions, Title II of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and its implementing regulations and measures, as the same may be amended from time to time.

“Unrelated Default Right” means, with respect to a Covered Agreement between the Direct Party and a Section 2 Stayed Party or a related Credit Enhancement:—

(a) Any Default Right in respect of such Covered Agreement or related Credit Enhancement that, both:—

(i) Is not based solely on an Affiliate of the Direct Party becoming a Party in U.S. Proceedings; and

(ii) Can be shown by clear and convincing evidence to be not related, directly or indirectly, to an Affiliate of the Direct Party becoming a Party in U.S. Proceedings, to any transfers to a Transferee contemplated by a Transfer Motion, or to a DIP Motion; and

(b) If a U.S. Parent of such Direct Party is not a Party in U.S. Proceedings, any Default Right in respect of such Covered Agreement or related Credit Enhancement that is based solely on an Affiliate of the Direct Party becoming subject to insolvency or resolution proceedings other than U.S. Insolvency Proceedings.

AGENDA ITEM 8 – ACTION ITEMS

- a) Approval of Resolution 2021-EC1 – ARP
Subordinated Revenue Bonds Series
2021B**

**Executive Committee
February 18, 2021**



8a- Approval of Resolution 2021-EC1 – ARP Subordinated Revenue Bonds Series 2021B

Executive Committee

February 18, 2021

Update on 2021 Series “A” Capital R&R Funding

- Change in approach
 - Transition to Public Offering vs. Private with Bank
- Finance Team wants fixed rate for entire term
 - Banks's need “Put” feature after 10 years
 - “Put” allows Banks to reset the transaction after 10 years
- Public Offering fixed for entire 12-year term
 - Lock in low interest rate for term vs opening after 10 years
 - Official Statement needed
 - Rating Agency opinion needed

Series “B” Replaces \$100M Lines of Credit

- LOCs have “Material Adverse Event”, lender has right to not fund use request
 - Debt removes this risk
- LOCs low liquidity value for Rating Agencies
 - Debt invested will be calculated in liquidity rating
- LOCs Interest Cost based on LIBOR plus an adder
 - Debt Fixed Interest Costs
- LOCs fixed fees \approx Debt's Net Interest Cost
 - $\text{Net Interest Cost} = \text{Fixed Borrowing Rate} - \text{Interest Income}$

Finance Team Selects Wells Fargo Private Placement

- Fixed Interest Rate as of 2/8 (.75%), closing date will set the rate
- Agreed to Subordinated Debt not Superseding Senior Debt
 - LOC can Supersede Senior Debt
- Higher Interest Rate Only Default Remedy
- Balloon Repayment on 10/1/2024

FMPA Resolution Key Points

- Executive Committee has broad allowable uses
 - CEO up to \$5 million, greater than \$5 million Chairman must authorize
- Funding Interest and Principal required day before payment is due
 - Greatest Flexibility for EC repayment timing
 - Schedule B-1 Rate Schedule Change (Information item 9e)
- Funds on hand will pay cost of issuance
- Lines of Credit will be terminated upon closing
- ***Credit Agreement will be sent out before EC meeting***

Recommended Motion

- Move Approval of Resolution 2021-EC1

RESOLUTION OF THE EXECUTIVE COMMITTEE OF FLORIDA MUNICIPAL POWER AGENCY (I) RECITING STATEMENT OF AUTHORITY; (II) APPROVING AND ADOPTING THE SERIES 2021B SUPPLEMENTAL ALL-REQUIREMENTS POWER SUPPLY PROJECT SUBORDINATED DEBT RESOLUTION WHICH AUTHORIZES THE ISSUANCE OF FLORIDA MUNICIPAL POWER AGENCY ALL-REQUIREMENTS POWER SUPPLY PROJECT SUBORDINATED REVENUE BONDS, SERIES 2021B IN A PRINCIPAL AMOUNT SUFFICIENT TO PRODUCE NOT TO EXCEED ONE HUNDRED MILLION DOLLARS (\$100,000,000) IN PROCEEDS TO BE ISSUED ON OR BEFORE OCTOBER 1, 2021 AND DELEGATES TO AUTHORIZED SIGNATORIES CERTAIN MATTERS RELATING TO THE ISSUANCE OF SUCH SERIES 2021B SUBORDINATED BONDS INCLUDING (1) WHETHER AND WHEN TO ISSUE SUCH SERIES 2021B SUBORDINATED BONDS, AND (2) DETERMINATION OF THE PRINCIPAL AMOUNT OF THE SERIES 2021B SUBORDINATED BONDS, AND (3) APPROVAL OF THE DIRECT PLACEMENT OF THE SERIES 2021B SUBORDINATED BONDS PURSUANT TO A CREDIT AGREEMENT WITH WELLS FARGO BANK, N.A. OR AN AFFILIATE OF WELLS FARGO BANK, N.A.; (III) MAKING CERTAIN FINDINGS AS TO THE REASONS REQUIRING THE NEGOTIATED PLACEMENT OF THE BONDS AUTHORIZED BY SUCH SERIES 2021B SUPPLEMENTAL ALL-REQUIREMENTS POWER SUPPLY PROJECT SUBORDINATED DEBT RESOLUTION ON A NEGOTIATED BASIS; (IV) DESIGNATING AUTHORIZED OFFICERS; (V) APPROVING AND TAKING CERTAIN OTHER ACTIONS; AND (VI) PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE EXECUTIVE COMMITTEE OF THE FLORIDA MUNICIPAL POWER AGENCY (“FMPA”) THAT:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of Chapter 361, Part II, Florida Statutes, as amended, Section 163.01, Florida Statutes, as amended, and Chapter 166, Part II, Florida Statutes, as amended.

SECTION 2. APPROVAL AND ADOPTION OF THE SERIES 2021B SUPPLEMENTAL ALL-REQUIREMENTS POWER SUPPLY PROJECT SUBORDINATED DEBT RESOLUTION. The terms of the Series 2021B Supplemental All-Requirements Power Supply Project Subordinated Debt Resolution (the “Supplemental Resolution”), in the form attached hereto as Exhibit A, which delegates to Authorized Signatories, defined therein, certain matters relating to the issuance of All-Requirements Power Supply Project Subordinated Revenue Bonds, Series 2021B (the “Series 2021B Subordinated Bonds”) including, without limitation, the principal amount thereof, and provisions relating to the direct placement of the Series 2021B Subordinated Bonds, are hereby approved and said Supplemental Resolution is hereby adopted and the Authorized Officers designated herein are

hereby authorized and directed to execute and file the same with the Trustee. In connection with such delegation, the Authorized Signatories are further authorized to execute and deliver one or more Subordinated Bond Series Certificates. Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the All-Requirements Power Supply Revenue Bond Resolution, adopted by FMPA on March 22, 1985, as amended and restated in its entirety on May 23, 2003, as supplemented and amended (the “Bond Resolution”).

SECTION 3. FINDINGS RELATING TO DIRECT PLACEMENT OF BONDS AUTHORIZED BY THE SUPPLEMENTAL RESOLUTION. Pursuant to Section 218.385, Florida Statutes, as amended, it is hereby found, determined and declared in respect of any negotiated placement of the bonds authorized to be issued by the Supplemental Resolution, as follows:

3.01 The proceeds from the Series 2021B Subordinated Bonds will be used (i) for any one or more of the purposes set forth in subsection 2, clauses (a) through (i), of Section 511 of the Bond Resolution and to pay costs of issuance associated with the Series 2021B Subordinated Bonds.

3.02 The Series 2021B Subordinated Bonds authorized by such resolution are expected to be issued as taxable fixed rate bonds in a single series in a direct placement with Wells Fargo Bank, N.A., or an affiliate of Wells Fargo Bank, N.A. (the “Wells Fargo”), pursuant to the terms of a Continuing Covenant Agreement, to be entered into between FMPA and Wells Fargo, at an attractive expected interest cost. The Series 2021B Subordinated Bonds are being issued in connection with the termination of the existing revolving credit agreements (the “Revolving Credit Agreements”) entered into by FMPA, as agent for the All-Requirements Power Supply Project, to replace the funding provided by such Revolving Credit Agreements and the proceeds of the Series 2021B Subordinated Bonds shall be used for the purposes set forth in Section 3.01. The entering into of the Revolving Credit Agreements by FMPA, as agent for the All-Requirements Power Supply Project, were authorized by the All-Requirements Power Supply Project Subordinated Debt Resolution No. 28 and the All-Requirements Power Supply Project Subordinated Debt Resolution No. 29, approved and adopted by the Executive Committee of FMPA on May 19, 2016, as supplemented from time to time and October 20, 2016, as supplemented from time to time, respectively.

3.03 The Executive Committee of FMPA has determined that the issuance of the Series 2021B Subordinated Bonds will be beneficial to the All-Requirements Power Supply Project Participants’ ratepayers. Under current financial market conditions, FMPA has determined that the expected interest rate available through a negotiated, direct placement transaction is favorable to other financing approaches. Additionally, when comparing the direct placement transaction to the approach of keeping the existing Revolving Credit Agreements in place, (i)(a) the direct placement transaction provides the additional certainty of FMPA having the funds in hand on the date of closing instead of drawing for the funds as needed in the future, and (b) if the funds were fully drawn on the existing Revolving Credit Agreements, the interest rate payable by FMPA on the money drawn would have a fixed component that would be expected to exceed the fixed rate payable by FMPA on the direct placement transaction and would have an additional variable rate component based on LIBOR, and (ii) the direct placement transaction provides

more flexibility for FMPA to use the proceeds from the transaction as compared to the existing Revolving Credit Agreements. Therefore, it has been determined that a negotiated bond placement would be more beneficial and more likely to achieve the benefits sought by the Executive Committee than a competitive bid sale and it is hereby found, determined and declared by the Executive Committee that it is necessary, desirable and in the best interests of FMPA, the All-Requirements Project Participants, and the residents of the State of Florida to whom the All-Requirements Project Participants furnish or supply electrical power, that FMPA place its Series 2021B Subordinated Bonds on a negotiated basis.

SECTION 4. DESIGNATION OF AUTHORIZED OFFICERS. The Chairperson of the Executive Committee and the Vice Chairperson of the Executive Committee and the Secretary, Treasurer, General Manager and CEO, any Assistant Secretary, and the Chief Financial Officer of FMPA are each hereby designated as (i) Authorized Officers for the purposes of executing and delivering the Supplemental Resolution and taking any other actions authorized by this Resolution and in connection with the issuance of Series 2021B Subordinated Bonds and (ii) as Authorized Officers as defined in Section 101 of the Bond Resolution.

SECTION 5. FURTHER ACTIONS. Each Authorized Officer designated hereunder is hereby authorized and empowered to take all further actions as may be necessary or desirable in carrying out the terms and provisions of this Resolution and each of the documents referred to herein.

SECTION 6. SEVERABILITY. If one or more provisions of this Resolution should be determined by a court of competent jurisdiction to be contrary to law, such provisions shall be deemed to be severable from the remaining provisions hereof, and shall in no way affect the validity or enforceability of such remaining provisions.

SECTION 7. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

This Resolution 2021-EC1 is hereby approved and adopted by the Executive Committee of the Florida Municipal Power Agency on February 18, 2021.

Chairperson, Executive Committee

I HEREBY CERTIFY that on February 18, 2021, the above Resolution 2021-EC1 was approved and adopted by the Executive Committee of the Florida Municipal Power Agency, and that this is a true and conformed copy of Resolution 2021-EC1.

ATTEST:

Secretary or Assistant Secretary

SEAL

Exhibit A

**FORM OF SERIES 2021B SUPPLEMENTAL ALL-REQUIREMENTS POWER SUPPLY
PROJECT SUBORDINATED DEBT RESOLUTION**

(See Attached)

**FLORIDA MUNICIPAL POWER AGENCY
ALL-REQUIREMENTS POWER SUPPLY PROJECT**

**SERIES 2021B SUPPLEMENTAL ALL-REQUIREMENTS POWER SUPPLY PROJECT
SUBORDINATED DEBT RESOLUTION**

**ALL-REQUIREMENTS POWER SUPPLY PROJECT
SUBORDINATED REVENUE BONDS,
SERIES 2021B**

Adopted February 18, 2021

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**SERIES 2021B SUPPLEMENTAL ALL-REQUIREMENTS POWER SUPPLY PROJECT
SUBORDINATED DEBT RESOLUTION**

BE IT RESOLVED by Florida Municipal Power Agency (“FMPA”) as follows:

ARTICLE I.

DEFINITIONS AND STATUTORY AUTHORITY

SECTION 1.01. Supplemental Resolution. This Series 2021B Supplemental All-Requirements Power Supply Project Subordinated Debt Resolution (this “Subordinated Resolution”) is supplemental to the All-Requirements Power Supply Project Revenue Bond Resolution adopted by FMPA on March 22, 1985, as amended and restated on May 23, 2003, as further amended and supplemented (the “Bond Resolution”). The Bond Resolution as supplemented by this Subordinated Resolution is hereinafter referred to as the “Resolution”.

SECTION 1.02. Authority for this Subordinated Resolution. This Subordinated Resolution is adopted pursuant to the provisions of the Act and in accordance with Article X of the Bond Resolution.

SECTION 1.03. Definitions. Except as provided by this Subordinated Resolution, all terms which are defined in Section 101 of the Bond Resolution shall have the same meanings, respectively, in this Subordinated Resolution as such terms are given in said Section 101 of the Bond Resolution.

1. In this Subordinated Resolution and with respect to the Series 2021B Subordinated Bonds:

Act means the Constitution and laws of the State of Florida, including particularly Section 163.01, as amended, Chapter 166, Part III, as amended, and Chapter 361, Part II, as amended, Florida Statutes.

Aggregate Subordinated Debt Service for any period means, unless otherwise provided in the Subordinated Bond Series Certificate, as of any date of calculation, the sum of the amounts of Subordinated Debt Service for such period with respect to the Series 2021B Subordinated Bonds; provided, however, that for purposes of calculating or estimating Aggregate Subordinated Debt Service for any future period (except as otherwise specifically provided herein) all Series 2021B Subordinated Bonds Outstanding during such period shall be assumed to mature on the stated maturity date thereof and provided further, however, that for purposes of determining the principal amount of Series 2021B Subordinated Bonds Outstanding during such future period for such calculation or estimation, the principal amount of Series 2021B Subordinated Bonds Outstanding shall be reduced by the amounts on deposit in the Series 2021B Subordinated Bonds Proceeds Subaccount and the amounts on deposit in the Series 2021B Subordinated Bonds Debt Service Subaccount for payment of principal.

Authorized Signatories means (i) Chairperson of the Executive Committee or the Vice Chairperson of the Executive Committee and (ii) the General Manager and CEO of FMPA or the Chief Financial Officer of FMPA.

Base Rate means the greatest of the following: (i) Wells Fargo's Prime Rate plus 1.00%, (ii) the Federal Funds Rate plus 2.00% or (iii) 7.00%.

Bond Counsel means Nixon Peabody LLP or any other attorney at law or a firm of attorneys, designated by FMPA, of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America selected by FMPA.

Bond Registrar for the Series 2021B Subordinated Bonds means the Bond Registrar appointed pursuant to Section 7.02 of this Subordinated Resolution.

Business Day for any Series 2021B Subordinated Bond means any day that the Principal Office of the Trustee, the Paying Agent, FMPA and Wells Fargo are open and the New York Stock Exchange is not closed or such other day as is defined in the applicable Subordinated Bond Series Certificate.

Credit Agreement means the Continuing Covenant Agreement, between FMPA (acting solely on behalf of the All-Requirements Power Supply Project) and Wells Fargo.

Default Rate means the Base Rate plus 3.00%.

Event of Default with respect to the Series 2021B Subordinated Bonds has the meaning set forth in Section 9.01 hereof.

Federal Funds Rate has the meaning provided for such term in the Credit Agreement.

Fiduciary means, with respect to the Series 2021B Subordinated Bonds, the Trustee, the Bond Registrar, the Paying Agents, and the Depositories at which the Series 2021B Subordinated Bonds Debt Service Subaccount may be held.

Interest Payment Date with respect to the Series 2021B Subordinated Bonds has the meaning set forth in Section 2.03.2 hereof and any additional dates specified in the applicable Subordinated Bond Series Certificate.

Interest Period means for any Series 2021B Subordinated Bond the period from, and including, each Interest Payment Date for such Series 2021B Subordinated Bond to, and including, the day next preceding the next Interest Payment Date for such Series 2021B Subordinated Bond, provided, however, that the first Interest Period for any Series 2021B Subordinated Bond shall begin on (and include) the dated date of the Series 2021B Subordinated Bonds and the final Interest Period shall end the day next preceding the maturity date of the Series 2021B Subordinated Bonds.

Notice Parties means FMPA, the Paying Agent, Wells Fargo and the Trustee.

Opinion of Bond Counsel means a written opinion signed by Bond Counsel.

Outstanding, when used with respect to Series 2021B Subordinated Bonds, means, as of any particular time, all Series 2021B Subordinated Bonds theretofore or thereupon being authenticated and delivered under this Subordinated Resolution except:

- (i) Series 2021B Subordinated Bonds theretofore cancelled by the Trustee at or prior to such date;
- (ii) Series 2021B Subordinated Bonds (or portions of Series 2021B Subordinated Bonds) for the payment or redemption of which moneys, equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held in trust hereunder by the Trustee and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), provided that if such Series 2021B Subordinated Bonds (or portions of Subordinated Bonds) are to be redeemed, notice of such redemption shall have been given as provided in Article IV of the Bond Resolution treating Series 2021B Subordinated Bonds as “Bonds” for purposes of such Article and this Subordinated Resolution or provision shall have been made for the giving of such notice; and
- (iii) Series 2021B Subordinated Bonds in lieu of or in substitution for which other Series 2021B Subordinated Bonds shall have been authenticated and delivered pursuant to the terms of Article III of the Bond Resolution treating Series 2021B Subordinated Bonds as “Bonds” for purposes of such Article or Section 2.07 hereof unless proof satisfactory to FMPA is presented that any such Subordinated Bonds are held by a bona fide purchaser in due course.

Paying Agent means a transfer agent duly registered pursuant to the Securities Exchange Act of 1934, as amended, or any bank or trust company organized under the laws of any state of the United States or any national banking association designated as Paying Agent for the Series 2021B Subordinated Bonds, and its successor or successors hereafter appointed in the manner provided in this Subordinated Resolution.

Person means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

Prime Rate has the meaning provided for such term in the Credit Agreement.

Principal Office, when used with respect to the Trustee, means the office located at such address specified in Section 9.10 hereof or such other address as shall be specified in a written notice provided by the Trustee to the other Notice Parties, and, when used with respect to the Paying Agent, and the Bond Registrar, shall mean the respective offices thereof designated in writing to the Trustee unless, in the case of the Paying Agent and the Bond Registrar, the Trustee is performing such functions, in which case it shall mean the Principal Office of the Trustee.

