

**EXHIBIT B**  
**FORM OF MASTER TRUST INDENTURE**

**MASTER TRUST INDENTURE**

between

**CITIZENS PROPERTY INSURANCE CORPORATION**

and

\_\_\_\_\_,  
**as Trustee**

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securing

**SENIOR SECURED OBLIGATIONS**

of

**CITIZENS PROPERTY INSURANCE CORPORATION**

**COASTAL ACCOUNT**

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Dated

as of

[June 2, 2020]

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Exhibit A – Form of Draw Certificate (Requisition)

## MASTER TRUST INDENTURE

THIS MASTER TRUST INDENTURE (the “Master Indenture”) dated as of [June 2, 2020], is made by and between CITIZENS PROPERTY INSURANCE CORPORATION (together with its lawful successors, “Citizens” or the “Issuer”), a statutorily created corporation organized and existing under the laws of the State of Florida, and \_\_\_\_\_ together with its successors, the “Trustee”), a banking corporation, duly organized and existing under the laws of \_\_\_\_\_ and qualified to exercise trust powers under the laws of the State of Florida, with a designated place of business located in \_\_\_\_\_, Florida, as Trustee, under the circumstances summarized in the following recitals (the capitalized terms not defined in the recitals and granting clauses being used therein as defined in Article I hereof):

### WITNESSETH:

**WHEREAS**, the Florida Windstorm Underwriting Association (“FWUA”) was originally established as an unincorporated association under Section 627.351(2), Florida Statutes, as amended, to function as a residual market mechanism to provide residential and commercial windstorm insurance for those who cannot procure such insurance through the voluntary market;

**WHEREAS**, pursuant to Section 627.351(6), Florida Statutes, as amended (the “Act”), all policies, obligations, rights, assets, and liabilities of FWUA, including bonds, notes and other debt obligations thereof, and the financing documents pertaining to them, were transferred to the Coastal Account of the Issuer;

**WHEREAS**, as a result of the aforementioned transfer, the Issuer and Regions Bank, as successor indenture trustee (the “Indenture Trustee”) became parties to the certain Trust Indenture, dated as of August 6, 1997 (the “1997 Indenture”), as supplemented and amended by a Series 1999A Supplemental Indenture dated as of March 31, 1999, a Second Supplemental Indenture dated as of August 1, 2002, a Third Supplemental Indenture dated as of May 1, 2004, a Fourth Supplemental Indenture dated as of June 1, 2006, a Fifth Supplemental Indenture dated as of February 1, 2007, a Sixth Supplemental Indenture dated as of June 1, 2008, as amended, a Seventh Supplemental Indenture dated as of May 1, 2009, an Eighth Supplemental Indenture dated as of April 1, 2010, a Ninth Supplemental Indenture dated as of July 1, 2011, a Tenth Supplemental Indenture dated as of June 1, 2015 [INSERT ADDITIONAL SUPPLEMENTAL INDENTURES ENTERED INTO BEFORE CONVERSION DATE] (collectively, the “Original Indenture”), for the benefit of the Coastal Account of the Issuer;

**WHEREAS**, pursuant to the Original Indenture, there have heretofore been issued for the Coastal Account of the Issuer, Senior Secured Bonds, Series 2015A-1, in the aggregate principal amount of \$ \_\_\_\_\_, of which \$ \_\_\_\_\_ is currently outstanding (the “Series 2015A-1 Bonds”) [and Senior Secured Bonds, Series 2015A-2, in the aggregate principal amount of \$ \_\_\_\_\_, of which \$ \_\_\_\_\_ is currently outstanding (the “Series 2015A-2 Bonds” and, together with the Series 2015A-1 Bonds, the “Series 2015A Bonds”)] [DESCRIBE ANY OTHER SERIES OF SENIOR SECURED BONDS ISSUED AFTER THE SERIES 2015A BONDS AND OUTSTANDING UNDER THE ORIGINAL INDENTURE AS OF THE CONVERSION DATE];

**WHEREAS**, in connection with the issuance of the Series 2015A Bonds, the Issuer expressed its desire to amend and restate in its entirety the Original Indenture, as more specifically set forth in Article VI of the Tenth Supplemental Indenture pursuant to which the Series 2015A Bonds were issued and as reflected in the form of the master trust indenture set forth in Exhibit B thereto, with such amendments and the master trust indenture to be effective not earlier than the Conversion Date (as defined herein), as set forth in Section 601 of the Tenth Supplemental Indenture;

**WHEREAS**, by virtue of their purchase of the Series 2015A Bonds, [ADD ANY OTHER SERIES OF SENIOR SECURED BONDS ISSUED AFTER THE SERIES 2015A BONDS AND OUTSTANDING UNDER THE ORIGINAL INDENTURE AS OF THE CONVERSION DATE] the purchasers thereof consented to and approved (i) the amendment and restatement of the Original Indenture in its entirety, (ii) the execution and delivery of this Master Indenture, (iii) the termination of the Pledge and Security Agreement (as defined in the Indenture) upon the execution and delivery of this Master Indenture and (iv) the conversion of the Series 2015A Bonds [ADD ANY OTHER SERIES OF SENIOR SECURED BONDS ISSUED AFTER THE SERIES 2015A BONDS AND OUTSTANDING UNDER THE ORIGINAL INDENTURE AS OF THE CONVERSION DATE] that are to be outstanding after the Conversion Date from obligations issued and secured under the provisions of the Original Indenture to obligations issued and secured under the provisions of this Master Indenture;

**WHEREAS**, as the date hereof, which is the Conversion Date, there are no Prior Parity Bonds issued and Outstanding under the Original Indenture, and therefore, Citizens may proceed to execute and deliver this Master Indenture;

**WHEREAS**, in order to enhance its ability to pay policyholder claims within the Coastal Account, Citizens deems it in its best interest to provide for the issuance of Bonds, and the security for such Bonds and Bank Facilities and Related Hedge Agreements as provided in this Master Indenture, all for the benefit of the Coastal Account;

**WHEREAS**, any Bonds issued under this Master Indenture and any other Senior Secured Obligations incurred or designated as permitted by this Master Indenture will be secured by a pledge of the Pledged Revenues, all as hereinafter provided;

**WHEREAS**, Citizens is authorized to execute and deliver this Master Indenture and to do or cause to be done all acts provided or required herein to be performed on its part, and all acts and conditions required to happen, exist and be performed precedent to the execution and delivery of this Master Indenture have happened, exist and have been performed, to make this Master Indenture a valid, binding and legal trust agreement for the security of the Senior Secured Obligations secured hereby; and

**WHEREAS**, the Trustee has accepted the trusts created by this Master Indenture, and in evidence thereof has joined in the execution hereof;

**NOW, THEREFORE, THIS MASTER INDENTURE WITNESSETH**, that in consideration of the premises, of the acceptance by the Trustee of the trusts hereby created, of the issuance, incurrence or designation, as applicable, of Senior Secured Obligations as provided

herein, and also for and in consideration of the sum of One Dollar in hand paid to the Trustee at or before the execution and delivery of this Master Indenture, and for other good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, and for the purpose of fixing or providing for and declaring the terms and conditions upon which Bonds are to be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become Holders, and to provide for the designation from time to time of other Senior Secured Obligations, and to secure the payment of all amounts due with respect to Senior Secured Obligations at any time issued, incurred or designated and outstanding under this Master Indenture, according to their tenor, purport and effect, and to secure the performance and observance of all the covenants, agreements and conditions, express or implied, therein and herein contained, Citizens has executed and delivered this Master Indenture, and by this Master Indenture has given, granted, bargained, aliened, remised, released, conveyed, transferred, assigned, confirmed, set over, and pledged, and does hereby give, grant, bargain, alien, remise, release, convey, transfer, assign, confirm, set over, and pledge unto the Trustee, and its successor or successors in trust:

1. All Pledged Revenues; and

2. All money and securities held by or on behalf of the Trustee in all of the accounts or subaccounts established pursuant to this Master Indenture, except (a) the Proceeds Account, the Reserve Account or any Series Reserve Account, which are designated to secure only the Bonds, or a specific Series of Bonds as provided herein, and (b) any Rebate Account;

**TO HAVE AND TO HOLD** all the same with the privileges and appurtenances hereby conveyed and assigned, or agreed or intended so to be, to the Trustee and its successor or successors in trust and to them and their assigns forever;

**BUT IN TRUST, NEVERTHELESS**, upon the terms and trusts herein set forth, for the benefit, security and protection of all and singular the present and future Holders of any and all Senior Secured Obligations issued or to be issued, incurred or designated under and secured by this Master Indenture, without preference, priority or distinction as to lien or otherwise, except as may otherwise be provided herein, of any Senior Secured Obligation over any other Senior Secured Obligation by reason of priority in their issue, sale, designation or otherwise, all as herein provided;

**PROVIDED, HOWEVER**, that,

(i) if Citizens, its successor, successors or assigns, shall well and truly pay, or cause to be paid, or provide for the payment, pursuant to the provisions of this Master Indenture or any applicable Supplemental Indenture, Bank Credit Agreement or Related Hedge Agreement, of all amounts due or to become due with respect to all Senior Secured Obligations at the times and in the manner mentioned in the Senior Secured Obligations, and this Master Indenture, according to the true intent and meaning hereof and thereof, and shall cause the payments to be made into the accounts and subaccounts or otherwise as required under this Master Indenture and the Senior Secured Obligations, and shall pay or cause to be paid to the Trustee all sums of money due or to become due



to it in accordance with the terms and provisions hereof and perform all of its other obligations hereunder, and

(ii) if all of the covenants, agreements, obligations, terms and conditions of Citizens under this Master Indenture shall have been kept, performed and observed and there shall have been paid to the Trustee, the Registrar, the Paying Agents and the Authenticating Agents all sums of money due or to become due to them in accordance with the terms and provisions hereof,

then, upon such performance and payments, this Master Indenture and the rights hereby granted shall cease, determine and become void, as provided in Article IX of this Master Indenture; otherwise this Master Indenture is to be and remain in full force and effect.

**THIS MASTER INDENTURE FURTHER WITNESSETH** and it is expressly declared that Senior Secured Obligations issued, incurred or designated and secured hereunder are to be issued, authenticated (if applicable), delivered and dealt with, the respective rights of all Holders of Senior Secured Obligations are to be set forth, and all said property hereby given, granted, bargained, aliened, remised, released, conveyed, transferred, assigned, confirmed, set-over and pledged is to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and Citizens has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Holders, from time to time, of Senior Secured Obligations, as follows:

## ARTICLE I

### DEFINITIONS

SECTION 1.01. Definitions. In addition to the words and terms defined in the recitals to the Master Indenture or elsewhere in the Master Indenture, the following words and terms shall have the meanings set forth below, unless the context or use clearly indicates another meaning or intent:

“Account” or “Accounts” means (i) any one or more of the Accounts established pursuant to Sections 5.01 through 5.06 of the Master Indenture and (ii) any one or more of the Accounts established pursuant to Section 5.09 of the Master Indenture.

“Accreted Value” means, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Bond (the principal amount on the date of original issuance), plus the interest accrued on such Bond from the date of original issuance to the Interest Payment Date next preceding the date of computation or the date of computation if an Interest Payment Date, compounded periodically at the times provided for in the Supplemental Indenture authorizing the issuance of such Capital Appreciation Bonds, and if such date of computation is not an Interest Payment Date, a portion of the difference between the Accreted Value as of the immediately preceding Interest Payment Date (or the date of original issuance if such date of computation is prior to the first Interest Payment Date) and the Accreted Value as of the immediately succeeding Interest Payment Date, calculated based on the assumption that Accreted Value accrues during any period in equal daily amounts on the basis of a year of twelve 30-day months.

“Act” means Section 627.351(6), Florida Statutes, as the same may be amended from time to time.

“Additional Surcharges and Assessments” means any surcharges or assessments, other than Regular Assessments or Emergency Assessments, authorized under the Act to be levied and collected by Citizens in respect of the Coastal Account as of the date of the Master Indenture or at any time thereafter, to the extent that the use of the proceeds of any such surcharge or assessment for the payment of the principal of, redemption premium, if any, and interest on Senior Secured Obligations of Citizens is not prohibited by the Act or other applicable law. By way of example, and without intending to limit the application thereof, the term “Additional Surcharges and Assessments” shall include the Citizens Policyholder Surcharges, authorized by the Act as of the date of the Master Indenture.

“Additional Surcharges, Assessments and Other Revenues Subaccount” means the Subaccount in the Revenue Account created and so designated by Section 5.03(a) of the Master Indenture.

“Annual Budget” means the annual budget of Citizens with respect to the Coastal Account adopted by the Board in accordance with the Plan of Operation.

“Annual Payment Requirements” means, as of any particular date of calculation and for the particular Fiscal Year in question, (i) as to the Bonds, the aggregate of all Debt Service

Charges expected to be payable in such Fiscal Year on the Bonds Outstanding, (ii) as to any Bank Facilities, the principal amount of draws and advances outstanding thereunder expected to be payable in such Fiscal Year, plus the interest and any other payments expected to be payable in such Fiscal Year under such Bank Facilities and/or Bank Credit Agreements (such interest and other payments being computed on the same basis and at the same assumed or actual rate as provided in the applicable Bank Credit Agreement), and (iii) as to any Related Hedge Agreement, the unpaid net amounts (but not including any termination or other payment which is not scheduled) scheduled to be payable by Citizens under such Hedge Agreement in such Fiscal Year as provided below.

For purposes of determining the interest component of the Annual Payment Requirements on Bonds, (x) the interest on Variable Rate Bonds shall be calculated on the basis specified in the Supplemental Indenture authorizing such Variable Rate Bonds; (y) the interest on Bonds containing a put option in favor of the Holders, which Bonds are not subject to any Credit Enhancement Facility insuring against such put option, shall be calculated on the basis specified in the Supplemental Indenture authorizing such Bonds; and (z) the interest on Bonds bearing interest at a fixed rate shall be calculated at such fixed rate.

For purposes of determining the principal payable on any Series of Senior Secured Obligations, twenty-five percent (25%) or more of the principal payments of which are due in a single Fiscal Year and which portion of the principal is not required by the Supplemental Indenture or Bank Credit Agreement pursuant to which such Senior Secured Obligations are incurred to be amortized by payment or redemption prior to such year, the amount of principal which would be payable in such period may be determined as if such principal were amortized from the date of incurrence thereof over a period of thirty (30) years on a level debt service basis, at an interest rate equal to the current market rate for a fixed rate, 30-year obligation, set forth in an opinion, delivered to the Trustee, of a banking institution or an investment banking institution, selected by Citizens and knowledgeable in municipal finance, as the interest rate at which Citizens could reasonably expect to borrow the same by incurring indebtedness with the same term as assumed above; provided, however, that if the date of calculation is within twelve (12) calendar months of the actual final maturity of such Senior Secured Obligation, the full amount of principal payable at maturity shall be included in such calculation.

For purposes of calculating the Annual Payment Requirements in respect of any Related Hedge Agreement, the following assumptions shall be made:

(a) in the case of amounts payable by Citizens under a Related Hedge Agreement based on a variable rate, the projected unpaid net amounts shall be calculated using (i) the variable Reference Rate in effect at the time such calculation is made, with respect to Citizens' obligations, and (ii) the fixed Reference Rate applicable to the Hedge Counterparty's obligations at such time, with respect to the counterparty's obligations;

(b) in the case of amounts payable by Citizens under a Related Hedge Agreement based on a fixed rate, the projected unpaid net amounts shall be calculated using (i) such fixed Reference Rate, with respect to Citizens' obligations and (ii) the variable Reference Rate in effect at the time such calculation is made, with respect to the Hedge Counterparty's obligations;

(c) in the case of amounts payable by Citizens in respect of any other type of Related Hedge Agreement amounts payable thereunder shall be calculated in accordance with the joint recommendations of two dealers in instruments similar to such Related Hedge Agreement, one of whom shall be selected by Citizens and the other of whom shall be selected by the Trustee; and

(d) In all of the above cases (a) through (c), Annual Payment Requirements shall not include the amount of any termination payment or other non-scheduled payment.

“Applicable Procedures” means, with respect to any transfer or exchange of a beneficial interest in a Global Security, the rules and procedures of the Depositary for such Global Security, to the extent the same are applicable to such transfer or exchange.

“Appreciated Value” means, (i) as of any date of computation with respect to any Capital Appreciation and Income Bond up to the Interest Commencement Date set forth in the Supplemental Indenture authorizing such Capital Appreciation and Income Bonds, an amount equal to the principal amount of such Capital Appreciation and Income Bonds (the principal amount on the date of original issuance) plus the interest accrued on such Bond from the date of original issuance of such Bond to the Interest Payment Date next preceding the date of computation or the date of computation if an Interest Payment Date, such increased value to accrue at the stated rate per annum of such Bond compounded on the Interest Payment Dates of such year, plus, if such date of computation shall not be an Interest Payment Date, a portion of the difference between the Appreciated Value as of the immediately preceding Interest Payment Date (or the date of original issuance if the date of computation is prior to the first Interest Payment Date succeeding the date of original issuance) and the Appreciated Value as of the immediately succeeding Interest Payment Date calculated based upon an assumption that Appreciated Value accrues during any semi-annual period in equal daily amounts on the basis of a year of twelve 30-day months and (ii) as of any date of computation on and after the Interest Payment Date, the Appreciated Value on the Interest Commencement Date.

“Assessable Insured” or “Assessable Insureds” has the meaning specified in the Act.

“Authenticating Agent” means the Trustee and the Registrar for the Series of Bonds and any bank, trust company or other Person designated as an Authenticating Agent for such Series of Bonds by or in accordance with Section 6.13 of the Master Indenture, each of which shall be a transfer agent registered in accordance with Section 17A(c) of the Securities Exchange Act of 1934, as amended.

“Authorized Citizens Representative” means the Person or Persons designated at the time, pursuant to a certificate of Citizens delivered to the Trustee and which certificate has not been revoked or superseded, to act on behalf of Citizens hereunder.

“Authorizing Resolution” means the resolution or resolutions providing for the issuance of a Series of Bonds and approving the Supplemental Indenture specifying the terms of such Series of Bonds and related matters; in each case as amended or supplemented from time to time.

“Bank Credit Agreement” means the credit agreement or other documents, instruments or agreements adopted or executed by Citizens providing for a Bank Facility or Facilities.

“Bank Facility” or “Bank Facilities” means indebtedness incurred by Citizens and other amounts payable by Citizens under a Bank Credit Agreement or Agreements for the Coastal Account, which is not evidenced by Bonds and which Bank Credit Agreement was entered into to provide liquidity for the payment of claims of the Coastal Account in anticipation of the receipt by Citizens of FHCF Reimbursements, Regular Assessments, Emergency Assessments or Additional Surcharges and Assessments, and is entered into in compliance with the provisions of Section 2.04 hereof.

“Bank Facilities Agent” means the designated agent for lenders under a Bank Facility, as identified to the Trustee in a certificate of an Authorized Citizens Representative pursuant to Section 2.04 hereof.

“Board” means the Board of Governors of Citizens.

“Bond Counsel” means a firm of nationally recognized attorneys, selected by Citizens, having a favorable reputation in matters relating to the issuance of obligations similar to the Bonds.

“Bond” or “Bonds” means (i) the bonds, notes or other evidence of indebtedness issued under Section 2.03 of the Master Indenture and (ii) the Convertible Outstanding Parity Bonds (which Convertible Outstanding Parity Bonds were originally issued as obligations under the Original Indenture and, on and as of the Conversion Date and the execution and delivery of the Master Indenture, automatically convert into obligations issued, Outstanding and secured under the terms of the Master Indenture).

“Business Day” means any day except a Saturday, Sunday or other day on which commercial banks in New York City, Tallahassee, Florida, \_\_\_\_\_, Florida (so long as the Trustee’s operations office shall be located in such city) or any other city or cities in which the designated office of the Trustee, or any Credit Enhancement Facility Issuer are located, are authorized by law to close.

“Calculation Agent” means the Trustee, or any successor thereto duly appointed by Citizens, in its capacity as calculation agent to perform the duties thereof required by any Supplemental Indenture in connection with the corresponding Series of Bonds. In respect of any Convertible Outstanding Parity Bonds, the Calculation Agent shall perform the duties required thereof as set forth in the supplemental indenture executed and delivered under the Original Indenture corresponding to such Convertible Outstanding Parity Bonds.

“Capital Appreciation Bonds” means any Bond or Bonds of a Series issued under the Master Indenture as to which interest is compounded periodically on each of the applicable periodic dates designated for compounding in the corresponding Supplemental Indenture and payable in an amount equal to the then current Accreted Value to the date of maturity or redemption prior to maturity as designated in such corresponding Supplemental Indenture and which may be either Serial Bonds or Term Bonds.

“Capital Appreciation and Income Bonds” means any Bond or Bonds of a Series issued under the Master Indenture as to which accruing interest is not payable prior to the Interest Commencement Date specified in the corresponding Supplemental Indenture and the

Appreciated Value for such Bonds is compounded periodically on certain dates designated in such corresponding Supplemental Indenture prior to the Interest Commencement Date for such Capital Appreciation and Income Bonds and which may be either Serial Bonds or Term Bonds.

“Citizens” or the “Issuer” means Citizens Property Insurance Corporation and its lawful successors.

“Citizens Policyholder Surcharges” means the Citizens policyholder surcharges authorized under the Act to be levied and collected by Citizens within any of its accounts in respect of the Coastal Account as of the date of the Master Indenture or anytime thereafter, or any other future surcharge or assessment authorized under the Act as a substitute for or replacement of the Citizens Policyholder Surcharge.

“Coastal Account” means the account required to be established under the Act for personal residential, commercial residential, commercial non-residential and quota share primary insurance coverages within specified geographical areas of the State, as established and further defined in the Plan of Operation.

“Commercial Lines Account” means the account which is required to be established under the Act for commercial lines coverages, as established and further defined in the Plan of Operation.

“Commission” means the Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act.

“Conversion Date” means the earlier to occur of (a) the Scheduled Conversion Date or (b) the date on which none of the Prior Parity Bonds are Outstanding under the Original Indenture as a result of the Issuer’s legal defeasance of the Prior Parity Bonds prior to their stated maturity dates; provided, however, that notwithstanding anything to the contrary contained in any indenture supplemental to the Original Indenture, the Conversion Date shall not occur or be deemed to have occurred for so long as there are any Prior Parity Bonds that remain Outstanding under the Original Indenture.

“Convertible Outstanding Parity Bonds” means (i) the Series 2015A Bonds and (ii) any other Series of Indenture Obligations issued by Citizens under the Original Indenture prior to the Conversion Date and which are intended to convert from obligations issued and secured under the provisions of the Original Indenture to obligations issued and secured under the provisions of the Master Indenture.

“Costs of Issuance” means those costs that are payable from Bond proceeds with respect to the authorization, sale and issuance of a series of Bonds, underwriting fees, auditors’ or accountants’ fees, printing costs, costs of reproducing documents, filing and recording fees, fees and expenses of fiduciaries, legal fees and charges, fees and charges of the Financial Advisor, professional consultants’ fees, costs of credit ratings, fees and charges for the execution, transportation and safekeeping of Bonds, governmental charges, costs of entering into Hedge Agreements, obtaining Permitted Investments and establishing or obtaining Credit Enhancement Facilities, and other costs, charges and fees in connection with the foregoing, all as specified or

provided for in a certificate signed by an Authorized Citizens Representative and delivered to the Trustee at or prior to the date of delivery of the applicable series of Bonds.

“Costs of Issuance Subaccount” means the Subaccount so designated and established in the Proceeds Account pursuant to Section 5.01(a) of the Master Indenture.

“Credit Enhancement Facility” means any credit or liquidity enhancement mechanism such as an irrevocable letter of credit, a surety bond, a bond insurance policy, a corporate or other guarantee, a purchase agreement, a credit agreement or other similar facility applicable to any Senior Secured Obligation, as established and identified pursuant to the applicable Supplemental Indenture or Related Hedge Agreement. Notwithstanding anything to the contrary contained in the Master Indenture, any one or more Senior Secured Obligations may be issued or incurred without a Credit Enhancement Facility; the decision to provide a Credit Enhancement Facility shall be within the absolute and sole discretion of Citizens.

“Credit Enhancement Facility Agreement” means any agreement pursuant to which a Credit Enhancement Facility Issuer issues a Credit Enhancement Facility. The provisions of each Credit Enhancement Facility Agreement shall be subject, in all material respects, to the provisions of the Master Indenture.

“Credit Enhancement Facility Issuer” means the issuer or guarantor of any Credit Enhancement Facility.

“Current Expenses” means all expenses incurred by Citizens in the operation and administration of the Coastal Account, including, without limiting the generality of the foregoing, premiums payable to the FHCF for coverage and other expenses under the FHCF Agreement, premiums payable for other reinsurance coverage and expenses related to such reinsurance coverage, the payment of policyholder claims which are not the result of a catastrophic event, arbitrage rebate and penalties, all administrative expenses, salaries and other compensation, personnel expenses properly chargeable to the Coastal Account, fees and expenses incurred for professional consultants and fiduciaries, or any other items treated as operating expenses under generally accepted accounting principles for insurance companies or other entities similar to Citizens; but Current Expenses shall not include (i) depreciation or amortization or other “non-cash” expense or the change in value of any Hedge Agreement or other derivative instrument, (ii) any deposit to any Account or Subaccount established under the Master Indenture or any Supplemental Indenture or any payment of principal, redemption premium, if any, and interest on any Bonds from any such Account or Subaccount, (iii) any debt service payment or other required payment in respect of any other Senior Secured Obligations or Subordinated Indebtedness or any Hedge Agreement or (iv) the payment of policyholder claims which result from the occurrence of a catastrophic event.

“Debt Service Account” means the Account so designated and established pursuant to Section 5.04 of the Master Indenture.

