

ESCROW DEPOSIT AGREEMENT

THIS ESCROW DEPOSIT AGREEMENT, dated as of _____, 2026 by and between the CITY OF MARCO ISLAND, FLORIDA (the "Issuer"), and COMPUTERSHARE TRUST COMPANY, N.A., as Escrow Agent, and its successors and assigns (the "Escrow Agent");

WITNESSETH:

WHEREAS, the Issuer previously issued its Utility System Refunding Revenue Bonds, Series 2016, which remain Outstanding prior to the execution and delivery of this Escrow Deposit Agreement and which mature on and after October 1, ____ (the "Series 2016 Bonds"); and

WHEREAS, the Issuer now desires to current refund and defease all of the Series 2016 Bonds which mature on and after October 1, ____ (the "Refunded Bonds"); and

WHEREAS, the execution of this Escrow Deposit Agreement and full performance of the provisions hereof shall defease and discharge the Issuer's obligations relating to the Refunded Bonds; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Issuer and the Escrow Agent agree as follows:

SECTION 1. Definitions. As used herein, the following terms mean:

(a) "Acquired Obligations" shall have the meaning ascribed thereto in the Bond Resolution.

(b) "Agreement" shall mean this Escrow Deposit Agreement.

(c) "Bonds" shall mean the \$_____ City of Marco Island, Florida Utility System Refunding Revenue Bonds, Series 2026.

(d) "Bond Counsel" shall mean Bryant Miller Olive P.A., or any other law firm nationally-recognized in the area of public finance.

(e) "Bond Resolution" shall mean Resolution No. 03-55 adopted by the Issuer on September 29, 2003, as amended and supplemented from time to time.

(f) "2016 Escrow Account" shall mean the account hereby created and entitled 2016 Escrow Account established and held by the Escrow Agent pursuant to this Agreement in which cash and investments will be held for payment of the principal, interest, and redemption premium, if any, on the Refunded Bonds.

(g) "Issuer" shall mean the City of Marco Island, Florida, and its successors and assigns.

(h) "Refunded Bonds" shall have the meaning ascribed above.

(i) "Total Debt Service for the Refunded Bonds" shall mean the sum of the principal of, redemption premium, if any, and interest remaining unpaid with respect to the Refunded Bonds in accordance with Schedule A attached hereto taking into account that the Refunded Bonds have been called for early redemption on October 19, 2026, pursuant to Section 14 of the Bond Resolution.

SECTION 2. Deposit of Funds. The Issuer hereby deposits \$_____ with the Escrow Agent for deposit into the 2016 Escrow Account, in immediately available funds, which funds the Escrow Agent acknowledges receipt of, to be held in irrevocable escrow by the Escrow Agent separate and apart from other funds of the Escrow Agent and applied solely as provided in this Agreement. An amount equal to \$_____ of such funds are being derived from proceeds of the Bonds. An amount equal to \$_____ of such funds are being derived from the Bond Service Fund (as such term is defined in the Bond Resolution). The Issuer represents that the uninvested cash deposited to the 2016 Escrow Account together with the principal and interest on the Acquired Obligations on deposit therein (i) is at least equal to the Total Debt Service for the Refunded Bonds as of the date of such deposit, and (ii) is sufficient to pay principal, interest and redemption premium, if any, on the Refunded Bonds as they become due and payable in accordance with Schedule A attached hereto.

SECTION 3. Use and Investment of Funds. The Escrow Agent acknowledges receipt of the sum described in the first paragraph of Section 2 and agrees:

(a) to hold the funds and investments purchased pursuant to this Agreement in irrevocable escrow during the term of this Agreement for the sole benefit of the holders of the Refunded Bonds;

(b) to immediately invest \$_____ of such funds derived from the proceeds of the Bonds and other legally available funds of the Issuer, in the Acquired Obligations set forth on Schedule C attached hereto and to hold such securities and \$_____ of such funds in cash held uninvested in accordance with the terms of this Agreement;

(c) in the event the securities described on Schedule C cannot be purchased, substitute securities may be purchased with the consent of the Issuer but only upon receipt of verification from an independent certified public accountant that the substituted Acquired Obligations, the interest to be earned thereon, and the cash deposited in the 2016 Escrow Account will not be less than the Total Debt Service for the Refunded Bonds, and only upon receipt of an opinion of Bond Counsel that such securities constitute Acquired Obligations for purposes of this Agreement; and

(d) there will be no investment or reinvestment of funds except as set forth in this Section 3 and except as set forth in Section 5.

SECTION 4. Payment of Refunded Bonds and Expenses.

