

INSURANCE AGREEMENT

THIS INSURANCE AGREEMENT, dated November __, 2020 (the "Agreement"), by and between the CITY OF LAKE WORTH BEACH, FLORIDA (the "Issuer") and _____ (the "Bond Insurer" or "_____").

In consideration of the issuance by the Bond Insurer of its Municipal Bond Insurance Policy Nos. _____ and _____ (collectively, the "Policy") with respect to the Issuer's Consolidated Utility Revenue Bonds, Series 2020A and Consolidated Utility Revenue Bonds, Series 2020B (Federally Taxable) (collectively, the "Bonds") issued under the Issuer's Resolution No. ____-2020, adopted October 6, 2020 (the "Original Resolution"), as amended and supplemented by its Resolution No. ____-2020, adopted October 20, 2020 (collectively with the Original Resolution, the "Resolution") and the Issuer's payment to the Bond Insurer of the insurance premium for the Policy, the Bond Insurer and the Issuer hereby covenant and agree as follows:

1. Notice and Other Information to be given to _____. The Issuer will provide _____ with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Certificate and (ii) to the holders of the Bonds or the Paying Agent under the Resolution.

The notice address of _____ is: _____, _____, _____, _____, Attention: Surveillance, Re: Policy Nos. _____ and _____, Telephone: (____) _____, Telecopier: (____) _____, Email: _____ _____. In each case in which notice or other communication refers to an event of default or a claim on the Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at _____ or at Telecopier: (____) _____ and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

2. Amendments, Supplements and Consents.

- a. *Amendments.* Wherever any Security Document requires the consent or approval of holders of the Bonds, _____'s consent shall also be required. In addition, any amendment, supplement or modification to the Security Documents that adversely affect the rights or interests of _____ shall be subject to the prior written consent of _____.
- b. *Consent of _____ Upon Default.* Anything in any Security Document to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default, _____ shall be deemed to be the sole holder of the Bonds for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Bonds, the Paying Agent or any trustee (a "Trustee") for the benefit of such holders under any Security Document. The Trustee may not waive any default or event of default or accelerate the Bonds without _____'s written consent.
- c. *Trustee.* No removal, resignation or termination of any Trustee shall take effect

until a successor, acceptable to ____, shall be qualified and appointed.

3. ____ as Third Party Beneficiary. ____ is explicitly recognized as and shall be deemed to be a third party beneficiary of the Security Documents and may enforce any right, remedy or claim conferred, given or granted thereunder.

4. Policy Payments.

- a. In the event that principal and/or interest due on the Bonds shall be paid by ____ pursuant to the Policy, the Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, all covenants, agreements and other obligations of the Issuer to the registered owners shall continue to exist and shall run to the benefit of ____, and ____ shall be subrogated to the rights of such registered owners, including, without limitation, any rights that such owners may have in respect of securities law violations arising from the offer and sale of the Bonds.
- b. Irrespective of whether any such assignment is executed and delivered, the Issuer and the Paying Agent agree for the benefit of ____ that:
 - i. They recognize that to the extent ____ makes payments directly or indirectly (e.g., by paying through the Paying Agent), on account of principal of or interest on the Bonds, ____ will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Issuer, with interest thereon, as provided and solely from the sources stated in the Security Documents and the Bonds; and
 - ii. They will accordingly pay to ____ the amount of such principal and interest, with interest thereon, but only from the sources and in the manner provided in the Security Documents and the Bonds for the payment of principal of and interest on the Bonds to holders, and will otherwise treat ____ as the owner of such rights to the amount of such principal and interest.
- c. Notwithstanding anything herein to the contrary, the Issuer agrees to pay to ____, solely from Pledged Funds (as defined in the Resolution) (i) a sum equal to the total of all amounts paid by ____ under the Policy ("____ Policy Payment"); and (ii) interest on such ____ Policy Payments from the date paid by ____ until payment thereof in full by the Issuer, payable to ____ at the Late Payment Rate per annum (collectively, "____ Reimbursement Amounts") compounded semi-annually. Notwithstanding anything to the contrary, ____ Reimbursement Amounts shall be, and the Issuer hereby covenants and agrees that the ____ Reimbursements Amounts are, payable from and secured by the Issuer's Pledged Funds on the same basis as with respect to payment of debt service due on the Bonds.

5. Additional Payments. The Issuer agrees unconditionally that it will pay or reimburse ____ on demand solely from Pledged Funds as described above, any and all reasonable charges, fees, costs, losses, liabilities and expenses that ____ may pay or incur, including, but not limited to, fees and expenses of ____'s agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waives and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of the Security Documents ("Administrative Costs"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of ____ spent in connection with the actions described in the preceding sentence. The Issuer agrees that failure to pay any Administrative Costs on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to ____ until the date ____ is paid in full.

6. Special Provisions for Insurer Default: If an Insurer Default shall occur and be continuing, then, notwithstanding anything in paragraph 2 above to the contrary, (1) if at any time prior to or following an Insurer Default, ____ has made payment under the Policy, to the extent of such payment ____ shall be treated like any other holder of the Bonds for all purposes, including giving of consents, and (2) if ____ has not made any payment under the policy, ____ shall have no further consent rights until the particular Insurer Default is no longer continuing or ____ makes a payment under the Policy, in which event, the foregoing clause (1) shall control. For purposes of this paragraph (6), "Insurer Default" means: (A) ____ has failed to make any payment under the Policy when due and owing in accordance with its terms; or (B) ____ shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment of the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (C) any state or federal agency or instrumentality shall order the suspension of payments on the Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of ____ (including without limitation under the New York Insurance Law).

7. Definitions. All capitalized terms not otherwise defined herein have the meanings set forth in the Resolution. In addition:

" ____ " shall mean _____, or any successor thereto.

"Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank, N.A., at its principal office in the City of New York, New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank, N.A.) plus 3%, and (ii) the then applicable highest rate of interest on the Bonds and (b) the maximum rate

permissible under applicable usury or similar laws limiting interest rates. In the event JPMorgan Chase Bank, N.A., ceases to announce its Prime Rate, the Prime Rate shall be the prime or base lending rate of such other bank, banking association or trust company as _____, in its sole and absolute discretion, shall designate. Interest at the Late Payment Rate on any amount owing to _____ shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

"Policy" shall mean the Municipal Bond Insurance Policy issued by _____ that guarantees the scheduled payment of principal of and interest on the Bonds when due.

"Security Documents" shall mean the Resolution, the Bonds and any additional or supplemental document executed in connection with the Bonds.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed in their respective names as of the date first written above.

**CITY OF LAKE WORTH BEACH,
FLORIDA**

By: _____
Mayor

By: _____
Title: Authorized Officer

ATTEST:

Clerk

Approved as to form:

Nabors, Giblin & Nickerson, P.A.,
Bond Counsel