“Debt Service Charges” means, for any period or payable at any time, the principal of, redemption premium, if any, and interest (excluding any amounts in respect of accrued interest and capitalized interest for the relevant period on deposit in the Interest Subaccount of the Debt

Service Account) on the Bonds for that period or payable at that time whether due at maturity or upon acceleration or redemption. If any Bonds are issued as Capital Appreciation Bonds or Capital Appreciation and Income Bonds, the Debt Service Charges for any period or payable at any time in respect of any such Bonds shall be adjusted as provided in the Supplemental Indenture authorizing the issuance of such Bonds.

“Department of Financial Services” means the State of Florida Department of Financial Services and its legal successors under applicable law.

“Depository” means a clearing agency registered under the Exchange Act that is designated to act as Depository for Bonds or other Senior Secured Obligations, as applicable, as contemplated by the Master Indenture. The initial Depository for Bonds issued under the Master Indenture shall be The Depository Trust Company, New York, New York.

“Draw” means any amount drawn by Citizens from the Proceeds Account pursuant to Section 5.01(c) hereof.

“Emergency Assessments” means the emergency assessments authorized to be levied by Citizens under the Act in connection with a Plan Year Deficit in the Coastal Account.

“Emergency Assessments Subaccount” means the Subaccount in the Revenue Account created and so designated by Section 5.03(a) of the Master Indenture.

“Event of Default” means an Event of Default as defined in Section 7.01 hereof.

“Exchange Act” means the United States Securities Exchange Act of 1934, as amended.

“Extraordinary Services” and “Extraordinary Expenses” mean all services rendered and all reasonable expenses properly incurred by the Trustee under the Master Indenture, other than Ordinary Services and Ordinary Expenses.

“FHCF” means the Florida Hurricane Catastrophe Fund created under Section 215.555, Florida Statutes, as the same may be amended from time to time, and its successors.

“FHCF Agreement” means the reimbursement contract from time to time in effect relating to the Coastal Account, by and between Citizens and the State Board of Administration of the State, which administers the FHCF, or any successor administrator, as such reimbursement contract may be supplemented or amended from time to time.

“FHCF Reimbursements” means any amount which Citizens is entitled to receive under the FHCF Agreement, including, without limitation, the amount of any advance payable by the FHCF in respect thereof

“FHCF Reimbursements Subaccount” means the Subaccount in the Revenue Account created and as designated by Section 5.03(a) of the Master Indenture.

“Financial Services Commission” means the State of Florida Financial Services Commission, and its legal successors under applicable law.



“Fiscal Year” means the twelve (12) month period commencing on January 1 of a calendar year and ending on December 31 of such calendar year, or such other twelve (12) month period designated as Citizens’ Fiscal Year in the Plan of Operation.

“Fitch” means Fitch Ratings, its successors and assigns, and if such entity no longer performs the functions of a securities rating agency, “Fitch” shall refer to any other nationally recognized securities rating agency designated by Citizens.

“Global Security” means a bond or other debt instrument evidencing all or part of a Series of Bonds, as applicable, authenticated and delivered to, and registered in the name of the applicable Depositary or a nominee thereof, and in which beneficial interests are evidenced on the records of such Depositary or its members or participants.

“Government Obligations” means direct obligations of the United States of America, or obligations the full and timely payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America (but not including any unit investment trusts or mutual funds consisting of such obligations), and those obligations described in clause (ii) of the definition of Permitted Investments.

“Hedge Agreement” means, and includes, an interest rate exchange agreement, an interest rate swap agreement, a forward purchase contract, a put option contract, a call option contract or any other financial product which is used by Citizens as a hedging device with respect to its obligation to pay debt service on the Bonds or payments under other Senior Secured Obligations entered into between Citizens and a Hedge Counterparty.

“Hedge Counterparty” means any Person (other than Citizens and the Trustee) that is a party to a Hedge Agreement; provided that such Hedge Counterparty shall be an entity whose long-term debt obligations, or whose payment obligations under the Hedge Agreement are guaranteed by an entity, whose long-term debt obligations, ranking pari passu with its obligation under the Hedge Agreement or its guarantee thereof, as the case may be, are rated (on the date the Hedge Agreement is entered into) by any two of the Rating Agencies, as follows: at least “A2” by Moody’s, at least “A” by Standard & Poor’s and at least “A” by Fitch.

“Hedge Receipts” means net scheduled payments received by Citizens or the Trustee, as applicable, from a Hedge Counterparty under a Related Hedge Agreement, excluding any receipts derived from termination of the Hedge Agreement or any other non-scheduled payment thereunder.

“Holder” or “holder” means, as applicable, (i) the Person in whose name a Bond is registered on the Register, or (ii) the lender under a Bank Facility or (iii) the Hedge Counterparty to a Related Hedge Agreement.

“Initial Purchaser” means with respect to each Series of Bonds, the Person or Persons identified in the applicable Purchase Agreement as the purchaser or purchasers of the Bonds from Citizens upon the initial issuance thereof.

“Insurer” means any “assessable insurer” as defined in the Act.

“Interest Commencement Date” means, with respect to any Capital Appreciation and Income Bonds, the date specified in the Supplemental Indenture authorizing such Capital Appreciation and Income Bonds after which interest accruing on such Bonds shall be payable on a periodic basis prior to maturity, with the first such payment date being the applicable Interest Payment Date immediately succeeding such Interest Commencement Date.

“Interest Payment Date” or “Interest Payment Dates” means, (a) as to any Series of Bonds, the date or dates specified as such in the Supplemental Indenture authorizing such Bonds; provided, however, that for any Convertible Outstanding Parity Bonds that become “Bonds” and “Senior Secured Obligations” under the Master Indenture, the Interest Payment Date or Interest Payment Dates therefor shall be as set forth in such Convertible Outstanding Parity Bonds and in the corresponding supplemental indenture executed and delivered in connection with such Convertible Outstanding Parity Bonds under the Original Indenture; (b) as to Bank Facilities, the date or dates designated under the Bank Credit Agreement for the payment of interest or capacity or commitment fees with respect to such Bank Facilities; and (c) with respect to Related Hedge Agreements, the date or dates specified therein for the payment of regularly scheduled payments thereunder.

“Interest Period” means the period from and including any Interest Payment Date to and excluding the next succeeding Interest Payment Date; provided, however, that (a) the first Interest Period for each Series of Bonds shall be from the date of delivery of such Bonds (or such other date as specified in the Supplemental Indenture) to and excluding the first Interest Payment Date for such Bonds, and (b) upon final payment of any Bonds at maturity or upon redemption, the Interest Period shall extend to, but not include, the date of such final payment.

“Interest Subaccount” means the Subaccount so designated and established as a Subaccount within the Debt Service Account pursuant to Section 5.04 of the Master Indenture.

“Legislative Appropriations” means the proceeds received by Citizens from any legislative appropriation of the Florida Legislature legally permitted to be pledged hereunder and available to pay debt service or other payments under Senior Secured Obligations or any particular Series of Senior Secured Obligations hereunder.

“Master Indenture” means this Master Trust Indenture, to be dated as of a date no earlier than the Conversion Date, between Citizens and the Trustee, as amended and supplemented from time to time.

“Maximum Annual Interest” means, as of any date of calculation, the maximum amount of interest due and payable in the then current or any future Fiscal Year on all Series of Outstanding Bonds. For purposes of the calculations required pursuant to Section 5.05 of the Master Indenture, the Maximum Annual Interest shall be determined in accordance with the definition of “Annual Payment Requirements” contained herein.

“Moody’s” means Moody’s Investors Service, Inc., its successors and assigns, and if such entity no longer performs the functions of a securities rating agency, “Moody’s” shall refer to any other nationally recognized securities rating agency designated by Citizens.

“Net Premiums” means the proceeds of Premiums remaining after the payment of Current Expenses.

“Office of Insurance Regulation” means the State of Florida Office of Insurance Regulation and its legal successors under applicable law.

“Ordinary Services” and “Ordinary Expenses” mean those services normally rendered, and those expenses normally incurred, by a trustee under instruments similar to the Master Indenture.

“Outstanding” means (a) as applied to Bonds (including references to “Outstanding Bonds” and “Bonds Outstanding”), as of the applicable date, all Bonds which have been authenticated and delivered, or which are being delivered by the Trustee under the Master Indenture, except:

- (i) Bonds cancelled upon surrender, exchange or transfer, or cancelled because of payment or redemption on or prior to that date,

- (ii) Bonds, or the portion thereof, for the payment, redemption or purchase for cancellation of which sufficient money has been received in trust for and irrevocably deposited and credited with the Trustee or any Paying Agents on or prior to that date for that purpose (whether upon or prior to the maturity or redemption date of those Bonds); provided, that if any of those Bonds are to be redeemed prior to their maturity, notice of that redemption shall have been given or arrangements satisfactory to the Trustee shall have been made for giving notice of that redemption, or waiver by the affected Holders of that notice satisfactory in form to the Trustee shall have been filed with the Trustee,

- (iii) Bonds, or the portion thereof, which are deemed to have been paid and discharged or caused to have been paid and discharged pursuant to the provisions of Article IX of the Master Indenture or the applicable Supplemental Indenture, and

- (iv) Bonds in lieu of which others have been authenticated under Section 3.06 of the Master Indenture;

- (b) As applied to Senior Secured Obligations other than Bonds, all such Senior Secured Obligations as have been executed, delivered and incurred until such Senior Secured Obligations are paid or defeased in accordance with the applicable Bank Credit Agreement or Related Hedge Agreement.

- (c) When used with reference to indebtedness other than Senior Secured Obligations, as of a particular date, all indebtedness deemed to be outstanding under the documents pursuant to which such indebtedness was incurred.

“Paying Agent” means any bank or trust company designated as a Paying Agent by or in accordance with Section 6.12 of the Master Indenture.

“Permitted Investments” means any of the investments described in clauses (i) through (xi) below (provided that investments described in clause (x) below shall be Permitted

Investments only for amounts on deposit to the credit of subaccounts established in the Proceeds Account), so long as at the time of the making of such investment, (a) with respect to the investment of moneys in the Debt Service Account and the Reserve Account (and any Subaccounts therein), such obligations are rated in one of the two (2) highest rating categories (without regard to any gradations within such categories) by any two Rating Agencies and (b) with respect to the investment of moneys in the Proceeds Account, the Revenue Account (and any Subaccounts therein), the Costs of Issuance Subaccount and the Surplus Pledged Revenues Account, such obligations are rated in one of the three (3) highest rating categories (without regard to any gradations within such categories) by any two Rating Agencies; provided, however, that in the case of obligations described in clauses (iii), (v), (vi) and (vii) below, if the obligation itself is not assigned a rating as described in (a) and (b) above, then the rating assigned by any two Rating Agencies to the issuer, provider or transferor, as the case may be, must satisfy the requirements set forth in clauses (iii), (v), (vi) or (vii) below, as applicable:

(i) any obligations which as to principal and interest constitute direct obligations of or are guaranteed by the United States of America, including obligations of any agency thereof or corporation which has been or may hereafter be created pursuant to an Act of Congress as an agency or instrumentality of the United States of America to the extent unconditionally guaranteed by the United States of America;

(ii) (A) notes, bonds, debentures or similar obligations of the Federal National Mortgage Association issued under its Charter Act; (B) notes, bonds, debentures or similar obligations of the Federal Home Loan Mortgage Corporation issued under its Charter Act; (C) consolidated notes, bonds, debentures or similar obligations of the Farm Credit Banks and system-wide notes, bonds, debentures or similar obligations of the Farm Credit Banks, in either case issued under Sections 4.2(c) and 4.2(d) of the Farm Credit Act of 1971, as amended; (D) notes, bonds, debentures or similar obligations of the Farm Credit System Financial Assistance Corporation issued under the Farm Credit Act of 1971, as amended; (E) notes, bonds, debentures or similar obligations of the Tennessee Valley Authority ("TVA") issued under Sections 2.2, 2.3 or 2.5 of the Basic TVA Bond Resolution adopted October 6, 1960, as amended, and under Section 15d of the TVA Act of 1933, as amended; (F) bonds, notes, debentures or similar obligations of the Resolution Funding Corporation issued under Section 21B of the Federal Home Loan Bank Act, as amended; and (G) consolidated bonds, debentures, notes or similar obligations of the Federal Home Loan Banks issued under authority of Section 11 of the Federal Home Loan Bank Act; but shall not include any unit investment trust or mutual fund made up of any such obligations described in the foregoing clauses (A) through (G); provided that, with respect to all such obligations, (I) such obligations shall be maintained in the book-entry system operated by the Federal Reserve Banks, and (II) the Trustee's securities intermediary shall credit such securities to the Trustee's account. As used herein, "securities intermediary" has the meaning assigned to such term in 31 C.F.R. § 357.2 (for investments of the types described in clauses (A) and (B)); 12 C.F.R. § 615.5450 (for investments of the types described in clauses (C) and (D)); 18 C.F.R. § 1314.2 (for investments of the types described in clause (E)); 12 C.F.R. § 1511.1 (for investments of the types described in clause (F)); and 12 C.F.R. § 912.1 (for investments of the types described in clause (G));

(iii) certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States or any national banking association (the long-term debt obligations of which bank, trust company or national banking association are rated by any two Rating Agencies in one of their three (3) highest rating categories (without regard to gradations within such categories)), provided that such certificates of deposit must be purchased directly from such bank, trust company or national banking association and issued in the name of the Trustee, must at all times remain in the possession of the Trustee or such other bank acting as its agent, and must be either (A) continuously and fully insured by the Federal Deposit Insurance Corporation, or (B) continuously and fully secured by securities described in clause (i) or (ii) above, which have a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit and are lodged with any Federal Reserve Bank, as custodian, by the bank, trust company or national banking association issuing such certificate of deposit. Additionally, the bank, trust company or national banking association issuing each such certificate of deposit required to be so secured must furnish the Trustee with an undertaking satisfactory to the Trustee that the aggregate market value of all obligations securing such certificate of deposit will at all times be an amount at least equal to the principal amount of such certificate of deposit;

(iv) securities representing an interest or interests in money market funds registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act (including funds sponsored or administered by the Trustee or any affiliate hereof), and having a rating in any of the two highest rating categories without regard to gradations by any Rating Agency; provided that, concurrently with such investment, such securities shall be registered in the name of the Trustee on the books of the issuer;

(v) commercial paper of “prime” quality of the highest ranking or of the highest letter and numerical rating as provided by any two Rating Agencies, which commercial paper is limited to issuing authorities that are organized and operating within the United States of America and that have total assets in excess of five hundred million dollars (\$500,000,000); provided that purchases of eligible commercial paper may not exceed two hundred seventy (270) days maturity;

(vi) repurchase agreements collateralized by securities described in clauses (i) or (ii) above with any registered broker/dealer or with any domestic commercial bank whose long-term debt obligations are rated by any two Rating Agencies in one of their three (3) highest rating categories (without regard to any gradations within such categories), provided that (A) a specific written repurchase agreement governs the transaction, (B) the securities are held, free and clear of any lien, by the Trustee or an independent third party acting solely as agent for the Trustee, and such third party is (I) a Federal Reserve Bank, or (II) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$250 million, and the Trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Trustee, (C) the repurchase agreement has a term of thirty (30) days or less, or the Trustee will value the collateral securities no less frequently than monthly and will liquidate the

collateral securities if any deficiency in the required collateral percentage is not restored within five (5) Business Days of such valuation, and (D) the fair market value of the collateral securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 102%;

(vii) guaranteed investment contracts or funding agreements with banks, securities dealers or insurance companies whose long-term debt obligations are rated by any two Rating Agencies in one of their three (3) highest rating categories (without regard to gradations within such categories);

(viii) subject to the requirements of clauses (a) and (b) of this definition of "Permitted Investments," corporate securities, including asset-backed securities representing securitized cash flows;

(ix) municipal obligations rated in one of the three highest rating categories by any two Rating Agencies in both cases either taxable or tax-exempt;

(x) securities lending agreements substantially in the form prescribed by the Securities Industry and Financial Markets Association or any major lending agent bank with any registered broker/dealer or bank the long-term debt of which is rated by at least two of the Rating Agencies in one of the three highest rating categories of the Rating Agency (without regard to gradations within such categories); provided that the obligations of such broker/dealer or bank under the securities lending agreement shall be collateralized by securities described in clauses (i) or (ii) above that satisfy the requirements of clauses (a) and (b) of this definition of "Permitted Investments," as applicable, or cash held by a collateral undertaking custodian; provided, further that (A) a specific written securities lending agreement governs the transaction, (B) the securities lent and collateral therefor are held, free and clear of any lien except the lien of the Master Indenture, by the Trustee or an independent third party acting as collateral undertaking custodian, and such third party is a bank which is a member of the Federal Deposit Insurance Corporation and which has a combined capital, surplus and undivided profits of not less than \$500 million, in the case of a collateral undertaking custodian, and the Trustee shall have received written confirmation therefrom that it holds such collateral securities or cash as collateral undertaking custodian, free and clear of any lien except the lien of the Master Indenture, (C) the securities lending agreement has a term of thirty (30) days or less, or if longer, the Trustee or collateral undertaking custodian will value the collateral securities no less frequently than weekly and will demand initial collateral for a given loan of securities in an amount equal to 102% of the market value of the securities being lent (except that with respect to securities such as U.S. Treasury strips and bills, where the market functions so as to not allow for the sale of such securities at greater than par, initial collateral shall equal the lesser of 100% of the par value of the security on loan or 102% of its market value) and where the market value of the collateral held by the Trustee for such loan on the collateral marking date is less than the market value of the securities on loan, the Trustee shall require additional collateral so that such additional collateral, taken together with the collateral then held for such loan, shall be not less than 102% of the value of the securities on loan (or such lesser amount as is required with respect to securities such as U.S. Treasury strips and bills), and (D) in the

case of a collateral undertaking custodian, the repurchase agreement has a term of thirty (30) days or less, or if longer, the collateral undertaking custodian will value the collateral securities no less frequently than weekly and will demand initial collateral either at 102% (or such lesser amount as may have been negotiated between the repurchase agreement counterparties or their agents) and will assure that such collateral level is restored each time the collateral is subsequently valued; and

(xi) with respect to any particular Series of Bonds, such other investments (or limitation of investments) as are approved in any Supplemental Indenture for such Series of Bonds.

“Person” or words importing persons mean firms, associations, partnerships (including without limitation, general, limited and limited liability partnerships), joint ventures, societies, estates, trusts, corporations, limited liability corporations, public or governmental bodies, other legal entities and natural persons.

“Personal Lines Account” means the account required to be established under the Act for personal lines residential coverages, as established and further defined in the Plan of Operation.

“Plan of Operation” means Citizens’ Plan of Operation approved by the Financial Services Commission as required by the Act, as such Plan of Operation may be amended from time to time.

“Plan Year” has the meaning specified in Section 4 of the Plan of Operation.

“Plan Year Deficit” has the meaning specified for such term in the Plan of Operation, but only to the extent such term is used in connection with a deficit in the Coastal Account.

“Pledged Revenues” means all revenues, income, receipts and money received in any period by or on behalf of Citizens for or on behalf of the Coastal Account, from, (a) FHCF Reimbursements, (b) Emergency Assessments (subject to the last proviso of this definition), (c) Regular Assessments, (d) Net Premiums, (e) Additional Surcharges and Assessments, (f) Legislative Appropriations, and (g) any and all other moneys held from time to time in the Accounts and Subaccounts established under the Master Indenture, any Supplemental Indenture or Bank Credit Agreement as permitted by the Master Indenture, including, investment earnings thereon, except the Proceeds Account, the Reserve Account and any Series Reserve Account (and any investment earnings in such Accounts), and except for moneys that are expressly set aside in a Rebate Account; and provided further, however, that the pledge of Emergency Assessments shall be limited to the extent that applicable law requires that Emergency Assessments be used to pay only certain indebtedness or other obligations.

“Post-Event” when used in connection with Bonds, other Senior Secured Obligations or the proceeds thereof, refers to the issuance or other designation of such Senior Secured Obligations as “Post-Event” following or in anticipation of the occurrence of a Plan Year Deficit that results in or necessitates the levy of Emergency Assessments under the Act, including Senior Secured Obligations issued to refund other Post-Event Senior Secured Obligations or to refund Pre-Event Senior Secured Obligations Outstanding on the date of such designation, as designated by Citizens, but only to the extent that Emergency Assessments have been or will be levied with

respect to such Post-Event Senior Secured Obligations; provided, however, that Pre-Event Obligations may become Post-Event Obligations for all purposes of the Master Indenture, including, without limitation, the payment of the debt service thereon from Emergency Assessments, if and to the extent that the Board elects to treat such Pre-Event Obligations as Post-Event Obligations in accordance with the provisions of the Master Indenture.

“Pre-Event” when used in connection with Bonds, other Senior Secured Obligations or the proceeds thereof refers to any Senior Secured Obligations other than Post-Event Senior Secured Obligations.

“Pre-Event Bonds Investment Income Subaccount” means the Subaccount in the Proceeds Account created and so designated by Section 5.01(a) hereof.

“Predecessor Bond” of any particular Bond means every previous Bond evidencing all or a portion of the same debt as that evidenced by the particular Bond. For the purposes of this definition, any Bond authenticated and delivered under Section 3.06 of the Master Indenture in lieu of a lost, stolen or destroyed Bond shall, except as otherwise provided in Section 3.06, be deemed to evidence the same debt as the lost, stolen or destroyed Bond.

“Premiums” means all premiums charged or levied, and collected, by Citizens for policies issued by the Coastal Account.

“Principal Subaccount” means the Subaccount so designated and established within the Debt Service Account pursuant to Section 5.04 of the Master Indenture.

“Prior Parity Bonds” means the following Indenture Obligations issued under the Original Indenture, which obligations must be paid in full or legally defeased in accordance with the applicable provisions of the Original Indenture before Citizens can execute and deliver the Master Indenture: (i) Senior Secured Bonds, Series 2009A-1, issued in the original aggregate principal amount of \$1,021,000,000, (ii) Senior Secured Bonds, Series 2010A-1, issued in the original aggregate principal amount of \$1,550,000,000 and (iii) Senior Secured Bonds, Series 2011A-1, issued in the aggregate principal amount of \$645,000,000. Convertible Outstanding Parity Bonds shall not constitute or be deemed to be Prior Parity Bonds. The term “Prior Parity Bonds” is synonymous with, and replaces in the Master Indenture, the term “Outstanding Parity Bonds,” as used in the resolution adopted by Citizen’s Board on April 7, 2015 authorizing, among other things, the issuance of the Series 2015A Bonds and the execution and delivery of the Master Indenture.

“Proceeds Account” means the Account so designated and established pursuant to Section 5.01(a) of the Master Indenture.

“Purchase Agreement” means, as to any Series of Bonds, the bond purchase or selling agreement provided for in the Authorizing Resolution.

“Rating Agency” or “Rating Agencies” means, unless otherwise provided herein or in a supplemental indenture, (i) with respect to Permitted Investments, Moody’s, Standard & Poor’s and/or Fitch, and (ii) with respect to any other references, Moody’s, Standard & Poor’s and/or



Fitch, to the extent that any such Rating Agency then has a published rating requested by Citizens on Senior Secured Obligations Outstanding.

“Rebate Account” means an account or accounts that are expressly set aside in a Supplemental Indenture for the purpose of making rebate, yield reduction or similar payments to the United States of America in order to maintain the tax status of the Tax-Exempt Bonds.

“Reference Rate” means the reference or index rate, as specified in each Hedge Agreement entered into by Citizens or the Trustee on behalf of Citizens or as specified in the applicable Supplemental Indenture for a Series of Bonds.

“Register” means the books kept and maintained by the Registrar for registration and transfer of Bonds pursuant to Section 3.05 hereof.

“Registrar” means the Trustee, until a successor Registrar shall have become such pursuant to applicable provisions of the Master Indenture.

“Regular Assessments” means the assessments authorized to be levied by Citizens on Assessable Insurers and Assessable Insureds under the Act in connection with a Plan Year Deficit in the Coastal Account.

“Regular Record Date” means, with respect to any Bond, the 15th day (whether or not a Business Day) of the calendar month immediately preceding an Interest Payment Date applicable to that Bond or such other date as may be provided for a Series of Bonds in the Supplemental Indenture authorizing the same.

“Related Hedge Agreement” means a Hedge Agreement that is designated a “Related Hedge Agreement” pursuant to Section 2.05 hereof

“Reserve Account” means the Account so designated and established pursuant to Section 5.05 of the Master Indenture.

“Reserve Account Insurance Policy” means the insurance policy, surety bond or other evidence of insurance, if any, deposited to the credit of the Reserve Account in lieu of or in partial substitution for cash or securities on deposit therein, which policy, bond or other evidence of insurance constitutes an obligation of the issuer thereof. The issuer thereof shall be an entity whose obligations ranking pari passu with its obligations under such policy, bond or other evidence of insurance are rated at all times that such policy, bond or other evidence of insurance is on deposit to the credit of the Reserve Account in any of the three (3) highest rating categories (without regard to any gradation within such categories) by any two Rating Agencies.

“Reserve Account Letter of Credit” means the irrevocable, transferable letter or line of credit, if any, deposited for the credit of the Reserve Account in lieu of or in partial substitution for cash or securities on deposit therein, which letter or line of credit constitutes an unconditional senior obligation of the issuer thereof. The issuer of such letter or line of credit shall be a banking association, bank or trust company or branch thereof whose obligations ranking pari passu with its obligations under such letter or line of credit are rated at all times such letter or line of credit is on deposit to the credit of the Reserve Account in any of the three (3) highest

rating categories (without regard to any gradation within such categories) by any two Rating Agencies.

“Reserve Account Requirement” means, for any Series of Bonds that is to be secured by the Reserve Account as provided in the corresponding Supplemental Indenture, an amount equal to one hundred percent (100%) of the Maximum Annual Interest on all Bonds Outstanding and designated to be secured by the Reserve Account, unless otherwise provided in the Supplemental Indenture providing for the issuance of a particular Series of Bonds. The foregoing notwithstanding, to the extent that Bonds issued hereunder are issued as Tax-Exempt Bonds, the Reserve Account Requirement allocable to such Bonds (and available to pay such Bonds) shall not exceed the amount that may be funded in a reasonably required reserve under the provisions of the Internal Revenue Code of 1986, as amended, all as more specifically provided in the Supplemental Indenture pursuant to which such Bonds are issued.