Redemption Price means, with respect to the Series 2021B Subordinated Bonds, the principal amount of Series 2021B Subordinated Bonds to be redeemed plus the applicable premium, if any, payable upon redemption thereof pursuant to this Subordinated Resolution.

Series, when used with respect to the Subordinated Bonds, means all of the Subordinated Bonds identified pursuant to the Supplemental Resolution authorizing such Subordinated Bonds as a separate Series of Subordinated Bonds, or any Subordinated Bonds thereafter authenticated and delivered in lieu of or in substitution for such Subordinated Bonds pursuant to Article III of the Bond Resolution treating Series 2021B Subordinated Bonds as Bonds for purposes of such Article or Section 2.07 hereof and the Supplemental Resolution authorizing such Subordinated Bonds, regardless of variations in maturity, interest rate, Sinking Fund Installments, or other provisions.

Series 2021B Subordinated Bonds means FMPA's All-Requirements Power Supply Project Subordinated Revenue Bonds, Series 2021B, authorized by this Subordinated Resolution.

Series 2021B Subordinated Bonds Account means the account by that name established in the Subordinated Debt Fund pursuant to Section 4.02 hereof.

Series 2021B Subordinated Bonds Debt Service Subaccount means the subaccount by that name established in the Series 2021B Subordinated Bonds Account in the Subordinated Debt Fund pursuant to Section 4.02 hereof.

Series 2021B Subordinated Bonds Proceeds Subaccount means the subaccount by that name established in the Series 2021B Subordinated Bonds Account in the Subordinated Debt Fund pursuant to Section 4.02 hereof.

State means the State of Florida.

Subordinated Bond Series Certificate means a certificate of an Authorized Officer of FMPA fixing terms, conditions and other details of the Series 2021B Subordinated Bonds, in accordance with the delegation of power to do so under Section 2.09 hereof.

Subordinated Debt has the meaning assigned thereto in the Resolution.

Subordinated Debt Fund means the Subordinated Debt Fund established pursuant to Section 502 of the Bond Resolution.

Subordinated Debt Service for any period means, as of any date of calculation and with respect to the Series 2021B Subordinated Bonds, an amount equal to the sum of (i) interest accruing during such period on such Series 2021B Subordinated Bonds and (ii) that portion of each Subordinated Principal Installment for such Series 2021B Subordinated Bonds that is paid or payable during such period. Such interest and Subordinated Principal Installments for such Series shall be calculated on the assumption that no Series 2021B Subordinated Bonds of such Series Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Subordinated Principal Installment on the due date thereof.

Subordinated Principal Installment means, as of any date of calculation, the principal amount of Series 2021B Subordinated Bonds due on a certain future date.

Subordinated Resolution means this Subordinated Resolution, supplemental to the Resolution, as from time to time amended or supplemented by Supplemental Resolutions in

accordance with the terms of the Resolution and the terms hereof. This Subordinated Resolution shall constitute a “Supplemental Resolution” within the meaning of the Resolution.

Trustee means TD Bank, N.A., Cherry Hill, New Jersey, or any successor thereto.

Wells Fargo means Wells Fargo Bank, N.A., any of its affiliates, and their respective successors and assigns.

ARTICLE II.

AUTHORIZATION OF SERIES 2021B SUBORDINATED BONDS; TERMS AND PROVISIONS OF SERIES 2021B SUBORDINATED BONDS

SECTION 2.01. Principal Amount, Designation of Series, Purpose.

1. Pursuant to the provisions of the Resolution, a separate Series of bonds entitled to the benefit, protection and security of such provisions in the manner provided herein is hereby authorized in the aggregate principal amount specified in the Subordinated Bond Series Certificate. Such principal amount shall in no event exceed \$100,000,000, inclusive of the amount determined in the Subordinated Bond Series Certificate as estimated to be necessary to pay Costs of Issuance; provided, however, that such bonds shall not constitute or be treated as Bonds for purposes of the Resolution but shall constitute and be treated as Subordinated Debt for purposes of the Resolution. Such Subordinated Debt shall be designated as, and shall be distinguished from the Bonds and Subordinated Debt of all other Series by the title, “All-Requirements Power Supply Project Subordinated Revenue Bonds, Series 2021B”.

2. The Series 2021B Subordinated Bonds are issued (i) for any one or more of the purposes set forth in subsection 2, clauses (a) through (i), of Section 511 of the Bond Resolution, and (ii) to pay Costs of Issuance relating to the Series 2021B Subordinated Bonds.

SECTION 2.02. The Pledge Effected by this Subordinated Resolution.

1. The Series 2021B Subordinated Bonds shall be special obligations of FMPA payable solely from and secured as to the payment of the principal and Redemption Price thereof, and interest thereon, in accordance with their terms and the provisions of the Resolution, by any and all amounts, if any, on deposit in the Series 2021B Subordinated Bonds Account in the Subordinated Debt Fund, including the proceeds of the issuance of the Series 2021B Subordinated Bonds and any investment income thereon, and the same are hereby pledged and assigned to the Trustee, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution; such pledge of the Series 2021B Subordinated Bonds Account in the Subordinated Debt Fund being subordinate in all respects to the pledge created by the Resolution securing the Bonds and on a parity with respect to amounts deposited in the Subordinated Debt Fund with the pledge securing any additional Subordinated Debt which may be issued pursuant to a Supplemental Resolution from time to time in the future. Subject to compliance with applicable law and conditions specified in the Resolution for the issuance of Subordinated Debt, the aggregate principal amount of the Subordinated Debt which may be executed, authenticated and delivered

under the Resolution is not limited except as may hereafter be provided in a Supplemental Resolution or as may be limited by law.

2. The funds, moneys and securities pledged and assigned for the benefit of the Holders of the Series 2021B Subordinated Bonds pursuant to this Subordinated Resolution shall immediately be subject to the lien and charge of this Subordinated Resolution without any physical delivery thereof or further act, and the lien and charge of this Subordinated Resolution shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against FMPA, irrespective of whether such parties have notice thereof.

3. The Series 2021B Subordinated Bonds are special obligations of FMPA, and neither the State of Florida nor any political subdivision thereof nor any city or other entity which is a member of FMPA, other than FMPA, is obligated to pay the Series 2021B Subordinated Bonds and neither the full faith and credit nor the taxing power of the State of Florida or any political subdivision thereof or of any such city or other entity is pledged to the payment of the Series 2021B Subordinated Bonds. FMPA has no taxing power. The Series 2021B Subordinated Bonds and the obligations evidenced thereby shall not constitute a lien on any property of or in FMPA, other than the Series 2021B Subordinated Bonds Account in the Subordinated Debt Fund.

SECTION 2.03. Date and Maturity.

1. The Series 2021B Subordinated Bonds shall initially be dated the date of their initial issuance and delivery, unless otherwise determined in the Subordinated Bond Series Certificate.

2. The Series 2021B Subordinated Bonds shall mature on October 1, 2024, unless otherwise specified in the Subordinated Bond Series Certificate. The Series 2021B Subordinated Bonds shall bear interest at a fixed rate of interest per annum specified in the Subordinated Bond Series Certificate payable on the first day of April and October of each year, commencing on October 1, 2021 and ending on the maturity date for the Series 2021B Subordinated Bonds, and on any date of redemption or prepayment of the Series 2021B Subordinated Bonds (each, an “Interest Payment Date”). From and after the occurrence and during the continuance of an Event of Default under the Credit Agreement, the interest rate on the Series 2021B Subordinated Bonds shall automatically be equal to the Default Rate (as specified herein and as defined in further specificity in the Credit Agreement). Notwithstanding the foregoing and subject to the terms of the Credit Agreement, the interest rate per annum cannot exceed the maximum rate permitted by applicable laws.

Interest on the 2021B Subordinated Bonds shall be computed on the basis of a 360-day year of twelve (12) thirty (30) day months.

SECTION 2.04. General Provisions for Issuance of Series 2021B Subordinated Bonds. FMPA shall execute the Series 2021B Subordinated Bonds in the manner set forth in this Subordinated Resolution and deliver such Bonds to the Trustee in the form set forth in the Subordinated Bond Series Certificate for completion, authentication and delivery. The Trustee shall authenticate and deliver such Series 2021B Subordinated Bonds to FMPA or upon its order,

but only upon satisfaction by FMPA, on or prior to the date of the issuance of the Series 2021B Subordinated Bonds, of the conditions specified in Article X of the Bond Resolution and receipt by the Trustee of, in addition to the requirements of paragraphs 3, 6, and 7 of Section 202 of the Bond Resolution treating Series 2021B Subordinated Bonds as “Bonds” for purposes of such Section, the following:

- (i) the Credit Agreement;
- (ii) receipt of an Opinion of Bond Counsel of recognized standing in the field of law relating to municipal bonds to the effect that (i) FMPA has the right and power under the Act as amended to the date of such Opinion to adopt the Resolution, and the Subordinated Resolution and the Resolution each has been duly and lawfully adopted by FMPA, is in full force and effect and is valid and binding upon FMPA in accordance with its terms, and no other authorization for the Resolution or the Subordinated Resolution is required; (ii) the Subordinated Resolution creates the valid pledge which it purports to create of the Series 2021B Subordinated Bonds Account in the Subordinated Debt Fund and investments, if any, thereof, in the manner provided in this Subordinated Resolution, in each case, subject to the application thereof for the purposes and on the conditions permitted by the Resolution and the Subordinated Resolution, and subject to the pledge thereof created under the Resolution to the Holders of the Bonds; and (iii) the Series 2021B Subordinated Bonds are valid and binding obligations of FMPA as provided in this Subordinated Resolution, and entitled to the benefits of the Subordinated Resolution and of the Act as amended to the date of such Opinion of Bond Counsel, and such Series 2021B Subordinated Bonds have been duly and validly authorized and have been (or, when duly executed, authenticated and delivered, will be) issued in accordance with law, including the Act as amended to the date of such Opinion of Bond Counsel, and in accordance with this Subordinated Resolution. Such opinion may take exception for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors’ rights generally and judicial discretion and the valid exercise of the sovereign police powers of the State of Florida and of the constitutional power of the United States of America and may state that no opinion is being rendered as to the availability of any particular remedy;
- (iii) An Authorized Officer of FMPA shall execute a certificate stating that no Event of Default has occurred and is continuing under the Resolution or this Subordinated Resolution;
- (iv) An executed copy of the Subordinated Bond Series Certificate; and
- (v) Such further documents, moneys and securities as are required by the provisions of this Subordinated Resolution or the Subordinated Bond Series Certificate.

SECTION 2.05. Place and Medium of Payment. Principal and Redemption Price of the Series 2021B Subordinated Bonds shall be payable to the registered owner of each Series 2021B Bond when due in the manner and at the times provided in the Credit Agreement.

SECTION 2.06. Sinking Fund Installments. The Series 2021B Subordinated Bonds shall not be subject to redemption from mandatory Sinking Fund Installments.

SECTION 2.07. Redemption Prices and Terms. The Series 2021B Subordinated Bonds, pursuant to the terms of the Credit Agreement, may be subject to redemption prior to maturity, at the option of FMPA, upon notice, at any time as a whole or in part at a Redemption Price equal to the principal amount thereof plus the applicable premium, if any, plus accrued interest up to but not including the redemption date. In addition, in the event of a prepayment or other repayment of the Series 2021B Subordinated Bonds prior to maturity, including, without limitation, due to an acceleration of the Series 2021B Subordinated Bonds, in accordance with Section 9.01 hereof, a prepayment fee or breakage expenses (as such terms are defined in the Credit Agreement) may be payable by FMPA subject to the terms of the Credit Agreement.

SECTION 2.08. Forms of Series 2021B Subordinated Bonds and Trustee's Authentication Certificate; Limitations on Transfer. 1. The Series 2021B Subordinated Bonds shall be issued in fully registered form, and will be physical certificates not subject to the provisions of a book-entry-only system, without coupons. Subject to the provisions of the Resolution, the form of registered Series 2021B Subordinated Bonds, and the Trustee's certificate of authentication, shall be substantially in the form and in the authorized denominations set forth in the Subordinated Bond Series Certificate. The Series 2021B Subordinated Bonds shall be lettered and numbered as provided in the Subordinated Bond Series Certificate.

2. There shall be no transfer of ownership with respect to any Series 2021B Subordinated Bond, except as provided in the Credit Agreement and the Subordinated Bond Series Certificate.

SECTION 2.09. Delegation

1. There is hereby delegated to the Authorized Signatories, subject to the limitations contained in this Subordinated Resolution, the following powers with respect to the issuance of the Series 2021B Subordinated Bonds:

(a) to determine whether and when to issue any Series 2021B Subordinated Bonds, and the amount of the proceeds of the Series 2021B Subordinated Bonds (i) to be applied for the purposes described in Section 2.01.2(i) hereof or to be deposited in the Operation and Maintenance Account in the Operation and Maintenance Fund pursuant to Section 8.01 hereof, and (ii) the amount, if any, of the proceeds of the Series 2021B Subordinated Bonds estimated to be necessary to pay the Costs of Issuance of the Series 2021B Subordinated Bonds;

(b) to determine the principal amount of the Series 2021B Subordinated Bonds to be issued, which principal amount shall not exceed the principal amount permitted by Section 2.01 of this Subordinated Resolution, and to determine the interest rate for the Series 2021B Subordinated Bonds and any other matters set forth in any other provision hereof relating to the Series 2021B Subordinated Bonds;

(c) to determine the maturity date of the Series 2021B Subordinated Bonds;

(d) to determine the date which the Series 2021B Subordinated Bonds shall be dated;

(e) to determine the Redemption Price or Redemption Prices, if any, and, subject to Article IV of the Bond Resolution treating the Series 2021B Subordinated Bonds as “Bonds” for purposes of such Article, the redemption terms, if any, for the Series 2021B Subordinated Bonds;

(f) to make such changes in or from the form of this Subordinated Resolution as may be necessary or desirable, in the opinion of Bond Counsel, in order to cure any ambiguities, inconsistencies or other defects;

(g) to make any changes in the terms and provisions of this Subordinated Resolution relating to the terms, dates, or provisions relating to the setting of interest rates for the Series 2021B Subordinated Bonds, or any other changes in the terms and provisions of this Subordinated Resolution as the Authorized Signatories executing the Subordinated Bond Series Certificate shall deem necessary and desirable to reflect the terms and conditions of the sale of the Series 2021B Subordinated Bonds to Wells Fargo, as provided in the Credit Agreement, provided, however, such changes shall not be inconsistent with the provisions establishing the interest rates and maturity date in Section 2.03 or with the provisions in Section 2.01.1 establishing a not to exceed amount for the principal amount of the Series 2021B Subordinated Bonds;

(h) to make any changes in or additions to this Subordinated Resolution in order to restrict the issuance of additional Subordinated Debt payable on a parity with the pledge created by this Subordinated Resolution in respect of amounts deposited in the Subordinated Debt Fund; and

(i) to determine such other matters specified in or permitted by any provision of this Subordinated Resolution, including preparation of any documentation therefor.

2. The Authorized Signatories shall execute one or more Subordinated Bond Series Certificates evidencing the determinations made pursuant to this Subordinated Resolution and any such Subordinated Bond Series Certificate shall be conclusive evidence of the determinations of the Authorized Signatories as stated therein. Determinations set forth in any Subordinated Bond Series Certificate shall have the same effect as if set forth in this Subordinated Resolution. The Subordinated Bond Series Certificate shall be delivered to the Trustee prior to the authentication and delivery of the Series 2021B Subordinated Bonds referred to therein by the Trustee. FMPA shall furnish to the Trustee the information to be contained in the Subordinated Bond Series Certificate on or prior to the date of initial issuance and delivery of the Series 2021B Subordinated Bonds referred to therein.

3. In the event that the Authorized Signatories exercise any of the authority delegated to them pursuant to this Section 2.09 and execute a Subordinated Bond Series Certificate evidencing such exercise, a report describing the exercise of such delegated authority shall be delivered at the next regularly scheduled meeting of the Executive Committee of FMPA

occurring at least twenty (20) days following the execution and delivery of the Subordinated Bond Series Certificate.

SECTION 2.10. Sale of Series 2021B Subordinated Bonds

1. The Authorized Signatories are hereby authorized to sell and award all or any portion of the Series 2021B Subordinated Bonds to Wells Fargo pursuant to the Credit Agreement, which Credit Agreement shall, unless otherwise approved by the Authorized Signatories executing the Credit Agreement and the General Counsel and Chief Legal Officer of FMPA, contain terms, events of default and remedies that are consistent with this Subordinated Resolution and the Bond Resolution and shall, unless otherwise approved by the Authorized Signatories executing the Credit Agreement and the General Counsel and Chief Legal Officer of FMPA, contain covenants that are consistent with the Revolving Credit Agreement, dated as of November 1, 2016, as amended to the date hereof, between FMPA and Wells Fargo and/or this Subordinated Resolution and the Bond Resolution. The execution of the Credit Agreement by the Authorized Signatories and the General Counsel and Chief Legal Officer of FMPA will constitute conclusive evidence of the approvals referred to in the preceding sentence. Additionally, the Series 2021B Subordinated Bonds shall be issued no later than October 1, 2021 and, shall have a true interest cost (calculated based on the fixed interest rate for the Series 2021B Subordinated Bonds at the time of issuance of the Series 2021B Subordinated Bonds) that does not exceed 2.0%.

2. In connection with the execution and delivery of the Credit Agreement, the Authorized Signatories are hereby authorized to deliver to Wells Fargo, such materials and information concerning FMPA and the All-Requirements Power Supply Project as are reasonably requested by Wells Fargo.

3. Each Authorized Officer is hereby authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts necessary or proper for carrying out the Credit Agreement, and the issuance, sale and delivery of the Series 2021B Subordinated Bonds and for implementing the terms of the Series 2021B Subordinated Bonds and the transactions contemplated hereby or thereby.

4. When reference is made in this Subordinated Resolution to the authorization of an Authorized Officer to do any act, such act may be accomplished by any of such officers individually.