(a) Refunded Bonds. On the dates and in the amounts set forth on Schedule A, the Escrow Agent shall transfer to Computershare Trust Company, N.A., as successor to Wells Fargo Bank, National Association, as Paying Agent for the Refunded Bonds (the "Paying Agent"), in immediately available funds solely from amounts available in the 2016 Escrow Account, a sum sufficient to pay the principal of, interest on and redemption premium, if applicable, on the Refunded Bonds, as shown on Schedule A. Not less than thirty (30) days prior to such redemption date, the Issuer hereby directs Computershare Trust Company, N.A., as successor to Wells Fargo Bank, National Association, in its capacity as Registrar for the Refunded Bonds, to mail a notice of the redemption of the Refunded Bonds to each holder thereof in accordance with the requirements of Section 14 of the Bond Resolution. The Issuer hereby directs Computershare Trust Company, N.A., as successor to Wells Fargo Bank, National Association, as Registrar for the Refunded Bonds, to mail a notice of defeasance to each holder of the Refunded Bonds, upon deposit of the Acquired Obligations and other moneys.

(b) Expenses. The Issuer shall pay the fees and expenses of the Escrow Agent as set forth on Schedule B attached hereto.

(c) Surplus. After making the payments from the 2016 Escrow Account described in Subsection 4(a) above, the Escrow Agent shall retain in the 2016 Escrow Account any remaining cash in the 2016 Escrow Account in excess of the Total Debt Service for the Refunded Bonds until the termination of this Agreement pursuant to the terms of Section 13 hereof, and shall then pay any remaining funds to the Issuer to be used for any lawful purpose.

(d) Priority of Payments. The holders of the Refunded Bonds shall have an express first priority security interest in the funds in the 2016 Escrow Account until such funds are used and applied as provided in this Agreement.

SECTION 5. Future Investment.

(a) Except as provided in Section 3 and in this Section 5, the Escrow Agent shall have no power or duty to invest any funds held under this Agreement.

(b) At the written direction of the Issuer and upon compliance with the conditions hereinafter stated, the Escrow Agent shall invest cash in Acquired Obligations. The Issuer will not request the Escrow Agent to exercise any of the powers described in the preceding sentence in any manner which will cause interest on the Bonds to be included in the gross income of the holders thereof for purposes of federal income taxation. The transactions may be effected only if (i) an independent certified public accountant selected by the Issuer shall certify or opine in

writing to the Issuer and the Escrow Agent that Acquired Obligations, interest to be earned thereon, and cash remaining on hand after the transactions are completed will, assuming no reinvestment or any earnings, be not less than the Total Debt Service for the Refunded Bonds and that investment in such Acquired Obligations will not postpone the anticipated transfer of moneys from the 2016 Escrow Account to the Paying Agent pursuant to Section 4(a) hereof, and (ii) the Escrow Agent shall receive an opinion from nationally recognized bond counsel acceptable to the Issuer to the effect that the transactions, in and by themselves, will not cause interest on such Bonds or the Refunded Bonds to be included in the gross income of the holders thereof for purposes of federal income taxation and such substitution is in compliance with this Agreement. Subsection 4(c) above notwithstanding, cash in excess of the Total Debt Service for the Refunded Bonds caused by investment in Acquired Obligations shall, as soon as practical, be paid to the Issuer. Notwithstanding any provision of this Agreement to the contrary, no forward purchase agreement relating to the future reinvestment of cash held hereunder shall be executed unless the following condition is met: to the extent either Moody's Investors Service, Inc., Fitch Ratings, and/or S&P Global Ratings Inc. have an outstanding rating on the Refunded Bonds, at least one of such rating agencies must give written confirmation that it will not lower or withdraw the rating as a result of the Issuer's execution of such forward purchase agreement. In the event of any inconsistency between the terms and conditions of such forward purchase agreement and this Agreement, the terms and conditions of this Agreement shall control.

SECTION 6. Redemption or Acceleration of Maturity. The Issuer will not accelerate the maturity of, or exercise any option to redeem before maturity, any Refunded Bonds, except as set forth on Schedule A attached hereto.

SECTION 7. Responsibilities of Escrow Agent. The Escrow Agent and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the 2016 Escrow Account, the acceptance of the funds deposited therein, the purchase of Acquired Obligations, the retention of Acquired Obligations or the proceeds thereof or for any payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Agreement or by reason of any non-negligent or non-willful act, omission or error of the Escrow Agent made in good faith in the conduct of its duties. The Escrow Agent shall, however, be responsible for its gross negligent or willful failure to comply with its duties required hereunder, and its gross negligent or willful acts, omissions or errors hereunder. The duties and obligations of the Escrow Agent shall be determined solely by the express provisions of this Agreement and no implied duties or covenants shall be read into this Agreement against the Escrow Agent. The Escrow Agent may consult with counsel, who may or may not be counsel to the Issuer, at the Issuer's expense, and in reliance upon the opinion of such counsel, shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the Issuer.