“Revenue Account” means the Account so designated and established pursuant to Section 5.03 of the Master Indenture.

“Scheduled Conversion Date” means June 2, 2020, which is the day after the last Prior Parity Bonds are scheduled to mature in accordance with their stated maturity dates.

“Securities Act” means the United States Securities Act of 1933, as amended.

“Senior Secured Obligations” means Bonds, Bank Facilities and the regularly scheduled payments under a Related Hedge Agreement.

“Serial Bonds” means the Bonds of a Series which shall be stated to mature in sequential years and any other Bonds of a Series that are designated as Serial Bonds by the Issuer.

“Series” means the Bonds delivered at any one or more times under the provisions of the Master Indenture which are designated by or pursuant to the Master Indenture or any Supplemental Indenture as constituting a single Series.

“Series Reserve Account” means a special debt service reserve account created by a Supplemental Indenture as a debt service reserve account only for the particular Series of Bonds authorized by such Supplemental Indenture.

“Series Reserve Account Requirement” means the amount to be deposited or maintained in a Series Reserve Account pursuant to the Supplemental Indenture creating such Series Reserve Account.

“Sinking Fund Subaccount” means the Subaccount so designated and established within the Debt Service Account pursuant to Section 5.04 of the Master Indenture.

“Special Record Date” means, with respect to any Bond, the date established by the Trustee in connection with the payment of overdue interest on that Bond pursuant to Section 3.05 of the Master Indenture.

“Standard & Poor’s” means Standard & Poor’s Ratings Services, a business of Standard & Poor’s Financial Services LLC, its successors and assigns, and if such entity no longer performs the functions of a securities rating agency, “Standard & Poor’s” shall refer to any other nationally recognized securities rating agency designated by Citizens.

“State” means the State of Florida.

“Subaccount” or “Subaccounts” means (i) any Subaccount or Subaccounts (including any sub-subaccount or sub-subaccounts) established pursuant to Sections 5.01 through 5.06 of the Master Indenture or in any Supplemental Indenture or Bank Credit Agreement and (ii) any Subaccount or Subaccounts (including any sub-subaccount or sub-subaccounts) established pursuant to Section 5.09 of the Master Indenture.

“Subject Lines of Business” has the meaning specified for such term in the Plan of Operation.

“Subordinated Indebtedness” means indebtedness or other contractual payment obligations the terms of which shall provide that it shall be subordinate and junior in right of payment to the prior payment of Senior Secured Obligations to the extent and in the manner set forth in Section 2.07 of the Master Indenture.

“Subordinated Indebtedness Resolution” means the resolution and any other documents, instruments or agreements adopted or executed by Citizens providing for the incurrence of Subordinated Indebtedness.

“Supplemental Indenture” means (i) a supplemental indenture entered into in connection with the issuance of any Bonds hereunder, or (ii) any indenture supplemental to the Master Indenture entered into between Citizens and the Trustee in accordance with Article VIII hereof or (iii) in connection with any Series of Convertible Outstanding Parity Bonds, the provisions, if any, of the supplemental indenture executed and delivered under the Original Indenture and corresponding to such Series of Convertible Outstanding Parity Bonds that are expressly designated in such supplemental indenture as surviving the amendment of the Original Indenture and carrying over to the Master Indenture.

“Surplus Lines Agent” has the meaning specified for such term in the Plan of Operation.

“Surplus Lines Service Office” means the Surplus Lines Service Office established pursuant to Section 626.921, Florida Statutes, as amended.

“Surplus Pledged Revenues Account” means the Account so designated and established pursuant to Section 5.06 hereof.

“Tax-Exempt Bonds” means all Bonds so identified in the Supplemental Indenture authorizing the issuance of such Bonds.

“Term Bonds” means that portion of the Bonds of any Series which are stated to mature on one date in a calendar year with no stated maturity in the immediately preceding or in the

immediately succeeding years, regardless of whether such Bonds are subject to mandatory sinking fund redemption.

“Trustee” means \_\_\_\_\_, a banking corporation organized and existing under the laws of \_\_\_\_\_, until a successor Trustee shall have become such pursuant to the applicable provisions of the Master Indenture, and thereafter, “Trustee” shall mean the successor Trustee. [Citizens to appoint an entity as Trustee that satisfies the requirements for a successor Trustee prescribed in Section 6.05 hereof prior to execution and delivery of the Master Indenture.]

“Variable Rate Bonds” or “Variable Rate Obligations” mean any Bonds or other Senior Secured Obligations issued with a variable, adjustable, floating, convertible or other similar interest rate which is not fixed in percentage at the date of issue for the remaining term thereof.

“Withdrawal Deficiency Makeup Requirement” means, with respect to any deficiency (other than a valuation deficiency) in the Reserve Account, the obligation to cure such deficiency in full no later than twenty-four (24) months after the withdrawal that caused such deficiency, by making one or more deposits into the Reserve Account, so that, (a) by the March 31 following such withdrawal, there has been deposited in the Reserve Account, an amount equal to the deficiency multiplied by a fraction, the numerator of which is the number of months elapsed since the month in which the withdrawal occurred through such March 31 and the denominator of which is twenty-four (24), and (b) the balance of the deficiency is cured by making equal monthly deposits into the Reserve Account, beginning in April following such March 31; provided that the deficiency is cured in full no later than twenty-four (24) months after the withdrawal that caused such deficiency.

SECTION 1.02. Interpretation. To the extent not inconsistent with applicable law, any reference herein to Citizens, to the Board or to any member or officer of either includes entities or officials succeeding to their respective functions, duties or responsibilities pursuant to or by operation of law or lawfully performing their functions.

Any reference to a section or provision of the Constitution of the State or the Act, or to a section, provision or chapter of the Florida Statutes, or to any statute of the United States of America, includes that section, provision or chapter as amended, modified, revised, supplemented or superseded from time to time; provided, that no amendment, modification, revision, supplement or superseding section, provision or chapter shall be applicable solely by reason of this paragraph, if it constitutes in any way an impairment of the rights or obligations of Citizens, the Trustee or any Credit Enhancement Facility Issuer under the Master Indenture, the Supplemental Indenture, the Authorizing Resolution, the Bonds, the Senior Secured Obligations, any Bank Credit Agreement, any Related Hedge Agreements or any other instrument or document entered into in connection with any of the foregoing, or of the Holders of any Senior Secured Obligations under the Master Indenture, including, without limitation, any alteration of the obligation to pay Annual Payment Requirements in the amount and manner, at the times, and from the sources provided in the Master Indenture, the corresponding Supplemental Indenture, and any Bank Credit Agreement or Related Hedge Agreement, except as permitted herein.

Unless the context indicates otherwise, words importing the singular number include the plural number, and vice versa. The terms “hereof,” “hereby,” “herein,” “hereto,” “hereunder,” “hereinafter” and similar terms refer to this Master Indenture; and the term “hereafter” means after, and the term “heretofore” means before, the date of this Master Indenture. Words of any gender include the correlative words of the other genders, unless the sense indicates otherwise.

SECTION 1.03. Captions and Headings. The captions and headings in this Master Indenture are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Articles, Sections, subsections, paragraphs, subparagraphs or clauses hereof.

(End of Article I)

## ARTICLE II

### AUTHORIZATION AND TERMS OF INDEBTEDNESS

SECTION 2.01. Designation of Senior Secured Obligations. (a) Citizens may designate Senior Secured Obligations by issuing Bonds hereunder, by establishing Bank Facilities pursuant to Bank Credit Agreements or by designating a Related Hedge Agreement. The principal amount of Bonds that may be issued hereunder and the principal or payment amount of other Senior Secured Obligations that may be created under other documents and designated hereunder are not limited, but are subject to the applicable requirements set forth in Sections 2.03, 2.04 and 2.05 hereof. Senior Secured Obligations issued or incurred hereunder shall constitute the special and limited obligations of Citizens attributable solely to the Coastal Account, payable from and secured solely by the Pledged Revenues in the manner provided herein.

(b) No Bonds may be issued and no other Senior Secured Obligations may be incurred or designated under this Master Indenture except in accordance with the provisions of this Article. Except as otherwise provided herein with respect to the Proceeds Account, the Reserve Account and any Series Reserve Account, the principal of and the interest on and the redemption premium, if any, on all Bonds, and all payments under any other Senior Secured Obligation issued, incurred or designated under the provisions of this Master Indenture shall be payable from and secured solely by the Pledged Revenues pledged under this Master Indenture for their payment. All covenants, agreements and provisions of this Master Indenture shall be for the benefit and security of all present and future Holders without preference, priority or distinction as to lien or otherwise, except as otherwise hereinafter provided, of any one Senior Secured Obligation over any other Senior Secured Obligation by reason of priority in the issue, sale or negotiation thereof, or otherwise.

(c) Senior Secured Obligations shall be issued or incurred in such forms as may from time to time be authorized by the Board (through adoption of an authorizing resolution) and provided by Supplemental Indenture or otherwise.

(d) With respect to Senior Secured Obligations created, issued, incurred or designated, hereunder simultaneously with or prior to the execution (if applicable), and delivery of such Senior Secured Obligations pursuant to this Master Indenture:

(i) if the Senior Secured Obligations consist of Bonds, all requirements and conditions set forth in Section 2.03 hereof and any additional requirements and conditions set forth in the corresponding Supplemental Indenture, shall be complied with; and

(ii) if the Senior Secured Obligations consist of Bank Facilities, all requirements and conditions set forth in Section 2.04 hereof, and any additional requirements and conditions set forth in the corresponding Bank Credit Agreement, shall be complied with; and

(iii) if the Senior Secured Obligations consist of a Related Hedge Agreement, all requirements and conditions set forth in Section 2.05 hereof and any additional requirements and conditions set forth in the Related Hedge Agreement shall be complied with.

(e) The provisions of the Supplemental Indenture may provide for the use of the Reserve Account or establish a Series Reserve Account for a Series of Bonds and fix the provisions with respect thereto, including, without limitation, the applicable Reserve Account Requirement or Series Reserve Account Requirement, if any, or not establish any debt service reserve account for such Series of Bonds.

(f) In the case of Senior Secured Obligations issued, incurred or designated to refund Outstanding Senior Secured Obligations, Citizens may direct the Trustee (i) to withdraw moneys and Permitted Investments from the appropriate accounts in the Proceeds Account, the Revenue Account, the Debt Service Account, the Reserve Account or any Series Reserve Account, as applicable, allocable to the Senior Secured Obligations being refunded or any other Account or Subaccount hereunder to the extent that, following the issuance of such refunding Senior Secured Obligations, such moneys and Permitted Investments would be in excess of the amount required to be on deposit in the Accounts and Subaccounts pursuant to this Master Indenture, any Supplemental Indenture or any Bank Credit Agreement and (ii) to set aside such moneys and Permitted Investments so withdrawn, together with proceeds of the refunding Senior Secured Obligations and any other moneys provided by Citizens, to facilitate the refunding of such refunded Senior Secured Obligations.

(g) Subordinated Indebtedness may be incurred only in compliance with the provisions of Section 2.07 hereof.

SECTION 2.02. Details of Bonds. Bonds authorized hereunder may be issued in one or more Series that may be delivered from time to time. Citizens shall, by Supplemental Indenture, authorize such Series and shall specify, to the extent appropriate: (1) the authorized principal amount of such Series; (2) the purposes to be financed with the proceeds of such Series, or the Bonds or other indebtedness to be refunded or refinanced with the proceeds thereof, including the payment of Costs of Issuance; (3) whether such Bonds are secured by the Reserve Account, or the creation of a Series Reserve Account for such Series, if any; (4) the date and terms of maturity or maturities of the Bonds of such Series, or the dates of payment (or purchase) of the Bonds on the demand of the Holder thereof; (5) the interest rate or rates of the Bonds of such Series, which may include variable, adjustable, floating, convertible or other rates, original issue discount, current interest Bonds, Capital Appreciation Bonds, Capital Appreciation and Income Bonds, or other deferred interest arrangements and zero interest rate Bonds, provided that the interest cost of such Series shall never exceed for such Series the maximum interest rate, if any, permitted by applicable law; (6) the Interest Payment Dates for such Series of Bonds; (7) the forms, denominations, numbering, lettering and series designation of such Series of Bonds; (8) if other than as provided in this Master Indenture, the Bond Registrar or Paying Agents and place or places of payment of such Bonds; (9) the redemption prices for such Series of Bonds and any terms of redemption, which may include redemption at the election of the Holder thereof to the extent permitted by applicable law; (10) the amount and date of each mandatory redemption requirement, if any, for such Series of Bonds; (11) the application of the

proceeds of such Series of Bonds, including deposits required to be made into the appropriate subaccount or sub-subaccount of the Costs of Issuance Subaccount, the Interest Subaccount and the Reserve Account (or Series Reserve Account, as applicable); (12) any legal opinions required under the corresponding Supplemental Indenture to be rendered in connection with the issuance of such Bonds; and (13) any other terms or provisions applicable to the Series of Bonds not inconsistent with the provisions of this Master Indenture or the Act. The foregoing notwithstanding, the specific details of any Convertible Outstanding Parity Bonds shall be as set forth in the applicable supplemental indenture pursuant to which such Convertible Outstanding Parity Bonds were issued under the Original Indenture, as further set forth in Section 2.03 hereof.

SECTION 2.03. Issuance and Delivery of Bonds. (a) Citizens may issue Bonds from time to time for any purpose permitted by the Act or to refund any Senior Secured Obligation or other indebtedness of Citizens if the purpose for which such other indebtedness was issued was permitted by the Act. The proceeds of any such Bonds shall be deposited and applied as provided in Section 5.01 hereof. Any amounts deposited into the Proceeds Account pursuant to the applicable Supplemental Indenture for such Bonds shall be disbursed by the Trustee only upon satisfaction of the applicable conditions set forth in Section 5.01 hereof. The Bonds of each Series shall be issued in the form thereof attached as an exhibit to the corresponding Supplemental Indenture. The Supplemental Indenture authorizing the issuance of such Bonds shall set forth the details of the Bonds, including, among other things, the matters set forth in Section 2.02 hereof. The Supplemental Indenture authorizing the Bonds shall also specify whether a Credit Enhancement Facility, Reserve Account Insurance Policy or Reserve Account Letter of Credit is to be issued in connection with such Bonds and, if so, the Supplemental Indenture shall set forth or provide for such additional covenants and agreements required in order to obtain such Credit Enhancement Facility, Reserve Account Insurance Policy or Reserve Account Letter of Credit.

(b) Before the Trustee shall authenticate and deliver any Bonds, the Trustee shall receive the following items:

(i) Original executed counterparts of the Supplemental Indenture relating to such Bonds. The Supplemental Indenture shall contain provisions, if applicable, describing any Bonds of the Series that shall be issuable in whole or in part in the form of one or more Global Securities and, in such case, the respective Depositaries for such Global Securities, the form of any legend or legends which shall be borne by any such Global Security and any circumstances in which any such Global Security may be exchanged in whole or in part for Bonds registered, and any transfer of such Global Security in whole or in part may be registered, in the name or names of Persons other than the Depositary for such Global Security or a nominee thereof, and any circumstances in addition to or in lieu of those set forth in Section 3.06 hereof in which transfers of interests in Global Securities may be made.

(ii) A copy of the Authorizing Resolution, certified by an Authorized Citizens Representative.

(iii) A request and authorization to the Trustee on behalf of Citizens, signed by an Authorized Citizens Representative, to authenticate and deliver the Bonds to, or on the



order of, the Initial Purchaser thereof upon payment to the Trustee of the amount specified therein (including without limitation, any accrued interest).

(iv) A certificate of Citizens, signed by an Authorized Citizens Representative or, alternatively, a certified copy of a resolution of the Board, specifying the application of the proceeds of such Bonds and certifying that the sources of repayment available for such Bonds are expected to be sufficient to pay the principal of and interest on the Bonds to maturity.

When (1) the documents listed above have been received by the Trustee, and (2) the Bonds have been executed and authenticated, the Trustee shall deliver the Bonds to or on the order of the Initial Purchaser thereof, but only upon payment to the Trustee of the specified amount (including, without limitation, any accrued interest) set forth in the request and authorization to which reference is made in clause (iii) above.

(c) The foregoing requirements of this Section 2.03 for the issuance and delivery of Bonds notwithstanding, upon execution and delivery of this Master Indenture any and all Convertible Outstanding Parity Bonds automatically, and without any further action required by the Issuer or the Trustee, shall become and shall be deemed to be Bonds and Senior Secured Obligations issued, Outstanding and secured under this Master Indenture (1) in the same principal amount of each series of such Convertible Outstanding Parity Bonds Outstanding under the Original Indenture on the Conversion Date, (2) for the purpose(s) set forth in such Convertible Outstanding Parity Bonds, (3) secured by the Reserve Account or a Series Reserve Account to the extent provided for in the applicable supplemental indenture pursuant to which such Convertible Outstanding Parity Bonds were issued under the Original Indenture, (4) with the same maturity date (or date of purchase) as set forth in such Convertible Outstanding Parity Bonds, (5) bearing interest at the interest rate specified in each such Convertible Outstanding Parity Bond, with such interest payable on the Interest Payment Dates specified in each such Convertible Outstanding Parity Bond, (6) subject to redemption on the same dates, at the same redemption price and on the same terms, if any, as set forth in such Convertible Outstanding Parity Bonds and (7) with such Convertible Outstanding Parity Bonds being in the same forms, denominations, numbering, lettering, series designation and CUSIP numbers as set forth in such Convertible Outstanding Parity Bonds. On and as of the execution and delivery of this Master Indenture, the Trustee, Bond Registrar and Paying Agent(s) for the Convertible Outstanding Parity Bonds shall be the Trustee, Bond Registrar and Paying Agent(s) that have been appointed to serve in such capacities under this Master Indenture.

**SECTION 2.04. Designation of Bank Facilities as Senior Secured Obligations.** In addition to the issuance of Bonds hereunder, Citizens may enter into Bank Credit Agreements for the purpose of establishing one or more Bank Facilities and, at its option, designate one or more of such facilities as “Bank Facilities” and “Senior Secured Obligations” under this Master Indenture. The conditions to and the application of the proceeds of any draw or advance under any such Bank Facilities shall be set forth in the corresponding Bank Credit Agreement. Bank Facilities shall be in the form provided in the related Bank Credit Agreement.

The Bank Credit Agreement shall set forth the details of the Bank Facilities, including, among other details, (1) the principal amount borrowed or available to be loaned, drawn or

advanced thereunder, (2) the purposes to be financed with the proceeds of draws, advances or term loans under such Bank Facilities (or advances or draws thereunder) or the indebtedness to be refunded or refinanced with the proceeds thereof, including the payment of the cost of establishing such Bank Facilities; (3) the date and terms of repayment, prepayment and/or redemption of advances, draws or terms loans under such Bank Facilities; (4) the interest rate or rates associated with the repayment of advances, draws or term loans under such Bank Facilities, provided that the interest cost associated with any Bank Facilities shall never exceed the maximum interest rate, if any, permitted by law; (5) other fees or payments required to be made by Citizens under the Bank Credit Agreement; (6) the payment dates and places for payment for the Bank Facilities; (7) the creation of any accounts or subaccounts necessary in connection with the Bank Facilities hereunder; (8) the Bank Facilities Agent; and (9) any other terms or provisions applicable to such Bank Facilities not inconsistent with the provisions of this Master Indenture or the Act.

Before the Trustee shall acknowledge the designation of any Bank Facility hereunder, the Trustee shall receive the following items:

- (i) An original executed copy (or certified copy) of the Bank Credit Agreement.
- (ii) A request and authorization to the Trustee on behalf of Citizens, signed by an Authorized Citizens Representative, to acknowledge the designation of the Bank Facility under this Master Indenture.
- (iii) A certificate of Citizens, signed by an Authorized Citizens Representative certifying that the sources of repayment available for such Bank Facility are expected to be sufficient to pay the principal of and interest on any draw, advance or term loan under such Bank Facilities to the maturity thereof and any commitment or capacity fees associated therewith.

**SECTION 2.05.      Designation of Hedge Agreements as Senior Secured Obligations.**  
Citizens may enter into Hedge Agreements from time to time, and, at its option, designate one or more Hedge Agreements (or a portion of Citizens' obligations thereunder) as "Related Hedge Agreements" and "Senior Secured Obligations" under this Master Indenture.

The Hedge Agreement designated as a Related Hedge Agreement and a Senior Secured Obligation shall set forth the details of the Hedge Agreement and the designation thereof as a Related Hedge Agreement and Senior Secured Obligation, including, among other details, in each case, as applicable: (1) the notional amount and Reference Rate, (2) the Senior Secured Obligation to which such Hedge Agreement relates; (3) the date and terms of payment under such Hedge Agreement; (4) that any non-scheduled payment thereunder (including, without limitation, any termination payment) shall be either unsecured or Subordinated Indebtedness; and (5) any other terms or provisions applicable to such Hedge Agreement not inconsistent with the provisions of this Master Indenture or the Act. Notwithstanding the foregoing or anything herein to the contrary, only the regularly scheduled payments under a Related Hedge Agreement will be designated a Senior Secured Obligation hereunder. All other payments under a Related Hedge

Agreement shall be treated as unsecured obligations unless separately designated as Subordinated Indebtedness hereunder.

The Related Hedge Agreement shall also specify whether a Credit Enhancement Facility is to be issued in connection with such Hedge Agreement and, if so, the Related Hedge Agreement shall set forth or provide for such additional covenants and agreements required in order to obtain such Credit Enhancement Facility.

Before the Trustee shall acknowledge the designation of any Related Hedge Agreement hereunder, the Trustee shall receive the following items:

- (i) An original executed copy (or certified copy) of the Related Hedge Agreement.
- (ii) A request and authorization to the Trustee on behalf of Citizens, signed by an Authorized Citizens Representative, to acknowledge the designation of the Related Hedge Agreement under this Master Indenture and providing for the establishment of any necessary or convenient accounts or subaccounts under this Master Indenture.

SECTION 2.06. Source of Payment of Senior Secured Obligations. Senior Secured Obligations and all other obligations arising under or permitted by this Master Indenture shall be special and limited obligations of Citizens attributable solely to the Coastal Account, payable from and secured solely by the Pledged Revenues and securities as provided herein together with all money and securities held by or on behalf of the Trustee in all of the accounts or subaccounts established pursuant to this Master Indenture, except (a) the Proceeds Account, the Reserve Account or any Series Reserve Account, which are designated to secure only the Bonds, or a specific Series of Bonds as provided herein, and (b) any Rebate Account; all in the manner provided herein. The Holders of Senior Secured Obligations and the Trustee shall have no claim against, or recourse to, the Personal Lines Account or the Commercial Lines Account (including the revenues and assets allocated and allocable or required to be allocated to the Personal Lines Account or the Commercial Lines Account) in respect of the Senior Secured Obligations or any other obligation arising under this Master Indenture. Notwithstanding anything to the contrary in the Senior Secured Obligations or this Master Indenture, the Senior Secured Obligations do not and shall not represent or constitute a general obligation of Citizens or a debt or pledge of the faith and credit or the taxing power of the State or of any political subdivision, municipality or other local agency thereof or of any Insurer.

Notwithstanding the foregoing, Citizens reserves the right to pay amounts owed with respect to the Senior Secured Obligations from any legally available funds. The reservation of such right shall not, under any circumstances, give the Holders the right to compel the payment of the Senior Secured Obligations from any source other than the Pledged Revenues and other amounts pledged to such payment hereunder or under any Supplemental Indenture.

SECTION 2.07. Subordinated Indebtedness. (a) Subordinated Indebtedness may be incurred by Citizens from time to time for any purpose authorized under the Act. Except to the extent otherwise expressly provided in this Master Indenture, Subordinated Indebtedness shall be

issued in compliance, to the extent applicable, with the provisions of Sections 2.02 and 2.03 hereof setting forth certain terms and conditions for the issuance of Bonds.

In addition, the following conditions must be met for the issuance of Subordinated Indebtedness:

(i) Citizens shall adopt a Subordinated Indebtedness Resolution authorizing the incurrence of any such Subordinated Indebtedness and setting forth the amount and details thereof.

(ii) Any such Subordinated Indebtedness shall be incurred pursuant to the provisions of the Act.

(b) In the event (1) any Subordinated Indebtedness is declared or otherwise becomes due and payable before its stated maturity because of the occurrence of an event of default occurring under the documents pursuant to which such Subordinated Indebtedness was incurred, and such declaration has not been rescinded and annulled, or (2) any Event of Default under this Master Indenture shall occur and be continuing with respect to Senior Secured Obligations, then the Holders of Senior Secured Obligations shall be entitled to receive payment in full of all principal, premium and interest on and all other amounts payable with respect to all Senior Secured Obligations before the holders of the Subordinated Indebtedness are entitled to receive any payment on account of accelerated principal or interest upon such Subordinated Indebtedness, and, to that end, the Holders of Senior Secured Obligations shall be entitled to receive for application in payment thereof any payment or distribution of any kind or character, allocable to, derived from or constituting Pledged Revenues (or other pledged moneys hereunder) which may be payable or deliverable in any such proceedings in respect of the Subordinated Indebtedness after giving effect to any concurrent payment or distribution in respect of such Senior Secured Obligations.