SECTION 2.11. Applicability of Various Provisions of the Bond Resolution to the Series 2021B Subordinated Bonds. Without affecting the status of the Series 2021B Subordinated Bonds as Subordinated Debt, except as otherwise provided in the Subordinated Bond Series Certificate, Articles IX and X and Sections 302, 304, 305, 306, 307, 601, 602, 604, 1202, 1203, 1204, 1206, 1207, 1208 and 1209 of the Bond Resolution shall be applicable to the Series 2021B Subordinated Bonds, except that (i) the references therein to the “Holders of the Bonds” or the “Bondholders” shall be deemed to be references to the Holders of the Series 2021B Subordinated Bonds; (ii) the references therein to the rights or security of Bondholders under the Resolution shall be deemed to be references to the rights or security of the Holders of the Series 2021B Subordinated Bonds hereunder; (iii) the references therein to “Bonds” shall be

deemed to be references to the Series 2021B Subordinated Bonds, and (iv) the references therein to the “Resolution” shall be deemed to be references to this Subordinated Resolution.

ARTICLE III.

PAYMENTS OF REVENUES INTO SUBORDINATED DEBT FUND

SECTION 3.01. Payments into Series 2021B Subordinated Bonds Account in the Subordinated Debt Fund. In accordance with the provisions of Section 505 of the Resolution, in each Month after the deposit of Revenues into the Revenue Fund, FMPA shall withdraw from the Revenue Fund and deliver to the Trustee for deposit in the Series 2021B Subordinated Bonds Account in the Subordinated Debt Fund at the same time and *pro rata* on a parity basis with any deposits required to be made into the Accounts in the Subordinated Debt Fund relating to any other Subordinated Debt then Outstanding under the Resolution to the credit of the Series 2021B Subordinated Bonds Debt Service Subaccount, the amount, if any, required so that the balance in said Subaccount on the last day of the Month preceding the Month in which the date of payment of any principal of, and interest on, and any redemption premium relating to, the Series 2021B Subordinated Bonds shall become due and payable, after taking into consideration the other amounts then on deposit in such Subaccount, including the proceeds of the issuance of the Series 2021B Subordinated Bonds, will be sufficient to make such payment in full on such payment date.

ARTICLE IV.

SECURITY FOR THE SERIES 2021B SUBORDINATED BONDS, SUBACCOUNTS AND APPLICATION THEREOF

SECTION 4.01. Sources of Payment and Security for the Series 2021B Subordinated Bonds.

1. The Series 2021B Subordinated Bonds shall be direct and special obligations of FMPA payable from and secured by amounts in the Series 2021B Subordinated Bonds Account which is hereby established in the Subordinated Debt Fund, subject, however, to the security interest in and pledge and assignment created by Section 501 of the Bond Resolution as security for the Bonds.

2. There is hereby pledged for the payment of the principal, Redemption Price, if any, of, and interest on, the Series 2021B Subordinated Bonds in accordance with their terms and the provisions of this Subordinated Resolution, for the benefit of the Holders of the Series 2021B Subordinated Bonds, the Series 2021B Subordinated Bonds Account in the Subordinated Debt Fund, including the funds, moneys and securities contained therein, subject only to the provisions of the Bond Resolution and this Subordinated Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Bond Resolution and this Subordinated Resolution, **provided, however,** that (i) such pledge and assignment shall be on a parity as to amounts deposited in the Subordinated Debt Fund with the pledge and assignment thereof created by any other Supplemental Resolution as security for any other Subordinated

Debt, and (ii) such pledge and assignment shall be subordinate in all respects to the pledge created by the Bond Resolution as security for the Bonds.

3. All amounts payable under the Credit Agreement, other than the payment of the principal of, interest on and Redemption Price, if any, of the Series 2021B Subordinated Bonds, shall be payable by FMPA from the General Reserve Fund. Such amounts shall include (but not be limited to) any breakage expenses or prepayment fees in connection with the prepayment, other early repayment or redemption, in whole or in part, of the Series 2021B Subordinated Bonds (calculated in the manner specified in the Credit Agreement) and any indemnification amounts.

SECTION 4.02. Establishment of the Series 2021B Subordinated Bonds Account and Subaccounts therein.

1. The Series 2021B Subordinated Bonds Account to be held by the Trustee and the following subaccounts therein are hereby established in the Subordinated Debt Fund:

(1) Series 2021B Subordinated Bonds Proceeds Subaccount, to be held by the Trustee; and

(2) Series 2021B Subordinated Bonds Debt Service Subaccount, to be held by the Trustee.

2. Amounts held at any time by the Trustee in the Account or any of the Subaccounts established pursuant to this Section 4.02 shall be held in trust. Additional subaccounts may be established by FMPA in its discretion within the Accounts and Subaccounts established pursuant to this Section 4.02; the establishment of such Accounts and Subaccounts shall be evidenced by the delivery by FMPA to the Trustee of a certificate of an Authorized Officer.

SECTION 4.03. Series 2021B Subordinated Bonds Proceeds Subaccount.

1. FMPA shall pay into the Series 2021B Subordinated Bonds Proceeds Subaccount the amounts required to be so paid by the provisions of this Subordinated Resolution or the Subordinated Bonds Series Certificate to be applied for the purposes set forth in Section 2.01.2(i) hereof.

2. The Trustee shall make payments or transfers from the Series 2021B Subordinated Bonds Proceeds Subaccount in the amounts, at the times, in the manner, and on the other terms and conditions set forth in this subsection. Before any such payment or transfer shall be made, FMPA shall file with the Trustee its requisition therefor, signed by an Authorized Officer of FMPA, stating in respect of each payment to be made (a) the name and address of the person, firm or corporation to whom payment is due (which may be FMPA), (b) the amount to be paid, and (c) a description of the particular item to be paid and/or the reason for such transfer. The Trustee shall issue its check or wire for each payment required by such requisition or shall by interbank transfer or other method arrange to make the payment or transfer required by such requisition and promptly provide FMPA with written evidence thereof. If such payment or

transfer is in excess of \$5,000,000, then such requisition shall also be signed by Authorized Signatories.

3. Any amounts in the Series 2021B Subordinated Bonds Proceeds Subaccount which are in excess of the amounts required for such purposes may, at the direction of an Authorized Officer of FMPA, be transferred to the Series 2021B Subordinated Bonds Debt Service Subaccount; *provided, however*, that any and all amounts on deposit in the Series 2021B Subordinated Bonds Proceeds Subaccount on the second Business Day immediately preceding the maturity date of the Series 2021B Subordinated Bonds shall be transferred by the Trustee to the Series 2021B Subordinated Bonds Debt Service Subaccount no later than the Business Day immediately preceding such maturity date.

4. Notwithstanding any of the other provisions of this Section, to the extent that other monies are not available therefor, amounts in the Series 2021B Subordinated Bonds Proceeds Subaccount shall be applied to the payment of the principal of, and interest on, the Series 2021B Subordinated Bonds, when due.

5. Amounts in the Series 2021B Subordinated Bonds Proceeds Subaccount shall be invested and reinvested by the Trustee at the direction of FMPA to the fullest extent practicable in Investment Securities in accordance with Section 603 of the Resolution. Earnings on money and investments in the Series 2021B Subordinated Bonds Proceeds Subaccount shall be deposited in the Series 2021B Subordinated Bonds Debt Service Subaccount.

SECTION 4.04. Series 2021B Subordinated Bonds Debt Service Subaccount.

1. The Trustee shall pay out of the Series 2021B Subordinated Bonds Debt Service Subaccount to the Paying Agent (i) on or before each Interest Payment Date for any of the Series 2021B Subordinated Bonds, the amount required for the interest payable on such date; (ii) on or before each Subordinated Principal Installment due date, the amount required for the Subordinated Principal Installment payable on such due date; and (iii) on or before any redemption date for the Series 2021B Subordinated Bonds, the amount required for the payment of interest on the Series 2021B Subordinated Bonds then to be redeemed; provided, however, that if with respect to Series 2021B Subordinated Bonds or portions thereof the amount due on any such Interest Payment Date and/or Subordinated Principal Installment due date and/or redemption date are intended to be paid from a source other than amounts in the Series 2021B Subordinated Bonds Debt Service Subaccount prior to any application of amounts in the Series 2021B Subordinated Bonds Debt Service Subaccount to such payments (and FMPA has so advised the Trustee in writing), then the Trustee shall not pay any such amounts to the Paying Agent until such amounts have failed to be provided from such other source at the time required and, if any such amounts due are paid from such other source, the Trustee shall apply the amounts in the Series 2021B Subordinated Bonds Debt Service Subaccount to provide reimbursement for such payment from such other source as provided in the agreement governing reimbursement of such amounts to such other source. Such amounts received by the Paying Agent under this clause (1) shall be applied by the Paying Agent on the due dates thereof.

2. In the event of the refunding of any of the Series 2021B Subordinated Bonds, the Trustee shall, if FMPA so directs, withdraw from the Series 2021B Subordinated Bonds Debt

Service Subaccount all, or any portion of, the amounts accumulated therein with respect to Subordinated Debt Service on the Series 2021B Subordinated Bonds being refunded and deposit such amounts with itself as Trustee to be held for the payment of the principal or Redemption Price, if applicable, and interest on the Series 2021B Subordinated Bonds being refunded provided that such withdrawal shall not be made unless (a) immediately thereafter Series 2021B Subordinated Bonds being refunded shall be immediately cancelled or deemed to have been paid pursuant to subsection 2 of Section 1201 of the Resolution (treating Series 2021B Subordinated Bonds as “Bonds” for purposes of such Section) and Section 9.11 of this Subordinated Resolution and (b) the amount remaining in the Series 2021B Subordinated Bonds Debt Service Subaccount, after giving effect to the issuance of Refunding Bonds and the disposition of the proceeds thereof, shall not be less than the requirement of such Subaccount pursuant to Section 3.01 hereof. In the event of such refunding, FMPA may also direct the Trustee to withdraw from the Series 2021B Subordinated Bonds Proceeds Subaccount all, or any portion of, the amounts accumulated therein and deposit such amounts in any Fund, Account or Subaccount under this Subordinated Resolution or the Resolution.

3. Amounts on deposit in the Series 2021B Subordinated Bonds Debt Service Subaccount shall be invested and reinvested by the Trustee at the direction of FMPA to the fullest extent practicable in Investment Securities which mature not later than such times as shall be necessary to provide monies when needed for payments to be made from such Subaccount. Interest earned on monies in the Series 2021B Subordinated Bonds Debt Service Subaccount shall, unless otherwise provided in the Subordinated Bonds Series Certificate, remain in the Series 2021B Subordinated Bonds Debt Service Subaccount.

ARTICLE V.

PARTICULAR COVENANTS OF FMPA

FMPA covenants and agrees with the Holders of the Series 2021B Subordinated Bonds as follows:

SECTION 5.01. Payment of Series 2021B Subordinated Bonds. FMPA shall duly and punctually pay or cause to be paid, but solely from the sources specified in this Subordinated Resolution, the principal or Redemption Price of every Series 2021B Subordinated Bond and the interest thereon, at the dates and places and in the manner mentioned in the Series 2021B Subordinated Bonds, according to the true intent and meaning thereof. For the purpose of providing for the payment of the principal or Redemption Price of the Outstanding Series 2021B Subordinated Bonds and the interest thereon on the date that the same shall become due and payable, FMPA, on or prior to such date, will, pay or cause to be paid to the Trustee for deposit in the Series 2021B Subordinated Bonds Debt Service Subaccount an amount which, together with (i) other amounts then on deposit in such Series 2021B Subordinated Bonds Debt Service Subaccount (exclusive of amounts, if any, set aside in said Subaccount for the payment of interest on Series 2021B Subordinated Bonds on a future date or as a reserve for the payment of the principal or Redemption Price, if any, of, and interest on, Series 2021B Subordinated Bonds or as a reserve for the payment of the principal or Redemption Price, if any, of, and interest on, Series 2021B Subordinated Bonds) and (ii) the moneys so available therefor in such Series 2021B Subordinated Bonds Debt Service Subaccount (except as aforesaid), will be sufficient and

available to make such payment on such date. For the purpose of providing for the payment of the Redemption Price of the Outstanding Series 2021B Subordinated Bonds that shall have been called for redemption at the election of FMPA on the date that the same shall become due and payable, FMPA will, on or prior to such date, pay or cause to be paid to the Paying Agent therefor, from any moneys of FMPA legally available therefor, an amount which will be sufficient and available to make such payment.

SECTION 5.02. Extension of Payment of Series 2021B Subordinated Bonds. FMPA shall not directly or indirectly extend or assent to the extension of the maturity of any of the Series 2021B Subordinated Bonds or the time of payment of any claims for interest by the funding of such Series 2021B Subordinated Bonds or claims for interest or by any other arrangement.

SECTION 5.03. Offices for Servicing Series 2021B Subordinated Bonds. FMPA shall at all times maintain one or more agencies where Series 2021B Subordinated Bonds may be presented for payment and shall at all times maintain one or more agencies where Series 2021B Subordinated Bonds may be presented for registration, transfer or exchange. FMPA shall at all times maintain one or more agencies where notices, demands and other documents may be served upon FMPA in respect of the Series 2021B Subordinated Bonds or of this Subordinated Resolution. FMPA hereby appoints the Trustee to maintain the agency for the registration, transfer or exchange of Series 2021B Subordinated Bonds, and for the service upon FMPA of such notices, demands and other documents, and the Trustee shall continuously maintain or make arrangements to provide such services. FMPA hereby appoints the Paying Agents in such cities as its respective agents to maintain such agencies for the payment or redemption of Series 2021B Subordinated Bonds.

SECTION 5.04. Further Assurance. At any and all times FMPA shall, as far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming all and singular the rights, moneys, securities and funds hereby pledged or assigned, or intended so to be, or which FMPA may become bound to pledge or assign.

SECTION 5.05. Power to Issue Series 2021B Subordinated Bonds and Pledge the Series 2021B Subordinated Bonds Account in the Subordinated Debt Fund. FMPA is duly authorized under all applicable laws to create and issue the Series 2021B Subordinated Bonds, which Bonds constitute Subordinated Debt under the Resolution, to adopt this Subordinated Resolution and to pledge and assign the moneys, securities and funds hereby pledged and assigned on a parity with any Subordinated Debt in the manner and to the extent provided in this Subordinated Resolution. Except for the pledge securing the Series 2021B Subordinated Bonds and except to the extent otherwise permitted in this Subordinated Resolution, the moneys, securities and funds so pledged and assigned are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the security interest, pledge and assignment created by this Subordinated Resolution, and all corporate or other action on the part of FMPA to that end has been and will be duly and validly taken. The Series 2021B Subordinated Bonds and the provisions of the Resolution, including this Subordinated Resolution, are and will be the valid and legally

enforceable obligations of FMPA in accordance with their terms and the terms of the Resolution, including this Subordinated Resolution. FMPA shall at all times, to the extent permitted by law and, in the case of the Series 2021B Subordinated Bonds Account in the Subordinated Debt Fund, subject to the lien created by the Resolution as security for the Bonds, defend, preserve and protect the pledge of the moneys, securities and funds pledged and assigned hereby and all the rights of the Holders of the Series 2021B Subordinated Bonds hereunder, against all claims and demands of all persons whomsoever.

SECTION 5.06. Creation of Liens. FMPA shall not issue any bonds, notes, debentures, or other evidences of indebtedness of similar nature, other than the Series 2021B Subordinated Bonds, payable out of or secured by a security interest in or pledge or assignment of the Series 2021B Subordinated Bonds Account in the Subordinated Debt Fund, including the funds, moneys and securities contained therein; provided, however, that nothing contained in this Subordinated Resolution shall prevent FMPA from issuing, if and to the extent permitted by law and the Resolution, (i) additional Subordinated Debt payable from amounts deposited in any Account in the Subordinated Debt Fund other than amounts on deposit in the Series 2021B Subordinated Bonds Account, and (ii) Subordinated Debt that is expressly made subordinate in right of payment to the Series 2021B Subordinated Bonds and for which any pledge of such amounts in the Subordinated Debt Fund as may from time to time be available therefor shall be, and shall be expressed to be, subordinate in all respects to the pledge and lien created under the Subordinated Resolution as security for the Series 2021B Subordinated Bonds.

SECTION 5.07. Performance of Covenants under the Resolution. FMPA agrees to comply with the provisions of Section 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716 and 719 of the Bond Resolution until the Series 2021B Subordinated Bonds and interest thereon shall have been paid or provision for such payment shall have been made, except that (i) the references therein to Section 711 of the Bond Resolution shall be deemed to be references to Section 5.08 hereof; (ii) the references therein to the Holders of the Bonds or the Bondholders shall be deemed to be references to the Holders of the Series 2021B Subordinated Bonds; (iii) the references therein to the rights or security of Bondholders under the Resolution shall be deemed to be references to the rights or security of the Holders of the Series 2021B Subordinated Bonds hereunder; and (iv) the references therein to the Resolution shall be deemed to be references to this Subordinated Resolution.

SECTION 5.08. Rents, Rates, Fees and Charges.

1. FMPA shall fix, establish, maintain and collect rents, rates, fees and charges under the All-Requirements Power Supply Project Contracts and shall otherwise charge and collect rents, rates, fees and charges for the use or the sale of the output, electric capacity and energy or service of the System which, together with other available Revenues, are reasonably expected to yield Net Revenues which shall be at least equal to the sum of (a) the Aggregate Debt Service on the Outstanding Bonds for the forthcoming 12-month period and (b) Aggregate Subordinated Debt Service on Outstanding Series 2021B Subordinated Bonds for the forthcoming 12-month period and, in any event, as shall be required, together with other available funds, to pay or discharge all other indebtedness, charges and liens whatsoever payable out of Revenues under the Resolution and all other Subordinated Debt (if not already included), if any, and to comply with all covenants on the part of FMPA contained in the [Bond Resolution](#),

this Subordinated Resolution and any other Supplemental Resolution authorizing any additional Subordinated Debt. Promptly upon any material change in the circumstances which were contemplated at the time such rates, fees and charges were most recently reviewed, but not less frequently than once every twelve (12) months, FMPA shall review the rents, rates, fees and charges so established and shall promptly establish or revise such rents, rates, fees and charges as necessary to comply with the foregoing requirements, provided that such rents, rates, fees and charges shall in any event produce moneys sufficient to enable FMPA to comply with all its covenants under the Resolution.

2. FMPA will not furnish or supply or cause to be furnished or supplied any use, output or service of the System, free of charge to any person, firm or corporation, public or private, and FMPA will enforce the payment of any and all accounts owing to FMPA by reason of the ownership and operation of the System by discontinuing such use, output or service, or by filing suit therefor within 120 days after any such accounts are due, or by both such discontinuance and by filing suit.

SECTION 5.09. General.

1. FMPA shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of FMPA under the provisions of the Act and this Subordinated Resolution and, if FMPA enters into the Credit Agreement, FMPA shall comply with its covenants, obligations and agreements set forth in the Credit Agreement and FMPA shall pay all amounts owing by it under the Credit Agreement as and when due thereunder.