The Escrow Agent may act through its agents and attorneys appointed with due care, and shall not be responsible for any willful misconduct or gross negligence on the part of any such person so appointed. Any payment obligation of the Escrow Agent hereunder shall be paid from, and is limited to funds available under this Agreement; the Escrow Agent shall not be required to expend its own funds for the performance of its duties hereunder. Notwithstanding any provision herein to the contrary, in no event shall the Escrow Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action. The Escrow Agent shall not be responsible or liable for any failure or delay in the performance of its obligation under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Escrow Agent shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

SECTION 8. Indemnification of Escrow Agent. From and at all times after the date of this Agreement, Issuer shall, to the fullest extent permitted by law, without waiving its sovereign immunity nor the limits of its liability beyond the amount set forth in Section 768.28, Florida Statutes, regardless of whether such obligations arise in tort, contract, statutes, strict liability, negligence, product liability or otherwise, defend, indemnify and hold harmless Escrow Agent and each director, officer, employee, attorney, agent and affiliate of Escrow Agent (collectively, the "Indemnified Parties") against any and all actions, claims (whether or not valid), losses, damages, liabilities, costs and expenses of any kind or nature whatsoever (including without limitation reasonable attorneys' fees, costs and expenses) incurred by or asserted against any of the Indemnified Parties from and after the date hereof, whether direct, indirect or consequential, as a result of or arising from or in any way relating to any claim, demand, suit, action or proceeding (including any inquiry or investigation) by any person, whether threatened or initiated, asserting a claim for any legal or equitable remedy against any person under any statute or regulation, including, but not limited to, any federal or state securities laws, or under any common law or equitable cause or otherwise, arising from or in connection with the negotiation, preparation, execution, performance or failure of performance of this Agreement or any transactions contemplated herein, whether or not any such Indemnified Party is a party to any such action, proceeding, suit or the target of any such inquiry or investigation; *provided, however*, that no Indemnified Party shall have the right to be indemnified hereunder for any liability finally determined by a court of competent jurisdiction, subject to no further appeal, to have resulted solely from the gross negligence or willful misconduct of such Indemnified Party. Each Indemnified Party shall, in its sole discretion, have the right to select and employ separate counsel with respect to any action or claim brought or asserted against it, and the reasonable fees of such

counsel shall be paid upon demand by the Issuer. The obligations of Issuer under this Section 8 shall survive any termination of this Agreement and the resignation or removal of Escrow Agent.

SECTION 9. Resignation of Escrow Agent. The Escrow Agent may resign and thereby become discharged from the duties and obligations hereby created, by notice in writing given to the Issuer, any rating agency then providing a rating on either the Refunded Bonds or the Bonds, and the Paying Agent for the Refunded Bonds not less than sixty (60) days before such resignation shall take effect. Such resignation shall not take effect until the appointment of a new Escrow Agent hereunder.

SECTION 10. Removal of Escrow Agent.

(a) The Escrow Agent may be removed at any time by an instrument or concurrent instruments in writing, executed by the holders of not less than fifty-one percentum (51%) in aggregate principal amount of the Refunded Bonds then outstanding, such instruments to be filed with the Issuer, and notice in writing given by such holders to all holders of the Bonds and published by the Issuer once in a newspaper of general circulation in the territorial limits of the Issuer, and in a daily newspaper or financial journal of general circulation in the City of New York, New York, not less than sixty (60) days before such removal is to take effect as stated in said instrument or instruments. A photographic copy of any instrument filed with the Issuer under the provisions of this paragraph shall be delivered by the Issuer to the Escrow Agent.

(b) The Escrow Agent may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provisions of this Agreement with respect to the duties and obligations of the Escrow Agent by any court of competent jurisdiction upon the application of the Issuer or the holders of not less than five percentum (5%) in aggregate principal amount of the Bonds then outstanding, or the holders of not less than five percentum (5%) in aggregate principal amount of the Refunded Bonds then outstanding.

(c) The Escrow Agent may not be removed until a successor Escrow Agent has been appointed in the manner set forth herein.

SECTION 11. Successor Escrow Agent.

(a) If, at any time hereafter, the Escrow Agent shall resign, be removed, be dissolved or otherwise become incapable of acting, or shall be taken over by any governmental official, agency, department or board, the position of Escrow Agent shall thereupon become vacant. If the position of Escrow Agent shall become vacant for any of the foregoing reasons or for any other reason, the Issuer shall immediately appoint an Escrow Agent to fill such vacancy and, upon such appointment, all assets held hereunder shall be transferred to such successor. The Issuer shall either (i) publish notice of any such appointment made by it once in each week for four (4) successive weeks in a newspaper of general circulation published in the territorial limits

of the Issuer and in a daily newspaper or financial journal of general circulation in the City of New York, New York, or (ii) mail a notice of any such appointment made by it to the holders of the Refunded Bonds within thirty (30) days after such appointment.