Nothing contained in the definition of “Subordinated Indebtedness” or elsewhere in this Master Indenture, or in any Subordinated Indebtedness except as described in Section 2.07(b), shall (1) affect Citizens’ obligation to make, or prevent Citizens from making, at any time except as described in Section 2.07(b), payments of principal of or premium, if any, or interest on the Subordinated Indebtedness or of amounts to be available as a sinking fund for such Subordinated Indebtedness, or (2) prevent the application by the Trustee or any Paying Agent of any moneys held by the Trustee or such Paying Agent in trust for the benefit of the holders of the Subordinated Indebtedness as to which notice of redemption shall have been mailed or published at least once prior to the happening of an Event of Default under this Master Indenture, to the payment of or on account of the principal of and premium, if any, and interest on such Subordinated Indebtedness, or (3) prevent the application by the Trustee or any Paying Agent of moneys deposited, prior to the happening of any Event of Default under this Master Indenture, with the Trustee or such Paying Agent in trust for the purpose of paying a specified installment or installments of interest on the Subordinated Indebtedness, to the payment of such installments or interest on such Subordinated Indebtedness.

SECTION 2.08. Additional Restrictions. A Supplemental Indenture, Bank Credit Agreement or Subordinated Indebtedness Resolution may establish restrictions, in addition to

those established in this Master Indenture, including additional restrictions as to the application of Pledged Revenues after the payments required by Section 5.03(a), (b) and (c) and Section 5.06 hereof and additional restrictions on the incurrence of Senior Secured Obligations or other indebtedness in addition to those set forth in Sections 2.02, 2.03, 2.04 and 2.05 hereof.

SECTION 2.09. Capital Appreciation Bonds; Capital Appreciation and Income Bonds. For purposes of determining the principal amount of a Capital Appreciation Bond or a Capital Appreciation and Income Bond for redemption, acceleration or computation of the amount of Bonds held by the Holder thereof in giving to Citizens or the Trustee any notice, consent, request or demand pursuant to this Master Indenture for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its Accreted Value and the principal amount of a Capital Appreciation and Income Bond shall be deemed to be its Appreciated Value in both cases as of the date of computation (or as close to but not later than the date of computation) as set out in the related Supplemental Indenture.

(End of Article II)

## ARTICLE III

### TERMS OF BONDS GENERALLY

SECTION 3.01. Form of Bonds. The Bonds, the certificate of authentication and the form of assignment shall be substantially in the respective forms thereof set forth in the Supplemental Indenture authorizing the issuance of such Bonds, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or Depositary therefor, all consistent with this Master Indenture; provided, however, that the Convertible Outstanding Parity Bonds shall be in the respective forms thereof as issued under the Original Indenture. All Bonds shall be in fully registered form and, except as provided in Section 3.05 hereof, the Holder shall be regarded as the absolute owner thereof for all purposes of this Master Indenture.

The Bonds of one Series shall bear any designations which may be necessary or advisable to distinguish them from Bonds of any other Series. The Bonds shall be negotiable instruments and shall express the purpose for which they are issued and any other statements or legends which may be required by law. Pending delivery of the Bonds in definitive form, the Bonds may be issued, authenticated and delivered in temporary form on such conditions as the Trustee and Citizens shall deem appropriate, and such temporary Bonds until exchanged for definitive Bonds shall constitute Bonds for all purposes of this Master Indenture.

SECTION 3.02. Variable Terms. Subject to the provisions of this Master Indenture, each Series of Bonds shall be dated, shall mature in the years and the amounts, shall bear interest at the rate or rates per annum, shall be payable on the dates, shall have the Registrar, Paying Agents and Authenticating Agents, shall be of the denominations, shall be subject to redemption and/or purchase on the terms and conditions and shall have any other terms which are set forth or provided for in this Master Indenture and the applicable Supplemental Indenture.

SECTION 3.03. Execution and Authentication of Bonds. Unless otherwise provided in the applicable Authorizing Resolution or Supplemental Indenture, each Bond shall be signed by the Chairman of the Board or by the Executive Director of Citizens, and shall be attested by the Chief Financial Officer of Citizens (or, if the Executive Director is not the person signing such Bonds, the Executive Director may attest the Bonds), in their official capacities (provided that either or both of the execution and attestation signatures may be facsimiles), and shall have a facsimile of the seal of Citizens printed thereon. In case any officer whose signature or a facsimile of whose signature shall appear on any Bond shall cease to be that officer before the issuance of the Bond, his signature or the facsimile thereof nevertheless shall be valid and sufficient for all purposes, the same as if he had remained in office until that time. Any Bond may be executed on behalf of Citizens by an officer who, on the date of execution is the proper officer, although on the date of the Bond that person was not the proper officer.

No Bond, other than the Convertible Outstanding Parity Bonds, shall be valid or become obligatory for any purpose or shall be entitled to any security or benefit under this Master Indenture unless and until a certificate of authentication, substantially in the form set forth in the corresponding Supplemental Indenture, has been signed by the Trustee or by any Authenticating Agent for that Series on behalf of the Trustee. The authentication by the Trustee or by an

Authenticating Agent upon any Bond shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered hereunder and is entitled to the security and benefit of this Master Indenture. The certificate of the Trustee or an Authenticating Agent may be executed by any person authorized by the Trustee or Authenticating Agent, but it shall not be necessary that the same authorized person sign the certificates of authentication on all of the Bonds of a Series.

The authentication and delivery of the Convertible Outstanding Parity Bonds by the Indenture Trustee acting under the Original Indenture shall be deemed to be authentication and delivery of those Convertible Outstanding Parity Bonds “by the Trustee” for all purposes of this Master Indenture, the same as if the Trustee under this Master Indenture had manually executed the certificate of authentication appearing on the Convertible Outstanding Parity Bonds as required by this Section 3.03. By its execution and delivery of this Master Indenture, the Trustee shall be deemed to have adopted the authentication of the Convertible Outstanding Parity Bonds by the Indenture Trustee acting under the Original Indenture and the Convertible Outstanding Parity Bonds shall be valid and binding “Bonds” and “Senior Secured Obligations” entitled to the security and benefit of this Master Indenture.

**SECTION 3.04. Payment and Ownership of Bonds.** Debt Service Charges shall be payable in lawful money of the United States of America without deduction for the services of the Trustee or any Paying Agent. Subject to the provisions of the second paragraph of this Section, and the provisions of any Supplemental Indenture with respect to any particular Series of Bonds, and to any agreements entered into pursuant to Section 3.09 of this Master Indenture, (i) the final payment of principal of and any premium on any Bond shall be payable when due to a Holder upon presentation and surrender of such Bond at the designated corporate trust office of the Trustee or at the office, designated by the Trustee, of any Paying Agent, and (ii) interest on any Bond shall be paid on each Interest Payment Date by check or draft which the Trustee shall cause to be mailed by first class mail, postage prepaid, on that date to the Person in whose name the Bond (or one or more Predecessor Bonds) is registered at the close of business on the Regular Record Date applicable to that Interest Payment Date on the Register at the address appearing therein. All other payments of principal of and any premium on the Bonds will be payable when due to a Holder at the designated corporate trust office of the Trustee or at such designated office of any Paying Agent. Subject to the provisions of the second paragraph of this Section and the provisions of any Supplemental Indenture with respect to any particular Series of Bonds, any Holder of Bonds in an aggregate principal amount of at least \$1,000,000 (or, if less, five percent (5%) of the outstanding principal amount of the applicable Series of Bonds) is entitled on fifteen (15) days’ prior written request to the Trustee (including instructions and information as to the recipient bank and account) to the payment of interest by bank transfer or credit to a domestic bank or domestic trust account or by wire transfer of immediately available funds. If and to the extent, however, that Citizens shall fail to make payment or provision for payment of interest on any Bond on any Interest Payment Date, that interest shall cease to be payable to the Person who was the Holder of that Bond (or of one or more Predecessor Bonds) as of the applicable Regular Record Date. When moneys become available for payment of interest, (x) the Trustee shall establish a Special Record Date for the payment of that interest which shall be not more than fifteen (15) nor fewer than ten (10) days prior to the date of the proposed payment, and (y) the Trustee shall cause notice of the proposed payment and of the Special

Record Date to be mailed by first-class mail, postage prepaid, to each Holder at its address as it appears on the Register not fewer than ten (10) days prior to the Special Record Date, and thereafter the interest shall be payable to the Persons who are the Holders of the Bonds (or their respective Predecessor Bonds) at the close of business on the Special Record Date. Except as otherwise provided in this paragraph, each Bond delivered under this Master Indenture upon transfer thereof, or in exchange for or in replacement of any other Bond, shall carry the rights to interest accrued and unpaid, and to accrue on that Bond.

Unless otherwise provided in the Supplemental Indenture corresponding to a Series of Bonds, Debt Service Charges on Bonds shall be payable:

(i) on any Bond represented by a Global Security, in same day federal funds (A) in the case of principal of such Bond, delivered or transmitted to the Depositary or its authorized representative when due; provided that if the entire outstanding principal amount of any such Bond is due, only upon presentation and surrender of such Bond at the designated corporate trust office of the Trustee or at the office, designated by the Trustee, of any Paying Agent, and (B) in the case of interest on such Bond, delivered or transmitted on any Interest Payment Date to the Depositary or nominee that was the Holder of that Bond (or a predecessor Bond) at the close of business on the Regular Record Date (or the Special Record Date, as the case may be) applicable to that Interest Payment Date; and

(ii) on any Bond not represented by a Global Security, as provided in the first paragraph of this Section.

Except as provided in the first paragraph of Section 3.06 hereof, (i) the Holder of any Bond shall be deemed and regarded as the absolute owner thereof for all purposes of this Master Indenture, (ii) payment of or on account of the Debt Service Charges on any Bond shall be made only to or upon the order of that Holder or its duly authorized attorney in the manner permitted by this Master Indenture or the corresponding Supplemental Indenture, and (iii) neither Citizens, the Trustee, the Registrar nor any Paying Agent or Authenticating Agent shall, to the extent permitted by law, be affected by notice to the contrary. All of those payments shall be valid and effective to satisfy and discharge the liability upon that Bond, including, without limitation, the interest thereon, to the extent of the amount or amounts so paid.

SECTION 3.05. Registration, Registration of Transfer and Exchange of Bonds. So long as any of the Bonds remain outstanding, Citizens will cause books for the registration and transfer of Bonds, as provided in this Master Indenture, to be maintained and kept at the designated office of the Registrar.

Subject to the further provisions of this Section 3.05, unless otherwise provided in the applicable Supplemental Indenture for a particular Series of Bonds, Bonds may be exchanged, at the option of their Holder, for Bonds of the same Series and of any authorized denomination or denominations in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date or dates as, the Bonds being exchanged. The exchange shall be made upon presentation and surrender of the Bonds being exchanged at the designated office of the Registrar or at the designated office of



any Authenticating Agent for that Series of Bonds, together with an assignment duly executed by the Holder or its duly authorized attorney in any form which shall be satisfactory to the Registrar or the Authenticating Agent, as the case may be.

Subject to the further provisions of this Section 3.05 (and any comparable provisions of any Supplemental Indenture), any Bond may be transferred upon the Register, upon presentation and surrender thereof at the designated office of the Registrar or the designated office of any Authenticating Agent for the Series thereof, together with an assignment duly executed by the Holder or its duly authorized attorney in any form which shall be satisfactory to the Registrar or the Authenticating Agent, as the case may be. Upon transfer of any Bond and on request of the Registrar or the Authenticating Agent, Citizens shall execute in the name of the transferee, and the Registrar or the Authenticating Agent, as the case may be, shall authenticate and deliver, a new Bond or Bonds of the same Series, of any authorized denomination or denominations in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date or dates as, the Bonds presented and surrendered for transfer.

In all cases in which Bonds shall be exchanged or transferred hereunder, Citizens shall execute, and the Registrar or any Authenticating Agent, as the case may be, shall authenticate and deliver, Bonds in accordance with the provisions of this Master Indenture. The exchange or transfer shall be made without charge; provided, that Citizens and the Registrar or the Authenticating Agent, as the case may be, may make a charge for every exchange or transfer of Bonds sufficient to reimburse them for any tax or excise required to be paid with respect to the exchange or transfer. The charge shall be paid before a new Bond is delivered.

All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of Citizens, evidencing the same debt, and entitled to the same benefits under this Master Indenture, as the Bonds surrendered upon transfer or exchange. Neither Citizens, the Registrar nor any Authenticating Agent, as the case may be, shall be required to make any exchange or transfer of any Bond during a period beginning at the opening of business fifteen (15) days before the day of the mailing of a notice of redemption of Bonds pursuant to Section 4.02 hereof and ending at the close of business on the day of such mailing or to transfer or exchange any Bonds selected for redemption, in whole or in part.

In case any Bond is redeemed in part only, on or after the redemption date and upon presentation and surrender of the Bond, Citizens, subject to the provisions of Section 3.08 hereof, shall cause execution of, and the Registrar or any Authenticating Agent for the Series of that Bond shall authenticate and deliver, a new Bond or Bonds of the same Series in authorized denominations in an aggregate principal amount equal to the unmatured and unredeemed portion of, and bearing interest at the same rate and maturing on the same date or dates as, the Bond redeemed in part.

For purposes of this Section, the Trustee shall establish the designated office of the Registrar and the Authenticating Agent.

In case of any transfer or exchange the procedures and requirements for which are not addressed in detail in this Section 3.05, such transfer or exchange will be subject to such

procedures and requirements as may be reasonably prescribed by Citizens and the Trustee from time to time and, in the case of a transfer or exchange involving a Global Security, the Applicable Procedures.

SECTION 3.06. Mutilated, Lost, Wrongfully Taken or Destroyed Bonds. If any Bond is mutilated, lost, wrongfully taken or destroyed, in the absence of written notice to Citizens or the Registrar that a lost, wrongfully taken or destroyed Bond has been acquired by a bona fide purchaser, Citizens shall execute, and the Registrar shall authenticate and deliver, a new Bond of like date, maturity, interest rate and denomination and of the same Series as the Bond mutilated, lost, wrongfully taken or destroyed; provided, that (i) in the case of any mutilated Bond, the mutilated Bond first shall be surrendered to the Registrar, and (ii) in the case of any lost, wrongfully taken or destroyed Bond, there first shall be furnished to Citizens, the Trustee and the Registrar evidence of the loss, wrongful taking or destruction satisfactory to the Authorized Citizens Representative, the Trustee and the Registrar, together with indemnity satisfactory to them.

If any mutilated, lost, wrongfully taken or destroyed Bond shall have matured, instead of issuing a new Bond, the Authorized Citizens Representative may direct the Trustee to pay that Bond without surrender thereof upon the furnishing of satisfactory evidence and indemnity as in the case of issuance of a new Bond. Citizens, the Registrar and the Trustee may charge the Holder of a mutilated, lost, wrongfully taken or destroyed Bond their reasonable fees and expenses in connection with their actions pursuant to this Section.

Every new Bond issued pursuant to this Section by reason of any Bond being mutilated, lost, wrongfully taken or destroyed (i) shall constitute, to the extent of the outstanding principal amount of the Bond lost, mutilated, taken or destroyed, an additional contractual obligation of Citizens, regardless of whether the mutilated, lost, wrongfully taken or destroyed Bond shall be enforceable at any time by anyone and (ii) shall be entitled to all of the benefits of this Master Indenture equally and proportionately with any and all other Bonds issued and outstanding hereunder.

All Bonds shall be held and owned on the express condition that the foregoing provisions of this Section are exclusive with respect to the replacement or payment of mutilated, lost, wrongfully taken or destroyed Bonds and, to the extent permitted by law, shall preclude any and all other rights and remedies with respect to the replacement or payment of negotiable instruments or other investment securities without their surrender, notwithstanding any law or statute to the contrary now existing or enacted hereafter.

SECTION 3.07. Cancellation of Bonds. Any Bond surrendered pursuant to this Article for the purpose of payment or retirement or for exchange, replacement or transfer shall be cancelled upon presentation and surrender thereof to the Registrar, the Trustee or any Paying Agent or Authenticating Agent. Any Bond cancelled by the Trustee or a Paying Agent or Authenticating Agent shall be transmitted promptly to the Registrar by the Trustee, Paying Agent or Authenticating Agent.

Citizens may deliver at any time to the Registrar for cancellation any Bonds previously authenticated and delivered hereunder, which Citizens may have acquired in any manner

whatsoever. All Bonds so delivered shall be cancelled promptly by the Registrar. Certification of the surrender and cancellation shall be made to Citizens and the Trustee by the Registrar at least twice each calendar year. Unless otherwise directed by Citizens, cancelled Bonds shall be retained and stored by the Registrar for a period of seven (7) years after their cancellation. Those cancelled Bonds shall be destroyed by the Registrar in such manner as is customary for the Registrar. The Registrar shall provide certificates describing the destruction of cancelled Bonds to Citizens and the Trustee.

SECTION 3.08. Special Agreement with Holders. Notwithstanding any provision of this Master Indenture or of any Bond to the contrary, with the approval of Citizens, the Trustee may enter into an agreement with any Holder providing for making all payments to that Holder of principal of and interest and any premium on that Bond or any part thereof (other than any payment of the entire unpaid principal amount thereof) at a place and in a manner other than as provided in this Master Indenture and in the Bond, without presentation or surrender of the Bond, upon any conditions which shall be satisfactory to the Trustee and the Authorized Citizens Representative; provided, that payment in any event shall be made to the Person in whose name a Bond shall be registered on the Register, with respect to payment of principal and premium, on the date such principal and premium is due, and, with respect to the payment of interest, as of the applicable Regular Record Date or Special Record Date, as the case may be.

The Trustee will furnish a copy of each of those agreements, certified to be correct by an officer of the Trustee, to the Registrar and Citizens. Any payment of principal, premium or interest pursuant to such an agreement shall constitute payment thereof pursuant to, and for all purposes of, this Master Indenture.

(End of Article III)

## ARTICLE IV

### REDEMPTION OF BONDS

SECTION 4.01. Redemption of Bonds. Any Series of Bonds may be made subject to optional and/or mandatory redemption, either in whole or in part, and at such times and prices, as may be provided in the Supplemental Indenture authorizing such Series of Bonds.

SECTION 4.02. Notice of Redemption. Any notice of the call for redemption of a Series of Bonds pursuant to the corresponding Supplemental Indenture, shall identify (i) by designation, letters, numbers or other distinguishing marks, the Bonds or portions thereof to be redeemed, (ii) the redemption price to be paid (the redemption price may be identified by a textual description of the method for calculation of any premium to be paid), (iii) the date fixed for redemption, (iv) the place or places where the amounts due upon redemption are payable, and (v) any conditions to such redemption. Except as otherwise provided in a Supplemental Indenture for any particular Series of Bonds, notice of any such redemption shall be given by the Trustee by mailing a copy of the redemption notice by first-class mail, postage prepaid, or transmission by facsimile or electronic transmission to a fax number or email address routinely used by the Trustee in transmitting notices to the Depository, at least thirty (30) days prior to the date fixed for redemption, to the Holder of each Bond subject to redemption in whole or in part at the Holder's address shown on the Register on the fifteenth (15th) day preceding that mailing. Failure to receive notice by mailing or any defect in that notice regarding any Bond, however, shall not affect the validity of the proceedings for the redemption of any other Bond. Any notice of redemption may be stated to be conditioned on the occurrence of any one or more events as specified in such notice.

SECTION 4.03. Payment of Redeemed Bonds. Notice of redemption having been mailed in the manner provided in Section 4.02 hereof and not revoked or cancelled as provided herein, and subject to the further conditions set forth in such notice, the Bonds and portions thereof called for redemption pursuant to the provisions of the corresponding Supplemental Indenture shall become due and payable on the redemption date, and upon presentation and surrender thereof at the place or places specified in that notice, shall be paid at the redemption price, plus interest accrued to the redemption date.

If money for the redemption of all of the Bonds or the portions thereof to be redeemed, together with interest accrued thereon to the redemption date, is held by the Trustee or any Paying Agent on the redemption date, so as to be available therefor on that date and if notice of redemption has been deposited in the mail as aforesaid, then from and after the redemption date such Bonds called for redemption shall cease to bear interest and no longer shall be considered to be Outstanding hereunder. If those moneys shall not be so available on the redemption date, or that notice shall not have been deposited in the mail as aforesaid, such Bonds shall continue to bear interest, until they are paid, at the same rate as they would have borne had they not been called for redemption.

All moneys held by the Trustee or a Paying Agent for the redemption of particular Bonds shall be held in trust for the account of the Holders thereof and shall be paid to them, respectively, upon presentation and surrender of those Bonds.

SECTION 4.04.       Revocation of Redemption Notice. Notwithstanding any other provision of this Master Indenture, if, on any day prior to the fifth (5th) Business Day preceding any date fixed for redemption of Bonds, Citizens notifies the Trustee in writing that Citizens has elected to revoke its election to redeem such Bonds, such Bonds shall not be redeemed on such date and any notice of redemption mailed to the Holders pursuant to this Article shall be null and void. In such event, within three (3) Business Days after the date on which the Trustee receives notice of such revocation, the Trustee shall cause a notice of such revocation in the name of the Trustee to be mailed to all Holders owning such Bonds.

SECTION 4.05.       Variation of Redemption Provisions; Redemption or Prepayment of Bonds. The provisions of this Article IV, insofar as they apply to any Series of Bonds, may be varied by the Supplemental Indenture providing for that Series of Bonds.

(End of Article IV)

## ARTICLE V

### ESTABLISHMENT OF ACCOUNTS; FLOW OF FUNDS; INVESTMENT OF FUNDS

SECTION 5.01. Proceeds Account. (a) The Trustee is hereby authorized and directed to establish a “Citizens Property Insurance Corporation Coastal Account Bond Proceeds Account” (the “Proceeds Account”). The Trustee shall establish within the Proceeds Account two separate subaccounts designated as the “Citizens Property Insurance Corporation Costs of Issuance Subaccount” (the “Costs of Issuance Subaccount”) and the “Citizens Property Insurance Corporation Pre-Event Bonds Investment Income Subaccount” (the “Pre-Event Bonds Investment Income Subaccount”). There may also be established from time to time such additional Subaccounts within the Proceeds Account as may be specified in the Supplemental Indenture authorizing a Series of Bonds (subject to the provisions of Section 5.02(b) hereof), to the extent such additional Subaccounts are deemed necessary or desirable for the Bonds. The Proceeds Account and the Subaccounts therein shall constitute an irrevocable trust fund to be applied solely as set forth herein and shall be held by the Trustee separate and apart from all other Accounts and Subaccounts held under the Master Indenture and from all other moneys of the Trustee. Notwithstanding anything herein to the contrary, the amounts deposited to the credit of the Proceeds Account (and all Subaccounts therein) shall secure, and are hereby so pledged to secure, only Bonds and Credit Enhancement Facilities for such Bonds and no other Senior Secured Obligation or Subordinated Indebtedness.

The moneys in the Proceeds Account (and all Subaccounts therein) shall be held by the Trustee in trust and, pending application thereof for the purposes permitted in Section 5.01(c) hereof, shall be subject to a lien and charge in favor of the Holders of all Bonds from time to time issued and Outstanding under this Master Indenture and shall be held for the security of all such Holders, regardless of whether one or more Subaccounts shall have been established within the Proceeds Account. The establishment of one or more Subaccounts in the Proceeds Account shall not require, nor be interpreted or construed to mean, that the proceeds of the Series of Bonds for which such Subaccount was established secure only the Holders of such Series of Bonds, it being the intent hereof that all moneys on deposit to the credit of the Proceeds Account and all Subaccounts therein secure the Holders of all Outstanding Bonds equally pending application of such moneys for the purposes permitted in this Section 5.01 hereof.

(b) Upon each issuance of a Series of Bonds, the proceeds thereof shall be deposited into the Proceeds Account and (i) used to pay Costs of Issuance, (ii) used to refund previously issued Bonds or other indebtedness, (iii) used to fund the Reserve Account or a Series Reserve Account, if such Series of Bonds is to be secured by the Reserve Account or a Series Reserve Account, or (iv) if Citizens provides the certifications required in the second paragraph of Section 5.01(c) in order to make a Draw from the Proceeds Account and as provided in the second paragraph of Section 5.01(c), disbursed to Citizens, all as to be set forth in a certificate of Citizens signed by an Authorized Citizens Representative delivered on the date of issuance of the Series of Bonds; provided, however, that proceeds being used to refund previously issued Bonds or other indebtedness may be applied directly to such purpose as provided in the applicable Supplemental Indenture and proceeds used to fund the Reserve Account or a Series Reserve

Account may be deposited directly to such Accounts. All earnings from the investment of amounts held in the Proceeds Account and the Subaccounts therein constituting or allocable to the proceeds of Pre-Event Bonds shall remain in the Proceeds Account or, upon the written direction of Citizens to the Trustee, shall be withdrawn therefrom and be deposited as needed in the Pre-Event Bonds Investment Income Subaccount to pay interest on the Pre-Event Bonds without the need of a requisition.

(c) Subject to satisfaction of the conditions set forth in the following paragraphs of this Section 5.01(c), and subject further to the provisions of the last paragraph of this Section 5.01(c) and to Section 5.01(e) hereof, Citizens may from time to time obtain a Draw from the Proceeds Account and, in its sole and absolute discretion, reimburse the amounts so drawn to the Proceeds Account and (subject to satisfaction of the conditions set forth in this Section 5.01(c)) obtain a new Draw in such amounts from the Proceeds Account (it being expressly understood that the reimbursement of prior Draws to the Proceeds Account shall not be a precondition to Citizens' ability to obtain Draws from amounts remaining in the Proceeds Account, so long as Citizens complies with the requisition requirements of the succeeding paragraphs of this Section 5.01(c)); provided, however, that no Draw may be made if Citizens shall have given written direction to the Trustee to apply amounts in the Proceeds Account in the manner provided in Section 5.07 hereof.