2. Upon the date of authentication and delivery of any of the Series 2021B Subordinated Bonds, all conditions, acts and things required by law and this Subordinated Resolution to exist, to have happened and to have been performed precedent to and in the issuance of such Series 2021B Subordinated Bonds shall exist, have happened and have been performed and the issuance of such Series 2021B Subordinated Bonds shall comply in all respects with the applicable laws of the State of Florida.

3. Notwithstanding anything to the contrary, (i) the pledge of the Subordinated Debt Fund, including the funds, moneys and securities contained therein, hereunder and the covenants, agreements and other obligations of FMPA to the Holders of the Series 2021B Subordinated Bonds, (ii) the Trustee's obligations with respect to the Subordinated Debt Fund and (iii) all other provisions of the Resolution necessary or desirable to give effect to the foregoing shall remain in full force and effect so long as any Series 2021B Subordinated Bonds remain Outstanding.

ARTICLE VI.

CONCERNING THE FIDUCIARIES

SECTION 6.01. Paying Agents; Appointment and Acceptance of Duties.

1. FMPA shall appoint one or more Paying Agents for the Series 2021B Subordinated Bonds, and may at any time or from time to time appoint one or more other Paying Agents having the qualifications set forth in Section 6.08 for a successor Paying Agent.

2. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Subordinated Resolution by executing and delivering to FMPA a written acceptance thereof.

3. Unless otherwise provided in a Supplemental Resolution, the offices of the Paying Agents are designated as the respective offices or agencies of FMPA for the payment of the interest on and principal or Redemption Price of the Series 2021B Subordinated Bonds.

SECTION 6.02. Responsibilities of Fiduciaries. The recitals herein and in the Series 2021B Subordinated Bonds contained therein shall be taken as the statements of FMPA, and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representation as to the validity or sufficiency of the Subordinated Resolution or of any Series 2021B Subordinated Bonds issued thereunder or as to the security afforded by the Subordinated Resolution, and no Fiduciary shall incur any liability in respect thereof. The Bond Registrar shall, however, be responsible for its representation contained in its certificate of authentication on the Series 2021B Subordinated Bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid by such Fiduciary in accordance with the provisions of the Subordinated Resolution to or upon the order of FMPA or to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect thereof, or to advance any of its own moneys, unless properly indemnified. No Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence, misconduct or default.

SECTION 6.03. Evidence on Which Fiduciaries May Act.

1. Each Fiduciary, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of the Subordinated Resolution, shall examine such instrument to determine whether it conforms to the requirements of the Subordinated Resolution and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may reasonably consult with counsel, who may or may not be of counsel to FMPA, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under the Subordinated Resolution in good faith and in accordance therewith.

2. Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Subordinated Resolution, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of FMPA, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Subordinated Resolution upon the faith thereof; but in its discretion

the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as may seem reasonable to it.

3. Except as otherwise expressly provided in this Subordinated Resolution, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision thereof by FMPA to any Fiduciary shall be sufficiently executed when the same is executed in the name of FMPA by an Authorized Officer.

SECTION 6.04. Compensation. FMPA shall pay to each Fiduciary from time to time reasonable compensation for all services rendered under the Subordinated Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of its powers and duties under the Subordinated Resolution, in accordance with the agreements made from time to time between FMPA and the Fiduciary. Subject to the provisions of Section 6.02, FMPA further agrees to indemnify and save each Fiduciary harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to its negligence, misconduct or default.

SECTION 6.05. Certain Permitted Acts. Any Fiduciary may become the owner of any Subordinated Bonds, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depositary for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Holders of the Series 2021B Subordinated Bonds or to effect or aid in any reorganization growing out of the enforcement of the Series 2021B Subordinated Bonds or the Subordinated Resolution, whether or not any such committee shall represent the Holders of a majority in principal amount of the Series 2021B Subordinated Bonds then Outstanding.

SECTION 6.06. Merger or Consolidation. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business, provided such company shall be qualified to perform all the duties imposed upon it by the Subordinated Resolution and shall be authorized by law to perform all such duties, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

SECTION 6.07. Adoption of Authentication. In case any of the Series 2021B Subordinated Bonds contemplated to be issued under the Subordinated Resolution shall have been authenticated but not delivered, any successor Bond Registrar may adopt the certificate of authentication of any predecessor Bond Registrar so authenticating such Series 2021B Subordinated Bonds and deliver such Series 2021B Subordinated Bonds so authenticated; and in any case of the said Series 2021B Subordinated Bonds shall not have been authenticated, any successor Bond Registrar may authenticate such Series 2021B Subordinated Bonds in the name of the predecessor Bond Registrar, or in the name of the successor Bond Registrar, and in all such cases such certificate shall have the full force which it is anywhere in said Series 2021B Subordinated Bonds or in the Subordinated Resolution provided that the certificate of the Bond Registrar shall have.

SECTION 6.08. Resignation or Removal of Paying Agent and Appointment of Successor.

1. Any Paying Agent may at any time resign and be discharged of the duties and obligations created by the Subordinated Resolution by giving at least 60 days' written notice to FMPA, the Trustee, the holders of the Series 2021B Subordinated Bonds, and the other Paying Agents. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by an Authorized Officer of FMPA. Any successor Paying Agent shall be appointed by FMPA and shall be a transfer agent duly registered pursuant to the Securities Exchange Act of 1934, as amended, or a bank or trust company organized under the laws of any state of the United States or national banking association, having capital stock, surplus and undivided earnings aggregating at least \$50,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Subordinated Resolution.

2. In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor, to FMPA. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, FMPA shall act as such Paying Agent.

SECTION 6.09. Bond Registrar. Any Bond Registrar may at any time resign and be discharged of the duties and obligations created by the Subordinated Resolution by giving at least 60 days' written notice to FMPA and the Trustee. The Bond Registrar may be removed at any time by an instrument filed with such Bond Registrar and the Trustee and signed by an Authorized Officer, provided that a successor Bond Registrar has been appointed by FMPA.

ARTICLE VII.

THE TRUSTEE, THE BOND REGISTRAR AND THE PAYING AGENT

SECTION 7.01. Dealings in Series 2021B Subordinated Bonds. The Trustee and the Paying Agent, each in its individual capacity, may in good faith and to the extent otherwise permitted by law, buy, sell, own, hold and deal in any of the Series 2021B Subordinated Bonds, and may join in any action which any Holder of the Series 2021B Subordinated Bonds may be entitled to take with like effect as if it did not act in any capacity hereunder. The Trustee and the Paying Agent, each in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with FMPA, and may act as depository, trustee, or agent for any committee or body of Holders of any Series 2021B Subordinated Bonds secured hereby or other obligations of FMPA as freely as if it did not act in any capacity hereunder.

SECTION 7.02. Appointment of Paying Agent and Bond Registrar for the Series 2021B Subordinated Bonds. TD Bank, N.A. is hereby appointed Paying Agent and Bond Registrar for the Series 2021B Subordinated Bonds, such appointments to be effective immediately upon the filing of this Subordinated Resolution with the Trustee.

SECTION 7.03. Additional Provisions Relating to the Trustee. The Trustee agrees that, whenever required by the Resolution and in accordance therewith, it will make all payments due on or in respect of the Series 2021B Subordinated Bonds.

SECTION 7.04. Several Capacities. Anything herein to the contrary notwithstanding, the same entity may serve hereunder as the Trustee, the Paying Agent, the Bond Registrar, and in any combination of such capacities to the extent permitted by law. Any such entity may in good faith buy, sell, own, hold and deal in any of the Series 2021B Subordinated Bonds and may join in any action which any Bondholders may be entitled to take with like effect as if such entity were not appointed to act in such capacity, under this Subordinated Resolution.

ARTICLE VIII.

APPLICATION OF PROCEEDS OF SERIES 2021B SUBORDINATED BONDS

SECTION 8.01. Application of Proceeds of Series 2021B Subordinated Bonds. In accordance with this Subordinated Resolution, the proceeds, including accrued interest, if any, of the Series 2021B Subordinated Bonds shall be applied simultaneously with the delivery of the Series 2021B Subordinated Bonds as follows:

- (i) There shall be deposited in the Series 2021B Subordinated Bonds Proceeds Subaccount the amount set forth in the Subordinated Bond Series Certificate for application as provided in Section 2.01.2(i) hereof; and
- (ii) The remaining balance of the proceeds of the Series 2021B Subordinated Bonds, as set forth in the Subordinated Bond Series Certificate, shall be deposited in the Operation and Maintenance Account in the Operation and Maintenance Fund for application to the payment of Costs of Issuance of the Series 2021B Subordinated Bonds.

ARTICLE IX.

MISCELLANEOUS

SECTION 9.01. Events of Default. If one or more of the following Events of Default (each, an “Event of Default”) shall happen:

- (i) if default shall be made in the due and punctual payment of the principal or Redemption Price of any Series 2021B Subordinated Bond when and as the same shall become due and payable, whether at maturity or by call or proceedings for redemption, or otherwise;
- (ii) if default shall be made in the due and punctual payment of any installment of interest on any Series 2021B Subordinated Bond, when and as such interest installment shall become due and payable;
- (iii) if default shall be made by FMPA in the performance or observance of any other of the covenants, agreements or conditions on its part in this Subordinated

Resolution or in the Series 2021B Subordinated Bonds, and such default shall continue for a period of 90 days after written notice specifying such default and requiring that it shall have been remedied and stating that such notice is a “Notice of Default” hereunder and is given to FMPA by Holders of not less than 10% in principal amount of the Series 2021B Subordinated Bonds Outstanding; or

- (iv) if an Event of Default shall have occurred pursuant to the provisions of the Bond Resolution;

then, and in each and every such case, so long as such Event of Default shall not have been remedied, the Holders of not less than 25% in principal amount of the Series 2021B Subordinated Bonds Outstanding (by notice in writing to FMPA) may declare the principal of all the Series 2021B Subordinated Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything in this Series 2021B Subordinated Resolution or in any of the Series 2021B Subordinated Bonds contained to the contrary notwithstanding; provided, however, that such right to declare the principal of and interest on all Series 2021B Subordinated Bonds immediately due and payable may not be exercised unless all principal and interest on all Bonds Outstanding under the Resolution shall be declared due and payable. The right of the Holders of not less than 25% in principal amount of the Series 2021B Subordinated Bonds to make any such declaration as aforesaid, however, is subject to the condition that if, at any time after such declaration, but before the Series 2021B Subordinated Bonds shall have matured by their terms, all overdue installments of interest on the Series 2021B Subordinated Bonds, together with interest on such overdue installments of interest to the extent permitted by law and the reasonable and proper charges, expenses and liabilities of the Trustee and all other sums then payable by FMPA under the Subordinated Resolution (except the principal of, and interest accrued since the next preceding interest date on, the Series 2021B Subordinated Bonds due and payable solely by virtue of such declaration) shall either be paid by or for the account of FMPA or adequate provision shall be made for such payment, and all defaults under the Series 2021B Subordinated Bonds or under the Subordinated Resolution (other than the payment of principal and interest due and payable solely by reason of such declaration) shall be made good or adequate provision shall be made therefor, then and in every such case the Holders of 25% in principal amount of the Series 2021B Subordinated Bonds Outstanding, by written notice to FMPA, may rescind such declaration and annul such default in its entirety, but no such rescission or annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

SECTION 9.02. Accounting and Examination of Records After Default.

1. FMPA covenants that if an Event of Default shall have happened and shall not have been remedied, the books of records and accounts of FMPA and all other records relating to the All-Requirements Power Supply Project shall at all times be subject to the inspection and use of the Trustee and the Holders of the Series 2021B Subordinated Bonds and of their agents and attorneys.

2. FMPA covenants that if an Event of Default shall happen and shall not have been remedied, FMPA, upon demand of the Holders of not less than 25% in principal amount of the

Series 2021B Subordinated Bonds at the time Outstanding, will account, as if it were the trustee of an express trust, for all moneys, securities and funds pledged or held under the Resolution or the Subordinated Resolution as security for the Series 2021B Subordinated Bonds for such period as shall be stated in such demand.

SECTION 9.03. Application of Moneys after Default.

1. During the continuance of an Event of Default of which an officer of the Trustee in its Corporate Trust Department has knowledge, the Trustee shall apply all moneys, securities and funds held or received by Trustee with respect to the Series 2021B Subordinated Bonds Account in the Subordinated Debt Fund as follows and in the following order:

(a) to the extent required thereby, to the purposes indicated in paragraph 2 of Section 803 of the Bond Resolution; and

(b) to the payment of the interest and principal or Redemption Price then due on the Series 2021B Subordinated Bonds, as follows:

(i) unless the principal of all of the Series 2021B Subordinated Bonds shall have become or have been declared due and payable,

FIRST: **Interest**-To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, together with accrued and unpaid interest on the Series 2021B Subordinated Bonds heretofore called for redemption, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

SECOND: **Principal or Redemption Price**-To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Series 2021B Subordinated Bonds which shall have become due, whether at maturity or by call for redemption or otherwise, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Series 2021B Subordinated Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or redemption price due on such date, to the persons entitled thereto, without any discrimination or preference.

(ii) if the principal of all of the Series 2021B Subordinated Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Series 2021B Subordinated Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Series 2021B Subordinated Bond over any other Series 2021B Subordinated Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Series 2021B Subordinated Bonds.

2. If and whenever all overdue installments of interest on all Series 2021B Subordinated Bonds, together with the reasonable and proper charges, expenses and liabilities of the Trustee, and all other sums payable by FMPA under the Subordinated Resolution, including the principal and Redemption Price of and accrued unpaid interest on all Series 2021B Subordinated Bonds which shall then be payable, shall either be paid by or for the account of FMPA, or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Subordinated Resolution or the Series 2021B Subordinated Bonds shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee shall pay over to FMPA all moneys, securities and funds then remaining unexpended in the hands of the Trustee in the Series 2021B Subordinated Bonds Subaccount in the Subordinated Debt Fund (except moneys, securities and funds deposited or pledged, or required by the terms of the Resolution and this Subordinated Resolution or any Supplemental Resolution securing Subordinated Debt to be deposited or pledged with the Trustee), and thereupon FMPA and the Trustee shall be restored, respectively, to their former positions and rights under the Subordinated Resolution. No such payment over to FMPA by the Trustee nor such restoration of FMPA and the Trustee to their former positions and rights shall extend to or affect any subsequent default under this Subordinated Resolution or impair any right consequent thereon.

SECTION 9.04. Proceedings Brought by Trustee.

1. If an Event of Default shall happen and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, may proceed, and upon written request of the Holders of not less than 25% in principal amount of the Series 2021B Subordinated Bonds Outstanding shall proceed, to protect and enforce its rights and the rights of the Holders of the Series 2021B Subordinated Bonds under this Subordinated Resolution forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for an accounting against FMPA as if FMPA were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under this Subordinated Resolution.

2. All rights of action under the Subordinated Resolution may be enforced by the Trustee without the possession of any of the Series 2021B Subordinated Bonds or the production thereof at the trial or other proceedings, and any such suit or proceedings instituted by the Trustee shall be brought in its name.

3. The Holders of not less than a majority in principal amount of the Series 2021B Subordinated Bonds at the time Outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, provided that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Series 2021B Subordinated Bondholders not parties to such direction.

4. Upon commencing a suit in equity or upon other commencement of judicial proceedings by the Trustee to enforce any right under the Subordinated Resolution, the Trustee shall be entitled to exercise any and all rights and powers conferred in the Subordinated Resolution and provided to be exercised by the Trustee upon the occurrence of any Event of Default.

5. Regardless of the happening of an Event of Default, the Trustee shall have power to, but unless requested in writing by the Holders of 25% in principal amount of the Series 2021B Subordinated Bonds then Outstanding and furnished with reasonable security and indemnity, shall be under no obligation to, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under the Subordinated Resolution by any acts which may be unlawful or in violation of the Subordinated Resolution, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Bondholders.

SECTION 9.05. Restriction on Bondholder's Action.

1. No Holder of any Series 2021B Subordinated Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of the Subordinated Resolution or the execution of any trust under the Subordinated Resolution or for any remedy under the Subordinated Resolution, unless such Holder shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in this Article, and the Holders of at least 25% in principal amount of the Series 2021B Subordinated Bonds then Outstanding shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity, either to exercise the powers granted in the Subordinated Resolution or by the Act or by the laws of the State of Florida or to institute such action, suit or proceeding in its own name, and unless such Holders shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of 60 days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Holders of Series 2021B Subordinated Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the pledge created by the Subordinated Resolution, or to enforce any right under the Subordinated Resolution, except in the manner therein provided and that all proceedings at law or in equity to enforce any provision of the Subordinated Resolution shall be instituted, had and maintained in the manner provided in the Subordinated Resolution and for the equal benefit of all Holders of the Outstanding Series 2021B Subordinated Bonds, subject only to the provisions of Section 702 of the Resolution.

2. Nothing in the Resolution or in the Series 2021B Subordinated Bonds contained shall affect or impair the obligation of FMPA, which is absolute and unconditional, to pay at the respective dates of maturity and places therein expressed the principal of (and premium, if any) and interest on the Series 2021B Subordinated Bonds to the respective Holder thereof, or affect or impair the right of action, which is also absolute and unconditional, of any Holder to enforce such payment of his Series 2021B Subordinated Bond.

SECTION 9.06. Notice of Default. The Trustee shall promptly mail written notice of the occurrence of any Event of Default to each registered owner of Series 2021B Subordinated Bonds then Outstanding at his address, if any, appearing upon the registry books of FMPA.

SECTION 9.07. Remedies Not Exclusive. No remedy by the terms of this Subordinated Resolution conferred upon or reserved to the Holders of the Series 2021B Subordinated Bonds is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Subordinated Resolution or existing at law, including under the Act, or in equity or by statute on or after the date of adoption of the Subordinated Resolution.

SECTION 9.08. Series 2021B Subordinated Bonds Held by FMPA Not Entitled to Distribution. No Series 2021B Subordinated Bonds owned or held by, for the account of or for the benefit of FMPA shall be deemed entitled to share in any payment or distribution provided in this Article IX, provided that the Paying Agents shall be protected in making any such payment or distribution unless they shall have actual knowledge that the Series 2021B Subordinated Bonds in respect of which such payment or distribution is made are so owned or held.

SECTION 9.09. Effect of Waiver. No delay or omission of any Holder of the Series 2021B Subordinated Bonds to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default or be an acquiescence therein; and every power and remedy given by this Article to the Holders of the Series 2021B Subordinated Bonds may be exercised from time to time and as often as may be deemed expedient by the Holders of the Series 2021B Subordinated Bonds.