(b) At any time within one year after such vacancy shall have occurred, the holders of a majority in principal amount of the Bonds then outstanding or a majority in principal amount of the Refunded Bonds then outstanding, by an instrument or concurrent instruments in writing, executed by either group of such Bondholders and filed with the governing body of the Issuer, may appoint a successor Escrow Agent, which shall supersede any Escrow Agent theretofore appointed by the Issuer. Photographic copies of each such instrument shall be delivered promptly by the Issuer, to the predecessor Escrow Agent and to the Escrow Agent so appointed by such Bondholders. In the case of conflicting appointments made by such Bondholders under this paragraph, the first effective appointment made during the one year period shall govern.

(c) If no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this Section, the holder of any Refunded Bonds then outstanding, or any retiring Escrow Agent, may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Escrow Agent.

(d) Any corporation or association into which the Escrow Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor Escrow Agent hereunder and vested with all the trust, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any parties hereto, anything herein to the contrary notwithstanding, provided such successor shall have reported total capital and surplus in excess of \$15,000,000, provided that such successor Escrow Agent assumes in writing all the trust, duties and responsibilities of the Escrow Agent hereunder.

SECTION 12. Payment to Escrow Agent. The Escrow Agent hereby acknowledges that it has agreed to accept compensation under this Agreement pursuant to the terms of Schedule B attached hereto for services to be performed by the Escrow Agent pursuant to this Agreement. The Escrow Agent shall not be compensated from amounts on deposit in the 2016 Escrow Account, and the Escrow Agent shall have no lien or claim against funds in the 2016 Escrow Account for payment of obligations due it under this Section.

SECTION 13. Term. This Agreement shall commence upon its execution and delivery and shall terminate when the Refunded Bonds have been paid and discharged in accordance with the proceedings authorizing the Refunded Bonds, except as provided in Section 7.

SECTION 14. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Issuer or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, notice of such event shall be sent to the municipal bond insurer(s) for the Refunded Bonds, if any, as well as Moody's Investors Service, Inc., Fitch Ratings and S&P Global Ratings Inc. (but only to the extent such agencies have a rating outstanding on any of the Refunded Bonds), and while such covenant or agreements herein contained shall be null and void, they shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 15. Amendments to this Agreement. This Agreement is made for the benefit of the Issuer and the holders from time to time of the Refunded Bonds and it shall not be repealed, revoked, altered or amended in whole or in part without the written consent of all holders of Refunded Bonds, the Escrow Agent and the Issuer; provided, however, that the Issuer and the Escrow Agent may, without the consent of, or notice to, such holders, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;
- (b) to grant to, or confer upon, the Escrow Agent, for the benefit of the holders of the Refunded Bonds any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and
- (c) to subject to this Agreement additional funds, securities or properties.

The Escrow Agent shall, at its option, be entitled to request, at the Issuer's expense, and rely exclusively upon an opinion of nationally recognized attorneys on the subject of municipal bonds acceptable to the Issuer with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Refunded Bonds, or that any instrument executed hereunder complies with the conditions and provisions of this Section. Prior written notice of such amendments, together with proposed copies of such amendments, shall be provided to Moody's Investors Service, Inc., Fitch Ratings, and S&P Global Ratings Inc. (but only to the extent such agencies have a rating outstanding on any of the Refunded Bonds).

SECTION 16. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

SECTION 17. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Florida.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers and their corporate seals to be hereunto affixed and attested as of the date first above written.

(SEAL)

CITY OF MARCO ISLAND, FLORIDA

Darrin Palumbo, Chair of the City Council

ATTEST

Joan A. Taylor, City Clerk

Approved as to Form:

Alan L. Gabriel, City Attorney

[Signature page to Escrow Deposit Agreement between
City of Marco Island, Florida and Computershare Trust Company, N.A.]

COMPUTERSHARE TRUST COMPANY,
N.A., as Escrow Agent

By: _____

Name: _____

Title: _____

[Signature page to Escrow Deposit Agreement between
City of Marco Island, Florida and Computershare Trust Company, N.A.]

SCHEDULE A

TOTAL DEBT SERVICE
FOR THE REFUNDED BONDS

<u>Date</u>	Redeemed <u>Principal</u>	<u>Interest</u>	Total Debt <u>Service</u>
TOTAL			

SCHEDULE B

EXPENSES TO BE PAID TO ESCROW AGENT

Fee for services as Escrow Agent will be \$_____ payable annually on each October 1.

Out-of-pocket expenses will be reimbursed at cost.

SCHEDULE C

SCHEDULE OF ACQUIRED OBLIGATIONS
TO BE PURCHASED ON _____, 2026
FOR DEPOSIT IN THE 2016 ESCROW ACCOUNT

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Type</u>
----------------------	-------------------------	----------------------	-------------