The requisition to be submitted by Citizens in order to obtain a Draw shall be based on Citizens' reasonable forecast of Annual Payment Requirements, the Pledged Revenues, amounts held in the Proceeds Account, the Reserve Account, any Series Reserve Account and the expected earnings thereon and other available moneys allocable to the Coastal Account, available to pay the same on a monthly basis. Each such requisition shall specify the purpose of the Draw and shall also specify the specific type or types of Pledged Revenues (FHCF Reimbursements, Emergency Assessments, Regular Assessments, Net Premiums, Legislative Appropriations, and/or Additional Surcharges and Assessments) against which such Draw is to be made. In addition, each such requisition shall contain a certification by an Authorized Citizens Representative to the effect that (i) the sum of (A) the amount then on deposit in the Debt Service Account, (B) the amount to remain on deposit in the Proceeds Account immediately following such Draw and (C) the amount of Pledged Revenues and other available moneys allocable to the Coastal Account reasonably expected to be received by the Trustee from or on behalf of Citizens and available for the purpose of reimbursing such Draw or for the payment of principal of and interest on the Bonds in each year through the final maturity of the Bonds then Outstanding, will be sufficient to pay that portion of the Annual Payment Requirements as they become due through the final maturity of the Bonds, on the Bonds then Outstanding; and (ii) the sum of (A) all amounts then on deposit in the accounts established under any Bank Credit Agreement for the payment of Bank Credit Facilities and (B) the amount of Pledged Revenues and other available moneys allocable to the Coastal Account (excluding any such revenues included for purposes of clause (i)(C) hereof) reasonably expected to be received by the Trustee from or on behalf of Citizens and available for the purpose of paying the Senior Secured Obligations other than Bonds in each year through the final maturity of Senior Secured Obligations then Outstanding other than Bonds, will be sufficient to pay that portion of

the Annual Payment Requirements as they become due through the final maturity of such Senior Secured Obligations, on Senior Secured Obligations Outstanding other than Bonds; and (iii) there does not then exist an Event of Default hereunder or an event that with the passage of time or the giving of notice, or both, would constitute such an Event of Default.

Prior to obtaining a Draw from the Proceeds Account in anticipation of FHCF Reimbursements (as stated in the requisition), Citizens shall provide to the Trustee a certificate executed by an Authorized Citizens Representative, to the effect that the FHCF Agreement is in full force and effect.

Notwithstanding anything to the contrary contained in this Section 5.01(c) or elsewhere in this Master Indenture, upon the written direction of Citizens (or pursuant to Article VII hereof), the Trustee shall withdraw moneys from the Subaccounts in the Proceeds Account without regard to the requirements of this Section 5.01(c), for the purpose of depositing such moneys into the corresponding Principal Subaccount, Sinking Fund Subaccount and/or Interest Subaccount of the Debt Service Account, in order to pay scheduled principal or amortization requirements of and/or interest on the corresponding Series of Pre-Event Bonds.

(d) Payments shall be made by the Trustee from the Costs of Issuance Subaccount upon written requisition of Citizens. The Trustee shall pay requisitions in the order in which they are received. Each such requisition shall be signed by an Authorized Citizens Representative and shall state (i) the amount to be paid, (ii) the party to whom payment is to be made, (iii) the service performed and (iv) that the cost to be paid is a proper cost of issuing the particular Series of Bonds. Amounts held in the Costs of Issuance Subaccount for more than sixty (60) days shall upon the written request of Citizens, signed by an Authorized Citizens Representative, be transferred to the Proceeds Account.

(e) So long as any Pre-Event Bonds are Outstanding, the Trustee may withdraw from the Pre-Event Bonds Investment Income Subaccount (and any other investment income on deposit in the Proceeds Account) the amounts necessary to make the deposits or payments required by Section 5.03(c)(i)(1) hereof.

(f) All requisitions and certificates received by the Trustee pursuant to this Section 5.01 as conditions to drawing amounts from the Proceeds Account shall be retained in the possession of the Trustee, subject at all times to the inspection of Citizens, until the final payment of the Series of Bonds to which such requisitions and certificates relate.

**SECTION 5.02. Pledge and Deposit of Pledged Revenues.** (a) Except as otherwise provided herein with regard to Net Premiums, Citizens shall, on a monthly basis, pay over to the Trustee all Pledged Revenues. The Trustee shall immediately deposit into the Revenue Account and the Subaccounts therein established under Section 5.03 hereof any and all Pledged Revenues so received from or on behalf of Citizens, in the manner provided by Section 5.03(a) hereof. The Pledged Revenues are hereby pledged (as and to the extent provided in the granting clauses hereof and in the definition of “Pledged Revenues” contained herein) as security for the payment



of all amounts due with respect to Senior Secured Obligations, and as security for the performance of any other obligations of Citizens with respect to the Senior Secured Obligations.

The pledge to the Trustee of the Pledged Revenues (as and to the extent provided in the granting clauses hereof and in the definition of “Pledged Revenues” contained herein) as security for the payment of the Senior Secured Obligations and the performance of any other obligations of Citizens hereunder with respect to the Senior Secured Obligations, shall be valid and binding from the date hereof, and the covenants and agreements set forth herein to be performed by or on behalf of Citizens shall be, except as otherwise expressly provided or permitted herein, for the equal benefit, protection and security of the Holders of Senior Secured Obligations, regardless of their times of issue, incurrence or designation hereunder, and maturity, and shall be of equal rank, without preference, priority, or distinction of any one Senior Secured Obligation over any other Senior Secured Obligation.

(b) Except with respect to the Proceeds Account, the Reserve Account, any Series Reserve Account or any Rebate Account, the Accounts and Subaccounts specified in this Article V shall be established under this Master Indenture for the benefit of any and all Senior Secured Obligations issued, incurred or designated under this Master Indenture.

(c) Each Supplemental Indenture shall provide, to the extent applicable, for the creation of a separate sub-subaccount within the Interest Subaccount, the Principal Subaccount, and the Sinking Fund Subaccount with respect to each Series of Bonds, which sub-subaccount shall bear the designation of such Series of Bonds. A Supplemental Indenture may provide that the Bonds authorized thereby may be additionally secured by the Reserve Account or a Series Reserve Account or it may provide that there shall not be any debt service reserve account established in respect of such Series of Bonds. If a Series of Bonds shall be additionally secured by a Series Reserve Account or shall not be additionally secured by any debt service reserve account, such Series of Bonds shall have no claim on the Reserve Account and such Series of Bonds shall not be taken into account for purposes of calculating the “Reserve Account Requirement” hereunder.

SECTION 5.03. Revenue Account. (a) The Trustee is hereby authorized and directed to establish a “Citizens Property Insurance Corporation Coastal Account Revenue Account” (the “Revenue Account”). The Trustee shall establish within the Revenue Account five special subaccounts to be known as the FHCF Reimbursements Subaccount, the Emergency Assessments Subaccount, the Regular Assessments Subaccount, the Additional Surcharges, Assessments and Other Revenues Subaccount and the Hedge Agreements Subaccount; all of which Subaccounts shall be held by the Trustee. The Trustee shall immediately deposit upon its receipt thereof any and all Pledged Revenues and Hedge Receipts as follows:

(i) FHCF Reimbursements shall be deposited to the credit of the FHCF Reimbursements Subaccount in the Revenue Account;

(ii) Emergency Assessments shall be deposited to the credit of the Emergency Assessments Subaccount in the Revenue Account;

(iii) Regular Assessments shall be deposited to the credit of the Regular Assessments Subaccount in the Revenue Account;

(iv) Net Premiums shall be deposited to the credit of the Revenue Account or such other Account or Subaccount as may be required to cure any deficiency therein;

(v) Additional Surcharges and Assessments and Legislative Appropriations shall be deposited to the credit of the Additional Surcharges, Assessments and Other Revenues Subaccount in the Revenue Account;

(vi) Hedge Receipts shall be deposited to the credit of the Hedge Agreement Subaccount in the Revenue Account; and

(vii) Any other sources of money not described in the foregoing clauses (i) through (vi) received by Citizens and which may be applied to the payment of debt service on Senior Secured Obligations shall be deposited to the credit of the Additional Surcharges, Assessments and Other Revenues Subaccount in the Revenue Account and applied as directed by Citizens consistent with applicable law.

Except as provided in Section 5.08 hereof, no money deposited in any of the FHCF Reimbursements Subaccount, the Emergency Assessments Subaccount, the Regular Assessments Subaccount, the Net Premiums Subaccount, the Additional Surcharges, Assessments and Other Revenues Subaccount, the Hedge Agreements Subaccount or any other Subaccount or sub-subaccount established in the Revenue Account shall be commingled with, and instead shall be segregated from, money deposited to the credit of any other such Subaccount or any sub-subaccount established in the Revenue Account.

(b) Notwithstanding anything herein to the contrary, so long as no Event of Default has occurred and is continuing, Citizens shall be entitled to retain (without first depositing such moneys with the Trustee) all Net Premiums, which Net Premiums may be used for any lawful purpose. If in any month, the Trustee determines there are insufficient funds available on deposit in the other Subaccounts within the Revenue Account and, as applicable, the Proceeds Account and the Pre-Event Bonds Investment Income Subaccount therein, to make the transfers required in such month, the Trustee shall notify Citizens of any such deficiency and Citizens shall pay over to the Trustee the amount of such deficiency as soon as practicable, and in any event within thirty (30) days of such request, from Net Premiums. Upon the occurrence and continuance of an Event of Default, Citizens shall, on a monthly basis remit to the Trustee all Net Premiums received. The Trustee shall apply such Net Premiums so received in accordance with this Master Indenture.

(c) Except as hereinafter provided, moneys in the Revenue Account shall be withdrawn by the Trustee at the times and in the amounts provided herein or in a Supplemental Indenture or Bank Credit Agreement, but only in the manner and order specified in this Master Indenture:

(i) Immediately prior to the transfer of Pledged Revenues to the Debt Service Account and the Reserve Account as described in this Section 5.03(c), the Trustee shall apply the following amounts:

(1) Amounts on deposit in the Pre-Event Bonds Investment Income Subaccount shall be transferred to the sub-subaccounts in the Interest Subaccount of the Debt Service Account related to Pre-Event Bonds Outstanding, in an amount sufficient to make the deposits or payments required by Section 5.04 with respect to the payment of interest on such Bonds and, to the extent that amounts on deposit in the Pre-Event Bonds Investment Income Subaccount are insufficient to make such deposits or payments, amounts on deposit in the Pre-Event Bonds Investment Income Subaccount shall be transferred to such sub-subaccounts in the Interest Subaccount of the Debt Service Account ratably according to the amount to be deposited or paid. Any excess moneys remaining in the Pre-Event Bonds Investment Income Subaccount shall be used to fund any deficiency in the Reserve Account or Series Reserve Account. In connection with the maturity date of any Pre-Event Bonds, the principal of which will be paid from the corresponding Subaccount in the Proceeds Account, the Trustee shall withdraw from the Proceeds Account the amount directed to be so withdrawn by Citizens pursuant to the last paragraph of Section 5.01(c) hereof, and deposit such funds in the corresponding sub-subaccount of the Principal Subaccount in the Debt Service Account.

(2) Amounts on deposit in the Hedge Agreement Subaccount shall be transferred to the sub-subaccounts in the Interest Subaccount of the Debt Service Account relating to the Bonds with respect to which such Related Hedge Agreements were entered into.

(ii) So long as no Event of Default has occurred and is continuing, at such times as provided in Section 5.04 hereof, the Trustee shall withdraw amounts held in the Subaccounts of the Revenue Account and transfer the same to the Debt Service Account, after making the transfers described in Section 5.03(c)(i), as follows:

(1) So long as any Post-Event Bonds are Outstanding, the Trustee shall withdraw from the Emergency Assessments Subaccount and transfer to the sub-subaccounts of the Interest Subaccount, the Principal Subaccount and the Sinking Fund Subaccount of the Debt Service Account related to such Post-Event Bonds, the amounts which together with any amounts held in such sub-subaccounts are sufficient to make deposits or payments required by Section 5.04 hereof with respect to such Post-Event Bonds or applicable Related Hedge Agreements and, to the extent that the amounts on deposit in the Emergency Assessment Subaccount are insufficient to make such deposits or payments, amounts on deposit in the Emergency Assessment Subaccount shall be transferred to such sub-subaccounts in the Interest Subaccount, the Principal Subaccount and

the Sinking Fund Subaccount of the Debt Service Account ratably according to the amount to be deposited.

(2) So long as any amounts are outstanding under any Bank Facility or a Draw from the Proceeds Account has occurred in anticipation of FHCF Reimbursements, Regular Assessments, Additional Surcharges and Assessments or Emergency Assessments, the Trustee shall transfer amounts held in the FHCF Reimbursements Subaccount, the Regular Assessments Subaccount, the Additional Surcharges, Assessments and Other Revenues Subaccount and the Emergency Assessments Subaccounts, as follows:

(A) To the Bank Facilities Agent, within the time period (which time period shall be at least three Business Days after the later of the receipt of the notice or availability of funds for payment) and in the amount identified in a written notice from the Bank Facilities Agent as the amount of principal and interest then due and payable under the Bank Facility.

(B) To the Proceeds Account, the amount specified by Citizens in a written requisition to reimburse the Proceeds Account for the Draw or Draws previously made in anticipation of the receipt of FHCF Reimbursements, Regular Assessments, Additional Surcharges and Assessments or Emergency Assessments which have not been reimbursed.

(C) To the extent that amounts on deposit in the FHCF Reimbursements Subaccount, the Regular Assessments Subaccount, the Additional Surcharges, Assessments and Other Revenues Subaccount and the Emergency Assessments Subaccount are insufficient to make the transfers described in Section 5.03(c)(ii)(2)(A) and (B), amounts in the FHCF Reimbursements Subaccount, the Regular Assessments Subaccount, the Additional Surcharges, Assessments and Other Revenues Subaccount and the Emergency Assessment Subaccount shall be transferred to the Bank Facilities Agent and to the Proceeds Account ratably according to the amounts to be deposited pursuant to Section 5.03(c)(ii)(2)(A) and (B).

(3) So long as any Pre-Event Bonds are Outstanding, no amounts are owed under any Bank Facility and to the extent that interest payments to be made on such Bonds are not fully funded with amounts transferred from the Pre-Event Bonds Investment Income Subaccount or the Hedge Agreement Subaccount pursuant to Section 5.03(c)(i), the Trustee shall withdraw from the FHCF Reimbursements Subaccount, the Regular Assessments Subaccount, the Additional Surcharges, Assessments and Other Revenues Subaccount, [and the Emergency Assessment Subaccounts (in that order) and transfer to the sub-subaccounts established for such Bonds in the Interest Subaccount of the Debt

Service Account an amount which, together with other amounts held in such sub-subaccounts, will be sufficient to make the deposits or payments required by Section 5.04 with respect to interest owed on such Bonds, provided that if the amount held in the FHCF Reimbursements Subaccount, the Regular Assessments Subaccount, the Additional Surcharges, Assessments and Other Revenues Subaccount and the Emergency Assessments Subaccount are insufficient to make such deposits and payments, the Trustee shall transfer amounts held in the FHCF Reimbursements Subaccount, the Regular Assessments Subaccount, the Additional Surcharges, Assessments and Other Revenues Subaccount and the Emergency Assessments Subaccount to such sub-subaccounts in the Interest Subaccount of the Debt Service Account ratably according to the amounts required under Section 5.04.

(4) To the extent the amounts on deposit in the Subaccounts of the Revenue Account are insufficient to make the transfers described in Section 5.03(c)(ii)(1), (2) and (3) hereof, the Trustee shall notify Citizens pursuant to Section 5.03(b) hereof of the deficiency and request the payment of Net Premiums to the Trustee in the amount of such deficiency, which amount, when received by the Trustee shall be applied to eliminate such deficiency, provided that if such amount transferred by Citizens to the Trustee is less than the amount of such deficiency the Trustee shall apply the amount received ratably to the deficiency in each such Subaccount according to the amount of the deficiency therein.

(iii) Following the occurrence and during the continuance of an Event of Default all Pledged Revenues shall be applied, following the application of amounts described in Section 5.03(c)(i), pursuant to Section 7.06 hereof.

(iv) Following the application of Pledged Revenues pursuant to Section 5.03(c)(i) and (ii) hereof, the Trustee shall transfer Pledged Revenues to the Reserve Account and any Series Reserve Account as follows:

(1) So long as Post-Event Bonds are Outstanding, the Trustee shall withdraw from the Emergency Assessments Subaccount and transfer to the Subaccounts in the Reserve Account or any Series Reserve Account securing such Post-Event Bonds amounts required by Section 5.05 hereof.

(2) So long as any Pre-Event Bonds are Outstanding, the Trustee shall withdraw from the FHCF Reimbursements Subaccount, the Regular Assessments Subaccount, the Additional Surcharges, Assessments and Other Revenues Subaccount and the Emergency Assessments Subaccount and transfer to the Subaccounts in the Reserve Account or any Series Reserve Account securing such Pre-Event Bonds amounts required by Section 5.05 hereof.

(3) To the extent that amounts in the Subaccounts referenced in Section 5.03(c)(iv)(1) and (2) are not sufficient to make the transfers described therein, the Trustee shall notify Citizens pursuant to Section 5.03(b) hereof of the deficiency and request payment of Net Premiums to the Trustee over a period of not greater than twenty-four (24) months, in the amount of such deficiency, which amount, when received by the Trustee shall be applied to eliminate such deficiency, provided that if such amount transferred by Citizens to the Trustee is less than the amount of such deficiency, the Trustee shall apply the amounts available ratably to the deficiency in each Subaccount or Series Reserve Account according to the amount of the deficiency therein.

(v) All remaining moneys in the Revenue Account shall be deposited into the Surplus Pledged Revenues Account.

SECTION 5.04. Debt Service Account. (a) The Trustee is hereby authorized and directed to establish a “Citizens Property Insurance Corporation Coastal Account Debt Service Account” (the “Debt Service Account”). The Trustee shall establish within the Debt Service Account the following subaccounts: a “Citizens Property Insurance Corporation Interest Subaccount” (the “Interest Subaccount”), a “Citizens Property Insurance Corporation Principal Subaccount” (the “Principal Subaccount”) and a “Citizens Property Insurance Corporation Sinking Fund Subaccount” (the “Sinking Fund Subaccount”), with separate sub-subaccounts created therein for each Series of Bonds payable from the Debt Service Account. The Trustee shall deposit amounts to the sub-subaccounts and Subaccounts in the Debt Service Account as provided in Section 5.03. The Debt Service Account and the Subaccounts therein shall constitute an irrevocable trust fund to be applied solely as set forth herein and shall be held by the Trustee separate and apart from all other Accounts and Subaccounts held under this Master Indenture and from all other moneys of the Trustee.

(b) (i) At such time or times as provided in the applicable Supplemental Indenture, the Trustee shall from amounts available for such purpose under Section 5.01 and 5.03 hereof deposit the amounts required by any Supplemental Indenture to be deposited in the appropriate sub-subaccounts in the Interest Subaccount and shall apply such amounts to the payment of interest owed on the Bonds as provided in the Supplemental Indentures, and (ii) if a Related Hedge Agreement provides for any payments thereunder by Citizens relating to interest on a particular Series of Bonds, then, at such time or times as provided in the Related Hedge Agreement, the Trustee shall deliver, to or for the account of the Hedge Counterparty or other appropriate Person designated in the Related Hedge Agreement, the net amount required by such Related Hedge Agreement (but not any termination or other non-scheduled payments) to be paid thereunder by Citizens relating to interest on Bonds related to such Related Hedge Agreement, provided that if there shall not be sufficient Pledged Revenues to satisfy all such deposits and payments, such deposits and payments shall be made to each such sub-subaccount in the Interest Subaccount and to each appropriate Person designated in such Related Hedge Agreement ratably according to the amount so required to be deposited or paid.

(c) At such time or times as provided in the applicable Supplemental Indenture, the Trustee shall deposit the amounts required by the applicable Supplemental Indenture to be deposited in the appropriate sub-subaccounts in the Principal Subaccount and the Sinking Fund Subaccount for the payment of the principal of Bonds, whether at maturity or pursuant to an amortization requirement, in accordance with such Supplemental Indenture; provided that if there shall not be sufficient Pledged Revenues to satisfy all such deposits and payments, such deposits and payments shall be made to each such sub-subaccount in the Principal Subaccount and Sinking Fund Subaccount, as applicable, ratably according to the amount so required to be deposited or paid.

SECTION 5.05. Reserve Account. The Trustee is hereby authorized and directed to establish a “Citizens Property Insurance Corporation Coastal Account Reserve Account” (the “Reserve Account”) with respect to the Bonds issued hereunder. The Reserve Account shall be held by the Trustee for the benefit of all Bonds issued and Outstanding under this Master Indenture (unless expressly otherwise provided in the Supplemental Indenture for a particular Series of Bonds). The Reserve Account shall constitute an irrevocable trust fund to be applied solely as set forth herein and shall be held by the Trustee separate and apart from all other Accounts and Subaccounts held under this Master Indenture and from all other moneys of the Trustee. As long as there exists no Event of Default under this Master Indenture and the amount in the Reserve Account is not reduced below the then applicable Reserve Account Requirement, earnings on investments in the Reserve Account shall be transferred on a pro rata basis to the applicable Subaccount within the Debt Service Account for the Bonds secured by the Reserve Account. Otherwise, earnings on investments in the Reserve Account shall be retained in the Reserve Account until applied as set forth herein. In the event it is determined that the amount in the Reserve Account exceeds the Reserve Account Requirement due to a decrease in the then applicable Reserve Account Requirement or as the result of any valuation required by Section 5.08 hereof, the excess amount shall be transferred on the next succeeding Business Day from the Reserve Account on a prorata basis to the applicable Subaccount within the Debt Service Account for the Bonds secured by the Reserve Account.

If a Supplemental Indenture provides that the Bonds issued thereunder are to be secured by the Reserve Account, Citizens shall deposit, from the proceeds of such Bonds or from any other available sources specified in the corresponding Supplemental Indenture, concurrently with the delivery of and payment for such Bonds, to the Reserve Account such amount as is required to make the balance to the credit of such Account equal to the Reserve Account Requirement; provided, however, that in the case of Post-Event Bonds, the initial deposit required to the Reserve Account to make the total amount to the credit of such Account equal to the Reserve Account Requirement may be funded from Emergency Assessments and other Pledged Revenues ratably over not more than twenty-four (24) months from the date of delivery of such Bonds. If a Supplemental Indenture provides that the Bonds issued thereunder are to be secured by a Series Reserve Account, Citizens shall fund, from the proceeds of such Bonds or from any other available sources, at the time or times and in the manner specified in the applicable Supplemental Indenture, such Series Reserve Account in an amount equal to the Series Reserve Account Requirement for such Bonds.

Whenever for any reason on any payment date, the amount in the Debt Service Account, together with the amounts available in the Surplus Pledged Revenues Account and any other Accounts identified herein or in the applicable Supplemental Indenture, are insufficient to pay all amounts due and payable on Bonds secured by the Reserve Account (or Series Reserve Account, as applicable) on such payment date, the Trustee will, without further instructions, transfer the amount of any such deficiency from the Reserve Account (or Series Reserve Account, as applicable) into the appropriate subaccount in the Debt Service Account, to be applied to pay such Bonds secured by the Reserve Account (or Series Reserve Account, as applicable). Any deficiencies in the amounts available in the Debt Service Account will be made up first from moneys withdrawn from the Surplus Pledged Revenues Account to the extent of available amounts in such Account, prior to making any withdrawals from the Reserve Account (or Series Reserve Account, as applicable).

Any withdrawal from the Reserve Account or deficiency therein caused by a valuation of Permitted Investments therein shall be replenished over a period of not to exceed twenty-four (24) months from the date of such withdrawal or valuation, as applicable, from moneys available for such purpose pursuant to Section 5.01(e), Section 5.03(c)(iv) or Section 5.06 hereof.

Notwithstanding the foregoing, in lieu of the required cash deposit into the Reserve Account, Citizens may cause to be deposited into the Reserve Account a Reserve Account Insurance Policy or a Reserve Account Letter of Credit either in lieu of any cash amount required to be deposited therein or in substitution for a portion of or the full amounts then on deposit therein or in an amount equal to the difference between the amount required to be deposited and the sum, if any, then on deposit in the Reserve Account. Any such Reserve Account Insurance Policy or Reserve Account Letter of Credit shall be payable (upon the giving of notice as required thereunder) on any payment date on which a deficiency exists that cannot be remedied by moneys in any other Account held pursuant to this Master Indenture and available for such purposes. If any such Reserve Account Insurance Policy or Reserve Account Letter of Credit is substituted for moneys on deposit in the Reserve Account, the excess moneys in the Reserve Account shall be transferred and applied as provided in a certificate of an Authorized Citizens Representative delivered at the time of such substitution. If a disbursement is made from a Reserve Account Insurance Policy or a Reserve Account Letter of Credit, Citizens shall be obligated to either reinstate the limits of such Reserve Account Insurance Policy or Reserve Account Letter of Credit immediately following such disbursement or immediately deposit into the Reserve Account moneys in the amount of the disbursement made under such Reserve Account Insurance Policy or Reserve Account Letter of Credit. If at any time the issuer of a Reserve Account Insurance Policy or a Reserve Account Letter of Credit shall no longer qualify as such or is in default in its payment obligations under such Reserve Account Insurance Policy or Reserve Account Letter of Credit, Citizens immediately shall obtain a substitute Reserve Account Insurance Policy or Reserve Account Letter of Credit or immediately shall deposit into the Reserve Account moneys equal to the portion of the Reserve Account Requirement represented by the Reserve Account Insurance Policy or Reserve Account Letter of Credit to be replaced. Any and all deposits required to be made by Citizens pursuant to the two immediately preceding sentences shall be made only from moneys within or allocable to the Coastal Account.