SECTION 9.10. General Provisions Regarding Notices. Except as otherwise provided in this Subordinated Resolution, all notices, certificates, requests, requisitions or other communications by FMPA, the Trustee, or the Bond Registrar pursuant to this Subordinated Resolution shall be in writing and shall be sufficiently given and shall be deemed given by personal delivery or when mailed by first class mail, postage prepaid, and either delivered or addressed as follows: If to FMPA, at 8553 Commodity Circle, Orlando, Florida 32819, with a required copy to Office of the General Counsel, FMPA, 2061-2 Delta Way, Tallahassee, Florida 32303; if to the Trustee, at 2059 Springdale Road, Cherry Hill NJ 08003; if to the Bond Registrar, at the address designated to FMPA and the Trustee. Any of the foregoing may, by notice given hereunder to each of the others, designate any further or different addresses or telephone numbers to which subsequent notices, certificates, requests or other communications shall be sent hereunder.

SECTION 9.11. Defeasance. Section 1201 of the Bond Resolution is hereby made applicable to the Series 2021B Subordinated Bonds, except that (i) the references therein to the "Holders of the Bonds" or the "Bondholders" shall be deemed to be references to the Holders of the Series 2021B Subordinated Bonds; (ii) the references therein to the rights or security of Bondholders under the Resolution shall be deemed to be references to the rights or security of the Holders of the Series 2021B Subordinated Bonds hereunder; (iii) the references therein to "Bonds" shall be deemed to be references to the Series 2021B Subordinated Bonds and (iv) the

references therein to the Resolution shall be deemed to be references to this Subordinated Resolution; (v) the reference to Section 507.4 of the Resolution shall be deemed to be references to Section 4.04.2 hereof; and (vi) references to Section 508.4 shall be deleted.

SECTION 9.12. Parties Interested Herein. Nothing in the Subordinated Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any person or corporation, other than FMPA, the Fiduciaries and the Holders of the Series 2021B Subordinated Bonds, any right, remedy or claim under or by reason of the Subordinated Resolution or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in the Subordinated Resolution contained by and on behalf of FMPA shall be for the sole and exclusive benefit of FMPA, the Fiduciaries and the Holders of the Series 2021B Subordinated Bonds.

SECTION 9.13. Effective Date. This Series 2021B Supplemental All-Requirements Power Supply Project Subordinated Debt Resolution shall take effect immediately after its adoption by the Executive Committee of FMPA and the filing of a copy thereof certified by the Secretary or the Assistant Secretary of FMPA with the Trustee.

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Series 2021B Supplemental All-Requirements Power Supply Project Subordinated Debt Resolution, approved and adopted February 18, 2021.

FLORIDA MUNICIPAL POWER AGENCY

By: _____
Chairperson of the Executive Committee

ATTEST:

Assistant Secretary

AGENDA ITEM 8 – ACTION ITEMS

- b) Approval of Resolution 2021-EC2 –
Revisions to Agency Spending Authority
Due to Organizational Changes**

**Executive Committee
February 18, 2021**



8b - Revision to Agency Spending Authority Due to Organizational Changes

Executive Committee

February 18, 2021

Spending Authority Changes

To reflect organizational changes

- New IT/OT & Cybersecurity Director
 - Same spending authority as CIO, previously over IT/OT Cyber security
- HR Director change to VP of HR and Shared Services
 - Title update, same spending authority
- Treasurer and Risk Director
 - Added to table to call out authorizations already granted to that position in Insurance Policy, no increase
- Requesting allowance for GM to authorize changes to reflect organizational changes

FMPA Financial Commitment Authority Table

Authority Levels	Agency	ARP (Non-Commodity)	ARP (Commodity) [1]
General Manager	Up to \$200,000. For emergency events declared by the GM, GM has unlimited authority and must report to chairpersons of the EC and BOD within 5 days and the governing bodies at the next scheduled meeting	Up to total non-fuel Operations and Maintenance Budget and total Project Capital Budget, with non-budgeted items over \$200,000 reported at the next EC Meeting	•Up to \$50 million notional value for transactions > 2 years but ≤ 7 years •Up to \$15 million notional value for transactions > 1 month but ≤ 2 years •Up to \$5 million notional value for transactions ≤ 1 month
Chief Operating Officer (COO) [2]	Up to \$50,000	Up to \$100,000	•Up to \$15 million notional value for transactions > 1 month but ≤ 2 years •Up to \$5 million notional value for transactions ≤ 1 month
Power Generation Fleet Director	Up to \$5,000	Up to \$50,000	N/A
CFO, AGMs, Chief Information Security Officer, IT/OT & Cybersecurity Director and General Counsel	Up to \$20,000	Up to \$20,000	N/A
Business Development and System Operations Director	Up to \$5,000	Up to \$5,000	•Up to \$5 million notional value for transactions ≤ 1 month
Human Resources Director VP of HR & Shared Services	All benefit, health care and payroll related expenses that are within the approved budget. Any other HR related expenses up to \$10,000	All benefit, health care and payroll related expenses that are within the approved budget. Any other HR related expenses up to \$10,000	N/A
Treasurer and Risk Director	All insurance expenses, except employee health-related insurance, that are within the approved budget. [3] Any other expenses up to \$5,000	All insurance expenses, except employee health-related insurance, that are within the approved budget. [3] Any other expenses up to \$5,000	N/A
Information Technology Manager	Up to \$10,000	Up to 10,000	N/A
Managers, Directors & Deputy General Counsel [4]	Up to \$5,000	Up to \$5,000	N/A
Approved Agents [5]	N/A	N/A	•Up to \$5 million notional value for transactions ≤ 1 month

Recommended Motion

- Move approval of Resolution 2021-EC2

FMPA Financial Commitment Authority Levels

Authority Levels	Agency	ARP (Non-Commodity)	ARP (Commodity) [1]
General Manager	Up to \$200,000. For emergency events declared by the GM, GM has unlimited authority and must report to chairpersons of the EC and BOD within 5 days and the governing bodies at the next scheduled meeting	Up to total non-fuel Operations and Maintenance Budget and total Project Capital Budget, with non-budgeted items over \$200,000 reported at the next EC Meeting	<ul style="list-style-type: none"> • Up to \$50 million notional value for transactions > 2 years but ≤ 7 years • Up to \$15 million notional value for transactions > 1 month but ≤ 2 years • Up to \$5 million notional value for transactions ≤ 1 month
Chief Operating Officer (COO) [2]	Up to \$50,000	Up to \$100,000	<ul style="list-style-type: none"> • Up to \$15 million notional value for transactions > 1 month but ≤ 2 years • Up to \$5 million notional value for transactions ≤ 1 month
Power Generation Fleet Director	Up to \$5,000	Up to \$50,000	N/A
CFO, AGMs, , IT/ OT & Cybersecurity Director and General Counsel	Up to \$20,000	Up to \$20,000	N/A
Business Development and System Operations Director	Up to \$5,000	Up to \$5,000	<ul style="list-style-type: none"> • Up to \$5 million notional value for transactions ≤ 1 month
VP of HR & Shared Services	All benefit, health care and payroll related expenses that are within the approved budget. Any other HR related expenses up to \$10,000	All benefit, health care and payroll related expenses that are within the approved budget. Any other HR related expenses up to \$10,000	N/A
Treasurer and Risk Director	All insurance expenses, except employee health-related insurance, that are within the approved budget. [3] Any other expenses up to \$5,000	All insurance expenses, except employee health-related insurance, that are within the approved budget. [3] Any other expenses up to \$5,000	N/A
Information Technology Manager	Up to \$10,000	Up to 10,000	N/A
Managers, Directors & Deputy General Counsel [4]	Up to \$5,000	Up to \$5,000	N/A
Approved Agents [5]	N/A	N/A	<ul style="list-style-type: none"> • Up to \$5 million notional value for transactions ≤ 1 month

[1] Amounts shown represent the approval thresholds for spending authority or contract execution for business-related commodity transactions such as fuel, replacement power, and transmission, as set forth in Section 4.1 of FMPA's Origination Transaction Policy.

[2] COO, or the General Manager's designee in the event the COO position is vacant.

[3] Approval thresholds for spending authority or contract execution for insurance transactions as set forth in Section 2.1 of FMPA's Insurance Policy.

[4] Except as may be superseded by higher authority levels for certain manager or director positions elsewhere in this table.

[5] Approved agents include, but may not necessarily be limited to, FGU for transacting of physical natural gas trading activities, FMPP for electricity trading activities less than 8 calendar days, and OUC for non-firm transmission transactions less than 8 days.

The General Manager may authorize changes to the FMPA Financial Commitment Authority Levels table to reflect organizational changes solely to the extent that such changes do not increase the overall financial commitment authority levels set forth therein; however, any such changes must be reported to the Executive Committee at its next regularly scheduled meeting.

Once the Procurement Process has been completed and a vendor and total dollar amount have been negotiated, the above-referenced financial commitment authority determines who is authorized to sign contracts, work orders, purchase orders, etc.

Payment Approval Authority – Defined as managers and above who have the ability to approve vendor invoices and contractual obligations for services rendered. This is an administrative function to verify FMPA has received the good or services it contracted for in accordance with the counterparty's obligations and contract terms.

- a. If the goods and services provided are in accordance with work orders/contracts/agreements and doesn't result in expenditures or financial commitments exceeding the governing body approved budget, then the manager and above can approve and process invoice. Additional budget tests may exist, as further set by management.
- b. Should there be any desired change in the financial commitment that results in a higher total financial commitment, then the "Financial Commitment Authority" limits are reapplied to determine authority.

RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE FLORIDA MUNICIPAL POWER AGENCY: (I) AMENDING RESOLUTION 2020-EC2 TO PROVIDE FOR CHANGES TO AUTHORIZED SPENDING LIMITS; (II) ADOPTING SUCH AMENDMENT TO RESOLUTION 2020-EC2; (III) PROVIDING FOR SEVERABILITY; AND (IV) PROVIDING AN EFFECTIVE DATE.

Whereas, pursuant to resolution 2020-EC2 adopted on June 18, 2020, the Executive Committee of Florida Municipal Power Agency (“**Agency**”) adopted the Agency’s general budget for the fiscal year beginning October 1, 2020, and ending September 30, 2021 (“**Fiscal Year 2021**”), including, as set forth in the Fiscal Year 2021 Budget Book (as defined in section I of resolution 2020-EC2), for the Agency general budget, those certain “FMPA Financial Commitment Authority Levels,” shown on pages 76 of 257 and 77 of 257 of the agenda package materials for the June 18, 2020 Executive Committee meeting;

Whereas, pursuant to Section III of resolution 2020-EC2, a proposed amendment to the Fiscal Year 2021 Agency budget, to amend the FMPA Financial Commitment Authority Levels adopted as a part of the Fiscal Year 2021 Budget Book incorporated as a material part of resolution 2020-EC2, has been duly submitted to the Executive Committee for approval; and

Whereas, the Executive Committee hereby finds and determines that the proposed amendment to the FMPA Financial Commitment Authority Levels adopted as a part of the Fiscal Year 2021 Budget Book incorporated as a material part of resolution 2020-EC2 is appropriate and can be accomplished respecting all other limitations imposed by resolution 2020-EC2.

BE IT RESOLVED BY THE EXECUTIVE COMMITTEE OF THE FLORIDA MUNICIPAL POWER AGENCY THAT:

SECTION I. **Amendment to Fiscal Year 2021 Budget Book.** The FMPA Financial Commitment Authority Levels adopted as a part of the Fiscal Year 2021 Budget Book incorporated as a material part of resolution 2020-EC2 is hereby amended and restated in its entirety as shown on Attachment A (with amendments shown in legislative format):

SECTION II. **Adoption of Amendment.** The FMPA Financial Commitment Authority Levels adopted as a part of the Fiscal Year 2021 Budget Book incorporated as a material part of resolution 2020-EC2 as amended by Section I above are hereby approved and adopted.

SECTION III. **Severability.** If one or more provisions of this resolution should be determined by a court of competent jurisdiction to be contrary to law, such provisions shall be deemed to be severable from the remaining provisions hereof, and shall in no way affect the validity or enforceability of such remaining provisions.

SECTION IV. **Effective Date.** This resolution shall take effect immediately upon its adoption.

This Resolution 2021-EC2 is hereby approved and adopted by the Executive Committee of the Florida Municipal Power Agency on February 18, 2021.

Chairperson of the Executive Committee

I HEREBY CERTIFY that on February 18, 2021, the above Resolution 2021-EC2 was approved and adopted by the Executive Committee of the Florida Municipal Power Agency, and that this is a true and conformed copy of Resolution 2021-EC2.

ATTEST:

Secretary or Assistant Secretary

SEAL

Resolution 2021-EC2

ATTACHMENT A

Financial Commitment Authority – Defined as the authorized personnel who have the ability to financially commit (sign on behalf of) the Agency (contracts, work orders, purchase orders, etc.). Authority levels are shown in the following table.

FMPA Financial Commitment Authority Levels

Authority Levels	Agency	ARP (Non-Commodity)	ARP (Commodity) [1]	Formatted
General Manager	Up to \$200,000. For emergency events declared by the GM, GM has unlimited authority and must report to chairpersons of the EC and BOD within 5 days and the governing bodies at the next scheduled meeting	Up to total non-fuel Operations and Maintenance Budget and total Project Capital Budget, with non-budgeted items over \$200,000 reported at the next EC Meeting	<ul style="list-style-type: none"> Up to \$50 million notional value for transactions > 2 years but ≤ 7 years Up to \$15 million notional value for transactions > 1 month but ≤ 2 years Up to \$5 million notional value for transactions ≤ 1 month 	
Chief Operating Officer (COO) [2]	Up to \$50,000	Up to \$100,000	<ul style="list-style-type: none"> Up to \$15 million notional value for transactions > 1 month but ≤ 2 years Up to \$5 million notional value for transactions ≤ 1 month 	
Power Generation Fleet Director	Up to \$5,000	Up to \$50,000	N/A	
CFO, AGMs, <u>Chief Information Security Officer, IT/OT & Cybersecurity Director</u> and General Counsel	Up to \$20,000	Up to \$20,000	N/A	Formatted
Business Development and System Operations Director	Up to \$5,000	Up to \$5,000	<ul style="list-style-type: none"> Up to \$5 million notional value for transactions ≤ 1 month 	
<u>Human Resources Director, VP of HR & Shared Services</u>	All benefit, health care and payroll related expenses that are within the approved budget. Any other HR related expenses up to \$10,000	All benefit, health care and payroll related expenses that are within the approved budget. Any other HR related expenses up to \$10,000	N/A	
<u>Treasurer and Risk Director</u>	<u>All insurance expenses, except employee health-related insurance, that are within the approved budget. [3] Any other expenses up to \$5,000</u>	<u>All insurance expenses, except employee health-related insurance, that are within the approved budget. [3] Any other expenses up to \$5,000</u>	<u>N/A</u>	Formatted Formatted -0.01"
Information Technology Manager	Up to \$10,000	Up to 10,000	N/A	
Managers, Directors & Deputy General Counsel [43]	Up to \$5,000	Up to \$5,000	N/A	

Authority Levels	Agency	ARP (Non-Commodity)	ARP (Commodity) [1]
Approved Agents [54]	N/A	N/A	<ul style="list-style-type: none"> Up to \$5 million notional value for transactions ≤ 1 month

[1] Amounts shown represent the approval thresholds for spending authority or contract execution for business-related commodity transactions such as fuel, replacement power, and transmission, as set forth in Section 4.1 of FMPA's Origination Transaction Policy.

[2] COO, or the General Manager's designee in the event the COO position is vacant.

[3] [Approval thresholds for spending authority or contract execution for insurance transactions as set forth in Section 2.1 of FMPA's Insurance Policy.](#)

[43] Except as may be superseded by higher authority levels for certain manager or director positions elsewhere in this table.

[54] Approved agents include, but may not necessarily be limited to, FGU for transacting of physical natural gas trading activities, FMPP for electricity trading activities less than 8 calendar days, and OUC for non-firm transmission transactions less than 8 days.

[The General Manager may authorize changes to the FMPA Financial Commitment Authority Levels table to reflect organizational changes solely to the extent that such changes do not increase the overall financial commitment authority levels set forth therein; however, any such changes must be reported to the Executive Committee at its next regularly scheduled meeting.](#)

Once the Procurement Process has been completed and a vendor and total dollar amount have been negotiated, the above-referenced financial commitment authority determines who is authorized to sign contracts, work orders, purchase orders, etc.

Payment Approval Authority – Defined as managers and above who have the ability to approve vendor invoices and contractual obligations for services rendered. This is an administrative function to verify FMPA has received the good or services it contracted for in accordance with the counterparty's obligations and contract terms.

- a. If the goods and services provided are in accordance with work orders/contracts/agreements and doesn't result in expenditures or financial commitments exceeding the governing body approved budget, then the manager and above can approve and process invoice. Additional budget tests may exist, as further set by management.
- b. Should there be any desired change in the financial commitment that results in a higher total financial commitment, then the "Financial Commitment Authority" limits are reapplied to determine authority.

AGENDA ITEM 9 – INFORMATION ITEMS

a) Annual Debt Report

**Executive Committee
February 18, 2021**



Annual Debt Report As of 9/30/2020

EC 9a / BOD 9a

Board of Directors & Executive Committee
February 18, 2021

100% of All Project Debt is Fixed

No Variable Rate Debt or Swaps as of November 2019

Total Fixed Rate Debt



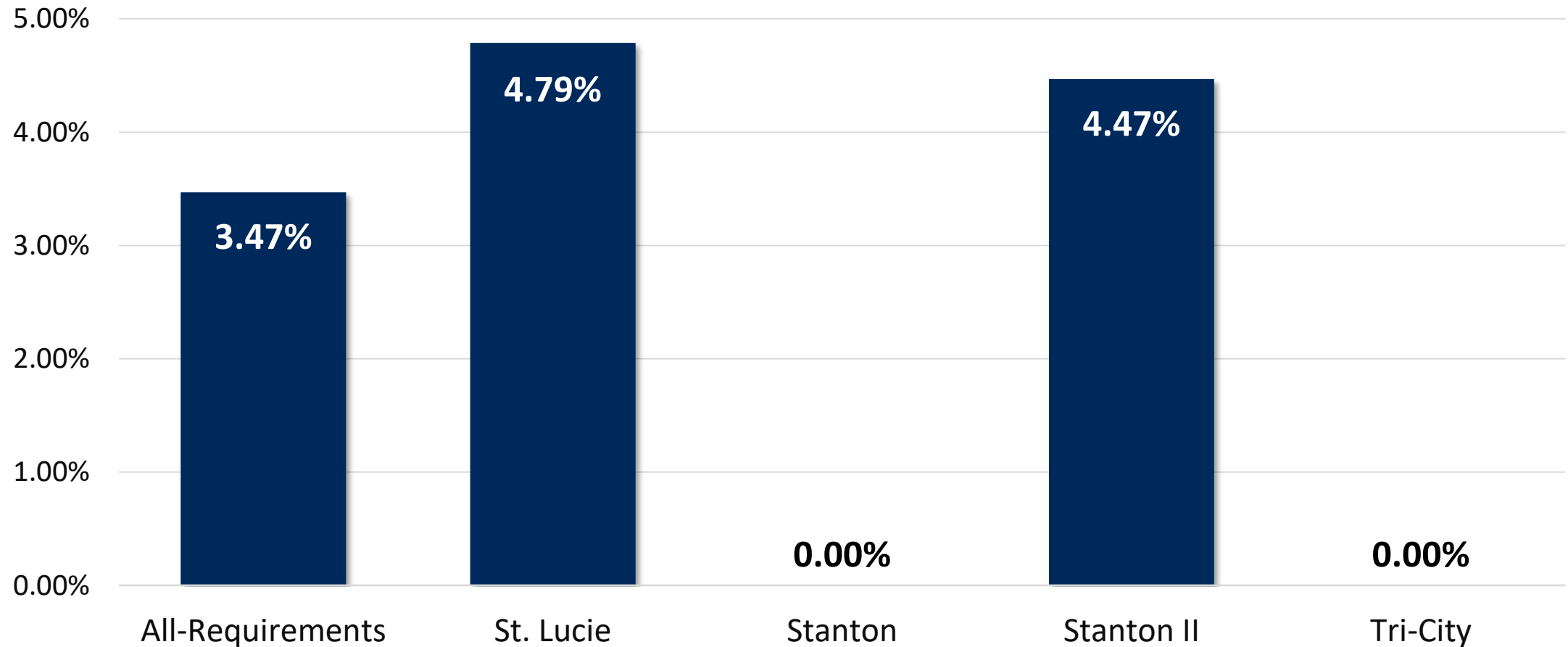
FMPA Reduced Debt by \$116.2 Million in 2020

ARP Refunded Variable Rate Debt with Swaps to Avoid Risk

Project	9/30/20 \$'s in 000's	9/30/19 \$'s in 000's	Debt Reduction
All-Requirements	785,140	860,323	75,183
St. Lucie	117,135	134,850	17,715
Stanton	0	8,985	8,985
Stanton II	111,735	122,801	11,066
Tri-City	0	3,290	3,290
Total	\$1,014,010	\$1,130,249	\$116,239

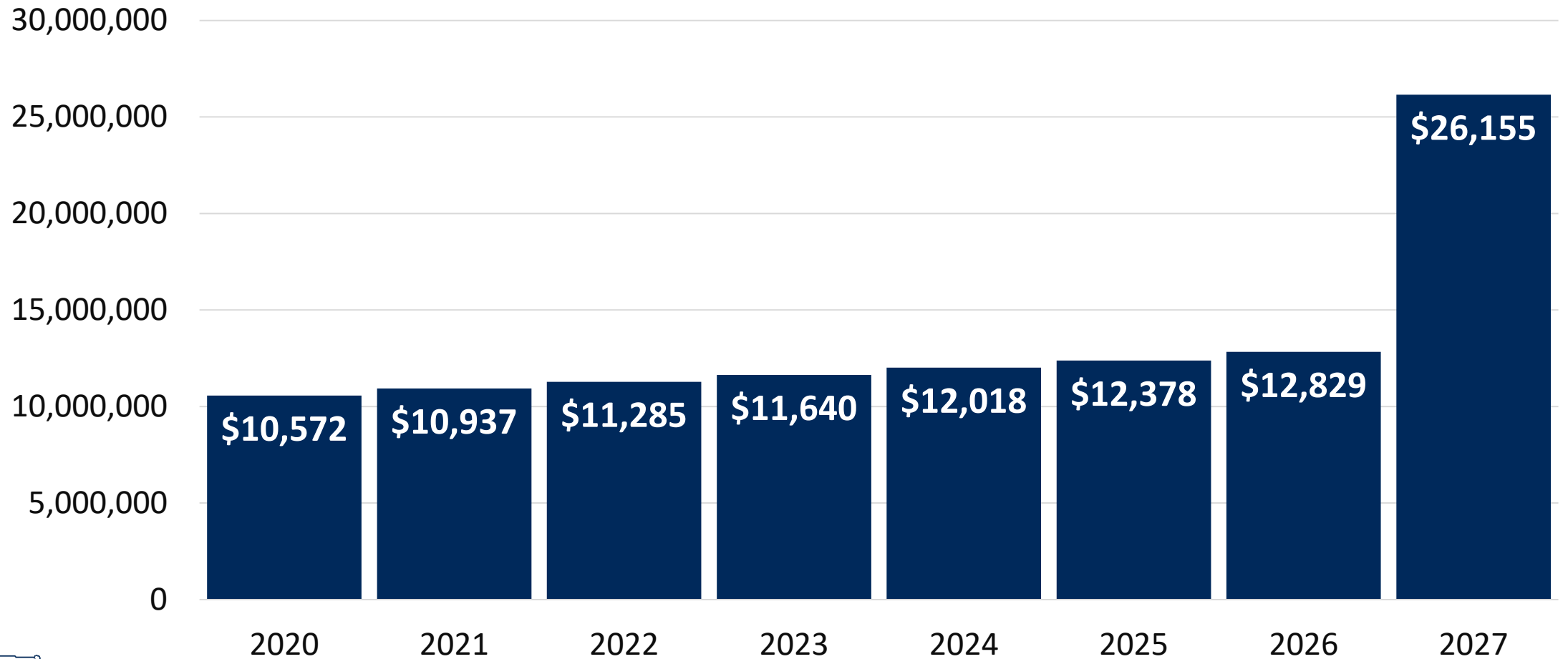
True Interest Cost of Debt by Project

Stanton and Tri-City Debt Paid in Full October 1, 2019



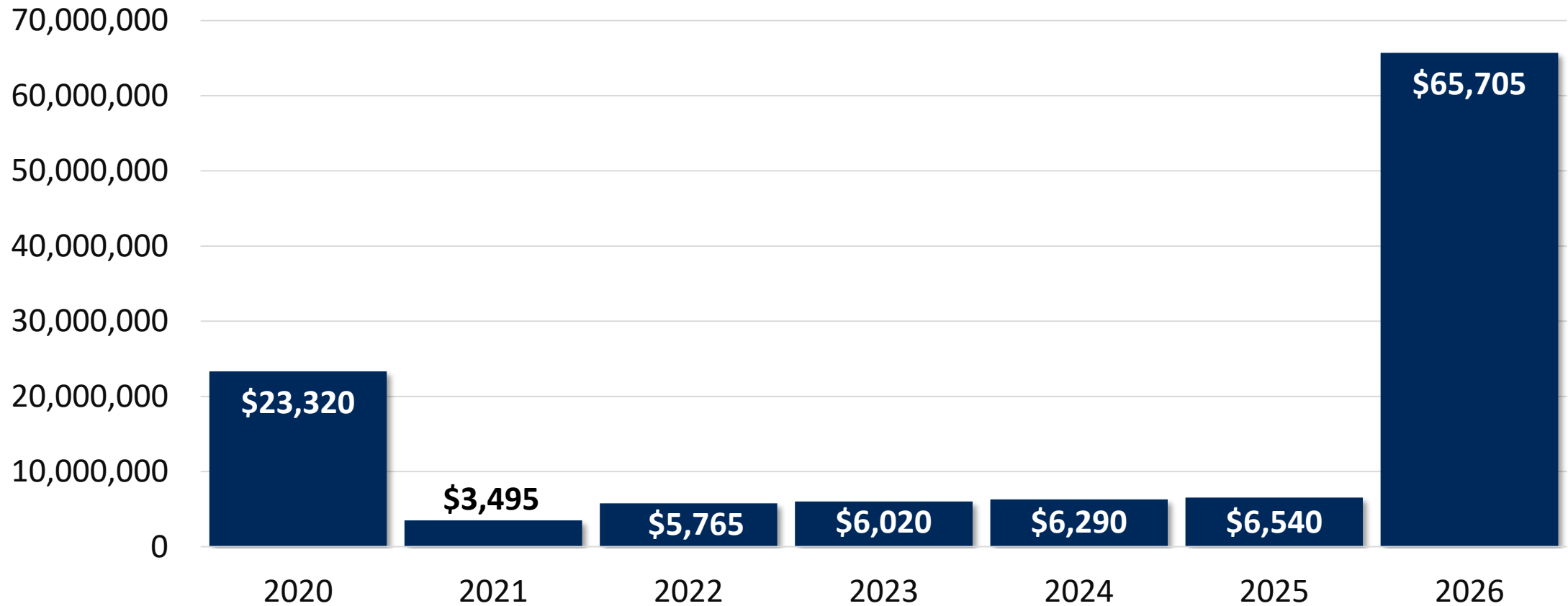
General Reserve Can Fund Final Payment

Stanton II (\$ in 000's)



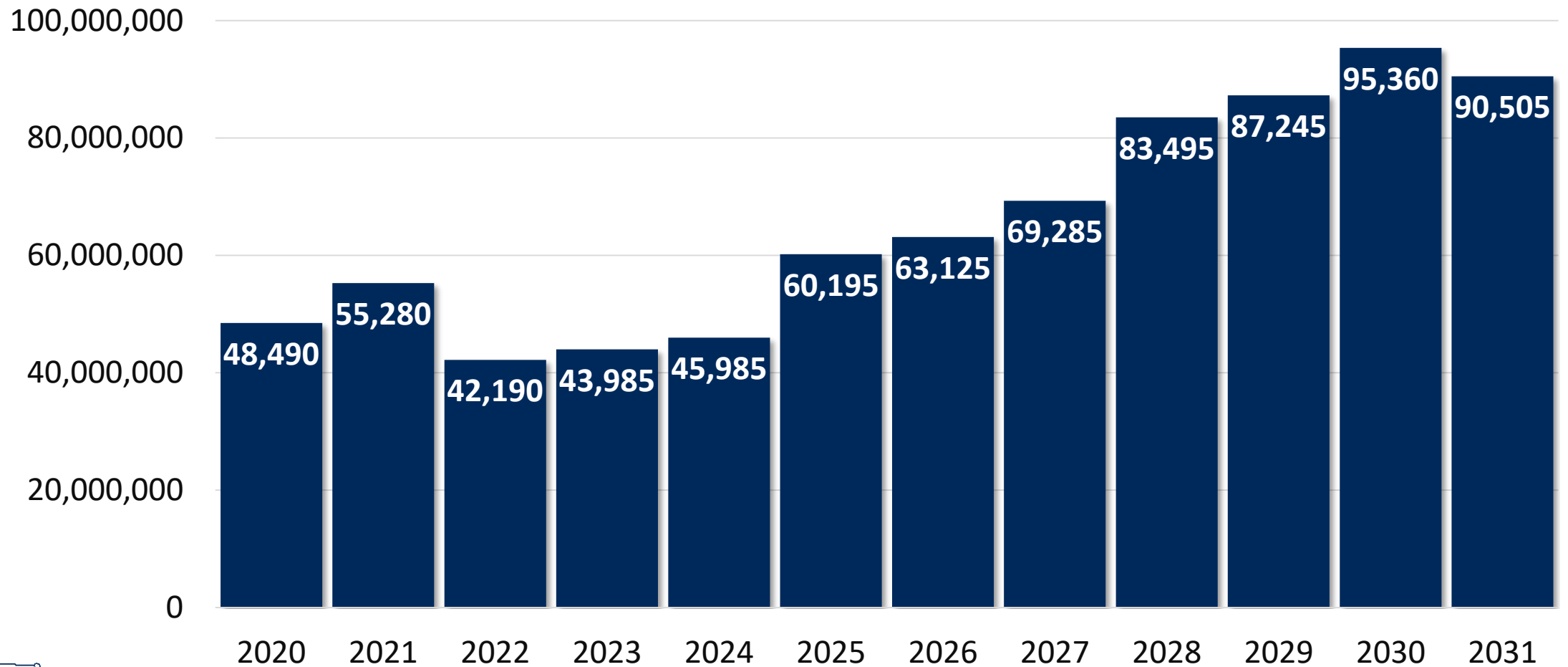
\$43.4M in Investments Currently Held

St. Lucie Project (\$ in 000's)



All-Requirements Project

Debt as of September 30, 2020 (\$ in 000's)



ARP Bonds Purpose of Bonds Summary

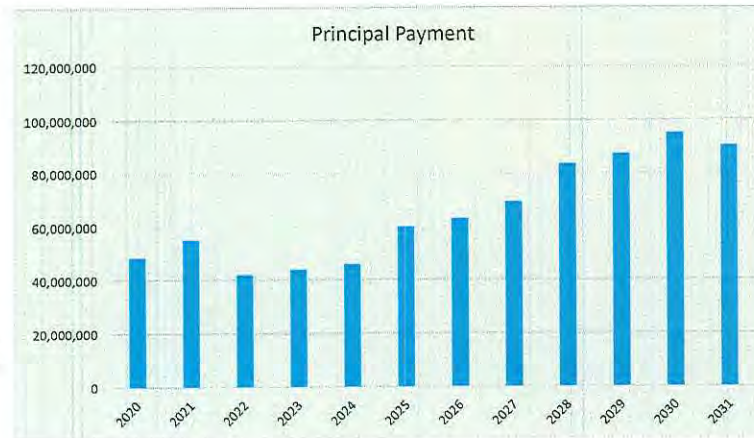
	Total Amount Issued (millions)	Purpose	Amount Outstanding as of 9/30/2020
ARP 2015B	\$115,770,000	Pay off 100% of the Taylor Swap termination fees and draws under the credit agreement	\$98,790,000
ARP 2016A	\$424,120,000	Refunded portion of 2008A and 2009A bonds	\$424,120,000
ARP 2017A	\$69,625,000	Refund 2011A-1, 2011B and interest rate swaps associated with the bonds	\$69,625,000
ARP 2017B	\$52,925,000	Refund 2011A-2 and interest rate swap associated with the bond	\$52,925,000
ARP 2018A	\$57,790,000	Refund all outstanding 2008A Bonds maturing on and after October 1, 2020	\$57,790,000
ARP 2019A	\$75,220,000	Refund 2008C and interest rate swaps associated with the bonds	\$75,220,000
ARP 2019B	<u>\$6,670,000</u>	Refund 2013A bonds	<u>\$6,670,000</u>
Total	<u>\$802,120,000</u>		<u>\$785,140,000</u>

**Non-ARP Bonds
Purpose of Bonds Summary**

Series	Total Amount Issued (millions)	Purpose	Amount Outstanding as of 9/30/2020
St Lucie 2010	\$20,500,000	Finance capital improvements.	\$4,290,000
St Lucie 2011A	\$34,870,000	Partial refund of the 2002 bonds and interest rate swaps	\$19,930,000
St Lucie 2011B	\$24,305,000	Finance capital improvements and pay costs of issuance	\$24,305,000
St Lucie 2012A	\$58,870,000	Partial refund of the 2000 and 2002 bonds with interest rate swaps	\$58,870,000
St Lucie 2013A	\$24,305,000	Finance capital improvements	\$9,740,000
Stanton II 2012A	\$77,520,000	Refund 2002. Partial refund of the 2000 and 2004 w/swaps. Finance capital improvements	\$46,330,000
Stanton II 2017A	\$21,888,000	Refund 2000 auction rate securities and interest rate swaps	\$21,114,000
Stanton II 2017B	\$50,019,000	Refund 2004 auction rate securities and interest rate swaps	\$40,370,000
Stanton II 2020-1	\$3,921,350	Pooled Loan refunded 2009A bonds	\$3,921,350
Total	<u>\$316,198,350</u>		<u>\$228,870,350</u>

ARP - CALCULATION BASED ON AVERAGE FY20 BILLING DEMAND

	Average Monthly Billing Demand (MW) FY 2020		Bonds, Notes and Loans Outstanding as of 9/30/2020 ¹	
	(MW) FY 2020	% of Total		
Bushnell	11.784	1.0%	7,657	
Clewiston	19.358	1.6%	12,578	
Fort Meade	8.884	0.7%	5,772	
Fort Pierce	95.864	7.9%	62,288	
Green Cove Springs	22.452	1.9%	14,588	
Havana	4.983	0.4%	3,238	
Jacksonville Beach	149.859	12.4%	97,372	
KUA	346.906	28.7%	225,404	
Key West	135.852	11.2%	88,271	
Lake Worth	0.000	0.0%	0	
Leesburg	107.081	8.9%	69,576	
Newberry	8.300	0.7%	5,393	
Ocala	284.764	23.6%	185,027	
Starke	12.276	1.0%	7,976	
Total	1,208.363	100.0%	785,140	

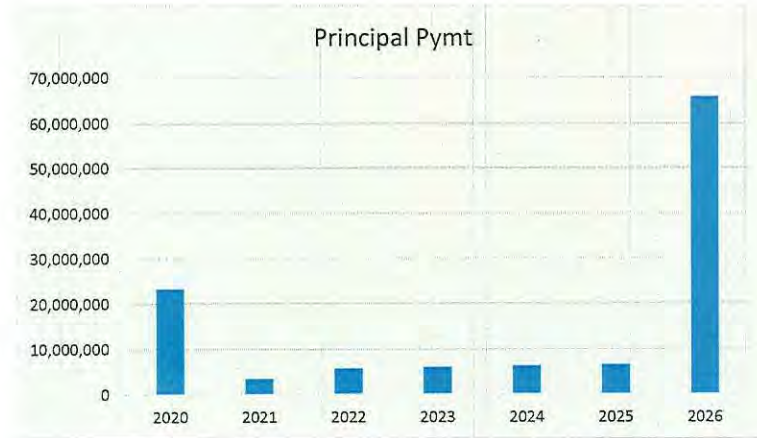


Payment October 1	Principal Payment
2020	48,490,000
2021	55,280,000
2022	42,190,000
2023	43,985,000
2024	45,985,000
2025	60,195,000
2026	63,125,000
2027	69,285,000
2028	83,495,000
2029	87,245,000
2030	95,360,000
2031	90,505,000
	<u>785,140,000</u>

Footnote: ARP Participants' percent share of ARP debt payments varies monthly based on their monthly peak demand (less Excluded Resource capacity, if any) during the hour of the ARP system peak. Due to weather and other factors, such allocations can vary significantly from month to month. Additional factors such as varying levels of load growth among the Participants would also impact the allocations over time. Amounts shown are for illustrative purposes only and are based on each Participant's average monthly ARP billing demand during Fiscal Year 2020. It is important to note that this calculation is not the same as the calculation of outstanding ARP debt that each Participant would be required to pay in the event it exercised its right to withdraw from the ARP pursuant to Section 29 of the ARP Contract

ST. LUCIE - Entitlement share by participant

Entitlement Share %	Bonds, Notes and Loans Outstanding as of 9/30/2020 ¹		FY2020 Debt Service Related Budget ^{2,3,4}
	(\$000)	(\$000)	(\$000)
ALACHUA	0.431%	505	124
CLEWISTON	2.202%	2,579	635
FORT MEADE	0.336%	394	97
FORT PIERCE	15.206%	17,812	4,384
GREEN COVE SPRINGS	1.757%	2,058	507
HOMESTEAD	8.269%	9,686	2,384
JAX BEACH	7.329%	8,585	2,113
KISSIMMEE	9.405%	11,017	2,711
LEESBURG	2.326%	2,725	671
LAKE WORTH	24.870%	29,131	7,170
MOORE HAVEN	0.384%	450	111
NEWBERRY	0.184%	216	53
NEW SMYRNA BEACH	9.884%	11,578	2,849
STARKE	2.215%	2,595	639
ARP	15.202%	17,807	4,383
100.000%	117,135	28,829	



Payment October 1	Principal Pymt
2020	23,320,000
2021	3,495,000
2022	5,765,000
2023	6,020,000
2024	6,290,000
2025	6,540,000
2026	65,705,000
	<u>117,135,000</u>

¹ Makes no assumption about any new debt needs.