In the event that upon the occurrence of any deficiency in the Debt Service Account, the Reserve Account is then funded with a Reserve Account Insurance Policy or a Reserve Account Letter of Credit, the Trustee shall, on or prior to a payment date to which such deficiency relates, cause to be paid under the Reserve Account Insurance Policy or draw upon the Reserve Account Letter of Credit an amount sufficient to remedy such deficiency, in accordance with the terms and provisions of the Reserve Account Insurance Policy or Reserve Account Letter of Credit, as applicable, and any corresponding reimbursement or other agreement governing the Reserve Account Insurance Policy or Reserve Account Letter of Credit; provided, however, that if at the time of such deficiency the Reserve Account is only partially funded with a Reserve Account Insurance Policy or Reserve Account Letter of Credit, prior to drawing on the Reserve Account Insurance Policy or Reserve Account Letter of Credit, as applicable, the Trustee shall first apply any cash and securities on deposit in the Reserve Account which is available to cure the deficiency under the terms of the Master Indenture to remedy such deficiency in accordance with the provisions of this Section 5.05 and, if after such application a deficiency still exists, the Trustee shall make up the balance of the deficiency by drawing on the Reserve Account Insurance Policy or Reserve Account Letter of Credit, as provided in this sentence. Amounts drawn on the Reserve Account Insurance Policy or Reserve Account Letter of Credit shall be applied as set forth in this Section 5.05. Any amounts drawn under a Reserve Account Insurance Policy or Reserve Account Letter of Credit shall be reimbursed to the issuer thereof in accordance with the terms and provisions of the reimbursement or other agreement governing such Reserve Account Insurance Policy or Reserve Account Letter of Credit, but only from moneys on deposit or required to be deposited in the Reserve Account in accordance with the provisions of Section 5.03 hereof.

The foregoing provisions with respect to a Reserve Account Insurance Policy and a Reserve Account Letter of Credit shall apply to a Series Reserve Account, unless otherwise provided in the corresponding Supplemental Indenture.

SECTION 5.06. Surplus Pledged Revenues Account. The Trustee is hereby authorized and directed to establish a “Citizens Property Insurance Corporation Coastal Account Surplus Pledged Revenues Account” (the “Surplus Pledged Revenues Account”). The Surplus Pledged Revenues Account shall constitute an irrevocable trust fund to be applied solely as set forth herein and shall be held by the Trustee separate and apart from all other Accounts and Subaccounts held under this Master Indenture and from all other moneys of the Trustee. Whenever for any reason on any payment date, (i) the amount in the Debt Service Account is insufficient to pay all amounts payable on Bonds on such payment date, or (ii) the amounts available under Section 5.03(c)(ii)(2) are insufficient to pay amounts due under a Bank Facility, the Trustee shall, without further instructions, transfer the amount of any such deficiency from the Surplus Pledged Revenues Account into the Debt Service Account to pay Bonds or apply such amounts to such payment required under Section 5.03(c)(ii)(2) for the payment of amounts due under Bank Facilities, and if amounts in the Surplus Pledged Revenues Account available for such purpose are insufficient to satisfy such deficiencies, such amounts shall be applied on a prorata basis to such deficiencies. Any deficiencies in the amounts available in the Debt Service Account shall be made up from amounts available in the Surplus Pledged Revenues Account

before any amounts are withdrawn from the Reserve Account (or Series Reserve Account) to cure any such deficiencies. After all deficiencies in the Debt Service Account and under Section 5.03(c)(ii)(2) are cured, amounts in the Surplus Pledged Revenues Account shall be applied to cure any deficiency in the Reserve Account (or Series Reserve Account).

If all Accounts and Subaccounts hereunder are fully funded or are otherwise sufficiently funded to satisfy all Annual Payment Requirements payable therefrom or otherwise payable through the end of the then current Fiscal Year and all Draws from the Proceeds Account are fully reimbursed, at the written direction of Citizens signed by an Authorized Citizens Representative, the Trustee shall transfer amounts on deposit in the Surplus Pledged Revenues Account to Citizens or otherwise apply amounts on deposit in the Surplus Pledged Revenues Account as directed by Citizens, including to the payment of Subordinated Indebtedness (to the extent not otherwise paid from other sources); provided that Citizens shall certify to the Trustee that on the date of any such transfer Citizens would satisfy the requirements of Section 5.01(c) for the withdrawal of \$1 from the Proceeds Account. On the last Business Day of each Fiscal Year, any amounts remaining on deposit in the Surplus Pledged Revenues Account shall be released to Citizens free and clear of the lien of this Master Indenture, but only if no Event of Default has occurred and is continuing and only to the extent that there does not then exist a deficiency in any Account or Subaccount hereunder or insufficiency in amounts available to pay all amounts due under any Bank Facility or a Related Hedge Agreement not payable from a specific Account or Subaccount; if such a deficiency does exist, amounts in the Surplus Pledged Revenues Account shall first be applied to cure such deficiency and, so long as no Event of Default has occurred and is continuing, the remaining balance, if any, shall be transferred to Citizens.

**SECTION 5.07.**      Procedure When Funds Are Sufficient to Pay All Senior Secured Obligations. If at any time the moneys held by the Trustee in the Accounts and Subaccounts under this Master Indenture and any Supplemental Indenture, Bank Credit Agreement and Related Hedge Agreement and available therefor are sufficient to pay the principal of redemption premium, if any, and interest and all other payments on all Senior Secured Obligations Outstanding to maturity or prior redemption, together with any amounts due the Trustee, Paying Agent, Registrar and any Credit Enhancement Facility Issuer, the Trustee, at the written direction of Citizens signed by an Authorized Citizens Representative (which shall be delivered in the discretion of Citizens), shall apply the amounts in the Accounts and Subaccounts to the payment of the aforesaid obligations and shall not be required to apply any further Pledged Revenues unless and until it shall appear that there is a deficiency in the Accounts and Subaccounts held by the Trustee.

**SECTION 5.08.**      Depositaries of Moneys; Security for Deposits; and Investment of Funds. (a) All moneys received by the Trustee under the provisions of this Master Indenture shall be held in trust, in accordance herewith, shall be applied only in accordance with the provisions of this Master Indenture and shall not be subject to lien or attachment by any creditor of Citizens.

Except as otherwise provided below, all moneys held by the Trustee in excess of the amount guaranteed by the Federal Deposit Insurance Corporation or other federal agency shall be continuously secured for the benefit of the Holders and the other Persons entitled thereto, either (i) by lodging with a bank or trust company approved by Citizens as custodian, or, if then permitted by law, by setting aside under control of the trust department of the bank holding such deposit as collateral security, Government Obligations, or, with the approval of Citizens, other marketable securities eligible as security for the deposit of trust funds under applicable regulations of the Comptroller of the Currency of the United States or applicable State of Florida laws or regulations, or, if the furnishing of security as provided in (i) of this Section is not permitted by applicable law, (ii) in such other manner as may then be required or permitted by applicable State or federal laws or regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds; provided, however, that it shall not be necessary for the Trustee to give security for the deposits of any moneys with it which are invested in Permitted Investments.

All moneys held by the Trustee shall be credited to the particular Account or Subaccount to which such moneys belong.

The Trustee is hereby authorized, with the written consent or at the written direction of Citizens, to enter into one or more custodial arrangements with banks or other financial institutions in order to facilitate the management of the investment of funds on deposit with the Trustee under this Master Indenture. To the extent that the Trustee enters into any such arrangements, any funds so deposited shall at all times be considered to remain pledged hereunder and held by the Trustee notwithstanding any such custodial arrangements. The Trustee shall not be liable or responsible for the actions or inactions taken by any custodian pursuant to any such arrangements directed by Citizens.

Notwithstanding anything herein to the contrary requiring any Accounts and Subaccounts to be held separately, the amounts on deposit in any Account, Subaccount or sub-subaccount may be commingled with other moneys hereunder or otherwise by the Trustee to facilitate and provide for efficient investment management thereof.

(b) Moneys held for the credit of the Accounts and Subaccounts established under this Master Indenture shall be invested and reinvested only in Permitted Investments. Except with respect to Permitted Investments held to the credit of the Proceeds Account, all Permitted Investments must either (i) mature not later than the respective dates when they will be required for the purposes of the Accounts and Subaccounts to which they are allocated or (ii) be subject to a forward sale agreement or other similar arrangement (with a counterparty rated in one of the three (3) highest rating categories (without regard to any gradations within such categories) by any two Rating Agencies) pursuant to which the moneys invested will be available not later than the respective dates when they will be required for the purposes of the Accounts and Subaccounts to which they are allocated.

Permitted Investments purchased as an investment of moneys in any Account or Subaccount shall be deemed at all times to be part of such Account or Subaccount. Subject to

the provisions of paragraph (c) below, the interest accruing thereon and any profit realized from such investment shall be credited to such Account or Subaccount. Any loss resulting from such investments shall be charged to such Account or Subaccount.

The Trustee shall sell or cause to be sold or presented for payment or redemption any Permitted Investments acquired under this Master Indenture whenever it shall be necessary in order to provide moneys to meet any payment from an Account or Subaccount.

(c) Investment earnings attributable to amounts in the Reserve Account shall be applied as described in the first paragraph of Section 5.05. The foregoing provisions shall be applicable to any investment earnings attributable to amounts in any Series Reserve Account unless otherwise provided in the applicable Supplemental Indenture.

Investment earnings in the Revenue Account shall be retained therein and applied in accordance with the provisions of Section 5.03 of this Master Indenture regarding application of moneys in the Revenue Account. Investment earnings in the Debt Service Account shall be retained therein and applied to the payment of principal of and interest on the Bonds. Investment earnings in the Surplus Pledged Revenues Account shall be transferred to and deposited in the Revenue Account.

Investment earnings on amounts held in the Proceeds Account (other than investment income allocable to Pre-Event Bonds) shall be retained therein to make Draws, except that investment earnings in the Proceeds Account (other than on deposit in the Pre-Event Bonds Investment Income Account) shall be transferred to and deposited in the Debt Service Account prior to any withdrawal from the Reserve Account, if there is then existing any deficiency in the amounts available in the Debt Service Account to pay principal of or interest on the Bonds. Any investment income allocable to the proceeds of any Pre-Event Bonds held in the Proceeds Account shall be deposited to the credit of the Pre-Event Bonds Investment Income Subaccount in the Proceeds Account.

(d) The Permitted Investments in each of the Accounts and Subaccounts established under this Master Indenture shall be valued at the market value thereof as of the last Business Day of each Fiscal Year.

(e) The Trustee shall be entitled to rely conclusively on the investment instructions provided by Citizens as provided herein (or an authorized agent of Citizens pursuant to an investment management services agreement) and shall not be responsible or liable for the performance of any such investments or, in the absence of written instructions from Citizens, for keeping the moneys held under this Master Indenture fully invested at all times.

If at any time it shall become necessary that some or all of the investments purchased with the moneys in any Account or Subaccount established hereunder be redeemed or sold in order to comply with the provisions of this Master Indenture, the Trustee shall effect such redemption or sale employing, in the case of sale, any commercially reasonable method of effecting the same, in its sole discretion; provided, however, that in the absence of an Event of

Default hereunder or a declaration of acceleration pursuant to Section 7.03 hereof, in no event may the Trustee sell any security prior to its maturity or at a loss without the prior written consent of Citizens. The Trustee shall not be liable or responsible for any loss resulting from any such investment or resulting from the redemption or sale of any such investment as herein authorized.

The Trustee may rely conclusively upon the instructions of Citizens as to the dates when moneys are needed for payments to be made from the Proceeds Account, and shall not be liable or responsible for determining such dates in the absence of such instruction.

SECTION 5.09. Deposit of Moneys Transferred from Original Indenture. (a) Any moneys transferred to the Trustee on date of execution and delivery of this Master Trust Indenture pursuant to Section 406 of the Tenth Supplemental Indenture shall be deposited by the Trustee in the Funds, Accounts, Subaccounts and Sub-subaccounts established hereunder, as follows: (i) amounts transferred from the Series 2015A Bonds Proceeds Subaccount shall be deposited into a Subaccount of the same name hereby established in the Proceeds Account; (ii) amounts transferred from the Series 2015A Bonds Interest Sub-subaccount shall be deposited into a Sub-subaccount of the same name hereby established within the Interest Subaccount in the Debt Service Account; (iii) amounts transferred from the Series 2015A Bonds Principal Sub-subaccount shall be deposited into a Sub-subaccount of the same name hereby established within the Principal Subaccount in the Debt Service Account; and (iv) any amounts transferred from one or more other funds, accounts, subaccounts or sub-subaccounts established under the Original Indenture shall be deposited into the corresponding Fund, Account, Subaccount or Sub-subaccount established under this Master Indenture as more specifically set forth in a certificate signed by an Authorized Citizens Representative and delivered to the Trustee on or before the Conversion Date.

(b) Any moneys transferred to the Trustee on the date of execution and delivery of this Master Trust Indenture pursuant to the provisions of another indenture supplemental to the Original Indenture pursuant to which Convertible Outstanding Parity Bonds with a maturity date after the Conversion Date remain outstanding shall be deposited by the Trustee into the corresponding Fund, Account, Subaccount or Sub-subaccount established under this Master Trust Indenture as more specifically set forth in a certificate signed by an Authorized Citizens Representative and delivered to the Trustee on or before the Conversion Date.

(c) All amounts transferred from a Fund, Account, Subaccount or Sub-subaccount established under the Original Indenture to the corresponding Fund, Account, Subaccount or Sub-subaccount established under this Master Trust Indenture shall be applied to the use and purpose of such Fund, Account, Subaccount or Sub-subaccount hereunder, but only for the benefit of the corresponding Series of Convertible Outstanding Parity Bonds for which the Fund, Account, Subaccount or Sub-subaccount had been established under the Original Indenture.

(End of Article V)

## ARTICLE VI

### THE TRUSTEE, REGISTRAR, PAYING AGENTS AND AUTHENTICATING AGENTS

SECTION 6.01. Trustee's Acceptance and Responsibilities. The Trustee accepts the trusts imposed upon it by this Master Indenture, and agrees to observe and perform those trusts, but only upon and subject to the terms and conditions set forth in this Article, to all of which the parties hereto and the Holders of Senior Secured Obligations agree.

(a) Prior to the occurrence of a default or an Event of Default (as defined in Section 7.01 hereof) of which the Trustee has been notified, as provided in paragraph (f) of Section 6.02 hereof, or of which by that paragraph the Trustee is deemed to have notice, and after the cure or waiver of all defaults or Events of Default which may have occurred,

(i) the Trustee undertakes to perform only those duties and obligations which are set forth specifically in this Master Indenture, and no duties or obligations shall be implied to the Trustee; provided that, subject to Sections 6.01(a)(ii), 6.01(c), 6.02 and other provisions of this Master Indenture expressly providing a standard of action, the Trustee shall use the same degree of care and skill in the exercise of such duties and obligations as a prudent man would exercise or use under the circumstances in the conduct of his own affairs;

(ii) in the absence of willful misconduct on its part, the Trustee may rely conclusively, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Master Indenture; but in the case of any such certificates or opinions which by any provision hereof are required specifically to be furnished to the Trustee, subject to the provisions of Section 6.02(1) hereof, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Master Indenture.

(b) In case a default or an Event of Default has occurred and is continuing hereunder (of which the Trustee has been notified, or is deemed to have notice as provided in paragraph (f) of Section 6.02 hereof), subject to Section 6.02(j) hereof, the Trustee shall exercise those rights and powers vested in it by this Master Indenture and shall use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(c) No provision of this Master Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

(i) this Subsection shall not be construed to affect the limitation of the Trustee's duties and obligations provided in subparagraph (a)(i) of this Section or the Trustee's right to rely on the truth of statements and the correctness of opinions as provided in subparagraph (a)(ii) of this Section;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by any one of its officers, employees or agents unless it shall be established that the Trustee was negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority in principal amount of the Senior Secured Obligations then outstanding relating to 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, under this Master Indenture or with respect to any action reasonably taken or omitted to be taken by it in good faith and reasonably believed by it to be within the discretion or power conferred upon it in this Master Indenture; and

(iv) no provision of this Master Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Whether or not therein expressly so provided, every provision of this Master Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section 6.01.

SECTION 6.02. Certain Rights and Obligations of the Trustee. Except as otherwise provided in Section 6.01 hereof:

(a) The Trustee (i) may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees (but shall be answerable therefor only in accordance with the standard specified above), (ii) shall be entitled to the advice of counsel concerning all matters of trusts hereof and duties hereunder, and (iii) may pay reasonable compensation in all cases to all of those attorneys, agents, receivers and employees reasonably employed by it in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for Citizens) approved by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action taken or omitted to be taken in good faith in reliance upon that opinion or advice.

(b) Except for its certificate of authentication on the Bonds (or other Senior Secured Obligations, if applicable), the Trustee shall not be responsible for:

(i) any recital in this Master Indenture, in the Bonds or in other Senior Secured Obligations,

(ii) the validity, priority, recording, re-recording, filing or re-filing of this Master Indenture or any Supplemental Indenture,

(iii) any instrument or document of further assurance or collateral assignment,



- (iv) any financing statements, amendments thereto or continuation statements,
  - (v) the validity of the execution by Citizens of this Master Indenture, any Supplemental Indenture, Bank Credit Agreement or Related Hedge Agreement or instruments or documents of further assurance, or
  - (vi) the sufficiency of the Pledged Revenues to pay Annual Payment Requirements for the Senior Secured Obligations issued, incurred or designated hereunder or any other obligations intended to be secured hereby or payable therefrom.
- (c) The Trustee shall not be accountable for the application by Citizens of the proceeds of any Senior Secured Obligations delivered or designated hereunder.
- (d) The Trustee shall be protected, in the absence of willful misconduct on its part, in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document reasonably believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons. Any action taken by the Trustee pursuant to this Master Indenture upon the request or authority or consent of any Person who is the Holder of any Senior Secured Obligations at the time of making the request or giving the authority or consent, shall be conclusive and binding upon all future Holders of the same Senior Secured Obligation and of Senior Secured Obligations issued in exchange therefor or in place thereof.
- (e) As to the existence or nonexistence of any fact for which Citizens may be responsible or as to the sufficiency or validity of any instrument, document, report, paper or proceeding, the Trustee, in the absence of bad faith on its part, shall be entitled to rely upon a certificate signed on behalf of Citizens by an Authorized Citizens Representative as sufficient evidence of the facts recited therein. Prior to the occurrence of a default or Event of Default hereunder of which the Trustee has been notified, as provided in paragraph (f) of this Section, or of which by that paragraph the Trustee is deemed to have notice, the Trustee may accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient; provided, that the Trustee in its discretion may require and obtain any further evidence which it deems to be necessary or advisable; and, provided further, that the Trustee shall not be bound to secure any further evidence.
- (f) The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any default or Event of Default hereunder, except Events of Default described in paragraphs (a) and (b) of Section 7.01 hereof and the failure of Citizens to comply with any of the deposit requirements of this Master Indenture within the time period prescribed for the making of such deposits, unless the Trustee shall be notified specifically of the default or Event of Default in a written instrument or document delivered to it by Citizens (signed by an Authorized Citizens Representative) or by the Holders of at least ten percent (10%) of the aggregate principal amount of Senior Secured Obligations then Outstanding or by any court having jurisdiction of a case or proceeding described in paragraph (f) or (g) of Section 7.01 hereof. In the absence of delivery of a notice satisfying those requirements, the Trustee may assume conclusively that there is no default or Event of Default, except as noted above.

(g) At any reasonable time, the Trustee and its duly authorized agents, attorneys, experts, accountants and representatives (i) may inspect and copy all or any portion of the books, papers and records of Citizens pertaining to the Pledged Revenues and the Bonds, and (ii) may make any memoranda from and in regard thereto as the Trustee may desire.

(h) The Trustee shall not be required to give any bond or surety with respect to the execution of these trusts and powers or otherwise in respect of the premises.

(i) Notwithstanding anything contained elsewhere in this Master Indenture, the Trustee may demand any showings, certificates, reports, opinions, appraisals and other information, and any corporate action and evidence thereof, in addition to that required by the terms hereof, as a condition to the authentication of any Bonds or other Senior Secured Obligations, if applicable, or the taking of any action whatsoever within the purview of this Master Indenture, if the Trustee deems it to be desirable for the purpose of establishing the right of Citizens to the authentication of any Bonds or other Senior Secured Obligations, if applicable, or the right of any Person to the taking of any other action by the Trustee; provided, that the Trustee shall not be required to make that demand.

(j) Before taking action hereunder pursuant to Section 6.04 or Article VII hereof (with the exception of any action required to be taken under Section 7.02 hereof), the Trustee may require that satisfactory indemnity be furnished to it for the reimbursement of all expenses which it may incur and to protect it against all liability by reason of any action so taken, except liability which is adjudicated to have resulted from its negligence or willful misconduct. Citizens agrees to indemnify and hold the Trustee harmless (but only from and to the extent of the revenues and assets in or allocated to the Coastal Account) against any liabilities which the Trustee may incur in the exercise and performance of its duties hereunder, or under any other instrument or document which requires the observance or performance of duties and obligations by the Trustee as trustee hereunder, except for any liability which is adjudicated to have resulted from its negligence or willful misconduct. The provisions of this paragraph shall survive termination of this Master Indenture and shall also survive the resignation or removal of the Trustee.

(k) Unless otherwise provided herein, all moneys received by the Trustee under this Master Indenture shall be held in trust until those moneys are used, applied or invested as provided herein; provided, that those moneys need not be segregated from other moneys, except to the extent required by this Master Indenture or by law.

(l) Any action by the Board, and any opinions, certificates and other instruments and documents for which provision is made in this Master Indenture, may be accepted by the Trustee, in the absence of willful misconduct on its part, as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for its actions taken hereunder and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such opinion, certificate or other instrument or document.

(m) The permissive right of the Trustee to do things enumerated in this Master Indenture shall not be construed as duties until specifically undertaken by the Trustee.

SECTION 6.03. Fees, Charges and Expenses of Trustee, Registrar, Paying Agents and Authenticating Agents. The Trustee, the Registrar and any Paying Agents or Authenticating Agents shall be entitled to payment of reasonable fees for their Ordinary Services rendered hereunder and for all advances, counsel fees and expenses and other Ordinary Expenses reasonably and necessarily paid or incurred by them in connection with the provision of Ordinary Services; and Citizens hereby covenants and agrees to pay the same. For purposes hereof, fees for Ordinary Services and costs of Ordinary Expenses provided for by their respective standard fee schedule which is submitted to and approved by Citizens shall be considered reasonable. In the event that it should become necessary for any of them to perform Extraordinary Services, they shall be entitled to reasonable compensation therefor, and to reimbursement for reasonable and necessary Extraordinary Expenses incurred in connection therewith. Without creating a default or an Event of Default hereunder, however, Citizens may contest in good faith the necessity for any Extraordinary Service and Extraordinary Expense and the reasonableness of any fee, charge or expense therefor. Under no circumstances, however, shall the Trustee charge any fee (except for accrued and unpaid fees and expenses described above) in connection with its removal or resignation under this Master Indenture.

The Trustee, the Registrar and any Paying Agents or Authenticating Agents shall not be entitled to compensation or reimbursement for Extraordinary Services or Extraordinary Expenses occasioned by their neglect or willful misconduct. The reasonable fees for their respective Ordinary Services and Ordinary Expenses of the foregoing shall be entitled to payment and reimbursement only from (i) the Costs of Issuance Subaccount or (ii) from other moneys made available by Citizens therefor and Citizens hereby covenants and agrees to pay the same, but only from moneys within or allocable to the Coastal Account. Any amounts payable to the Trustee, the Registrar and any Paying Agent or Authenticating Agent pursuant to this Section 6.03 shall be payable upon demand. The initial or acceptance fees of the Trustee and the fees, charges and expenses of the Trustee, the Registrar or any Paying Agents and Authenticating Agents upon initial issuance of any Series of Bonds, may be paid by the Trustee from the Costs of Issuance Subaccount in the Proceeds Account. If the Trustee incurs expenses or renders services after an Event of Default, the expenses and compensation for the services will be intended to constitute expenses of administration under any applicable bankruptcy law or other similar law.

SECTION 6.04. Intervention by Trustee. The Trustee may intervene on behalf of the Holders, and shall intervene if requested to do so in writing by the Holders of not less than a majority of the aggregate principal amount of Senior Secured Obligations then outstanding, in any judicial proceeding to which Citizens is a party. The rights and obligations of the Trustee under this Section are subject to the approval of that intervention by a court of competent jurisdiction. The Trustee may require that a satisfactory indemnity bond be provided to it in accordance with Sections 6.01 and 6.02 hereof before it takes action hereunder.

SECTION 6.05. Succession to Trustee. Anything herein to the contrary notwithstanding,

(a) any corporation or association (i) into which the Trustee may be converted or merged, (ii) with which the Trustee or any successor to it may be consolidated, or (iii) to which it may sell or transfer its assets or its corporate trust business and assets as a whole, or substantially

as a whole, or any corporation or association resulting from any such conversion, merger, consolidation, sale or transfer, ipso facto, shall be and become successor Trustee hereunder and shall be vested with all of the title to the whole property or trust estate hereunder unless Citizens objects to the successor, in which case, the Trustee shall resign upon the request of Citizens and the appointment of a Successor Trustee; and

(b) that corporation or association shall be vested further, as was its predecessor, with each and every trust, property, remedy, power, right, duty, obligation, discretion, privilege, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Master Indenture to be exercised by, vested in or conveyed to the Trustee, without the execution or filing of any instrument or document or any further act on the part of any of the parties hereto.

Any successor Trustee, however, (i) shall be a trust company or a bank having the powers of a trust company, (ii) shall be in good standing within the State, (iii) shall be duly authorized to exercise trust powers within the State, and (iv) shall have a reported capital and surplus of not less than \$100,000,000.

SECTION 6.06. Appointment of Co-Trustee. It is the purpose of this Master Indenture that there shall be no violation of any law of any jurisdiction (including, without limitation, the laws of the State) denying or restricting the right of banks or trust companies to transact business as trustees in that jurisdiction. It is recognized that (a) if there is litigation under this Master Indenture or other instruments or documents relating to the Senior Secured Obligations and, in particular, in case of the enforcement hereof or thereof upon a default or an Event of Default or (b) if the Trustee should deem that, by reason of any present or future law of any jurisdiction, it may not (i) exercise any of the powers, rights or remedies granted herein to the Trustee, or (ii) take any action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an individual or additional institution as a co-Trustee. The following provisions of this Section are adapted to these ends.