² Annual debt-service-related budget amounts may vary by year.

³ Use of monies on hand may reduce total debt service budget amounts collected from rates. As of 9/30/2020, \$43,470,608 (par amt) of investments in the General Reserve, Contingency, and Debt Service Reserves related accounts.

⁴ Final debt service payment is October 1, 2026. Plant licensed by NRC to operate until 2043.

STANTON II - Entitlement share by participant

	Entitlement Share %	Bonds, Notes and	FY2020 Debt Service
		Loans Outstanding as of 9/30/2020 ¹	Related Budget ^{2,3,4}
		(\$000)	(\$000)
ARP	16.489%	18,424	2,471
FORT PIERCE	16.489%	18,424	2,471
HOMESTEAD ^A	8.244%	9,211	1,236
KUA ^A	32.977%	36,847	4,942
ST. CLOUD	14.671%	16,393	2,199
KEY WEST	9.893%	11,054	1,483
STARKE	1.237%	1,382	185
	100.000%	111,735	14,987

^A Reflects impact of 100% and 50% Entitlement Share assignments respectively from Lake Worth and Homestead to KUA.

¹ Makes no assumption about any new debt needs.

² Annual debt-service-related budget amounts may vary by year.

³ Use of monies on hand may reduce total debt service budget amounts collected from rates. As of 9/30/2020, \$33,636,655 (par amt) of investments in the General Reserve, Contingency and Debt Service Reserve accounts.

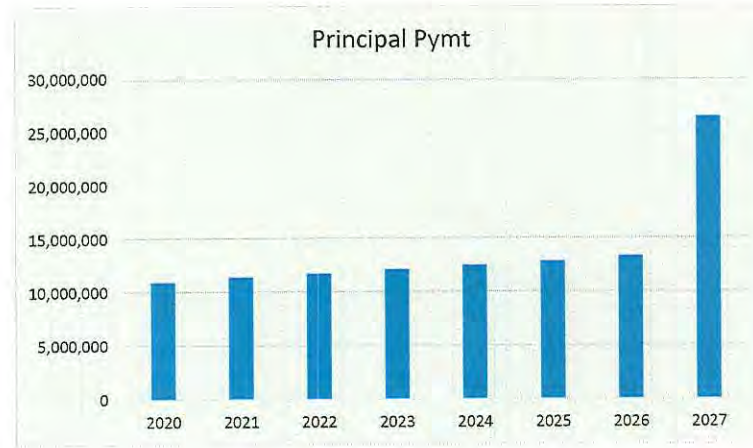
⁴ Final debt service payment is October 1, 2027.

⁵ Funds on hand in 2027 will be used to reduce payment amount to typical amount level.

See note ³ above.

Indicates amounts paid by ARP due to Participant being in the ARP

Indicates the partial assignment taken from the City of Vero Beach



Payment October 1	Principal Pymt
2020	10,994,879
2021	11,449,492
2022	11,806,603
2023	12,170,876
2024	12,558,314
2025	12,927,920
2026	13,388,697
2027	26,438,569 ⁵
Total	111,735,350

AGENDA ITEM 9 – INFORMATION ITEMS

b) Return Margin from External Sales

**Executive Committee
February 18, 2021**



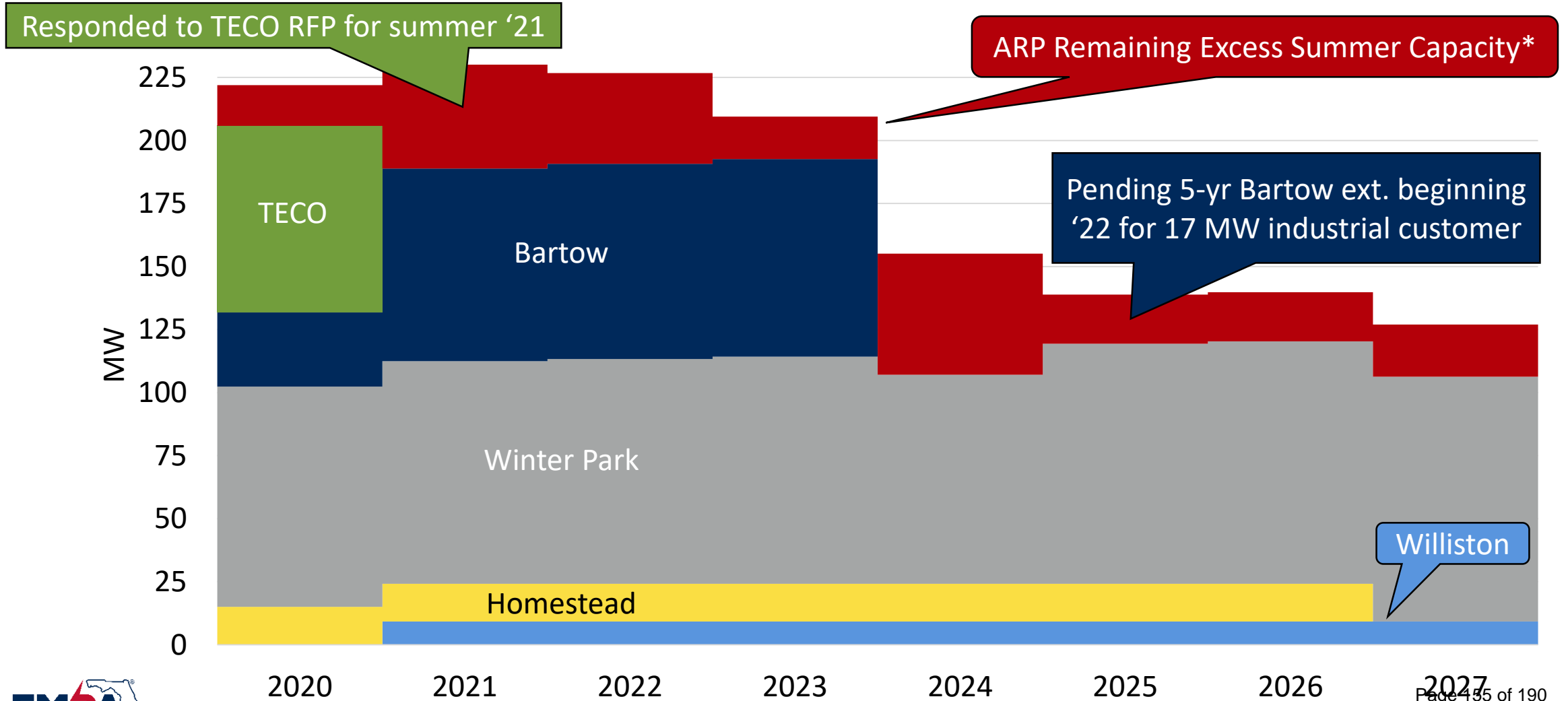
EC 9b

Return Margin from External Sales

Executive Committee
February 16, 2021

FMPA Continuing to Make Wholesale Power Sales

Maximizing the Value of FMPA Generation Lowers Member Costs

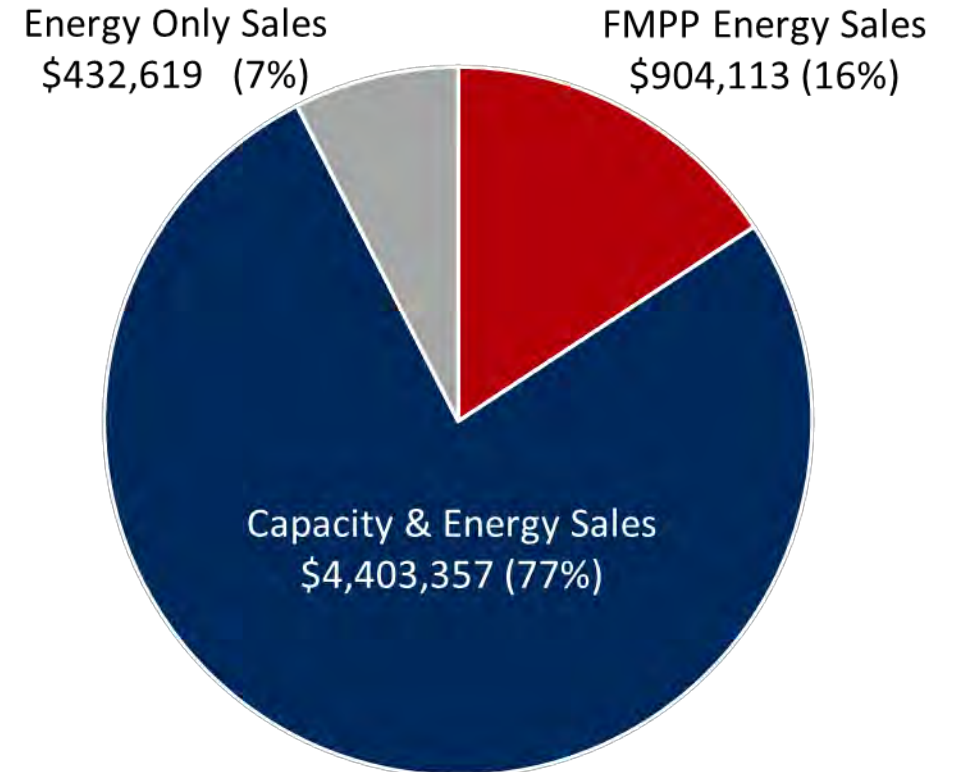


*Energy only and winter seasonal capacity sales not reflected here.

External Sales Resulted in \$5.7M Return for FY 2020

Equivalent to about \$1/MWh decrease in ARP rate

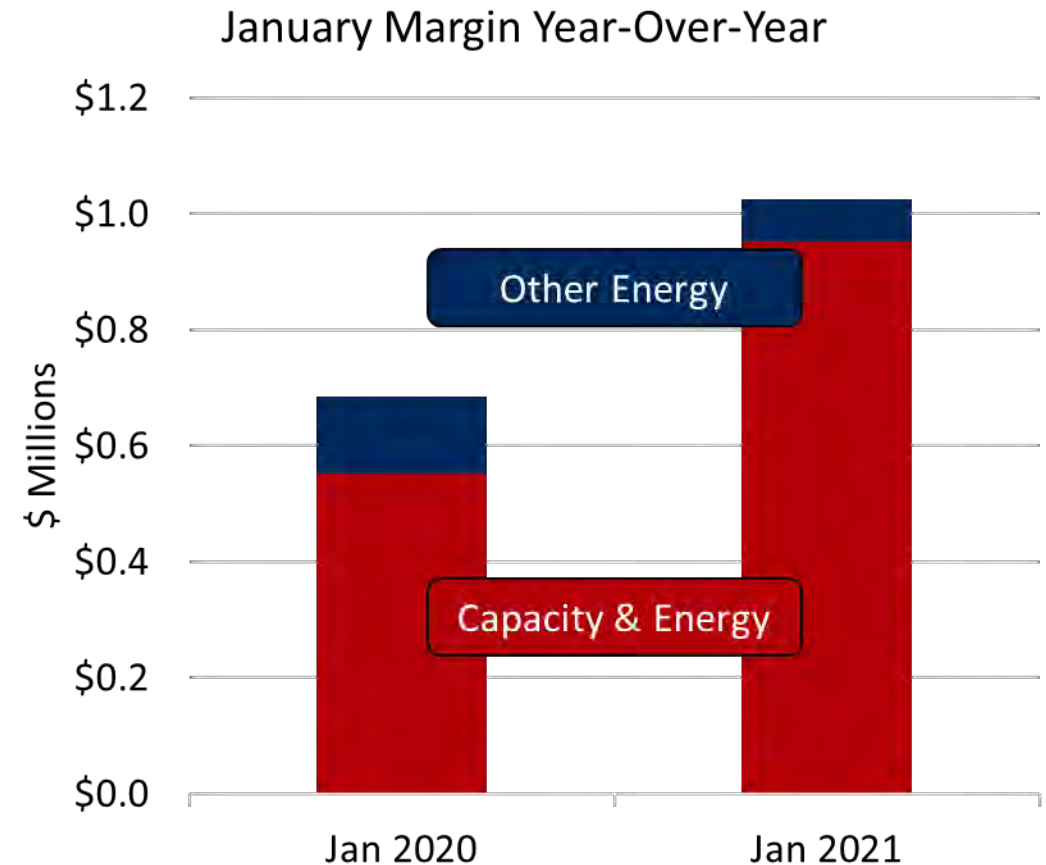
Sale	Type	Max	Usage
Bartow	C&E	20 MW	8%
Winter Park	C&E	10-68 MW	49%
Homestead	C&E	15 MW	59%
TECO (seasonal capacity)	C&E	74-100 MW	<5%
Reedy Creek (tolling & off-peak)	Energy	53-88 MW	100%
TECO (1 month)	Energy	120 MW	100%
Macquarie (1 month)	Energy	50 MW	100%
TEA (2 months)	Energy	50 MW	100%, 30%



Higher Margin Capacity Sales Increase for FY 2021

Total margins expected in the \$8 to \$10 million range

- Bartow ~65 MW full-reqs. Jan. 1st (increase from 20 MW)
- Williston 8 MW full-reqs. Jan. 1st
- TECO winter seasonal capacity increased from 100 to 150 MW
- Continuing to market excess capacity and energy through TEA relationship



TEA Services Providing Power Marketing Value

- Excess energy marketing/optimization
 - Returns have paid for over half of TEA service fees so far this year
- Capacity purchases to cover unit outages
 - Estimated 65% savings vs. previous default method
- Proposal development for responding to RFPs
 - Insight from TEA market intelligence and experience
- Load forecasting and modeling work improves projections



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[@FMPANews](https://twitter.com/FMPANews)



[/company/fmpa](https://www.linkedin.com/company/fmpa)

AGENDA ITEM 9 – INFORMATION ITEMS

- c) FMPA Alternative Staffing Plan for
Treasure Coast Energy Center**

**Executive Committee
February 18, 2021**



9c – FMIPA Alternative Staffing Plan for Treasure Coast Energy Center

Executive Committee

February 18, 2021

Plant Staffing Key Element to Strong Plant Reliability

Must Ensure Well Positioned for Forthcoming Retirements

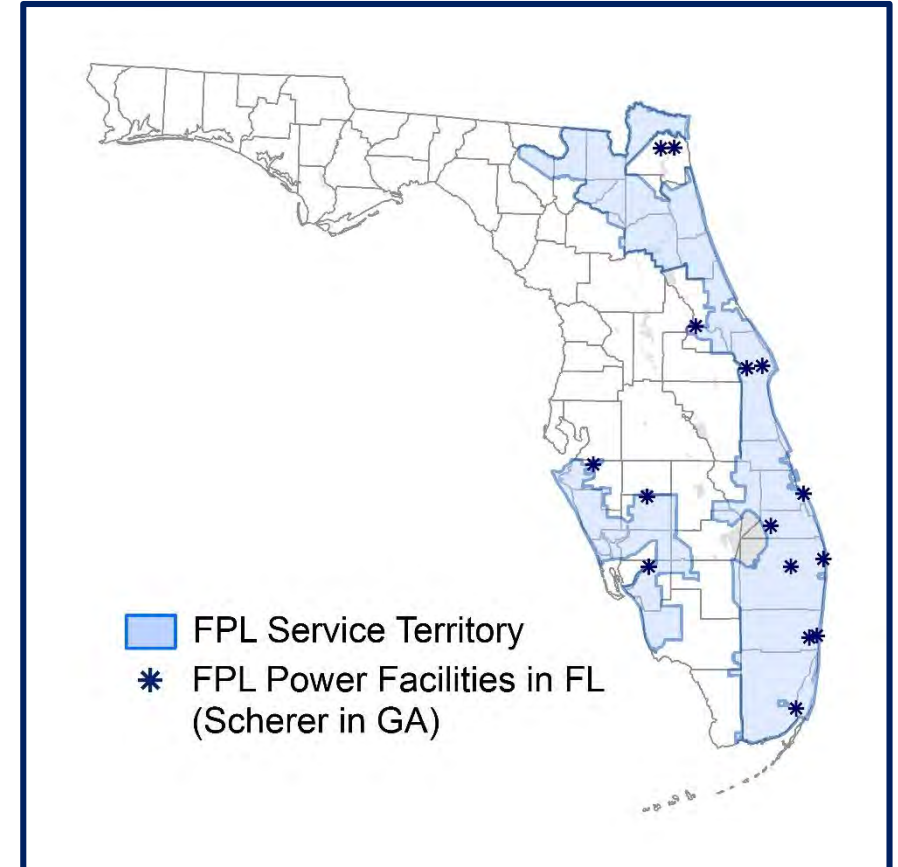
- Potential for a key retirement in 2-3 years
 - Plant management and FMPA proactively filling certain roles to provide a smooth changeover
- Overall fleet is well positioned with appropriate depth of talent and resources that facilitates strong succession planning
- Approved positions at plants have remained fairly stable over last five years



TCEC Location Results in Hiring Challenges

FPL Plant Proximity and Opportunities Drive Competition for Staff

- FPL plant sites are located within 50 miles in all directions
- Plants in the FMPA fleet tend to hire more experienced staff to sustain work force levels
- Larger companies provide more opportunities for career development at more plant sites and significantly higher wages
- ARP plants rely on less employees in very specific roles
- There have been many instances where TCEC runs at lower than budgeted staffing due to inability to hire



Recent Hiring Delays Demonstrate Need for Change

TCEC Exploring New Staffing Model To Attract and Retain Experienced Personnel

- Latest plant openings experienced difficulty in hiring
 - Open positions can have an impact on plant reliability
- FMPA fleet requires more and broader expertise
- To continue at existing rate or expanding to meet needs, new resources may be needed in a few key areas
- Partnering with FPUA on a conversion to FMPA employees to ensure competitiveness within hiring market
 - Provides means for different base salary and benefits package
 - Overall, no additional cost to ARP
- No changes expected for Cane Island or Stock Island sites

AGENDA ITEM 9 – INFORMATION ITEMS

d) Summary of Finance Committee Items

**Executive Committee
February 18, 2021**



9d – Summary of Finance Committee Items

Executive Committee

February 18, 2021

Other Items

Potential March Approvals

- Approval of Risk Policies
- Approval of Resolution and other documents related to debt transactions
- Approval of Rate Schedule B-1 related to lowering amounts to R&R fund
- Approval of automatic demand rate adjustment related to draw on \$100M bank loan
- Review of the Agency Risk Inventory

AGENDA ITEM 9 – INFORMATION ITEMS

- e) Proposed Revisions to ARP Rate Schedule
B-1**

**Executive Committee
February 18, 2021**



9e – Proposed Revisions to ARP Rate Schedule B-1

Executive Committee

February 18, 2021

Two Revisions Proposed for March Action

- Addition of provision for automatic demand rate adjustment if the ARP incurs debt obligation with repayment due within one year
- Reduction to FY 2021 ARP demand rate if debt issuance approved for funding capital additions

Proposed Rate Schedule Change for Automatic Demand Rate Adjustment Mechanism

- ARP seeking to issue debt to replace line of credit
- Proceeds would be placed into General Reserve Fund
- At least one bank raised concern about ensuring ARP's ability to repay obligation if it used the proceeds during the year repayment due
 - Such a scenario could occur with line of credit, also, if line of credit was not extended
- Proposed rate schedule change would allow for automatic adjustment to demand rate only if needed to repay borrowings due within 1 year
- If used, staff must report to EC no later than next regularly scheduled meeting

Fiscal 2021 ARP Demand Rate Reduction Possible

New Debt Issuance = Lower Capital Funding Needs through R&R

- Potential issuance of ARP debt to fund capital additions would reduce needed funding of Renewal & Replacement (R&R) Account
- FY 2021 R&R funding need would be reduced from \$12M to \$7M
- If new debt approved, ARP demand rate for Mar. – Sep. 2021 billings could be reduced to provide rate relief to members
- Current FY 2021 demand rate: \$15.78/kW-mo.
- Revised FY 2021 demand rate: \$15.29/kW-mo. (based on current projections, and subject to change)
- Rate Schedule B-1 change would need to be approved by EC

Next Steps

- Seeking feedback from EC this month
- Plan is to return for action in March
- Redline markup of proposed revisions to Rate Schedule B-1 attached

Recommended Motion

- No motion requested. For information only.

RATE SCHEDULE B-1
PAGE 1 of 9
EFFECTIVE: ~~March~~October 1,
2021~~0~~

FLORIDA MUNICIPAL POWER AGENCY
POWER SUPPLY RATE SCHEDULE
FOR
ALL-REQUIREMENTS PROJECT PARTICIPANTS

1. **Applicability.** Electric service for All-Requirements Services and Back-up and Support Services as defined in the All-Requirements Power Supply Project Contract for their own use and for resale.
2. **Availability.** This Schedule B-1 is available to the Project Participants purchasing electric capacity and energy from FMPA under the terms of the All-Requirements Power Supply Project Contracts as All-Requirements Services and, if applicable, as Back-Up and Support Services.
3. **Character of Service.** Electricity furnished under this Schedule B-1 at one or more Points of Delivery as set forth in Schedule A shall be sixty-hertz, three phase, alternating current.
4. **Billing Rate for All-Requirements Services.**
 - (a) For electricity furnished hereunder as All-Requirements Services, the charges for each month shall be determined as follows:

Customer Charge	For each Project Participant, the charge is \$1,000.00 per Point of Delivery. Notwithstanding the above, the charge for a Project Participant that has both (1) established its Contract Rate of Delivery and (2) does not receive Network Integration Transmission Service under an ARP agreement is \$0.00.
Demand Capacity Charge	\$ 15.78 per kilowatt ("kW") of capacity billing demand
Demand Transmission	\$ 3.65 per kilowatt ("kW") of transmission billing demand
Demand Transmission Kissimmee Utility Authority	\$ 0.77 per kilowatt ("kW") of transmission billing demand
Energy Charge	\$ 24.45 per megawatt-hour ("MWh") for all energy supplied as All-Requirements Services

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Solar Energy Surcharge A \$ per megawatt-hour ("MWh") rate, as calculated monthly in accordance with 10 below, for all energy pursuant to the applicable solar Power Purchase Agreement(s) ("PPA"), as specifically agreed to by individual Project Participants pursuant to Solar Participant Agreements between the ARP and individual Project Participants (hereinafter "Solar Participants").

Reactive Demand Charge \$0.00 per kilo-var ("kVAR") of excess billing reactive demand

(b) Delivery Voltage Adjustment for All-Requirements Services. The Billing Rates under paragraph (a) are based on delivery of electric capacity and energy to the Project Participant at 115,000 volts or higher. Where capacity and energy are delivered at voltages less than 115,000 volts, the Billing Rates under paragraph (a) shall be increased as follows:

<u>Delivery Voltage</u>	<u>Demand Charge Adjustment</u>	<u>Energy Charge Adjustment</u>
69,000 volts	\$0.00/kW	\$0.00/kWh
12,000/25,000 volts	.722/kW	\$0.0000
Under 12,000 volts	.722/kW	\$0.0000

5. Billing Metering For All-Requirements Services. The metered demand in kW in each month shall be the individual Project Participant's total 60 minute integrated demand at the time of the highest 60 minute integrated demand for the total of all ARP system Project Participants (or corrected to a 60 minute basis if demand registers other than 60 minute demand registers are installed) measured during the month.

The metered reactive demand in kVAR in each month shall be the reactive demand, which occurred during the same 60-minute demand interval in which the metered kilowatt demand occurred.

Demand and energy meter readings shall be adjusted, if appropriate, as provided in Schedule A of the All-Requirements Power Supply Project Contract.

6. Billing Demand-Capacity for All-Requirements Services. The billing demand capacity in any period shall be the arithmetic average of the metered demands, as determined under paragraph 5, giving effect to all adjustments, less the Project Participant's Excluded Power Supply

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Resources capacity, if any, for the months of June, July, August, and September for the preceding three fiscal years. For avoidance of doubt, unless otherwise adjusted as follows in this paragraph 6, the monthly billing demand capacity for each Project Participant shall be based on the arithmetic average of 12 data points and shall remain fixed over the current fiscal year.

If a Project Participant has permanently lost a large load during the preceding three fiscal years that would cause the metered demands utilized for that Project Participant in the billing demand capacity calculation not to be representative of its current load, the metered demands utilized in the calculation for that Project Participant may be adjusted accordingly by a majority vote of the Executive Committee in its sole discretion. Such load must represent a minimum of five percent of the Project Participant's total load based on demonstrable load data. It is the responsibility of the Project Participant to notify FMPA of any such loss of load, and no adjustments shall be made to billings for months prior to the effective date of any adjustment approved by the Executive Committee.

If a Project Participant has added a large load during the preceding three years for which a demand-related financial incentive will be provided through a rider to this Rate Schedule B-1, the metered demands utilized in the calculation for that Project Participant will be adjusted as set forth in the respective rider.

Anomalous loads for an individual Project Participant may be excluded from the billing demand capacity calculation by majority vote of the Executive Committee.

7. **Billing Demand-Transmission for All-Requirements Services.** The billing demand capacity in any period shall be the metered demand for the period as determined under paragraph 5, giving effect to all adjustments, but including the Project Participant's, Excluded Power Supply Resources capacity, if any.
8. **Billing Reactive Demand for All-Requirements Services.** The billing reactive demand for any month shall be the amount of reactive demand in kVAR by which the metered reactive demand exceeds one-half of the metered kilowatt demands, or such other amount as shall be determined from time to time by FMPA.

9. **Energy Cost Adjustment for All-Requirements Services.**

The monthly bill computed hereunder shall adjust the base energy rate by an amount to the nearest one-thousandth of a cent, determined by use of the formula below:

$$ER = \$0.02445/kWh \pm ETCA$$

Where:

ER = Energy Rate to be applied each kWh of billed energy.

ETCA = Energy Total Cost Adjustment to be determined according to the following procedure:

1. The number days of available cash will be determined each month and rounded to the nearest five days.
2. A confidence percentage based on following table will be selected to determine the amount of the total cost adjustment. The Confidence Percentage will then be applied to the output of the probabilistic model discussed below.

Days of Available Cash	Associated Confidence Percentage
30 day or less	95%
35 days	88%
40 days	80%
45 days	73%
50 days	65%
55 days	58%
60 days	50%
65 days	43%
70 days	35%
75 days	28%
80 days	20%
85 days	13%
90 days and over	5%

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3. A probabilistic model will be used to estimate next four months of projected energy total cost and projected total kWh sales for providing the All-Requirements Project power supply. For purposes of this adjustment, FMPA's owned and controlled generating units including purchased power or interchange power purchased by FMPA from other suppliers less the energy cost of sales to other utilities, will be used in the calculations.

4. A probabilistic model will also be used to allocate the most current ARP Participant over-recovery and under-recovery balance as listed ARP's Comparative Statement of Net Asset report. This balance will be applied over the next four months and tied to the appropriate percentage level listed in the table above.

10. Solar Energy Surcharge.

The Solar Energy Surcharge shall equal the difference between the adjusted energy rate calculated in 9 above (ER) and the actual monthly cost per MWh of the solar energy (note the surcharge could be negative). The following provisions shall apply to the calculation of the surcharge:

1. Solar energy costs shall equal the sum of the applicable solar PPA charges, FMPA A&G charges allocated to the solar PPA(s), the return to the Agency Development Fund of the costs advanced to enter into and implement the solar PPA(s), and other costs or charges that the ARP may incur related to utilizing solar energy as part of its resource portfolio, e.g. increased regulation charges assessed by the ARP's Balancing Authority.

2. The following All-Requirements Project Participants have responsibility for solar energy (MWh) in each hour that solar energy is produced under the applicable solar PPA(s):

Phase I solar PPAs between the ARP and NextEra Florida Renewables, or its successor or assigns:

The City of Jacksonville Beach	17.241%
Fort Pierce Utilities Authority	5.173%
Utility Board, City of Key West	8.621%

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Kissimmee Utility Authority	51.724%
The City of Ocala	17.241%
Phase II solar PPAs between the ARP and Origis Energy, or its successors or assigns:	
The City of Jacksonville Beach	15.584%
Fort Pierce Utilities Authority	15.584%
The Town of Havana	0.260%
Utility Board, City of Key West	25.975%
Kissimmee Utility Authority	20.779%
The City of Newberry	1.039%
The City of Ocala	20.779%

3. In the event that one or more of the Solar Participants defaults by not paying the Solar Energy Surcharge, the defaulting Project Participant(s) shall remain liable for all payments to be made on its part pursuant to this Rate Schedule B-1. In such event, each non-defaulting Solar Participant's All-Requirements bill shall be increased, on a pro rata basis based on its respective Solar Energy Surcharge percentage of the applicable solar PPA(s), the amount in default unless and until FMPA shall recover from the defaulting Solar Participant(s) all amounts owed, upon which FMPA shall reimburse the non-defaulting Solar Participants. If all Solar Participants default by not paying the Solar Energy Surcharge, the All-Requirements Project will be obligated for the applicable Power Purchase Agreement(s) and the solar costs will become part of the Energy Rate (ER) above applicable to all All-Requirements Project Participants, including the defaulting Solar Participants, unless and until FMPA shall recover from at least one of the defaulting Solar Participants all amounts owed by all Solar Participants, upon which FMPA shall reimburse the All-Requirements Project Participants either through rates or through such other method as directed by the Executive Committee

4. A Solar Participant may only exit from the financial obligation to pay the Solar Energy Surcharge if one of the following four conditions are met, subject to approval of the Executive Committee:

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- a. One or more Solar Participants assumes the exiting Solar Participant's entire Solar Energy Surcharge financial obligation to the ARP;
- b. One or more All-Requirements Project Participants assumes the exiting Solar Participant's entire Solar Energy Surcharge financial obligation to the ARP
- c. One or more FMPA Members that is not an All-Requirements Project Participant assumes the financial entitlement to the Solar Participant's percentage share of the applicable solar PPA(s) and commits that it will take on the (i) associated financial obligation and (ii) obligation to take solar energy, in a form suitable to the ARP; or
- d. Pay stranded cost obligations, as determined by FMPA in its sole discretion, to hold the other Solar Participants harmless from the costs associated with the Solar Participant's exit.

Stranded cost obligations are defined as an estimate of the solar energy costs (defined in 10.1) that the ARP will pay for the exiting Solar Participant's solar energy entitlement during each remaining month of the remaining term of the applicable solar PPA(s) based on (i) a forecast of expected solar production and (ii) a reasonable assessment of unforeseen costs, and are to be paid at the time of exit. The forecast of expected solar production is defined as a P50 (probability of exceedance is 50 percent) production estimate under typical meteorological year conditions using an industry standard modeling tool (PV Syst or its successor/peer products) reflective of a degradation rate of 0.3% per year relative to the original nominal alternating current capacity of the solar resource in the current year (prorated over a partial year as applicable) and each subsequent remaining year of the applicable solar PPA(s) term.

11. Demand Cost Adjustment for All-Requirements Services.

In the event that the Project enters into a debt obligation, such as a draw on a line of credit or other credit facility, for which repayment must be made within one year, FMPA may automatically adjust the Demand Capacity Charge in paragraph 4 to the extent required to ensure, and for the sole purpose of ensuring, that the Project has sufficient funds available

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to repay such debt obligation. Any such adjustment to the Demand Capacity Charge must be reported to the Executive Committee no later than its next regularly scheduled meeting.

121. Demand Cost True-up for All-Requirements Services.

Each Project Participant shall be charged or credited, as applicable, during the twelve months commencing with the billing for October service of a subsequent fiscal year by a dollar amount equal to one twelfth of the dollar amount share of the difference between the Project Participant's actual demand costs (excluding transmission) and the demand charges collected during the previous fiscal year. The amount to be charged or credited to each Project Participant shall be calculated on the basis of each Project Participant's demand costs (excluding transmission) collected during the previous fiscal year as a percentage of the total demand costs collected from all Project Participants.

132. Transmission Cost Adjustment for All-Requirements Services.

The monthly bill computed hereunder shall adjust the base demand transmission capacity rate by an amount to the nearest one-thousandth of a cent, determined by use of the formula below:

$$TR = \text{Transmission per kW/month} \pm TTCA$$

Where:

TR = Demand Transmission Rate to be applied each kW of billed transmission demand.

TTCA = Transmission Total Cost Adjustment to be determined according to the same procedure as the ETCA except where kWh will be replaced by kW in item 3 within section 9.

143. Funding for Participants' Load Retention Programs.

Each Participant shall be credited with an amount equal to the Participants monthly billing energy times \$0.30 per MWh. This credit may be used by the Participant to fund Load Retention Programs approved by the Participants' governing body, or for other lawful usage.

154. Tax Adjustment Clause for All-Requirements Services.

In the event of the imposition of any tax, or payment in lieu thereof, by any lawful authority on FMPA for production, transmission, or sale of electricity, the charges hereunder may be increased to pass on to the Project Participant its share of such tax or payment in lieu thereof.

1615. Late Payment Charge. FMPA may impose a late payment charge on the unpaid balance of any amount not paid when due. Such charge shall be equal to the

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interest on the unpaid balance from the due date to the date of payment, with the interest rate being the arithmetic mean, to the nearest one-hundredth of one percent (.01%) of the prime rate values published in the Federal Reserve Bulletin for the fourth, third, and second months prior to the due date. The interest required to be paid under this clause will be compounded monthly.

176. Month. The month shall be in accordance with a schedule established by FMPA.

187. Special Jacksonville Beach Charge. In the event that FMPA pays or is billed for any amounts by the JEA for back-up transmission capability and/or transmission services and /or back-up electric service supplied by JEA for the City of Jacksonville Beach, such amounts shall be added to any amounts otherwise billed to the City of Jacksonville Beach by FMPA pursuant to this Schedule B-1, less one-third of such amounts, at such times as FMPA shall determine.

AGENDA ITEM 9 – INFORMATION ITEMS

f) GE Cane Island 3 Unit Outage

Executive Committee

February 18, 2021



EC 9f – GE Cane Island Unit 3 Outage

Executive Committee

02/18/2021

Significant Fall 2021 CI3 Outage Scope High Risk

Given all the work, there could be significant replacement Power Expense

- Gas turbine major with rotor life extension
- Gas turbine generator major
- Steam turbine major
- Steam turbine diaphragm replacement
- Steam turbine packing replacement
- Steam turbine generator stator rewind
- Steam turbine generator field rewind/re-insulate
- Hot Reheat pipe replacement
- Painting
- Cooling tower rebuild



Cane Island Unit 3 Has Major Outage in Fall of 2021

Negotiated alternative that improves overall economic outcome

Initial Plan

4 month outage

Start 11/10 End 3/1

\$5.0 million cost plus escalation

No variable CSA payments during outage

Refurbish existing rotor

Critical path is rotor

GE Initial Position

Up to a 5.5 month outage

Start 11/10 end potentially 4/15

Same cost structure

Same CSA payments

Reuse existing rotor

Critical path is rotor refurb at GE shop

or

Exchange refurbished rotor at \$7.5 million

8.5 week outage

Negotiated Position

9 week outage

Exchange for refurbished rotor

Onsite at start of outage

\$6.0 million expense

Critical path now generator work



Longer outage



Higher Replacement Power Costs



Longer outage



Higher Replacement Power Costs or Higher rotor costs



Shorter outage



Lower all-in costs

Final Economics Much Better Than Initial Position

Rotor Exchange Provides Path for Shorter Outage Duration

Initial Plan

\$5.0 million base

\$0.4 million escalation

\$(0.6) million CSA

\$1.1 million replace energy*

\$0.75 million replace capacity*

\$7.0 million net

Negotiated Plan

\$6.0 million base

\$0.0 million escalation

\$(0.15) CSA

\$0.25 million rep energy

\$0.25 million rep capacity

\$6.35 million net

*assumes \$3/MWh energy spread, \$2.50/kw-month capacity

AGENDA ITEM 10 – MEMBER COMMENTS

**Executive Committee
February 18, 2021**

AGENDA ITEM 11 – ADJOURNMENT

**Executive Committee
February 18, 2021**