In the event that the Trustee appoints an individual or additional institution as a co-Trustee, each and every trust, property, remedy, power, right, duty, obligation, discretion, privilege, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Master Indenture to be exercised by, vested in or conveyed to the Trustee shall be exercisable by, vest in and be conveyed to that co-Trustee, but only to the extent necessary for it to be so vested and conveyed and to enable that co-Trustee to exercise it. Every covenant, agreement and obligation necessary to the exercise thereof by that co-Trustee shall run to and be enforceable by it.

Should any instrument or document in writing from Citizens reasonably be required by the co-Trustee so appointed by the Trustee for vesting and conveying more fully and certainly in and to that co-Trustee those trusts, properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, estates, titles, interests and liens, that instrument or document shall be executed, acknowledged and delivered, but not prepared, by Citizens. In case any co-Trustee or a successor to it shall die, become incapable of acting, resign or be removed, all of the trusts, properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, estates, titles,

interests and liens of the co-Trustee shall be exercised by, vest in and be conveyed to the Trustee, to the extent permitted by law, until the appointment of a successor to the co-Trustee.

SECTION 6.07. Resignation by the Trustee. The Trustee may resign at any time from the trusts created hereby by giving written notice of the resignation to Citizens, the Registrar, any Paying Agents and Authenticating Agents for the Senior Secured Obligations then Outstanding and by mailing written notice of the resignation to the Holders as their names and addresses appear on the Register at the close of business fifteen (15) days prior to the mailing. The resignation shall take effect upon the appointment of a successor Trustee.

SECTION 6.08. Removal of the Trustee. The Trustee may be removed at any time, with or without cause, by an instrument or document or concurrent instruments or documents in writing delivered to the Trustee, with copies thereof mailed to Citizens, the Registrar, any Paying Agents and Authenticating Agents, (i) signed by or on behalf of the Holders of not less than a majority in aggregate principal amount of the Senior Secured Obligations then Outstanding or (ii) so long as no Event of Default has occurred and is continuing, signed by an Authorized Citizens Representative pursuant to a resolution of the Board, in each case, not less than thirty (30) days prior to the effective date of such removal.

The Trustee also may 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 provision of this Master Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of Citizens or the Holders of not less than a majority in aggregate principal amount of the Senior Secured Obligations then Outstanding under this Master Indenture.

No removal of the Trustee shall take effect until the appointment of a successor Trustee and the payment to the Trustee of all fees and expenses then due and payable.

SECTION 6.09. Appointment of Successor Trustee. If (i) the Trustee shall resign, shall be removed, shall be dissolved, or shall become otherwise incapable of acting hereunder, (ii) the Trustee shall be taken under the control of any public officer or officers, or (iii) a receiver shall be appointed for the Trustee by a court, then a successor Trustee shall be appointed by Citizens (through a written instrument signed by an Authorized Citizens Representative); provided, that if a successor Trustee is not so appointed within ten (10) days after (a) a notice of resignation or an instrument or document of removal is received by Citizens, as provided in Sections 6.07 and 6.08 hereof, respectively, or (b) the Trustee is dissolved, taken under control, becomes otherwise incapable of acting or a receiver is appointed, in each case, as provided above, then, so long as Citizens shall not have appointed a successor Trustee, the Holders of a majority in aggregate principal amount of Senior Secured Obligations then outstanding may designate a successor Trustee by an instrument or document or concurrent instruments or documents in writing signed by or on behalf of those Holders. If within thirty (30) days after an event described in clauses (a) or (b) hereof no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section, the Holder of any Senior Secured Obligation Outstanding hereunder or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Every successor Trustee appointed pursuant to this Section (i) shall be a trust company or a bank having the powers of a trust company organized and doing business under the laws of the United States of America, or any state thereof or the District of Columbia, (ii) shall be in good standing within the State, (iii) shall be duly authorized to exercise trust powers within the State, (iv) shall have a reported capital and surplus of not less than \$50,000,000, as set forth in its most recent report of condition so published and shall be subject to supervision by federal or State authority (v) shall, or shall be a subsidiary of a bank holding company which shall be rated by Moody's or Standard and Poor's not lower than such rating category as is at the time the lowest investment grade long-term debt rating category, (vi) for so long as the Bonds are in the form of one or more Global Securities, shall have the necessary and requisite contractual or other arrangements with the Depositary in connection with a Global Security, and (vii) shall be willing to accept the trusteeship under the terms and conditions of this Master Indenture.

Every successor Trustee appointed hereunder shall execute and acknowledge, and shall deliver to its predecessor and Citizens, an instrument or document in writing accepting the appointment. Thereupon, without any further act, the successor shall become vested with all of the trusts, properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, estates, titles, interests and liens of its predecessor, and shall, within ten (10) days thereafter mail written notice of that acceptance to the Holders as their names and addresses appear on the Register at the close of business on the date of acceptance. Upon the written request of its successor or Citizens, the predecessor Trustee (i) shall execute and deliver an instrument or document transferring to its successor all of the trusts, properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, estates, titles, interests and liens of the predecessor Trustee hereunder, and (ii) shall take any other action necessary to duly assign, transfer and deliver to its successor all property (including without limitation, all securities and moneys) held by it as Trustee. Should any instrument or document in writing from Citizens be requested by any successor Trustee for vesting and conveying more fully and certainly in and to that successor the trusts, properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, estates, titles, interests and liens vested or conveyed or intended to be vested or conveyed hereby in or to the predecessor Trustee, Citizens shall execute, acknowledge and deliver that instrument or document.

In the event of a change in the Trustee, the predecessor Trustee shall cease to be custodian of any moneys which it may hold pursuant to this Master Indenture and shall cease to be Registrar, Authenticating Agent and Paying Agent for any of the Bonds, and, if applicable, other Senior Secured Obligations, to the extent it served in any of those capacities. The successor Trustee shall become custodian and, if applicable, Registrar, Authenticating Agent and Paying Agent.

**SECTION 6.10. Adoption of Authentication.** In case any of the Bonds or Bank Facilities shall have been authenticated, but shall not have been delivered, any successor Trustee, Registrar or Authenticating Agent may adopt the certificate of authentication of any predecessor Trustee, Registrar or Authenticating Agent and may deliver those Bonds or Senior Secured Obligation so authenticated as provided herein. In case any Bonds or other Senior Secured Obligation shall not have been authenticated, any successor Trustee, Registrar or Authenticating Agent may authenticate those Bonds or other Senior Secured Obligation either in the name of

any predecessor or in its own name. In all cases, the certificate of authentication shall have the same force and effect as provided in the Bonds or other Senior Secured Obligation or in this Master Indenture with respect to the certificate of authentication of the predecessor Trustee, Registrar or Authenticating Agent.

SECTION 6.11.      Registrars.

(a) Anything herein to the contrary notwithstanding, any corporation or association (i) into which a Registrar may be converted or merged, (ii) with which a Registrar or any successor to it may be consolidated, or (iii) to which it may sell or transfer its assets or its corporate trust business as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, merger, consolidation, sale or transfer, ipso facto, shall be and become successor Registrar to that Registrar hereunder and shall be vested with each and every power, right, duty, obligation, discretion and privilege expressed or intended by this Master Indenture to be exercised by or vested in the predecessor Registrar, without the execution or filing of any instrument or document or any further act on the part of any of the parties hereto.

(b) A Registrar may resign at any time by giving written notice of its resignation to Citizens, the Trustee, and to each Paying Agent and Authenticating Agent for those Senior Secured Obligations for which the Registrar was serving in such capacity, at least sixty (60) days before the resignation is to take effect. The resignation shall take effect immediately, however, upon the appointment of a successor Registrar, if the successor Registrar is appointed and accepts that appointment before the time stated in the notice.

(c) The Registrar may be removed at any time by an instrument or document or concurrent instruments or documents in writing delivered to the Registrar, with copies thereof mailed to Citizens and the Trustee, and signed by or on behalf of the Holders of not less than a majority in aggregate principal amount of the Senior Secured Obligations, for whom such Registrar was appointed then outstanding.

(d) If (i) a Registrar shall resign, shall be removed, shall be dissolved, or shall become otherwise completely incapable of acting hereunder, (ii) a Registrar shall be taken under the control of any public officer or officers, (iii) a receiver shall be appointed for a Registrar by a court, or (iv) a Registrar shall have an order for relief entered in any case commenced by or against it under the federal bankruptcy laws or commence a proceeding under any federal or state bankruptcy, insolvency, reorganization or similar law, or have such a proceeding commenced against it and either have an order of insolvency or reorganization entered against it or have the proceeding remain undismissed and unstayed for ninety (90) days, then a successor Registrar shall be appointed by an Authorized Citizens Representative with the written consent of the Trustee; provided, that if a successor Registrar is not so appointed within ten (10) days after (a) a notice of resignation or an instrument or document of removal is received by Citizens, as provided above, or (b) the Registrar is dissolved, taken under control, becomes otherwise incapable of acting or a receiver is appointed or an order for relief is entered under any bankruptcy, insolvency, reorganization or similar law, in each case, as provided above, then, if an Authorized Citizens Representative shall not have appointed a successor Registrar, the Trustee or the Holders of a majority in aggregate principal amount of Senior Secured Obligations then outstanding may designate a successor Registrar by an instrument or document or

concurrent instruments or documents in writing signed by the Trustee, or in the case of the Holders, by or on behalf of those Holders.

Every successor Registrar appointed hereunder shall execute and acknowledge, and shall deliver to its predecessor, Citizens and the Trustee, an instrument or document in writing accepting the appointment. Thereupon, without any further act, the successor shall become vested with all of the properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, titles and interests of its predecessor and, within ten (10) days thereafter the Trustee shall mail written notice of that acceptance to the Holders of the Bonds of the applicable series, as their names and addresses appear on the Register at the close of business on the date of acceptance. Upon the written request of its successor or Citizens, a predecessor Registrar (i) shall execute and deliver an instrument or document transferring to its successor all of the properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, titles and interests of it as Registrar hereunder, and (ii) shall take any other action necessary to duly assign, transfer and deliver to its successor all property and records (including without limitation, the Register and any cancelled Senior Secured Obligations of the applicable series) held by it as Registrar. Should any instrument or document in writing from Citizens be requested by any successor Registrar for vesting and conveying more fully and certainly in and to that successor the properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, titles and interests vested or conveyed or intended to be vested or conveyed hereby in or to a predecessor Registrar, Citizens shall execute, acknowledge and deliver that instrument or document.

SECTION 6.12. Designation and Succession of Paying Agents. The Trustee shall be a Paying Agent for the Bonds, and, if applicable, for other Senior Secured Obligations. With the consent of an Authorized Citizens Representative, the Trustee may appoint a Paying Agent or Agents with power to act on its behalf and subject to its direction in the payment of Debt Service Charges on any Series of Bonds, and, if applicable, payments with respect to other Senior Secured Obligations. It is the responsibility of the Trustee to establish the duties and responsibilities of any Paying Agent for the purposes of this Master Indenture, to the extent not specified herein.

Any corporation or association with or into which any Paying Agent may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, consolidation or conversion to which any Paying Agent shall be a party, or any corporation or association succeeding to the corporate trust business of any Paying Agent, shall be the successor of that Paying Agent hereunder, if that successor corporation or association is otherwise eligible hereunder, without the execution or filing of any paper or any further act on the part of the parties hereto or the Paying Agent or that successor corporation or association.

Any Paying Agent may at any time resign by giving written notice of resignation to the Trustee, Citizens and the Registrar; provided, however that to the extent the Trustee is serving as the sole Paying Agent for a Series of Bonds or other Senior Secured Obligations, the Trustee may not resign as Paying Agent until such time as a successor Paying Agent has been appointed. The Trustee may at any time terminate the agency of any Paying Agent by giving written notice of termination to such Paying Agent, the Registrar and Citizens. Upon receiving such a notice of



resignation or upon such a termination, or in case at any time any Paying Agent shall cease to be eligible under this Section, the Trustee may appoint a successor Paying Agent. The Trustee shall give written notice of appointment of a successor Paying Agent to Citizens and the Registrar and shall mail, within ten (10) days after that appointment, notice thereof to all Holders as their names and addresses appear on the Register on the date of that appointment.

The Trustee shall pay to any Paying Agent from time to time reasonable compensation as authorized in Section 6.03 hereof for its services, and the Trustee shall be entitled to be reimbursed for such payments, subject to Section 6.03 hereof.

The provisions of Section 3.05 and Subsection 6.02(d) shall be applicable to any Paying Agent.

**SECTION 6.13. Designation and Succession of Authenticating Agents.** With the consent of an Authorized Citizens Representative, the Trustee may appoint an Authenticating Agent or Agents, in addition to the Registrar, with power to act on its behalf and subject to its direction in the authentication and delivery of Bonds in connection with transfers and exchanges under Section 3.06 hereof, and, if applicable, other Senior Secured Obligations. For all purposes of this Master Indenture, the authentication and delivery of Senior Secured Obligations by an Authenticating Agent pursuant to this Section shall be deemed to be authentication and delivery of those Senior Secured Obligations “by the Trustee.”

Any corporation or association with or into which any Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, consolidation or conversion to which any Authenticating Agent shall be a party, or any corporation or association succeeding to the corporate trust business of any Authenticating Agent, shall be the successor of that Authenticating Agent hereunder, if that successor corporation or association is otherwise eligible hereunder, without the execution or filing of any paper or any further act on the part of the parties hereto or the Authenticating Agent or such successor corporation.

Any Authenticating Agent may at any time resign by giving written notice of resignation to the Trustee, the Registrar and Citizens. The Trustee may at any time terminate the agency of any Authenticating Agent by giving written notice of termination to such Authenticating Agent, the Registrar and Citizens. Upon receiving such a notice of resignation or upon such a termination, or in case at any time any Authenticating Agent shall cease to be eligible under this Section, the Trustee may appoint a successor Authenticating Agent. The Trustee shall give written notice of appointment of a successor Authenticating Agent to Citizens and the Registrar and shall mail, within ten (10) days after that appointment, notice thereof to all Holders as their names and addresses appear on the Register on the date of that appointment.

The Trustee shall pay to any Authenticating Agent from time to time reasonable compensation for its services, and the Trustee shall be entitled to be reimbursed for such payments, subject to Section 6.03 hereof.

The provisions of Section 3.05 and Subsections 6.02(b), (c), (d), (h) and (i) shall be applicable to any Authenticating Agent.

SECTION 6.14. Dealing in Senior Secured Obligations. The Trustee, a Registrar, a Paying Agent and an Authenticating Agent, their affiliates, and any directors, officers, employees or agents thereof, in good faith, may become the owners of Senior Secured Obligations secured hereby with the same rights which it or they would have hereunder if the Trustee, the Registrar, Paying Agents or Authenticating Agents did not serve in those capacities.

SECTION 6.15. Representations, Agreements and Covenants of Trustee. The Trustee hereby represents that it is a \_\_\_\_\_ banking corporation, in good standing and duly authorized to exercise corporate trust powers in the State, and that it has an unimpaired reported capital and surplus of not less than \$100,000,000. The Trustee covenants that it will take such action, if any, as is necessary to remain in good standing and duly authorized to exercise corporate trust powers in the State, and that it will maintain an unimpaired reported capital and surplus of not less than \$100,000,000.

SECTION 6.16. Duties and Obligations of Trustee in other Instruments and Documents. The Trustee accepts and agrees to observe and perform the duties and obligations of the Trustee to which reference is made in any other instrument or document providing security for any of the Senior Secured Obligations. In observing and performing such duties and obligations the Trustee shall be subject to the privileges, immunities, limitations of duties and obligations and indemnification granted to the Trustee hereunder.

(End of Article VI)

## ARTICLE VII

### DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND HOLDERS

SECTION 7.01. Defaults; Events of Default. The occurrence of any of the following events is defined as and declared to be and to constitute an Event of Default with respect to Senior Secured Obligations:

(a) payment of the principal or the redemption premium, if any, of any of the Bonds or any Bank Facilities shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(b) payment of any installment of interest on any of the Bonds or any other Senior Secured Obligations or any other payment with respect to Senior Secured Obligations shall not be made when the same shall become due and payable (or within any applicable grace period); or

(c) an event of default shall have occurred under any Supplemental Indenture or the Trustee shall have received written notice from any Holder of Senior Secured Obligations other than Bonds of an event of default under any Bank Credit Agreement or Related Hedge Agreement; or

(d) Citizens shall default in the due and punctual performance of any of the covenants, obligations or agreements (other than those described in paragraph (a), (b) or (c) above) contained in the Senior Secured Obligations or in this Master Indenture on the part of Citizens to be performed and such default shall continue for sixty (60) days after written notice specifying such default and requiring the same to be remedied shall have been given to Citizens by the Trustee, which may give such notice in its discretion and shall give notice at the written request of the Holders of not less than a majority in aggregate principal amount of the Senior Secured Obligations then Outstanding; provided, however, that if the default specified in this paragraph (d) shall be of a type which can be remedied but not within sixty (60) days, it shall not constitute an Event of Default if Citizens shall begin to remedy such default within such sixty (60) period, Citizens diligently pursues such remedy to completion and the default is remedied within one hundred twenty (120) days or such longer period of time as the Trustee may consent to in writing if such delay does not impair the security provided hereunder for the Senior Secured Obligations or adversely affect the rights and remedies of the Trustee hereunder; or

(e) any representation, warranty, certification or statement made by Citizens in this Master Indenture or in any certificate, financial statement or other document delivered in writing pursuant to this Master Indenture shall prove to have been incorrect in any material respect when made and such incorrect representation, warranty, certification or statement materially adversely affects the Pledged Revenues or materially adversely affects the rights or remedies of the Trustee hereunder; or

(f) Citizens shall commence a voluntary case or other proceeding seeking liquidation, rehabilitation, conservatorship, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the

appointment of a trustee, receiver, liquidator, rehabilitator, conservator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any action to authorize any of the foregoing; or

(g) an involuntary case or other proceeding shall be commenced against Citizens seeking liquidation, rehabilitation, conservatorship, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, rehabilitator, conservator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of sixty (60) days; or an order for relief shall be entered against Citizens under the federal bankruptcy laws as now or hereafter in effect.

SECTION 7.02. Notice of Default. If an Event of Default shall occur, the Trustee shall give written notice of the Event of Default, by registered or certified mail, to Citizens, the Registrar, any Paying Agent and Authenticating Agent, within five (5) days after the Trustee has knowledge (or is deemed to have knowledge pursuant to Section 6.02 (f) hereof) of the Event of Default. If an Event of Default occurs of which the Trustee has notice pursuant to this Master Indenture, the Trustee shall give written notice thereof, within thirty (30) days after the Trustee's receipt of notice of its occurrence, to the Holders of all Senior Secured Obligations then Outstanding as shown by the Register at the close of business fifteen (15) days prior to the mailing of that notice.

SECTION 7.03. Acceleration. Upon the occurrence of an Event of Default described in paragraph (f) or (g) of Section 7.01 hereof, the Trustee shall declare all Senior Secured Obligations then Outstanding (if not then due and payable), and any interest accrued thereon, as applicable, to be due and payable immediately. Upon the occurrence of any other Event of Default described in Section 7.01 hereof (other than an Event of Default described in paragraph (f) or (g) of that Section 7.01), the Trustee may declare, and upon the written request of the Holders of not less than a majority in aggregate principal amount of Senior Secured Obligations then Outstanding the Trustee shall declare, by a notice in writing delivered to Citizens, all Senior Secured Obligations then Outstanding (if not then due and payable), including any interest accrued thereon, as applicable, to be due and payable immediately. Upon that declaration, with respect to Senior Secured Obligations in the nature of debt, the principal and interest shall become and be due and payable immediately and, with respect to Senior Secured Obligations that are not in the nature of debt, such acceleration shall be instituted as described in the corresponding Bank Credit Agreement or Related Hedge Agreement, as applicable. Interest on the Senior Secured Obligations that bear interest shall accrue to the date determined by the Trustee for the tender of payment to the Holders pursuant to that declaration; provided, that interest on any unpaid principal of Senior Secured Obligations Outstanding that bear interest shall continue to accrue from the date determined by the Trustee for the tender of payment to the Holders of such Senior Secured Obligations.

The provisions of the preceding paragraph are subject, however, to the condition that if, at any time after declaration of acceleration and prior to the entry of a judgment in a court for enforcement hereunder,

(a) all sums payable hereunder (except the principal of and interest on Senior Secured Obligations which have not reached their stated maturity or due dates but which are due and payable solely by reason of that declaration of acceleration), in respect of which the default shall have occurred, shall have been duly paid or provision shall have been duly made therefor by deposit with the Trustee or Paying Agents and the fees and expenses of the Trustee, the Registrar and the Paying Agents shall have been paid, and

(b) all existing Events of Default shall have been cured or waived,

the Holders of a majority in aggregate principal amount of the Senior Secured Obligations may waive the Event of Default and its consequences and may rescind and annul that declaration. No waiver or rescission and annulment shall extend to or affect any subsequent Event of Default or shall impair any rights consequent thereon.

SECTION 7.04. Other Remedies; Rights of Holders. With or without taking action under Section 7.03 hereof, upon the occurrence and continuance of an Event of Default, the Trustee may pursue any available remedy to enforce the payment of Debt Service Charges or the observance and performance of any other covenant, agreement or obligation under this Master Indenture. Without limiting the generality of the foregoing, upon the occurrence and continuance of an Event of Default, the Trustee, in its discretion may, and upon the written request of the Holders of not less than a majority in aggregate principal amount of the Outstanding Senior Secured Obligations shall, subject to the provisions of Section 6.02(j) hereof, in its own name:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Holders, including, without limitation, the right to require Citizens to carry out any agreements with, or for the benefit of, the Holders and to perform its duties under the Act and this Master Indenture;

(b) bring suit upon the Senior Secured Obligations;

(c) by action or suit in equity require Citizens to account as if it were the trustee of an express trust for the Holders;

(d) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Holders; and

(e) by other proceeding in law or equity, exercise all rights and remedies provided for by any other document or instrument securing the Senior Secured Obligations.

No remedy conferred upon or reserved to the Trustee (or to the Holders) by this Master Indenture is intended to be exclusive of any other remedy. Each remedy shall be cumulative and shall be in addition to every other remedy given hereunder or otherwise to the Trustee or to the Holders now or hereafter existing.

No delay in exercising or omission to exercise any remedy, right or power accruing upon any default or Event of Default shall impair that remedy, right or power or shall be construed to be a waiver of any default or Event of Default or acquiescence therein. Every remedy, right and power may be exercised from time to time and as often as may be deemed to be expedient.

No waiver of any default or Event of Default hereunder, whether by the Trustee or by the Holders, shall extend to or shall affect any subsequent default or Event of Default or shall impair any remedy, right or power consequent thereon.

In exercising any remedy, right or power hereunder, the Trustee shall take any action which would best serve the interests of the Holders in the judgment of the Trustee, applying the standards described in Sections 6.01 and 6.02 hereof.

SECTION 7.05. Right of Holders to Direct Proceedings. Anything to the contrary in this Master Indenture notwithstanding, the Holders of a majority in aggregate principal amount of Senior Secured Obligations then Outstanding shall have the right at any time to direct, by an instrument or document or instruments or documents in writing executed and delivered to the Trustee, the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Master Indenture or any other proceedings hereunder; provided, that (i) any direction shall not be other than in accordance with the provisions of law and of this Master Indenture, (ii) the Trustee shall be indemnified as provided in Sections 6.01 and 6.02, and (iii) the Trustee may take any other action which it deems to be proper and which is not inconsistent with the direction.

SECTION 7.06. Application of Moneys in Event of Default. Except as provided in the last paragraph of this Section 7.06, during the continuance of any Event of Default hereunder, any moneys received by the Trustee hereunder with respect to the Senior Secured Obligations shall be applied:

(a) to the payment of the unpaid fees and expenses of the Trustee, including, without limitation, the reasonable fees and expenses of counsel to the Trustee (except from moneys paid under a Credit Enhancement Facility) incurred in connection with actions taken under this Article VII with respect to the Senior Secured Obligations, including any disbursements of the Trustee.

(b) unless payment of Senior Secured Obligations shall have been accelerated and become due and payable:

FIRST: to payment of all installments of interest (or other regularly scheduled payments, as applicable) then due on the Senior Secured Obligations in the order of maturity of such installments of interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any preference or priority of one installment of interest or other payment over any other installment, except as to any difference in the respective rates of interest (or Reference Rate, as applicable) specified in the Senior Secured Obligations; and

SECOND: to payment to the persons entitled thereto of the unpaid principal or redemption price of any of the Senior Secured Obligations which shall have become due in the order of their due dates, with interest on such Senior Secured Obligations from the respective dates upon which they become due and, if the amount available shall not be sufficient to pay in full the principal or redemption price coming due on such Senior Secured Obligations on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any preference or priority of one such Senior Secured Obligation over another or of any installment of interest over another, except as to any difference in the respective rates of interest specified in the Senior Secured Obligations.

THIRD: to the payment to the persons entitled thereto of all other amounts due, the payment of which is secured under this Master Indenture or any Supplemental Indenture, or is due and payable under any Bank Credit Agreement or any Related Hedge Agreement, ratably if available amounts are insufficient therefor.

(c) If the principal of all Senior Secured Obligations shall have become due and payable, to the payment of principal or redemption price (as the case may be) and interest then owing on the Senior Secured Obligations and in case such moneys shall be insufficient to pay the same in full, then to the payment of principal or redemption price and interest ratably, without preference or priority of one Senior Secured Obligation (including the principal and redemption price thereof) over another or of any installment of interest over any other installment of interest. After the payment of all of the principal of and interest on the Senior Secured Obligations shall have been made, except as provided for in clause (a) above, any moneys remaining shall be applied to the payment of any other costs or payments due with respect to the Bonds or other Senior Secured Obligations to the extent not paid under (b) above. Regular scheduled payments under a Related Hedge Agreement shall be treated the same as interest for purposes of this Section.

Any moneys remaining after the payment of all fees, costs and expenses of the Trustee and all payments due with respect to Senior Secured Obligations may then be applied to the payment of Subordinated Indebtedness, including, without limitation, termination payments and of non-scheduled payments under Related Hedge Agreements.

For purposes of the application of moneys described above, to the extent payments of principal of and interest on Senior Secured Obligations shall have been made under a Credit Enhancement Facility, the Credit Enhancement Facility Issuer shall be entitled to moneys in the Accounts held under this Master Indenture, Supplemental Indenture or Bank Credit Agreement to the extent that the Holders of the Senior Secured Obligations secured by such Credit Enhancement Facility would have been entitled to receive such moneys (assuming for purposes of this provision that the Credit Enhancement Facility is not in effect) in accordance with the agreement pursuant to which such Credit Enhancement Facility has been issued and the Senior Secured Obligations to which such Credit Enhancement Facility relates.

Whenever moneys are to be applied pursuant to the provisions of this Section, those moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of moneys available for application and the likelihood of

additional moneys becoming available for application in the future. Whenever the Trustee shall direct the application of those moneys, it shall fix the date upon which the application is to be made, and upon that date, interest shall cease to accrue on the amounts of principal, if any, to be paid on that date, provided the moneys are available therefor. The Trustee shall give notice to the Holders of the deposit with it of any moneys and of the fixing of that date, all consistent with the requirements of Section 3.05 hereof for the establishment of, and for giving notice with respect to, a Special Record Date for the payment of overdue interest. The Trustee shall not be required to make payment of principal of and any premium on a Senior Secured Obligation to the Holder thereof, until the Senior Secured Obligation shall be presented to the Trustee for appropriate endorsement or for cancellation if it is paid fully.

Notwithstanding the foregoing, any moneys on deposit in the Proceeds Account, the Reserve Account and any Series Reserve Account shall be applied solely to pay the payments due with respect to Bonds secured by such Accounts, and shall be applied prior to the use of any other available moneys therefor. Any funds on deposit in any Rebate Account shall be applied only for the payment of amounts due the United States government as provided in the applicable Supplemental Indenture. Any moneys remaining in such Accounts after the satisfaction of the respective payment obligations shall be applied as other moneys are applied pursuant to this Section 7.06. If the amounts on deposit in the Proceeds Account, the Reserve Account or any Series Reserve Account are insufficient to pay the payment obligations of Bonds secured by such Accounts (including any amounts due with respect to Credit Enhancement Facilities securing such Bonds), then any amounts remaining unpaid with respect to such Bonds shall be paid, prorata, with other Senior Secured Obligations pursuant to this Section 7.06.

SECTION 7.07. Remedies Vested in Trustee. All rights of action (including without limitation, the right to file proof of claims) under this Master Indenture or under any of the Senior Secured Obligations may be enforced by the Trustee without the possession of any of the Senior Secured Obligations or the production thereof in any trial or other proceeding relating thereto. Any suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining any Holders as plaintiffs or defendants. Any recovery of judgment shall be for the benefit of the Holders of the Outstanding Senior Secured Obligations, subject to the provisions of this Master Indenture.

SECTION 7.08. Trustee's Right to Receiver; Compliance with Act. The Trustee shall be entitled as of right to the appointment of a receiver and the Trustee, the Holders and any receiver so appointed shall have such rights and powers and be subject to such limitations and restrictions as are contained in the applicable laws of the State.

SECTION 7.09. Trustee and Holders Entitled to all Remedies under State Law. It is the purpose of this Article VII to provide such remedies to the Trustee and Holders as may be lawfully granted under the applicable laws of the State; if any remedy herein granted shall be held unlawful, the Trustee and the Holders shall nevertheless be entitled to every other remedy provided by the applicable laws of the State. It is further intended that, insofar as lawfully possible, the provisions of this Article VII shall apply to and be binding upon any receiver appointed in accordance with Section 7.08 hereof.



SECTION 7.10. Rights and Remedies of Holders. A Holder shall not have any right to institute any suit, action or proceeding for the enforcement of this Master Indenture, for the execution of any trust hereof, or for the exercise of any other remedy hereunder (other than to seek the appointment of a successor Trustee pursuant to Section 6.09 hereof), unless:

(a) there has occurred and is continuing an Event of Default of which the Trustee has been notified, as provided in paragraph (f) of Section 6.02 hereof, or of which it is deemed to have notice under that paragraph,

(b) the Holders of at least a majority in aggregate principal amount of Senior Secured Obligations then Outstanding shall have made written request to the Trustee and shall have afforded the Trustee reasonable opportunity to proceed to exercise the remedies, rights and powers granted herein or to institute the suit, action or proceeding in its own name, and shall have offered indemnity to the Trustee as provided in Sections 6.01 and 6.02 hereof, and

(c) the Trustee thereafter shall have failed or refused to exercise the remedies, rights and powers granted herein or to institute the suit, action or proceeding in its own name within a reasonable time (which shall not be less than thirty (30) days).

At the option of the Trustee, notification (or notice), request, opportunity and offer of indemnity are conditions precedent in every case, to the institution of any suit, action or proceeding described above.

No one or more Holders of the Senior Secured Obligations shall have any right to affect, disturb or prejudice in any manner whatsoever the security or benefit of this Master Indenture by its or their action, or to enforce, except in the manner provided herein, any remedy, right or power hereunder. Any suit, action or proceedings shall be instituted, had and maintained in the manner provided herein for the benefit of the Holders of all Senior Secured Obligations then outstanding. Nothing in this Master Indenture shall affect or impair, however, the right of any Holder to enforce the payment on any Senior Secured Obligation owned by that Holder at and after the maturity (or such earlier date set for payment upon a declaration of acceleration) thereof, at the place, from the sources and in the manner expressed in that Senior Secured Obligation.

SECTION 7.11. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any remedy, right or power under this Master Indenture in any suit, action or proceedings, and the suit, action or proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, Citizens, the Trustee and the Holders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as if no suit, action or proceedings had been taken. Notwithstanding anything to the contrary contained in this Article VII, no proceeding taken by the Trustee on account of an Event of Default in respect of which a drawing has been made under a Credit Enhancement Facility shall be discontinued unless the Credit Enhancement Facility then in effect has been reinstated to the required maximum amount thereof.

SECTION 7.12. Waivers of Events of Default. Except as hereinafter provided, at any time, in its discretion, the Trustee may waive any Event of Default hereunder and its consequences. The Trustee shall do so upon the written request of the Holders of

(a) at least a majority in aggregate principal amount of all Senior Secured Obligations then outstanding if an Event of Default in the payment of the principal of, redemption premium, if any, or interest thereon exists, or

(b) at least twenty-five percent (25%) in aggregate principal amount of all Senior Secured Obligations then outstanding, if any other Event of Default exists.

There shall not be so waived, however (i) any Event of Default with respect to a covenant or provision of this Master Indenture that cannot be modified or amended without the consent of the Holder of each Outstanding Senior Secured Obligation, without the consent of the Holders of all Outstanding Senior Secured Obligations, or (ii) any Event of Default described in paragraph (a) or (b) of Section 7.01 hereof or any declaration of acceleration in connection therewith rescinded or annulled, unless at the time of that waiver or rescission and annulment payment of the amounts required by Section 7.03 hereof in order for waiver and rescission and annulment in connection with acceleration of maturity to occur has been made or provision has been made therefor and the Trustee shall have received the consent of the Holders of at least a majority in aggregate principal amount of the Senior Secured Obligations then Outstanding. In the case of the waiver or rescission and annulment, or in case any suit, action or proceedings taken by the Trustee on account of any Event of Default shall have been discontinued, abandoned or determined adversely to it, Citizens, the Trustee and the Holders shall be restored to their former positions and rights hereunder, respectively. No waiver or rescission shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

SECTION 7.13. Credit Enhancement Facility Issuer's Rights Upon Events of Default. Anything in this Master Indenture to the contrary notwithstanding, if any Event of Default has occurred and is continuing while a Credit Enhancement Facility securing all or a portion of the Senior Secured Obligations Outstanding is in effect and not in default, the Credit Enhancement Facility Issuer shall, except as set forth in the last sentence of this paragraph below, have the right, in lieu of the Holders of the Senior Secured Obligations secured by said Credit Enhancement Facility, by an instrument in writing, executed and delivered to the Trustee, to direct the time, method and place of conducting all remedial proceedings available to the Trustee under this Master Indenture, including, without limitation, the consent to any waiver of default or remedy, or exercising any trust or power conferred on the Trustee by this Master Indenture. Said direction shall be controlling to the extent the direction of Holders of the Senior Secured Obligations secured by said Credit Enhancement Facility would have been controlling under this Article VII. If the Credit Enhancement Facility Issuer shall be in default in the performance of its obligations under the Credit Enhancement Facility, said Credit Enhancement Facility Issuer shall have no rights under this Section.

(End of Article VII)

## ARTICLE VIII

### SUPPLEMENTAL INDENTURES

SECTION 8.01. Supplemental Indentures Generally. Citizens and the Trustee may enter into indentures supplemental to this Master Indenture, as provided in this Article and pursuant to the other provisions therefor in this Master Indenture. This Master Indenture may only be amended through a written Supplemental Indenture that complies with the provisions of this Article VIII.

SECTION 8.02. Supplemental Indentures Not Requiring Consent of Holders. Without the consent of or notice to any of the Holders, Citizens and the Trustee may enter into indentures supplemental to this Master Indenture which shall not, in the opinion of Citizens and the Trustee, be inconsistent with the terms and provisions hereof, for any one or more of the following purposes:

(a) to set forth any or all of the matters in connection with the issuance of Additional Bonds required by Articles II and III hereof, including, without limitation, the issuance of Capital Appreciation Bonds, Capital Appreciation and Income Bonds and Variable Rate Bonds;

(b) to add additional covenants of Citizens or to surrender any right or power conferred herein upon Citizens;

(c) for any purpose not inconsistent with the terms of this Master Indenture or the Supplemental Indenture in question, as the case may be, or to cure any ambiguity or to cure, correct or supplement any defective provision (whether because of any inconsistency with any other provision hereof or otherwise) of this Master Indenture or the Supplemental Indenture in question, as the case may be, in such manner as shall not impair the security provided for the Senior Secured Obligations under this Master Indenture or adversely affect the rights and remedies of the Holders;

(d) to make any change necessary to procure the issuance, renewals or extension of any Credit Enhancement Facility or rating on any Senior Secured Obligation, so long as such change does not impair the security provided for the Senior Secured Obligations under this Master Indenture or adversely affect the rights and remedies granted to the Holders hereunder;

(e) to permit the Trustee to comply with any obligations imposed upon it by law;

(f) to specify further the duties and responsibilities of, and to define further the relationship among, the Trustee, the Registrar and any Authenticating Agents or Paying Agents;

(g) to achieve compliance of this Master Indenture with any applicable federal or state tax law;

(h) to make amendments to the provisions hereof necessary for or desirable to permit registration of the Bonds, or other Senior Secured Obligations, as applicable, under the Securities Act or to qualify this Master Indenture under the Trust Indenture Act of 1939 as amended or to achieve compliance with the Exchange Act or any other federal or state securities law;

(i) to make any change necessary to reflect the combination, merger, cross-collateralization or similar event, with respect to the Coastal Account, Personal Lines Account and the Commercial Lines Account; provided, however, that Citizens shall deliver to the Trustee at or prior to the effective date of any such amendment written confirmation from each Rating Agency such amendment will not result in a reduction or withdrawal of any then current rating on any Senior Secured Obligation; and

(j) to permit any other amendment which, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Holders.

The provisions of Subsections 8.02(e), (g) and (h) shall not be deemed to constitute a waiver by the Trustee, the Registrar, Citizens or any Holder of any right which it may have in the absence of those provisions to contest the application of any change in law to this Master Indenture or the Senior Secured Obligations.

SECTION 8.03. Supplemental Indentures Requiring Consent of Holders. Exclusive of Supplemental Indentures to which reference is made in Section 8.02 hereof and subject to the terms, provisions and limitations contained in this Section, and not otherwise, with the consent of the Holders of not less than a majority in aggregate principal amount of the Senior Secured Obligations at the time outstanding, evidenced as provided in this Master Indenture, Citizens and the Trustee may execute and deliver Supplemental Indentures adding any provisions to, changing in any manner or eliminating any of the provisions of this Master Indenture or any Supplemental Indenture or restricting in any manner the rights of the Holders. Nothing in this Section or Section 8.02 hereof shall permit, however, or be construed as permitting:

(a) without the consent of the Holder of each Senior Secured Obligation so affected, (i) an extension of the maturity of the principal of or the interest or any other payment with respect to any Senior Secured Obligation, (ii) a reduction in the principal amount of any Senior Secured Obligation or the rate of interest or premium thereon, including any mandatory sinking fund requirement, or (iii) the time or price of any applicable redemption, put or purchase rights thereunder affected, or

(b) without the consent of the Holders of all Senior Secured Obligations then Outstanding, (i) the creation of a privilege or priority of any Senior Secured Obligation or Senior Secured Obligations over any other Senior Secured Obligation or Senior Secured Obligations, (ii) any change in the order or priority of Pledged Revenues and other amounts described in Article V, or (iii) a reduction in the aggregate principal amount of the Senior Secured Obligations Outstanding required for consent to a Supplemental Indenture.

If Citizens shall request in writing that the Trustee execute and deliver any Supplemental Indenture for any of the purposes of this Section, upon being satisfactorily indemnified with respect to its expenses in connection therewith, the Trustee shall cause notice of the proposed execution and delivery of the Supplemental Indenture to be mailed by first-class mail, postage prepaid, to all Holders of Senior Secured Obligations then outstanding at their addresses as they appear on the Register at the close of business on the fifteenth (15th) day preceding that mailing.

The Trustee shall not be subject to any liability to any Holder by reason of the Trustee's failure to mail, or the failure of any Holder to receive, the notice required by this Section. Any failure of that nature shall not affect the validity of the Supplemental Indenture when there has been consent thereto as provided in this Section. The notice shall set forth briefly the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the designated corporate trust office or the office identified in Section 12.03 hereof as applicable, of the Trustee for inspection by all Holders.

If the Trustee shall receive, within a period prescribed by Citizens not exceeding one (1) year following the mailing of the notice, an instrument or document or instruments or documents, in form to which the Trustee does not reasonably object, purporting to be executed by the Holders of the required percentage in aggregate principal amount of the Senior Secured Obligations then Outstanding (which instrument or document or instruments or documents shall refer to the proposed Supplemental Indenture in the form described in the notice and specifically shall consent to the Supplemental Indenture in substantially that form), the Trustee shall, but shall not otherwise, execute and deliver the Supplemental Indenture in substantially the form to which reference is made in the notice as being on file with the Trustee, without liability or responsibility to any Holder, regardless of whether that Holder shall have consented thereto.

The consent of the Holders of any Senior Secured Obligations to be issued hereunder to a proposed Supplemental Indenture shall be deemed given if the Initial Purchasers of such Senior Secured Obligations consent in writing to such proposed Supplemental Indenture and the amendment of the Master Indenture contained therein, and the substance of such amendment is disclosed in the official statement or such other offering document pursuant to which such Senior Secured Obligations are offered and sold, and such official statement or other offering document discloses that by the purchase of such Senior Secured Obligations, the Holder is deemed to have consented to such Supplemental Indenture and the amendment of the Master Indenture contained therein as described in such official statement or other offering document.

Any consent shall be irrevocable and binding upon the Holder of the Senior Secured Obligation giving the consent and, anything herein to the contrary notwithstanding, upon any subsequent Holder of that Senior Secured Obligation and of any Senior Secured Obligation issued in exchange therefor (regardless of whether the subsequent Holder has notice of the consent to the Supplemental Indenture). At any time after the Holders of the required percentage in aggregate principal amount of the Senior Secured Obligations Outstanding shall have filed their consents to the Supplemental Indenture, the Trustee shall make and file with Citizens a written statement that the Holders of the required percentage of Senior Secured Obligations have filed those consents. That written statement shall be conclusive evidence that the consents have been so filed.

If the Holders of the required percentage in aggregate principal amount of Senior Secured Obligations Outstanding shall have consented to the Supplemental Indenture, as provided in this Section, no Holder shall have any right (a) to object to (i) the execution or delivery of the Supplemental Indenture, (ii) any of the terms and provisions contained therein, or (iii) the operation thereof, (b) to question the propriety of the execution and delivery thereof, or (c) to enjoin or restrain the Trustee or Citizens from that execution or delivery or from taking any action pursuant to the provisions thereof.

SECTION 8.04. Amendments With Consent of Credit Enhancement Facility Issuer Only. If any Senior Secured Obligations Outstanding under this Master Indenture are secured by a Credit Enhancement Facility to provide security for the payment of principal and interest when due, and if such Credit Enhancement Facility is still in effect at the time of the proposed Supplemental Indenture amending this Master Indenture and will remain in effect after the effective date of such amendment, the Credit Enhancement Facility Issuer may consent in lieu of the consent of any Holder of any Senior Secured Obligation so secured by such Credit Enhancement Facility. The foregoing right of amendment, however, does not apply to any amendment that would deprive a Holder of the right to payment of the Senior Secured Obligations or to any amendment prohibited by Section 8.03 hereof without the consent of the Holders of all of the Senior Secured Obligations Outstanding to be affected by such amendment.

SECTION 8.05. Authorization to Trustee; Effect of Supplement. The Trustee is authorized to join with Citizens in the execution and delivery of any Supplemental Indenture in accordance with this Article and to make the further agreements and stipulations which may be contained therein. Thereafter,

- (a) That Supplemental Indenture shall form a part of this Master Indenture;
- (b) All terms and conditions contained in that Supplemental Indenture as to any provision authorized to be contained therein shall be deemed to be a part of the terms and conditions of this Master Indenture for any and all purposes;
- (c) This Master Indenture shall be deemed to be modified and amended in accordance with the Supplemental Indenture; and
- (d) The respective rights, duties and obligations under this Master Indenture of Citizens, the Trustee, the Registrar, the Paying Agents, the Authenticating Agents, any Credit Enhancement Facility Issuer and all Holders of Senior Secured Obligations then Outstanding shall be determined, exercised and enforced hereunder in a manner which is subject in all respects, to those modifications and amendments made by the Supplemental Indenture.

Express reference to any executed and delivered Supplemental Indenture may be made in the text of any Senior Secured Obligations issued, incurred or designated thereafter, if that reference is deemed necessary or desirable by the Trustee or Citizens. A copy of any Supplemental Indenture for which provision is made in this Article shall be mailed by the Trustee to the Registrar, each Authenticating Agent and Paying Agent and the Initial Purchaser of each Series of Bonds affected thereby.

SECTION 8.06. Opinion of Counsel. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of any firm of nationally recognized attorneys, selected by the Trustee, having a favorable reputation in matters relating to the issuance of obligations similar to the Senior Secured Obligations, as conclusive evidence that (i) any proposed Supplemental Indenture complies with the provisions of this Master Indenture, and (ii) it is proper for the Trustee to join in the execution of that Supplemental Indenture under the provisions of this Article. That counsel may be counsel for Citizens.

SECTION 8.07. Modification by Unanimous Consent. Notwithstanding anything to the contrary contained elsewhere in this Master Indenture, the rights and obligations of Citizens and of the Holders, and the terms and provisions of the Senior Secured Obligations and this Master Indenture may be modified or altered in any respect with the consent of Citizens, the Holders of all of the Senior Secured Obligations then Outstanding and each Credit Enhancement Facility Issuer having a Credit Enhancement Facility then Outstanding (so long as such Credit Enhancement Facility is not then in default).

SECTION 8.08. Consent of Trustee. The Trustee shall not be required to enter into any Supplemental Indenture which is, in the judgment of the Trustee, prejudicial to the rights of the Trustee hereunder.

(End of Article VIII)

## ARTICLE IX

### RELEASE OF MASTER INDENTURE

SECTION 9.01. Release of Master Indenture. Subject to the conditions contained in Section 9.04 hereof, if (i) Citizens shall pay all of the Outstanding Senior Secured Obligations or any series of Senior Secured Obligations or portions thereof, or shall cause them to be paid and discharged or to be deemed to have been paid (as provided in Section 9.02 hereof) and discharged, or if there otherwise shall be paid to the Holders of the Outstanding Senior Secured Obligations or any series of Senior Secured Obligations or portions thereof, all principal of, redemption premium, if any, and interest due or to become due thereon, and (ii) all other sums payable hereunder and under any Credit Enhancement Facility Agreement shall have been paid or discharged, then this Master Indenture shall cease, determine and become null and void as to only the series of Senior Secured Obligations or any portion thereof so paid or deemed to be paid (except for those provisions surviving by reason of Section 9.03 hereof), and the covenants, agreements and obligations of Citizens hereunder shall be released, discharged and satisfied.

Thereupon, and subject to the provisions of Section 9.03 hereof if applicable,

(i) the Trustee shall release this Master Indenture as to the series of Senior Secured Obligations or any portion thereof so paid or deemed to be paid (except for those provisions surviving by reason of Section 9.03 hereof), and shall execute and deliver to Citizens any instruments or documents in writing as shall be required to evidence that release and discharge or as reasonably may be requested by Citizens, and

(ii) the Trustee and any other Paying Agents shall assign and deliver to Citizens any property subject at the time to the lien of this Master Indenture which then may be in their possession as to only the series of Senior Secured Obligations or portion thereof to be defeased, except amounts held for the payments required by this Section 9.01 or 9.02.

SECTION 9.02. Payment and Discharge of Bonds and Other Senior Secured Obligations. All or any part of the Senior Secured Obligations shall be deemed to have been paid and discharged within the meaning of this Master Indenture including, without limitation, Section 9.01 hereof, if:

(a) the Trustee as paying agent and any Paying Agents shall have received, in trust for and irrevocably committed thereto, sufficient moneys, or

(b) the Trustee shall have received, in trust for and irrevocably committed thereto, Government Obligations which are not callable or redeemable at the option of the issuer thereof, which are verified by an independent firm of national reputation for the provision of such verification reports to be of such maturities or redemption dates (which redemption dates have been irrevocably established) and interest payment dates, and to bear such interest as will be sufficient, together with any moneys to which reference is made in subparagraph (a) above, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (which earnings are to be held likewise in trust and so committed, except as



provided herein), for the payment of all principal of, redemption premium, if any, and interest on those Bonds through their maturity or redemption dates, as the case may be; provided, that if any of those Bonds are subject to redemption and are to be redeemed prior to the maturity thereof, notice of that redemption shall have been duly given or irrevocable provision satisfactory to the Trustee shall have been duly made for the giving of such notice.

Any moneys held by the Trustee in accordance with the provisions of this Section may be invested by the Trustee only in Government Obligations described in subparagraph (b) above having maturity dates, or having redemption dates (which redemption dates have been irrevocably established), which shall be not later than the date or dates at which moneys will be required for the purposes described above.

If any Senior Secured Obligations shall be deemed paid and discharged pursuant to this Section 9.02 and such Senior Secured Obligations do not mature or by their terms are not redeemable within the next sixty (60) days, then within thirty (30) days after such Senior Secured Obligations are so deemed paid and discharged the Trustee shall cause a written notice to be given to each Holder as shown on the Register on the date on which such Senior Secured Obligations are deemed paid and discharged. Such notice shall state the numbers of the Senior Secured Obligations deemed paid and discharged or state that all Senior Secured Obligations of a particular Series are deemed paid and discharged, set forth a description of the Government Obligations held pursuant to subparagraph (b) of the first paragraph of this Section 9.02 and specify any date or dates on which any of the Senior Secured Obligations are to be called for redemption pursuant to notice of redemption given or irrevocable provisions made for such notice pursuant to the first paragraph of this Section 9.02.

Senior Secured Obligations other than Bonds may be discharged and deemed paid hereunder in the same manner as provided above for Bonds, unless a different method or additional requirements for discharge for such Senior Secured Obligations is set forth in the corresponding Bank Credit Agreement or Related Hedge Agreement, as applicable.

SECTION 9.03. Survival of Certain Provisions. Notwithstanding the foregoing, any provisions of this Master Indenture which relate to the maturity of Senior Secured Obligations, interest payments and dates thereof, optional and mandatory redemption provisions, exchange, transfer and registration of Senior Secured Obligations, replacement of mutilated, destroyed, lost or stolen Senior Secured Obligations, the safekeeping and cancellation of Senior Secured Obligations, non-presentment of Senior Secured Obligations, the holding of moneys in trust, the duties of the Trustee and the Registrar and the right of the Trustee to require indemnification and to receive its fees and costs in connection with all of the foregoing, shall remain in effect and be binding upon the Trustee, the Registrar, the Authenticating Agents, the Paying Agents and the Holders notwithstanding the release and discharge of this Master Indenture. The provisions of this Article shall survive the release, discharge and satisfaction of this Master Indenture.

(End of Article IX)

## ARTICLE X

### COVENANTS AND AGREEMENTS OF CITIZENS

SECTION 10.01. Nature of Obligations. Citizens' obligations under the Senior Secured Obligations will at all times constitute special and limited obligations of Citizens attributable solely to the Coastal Account, payable from and secured solely by the Pledged Revenues as provided herein. The Holders of the Senior Secured Obligations (by their acceptance of the benefits of this Master Indenture) and the Trustee agree and acknowledge that they have no claim against, or recourse to, the Personal Lines Account or the Commercial Lines Account (including the revenues and assets allocated and allocable or required to be allocated to the Personal Lines Account or the Commercial Lines Account in accordance with the Act and the Plan of Operation) in respect of the obligations under this Master Indenture.

The issuance of the Bonds or other Senior Secured Obligations shall not directly or indirectly or contingently obligate or require the State or any political subdivision thereof to levy or pledge any tax whatsoever or to make any appropriation for the payment of the Senior Secured Obligations or any other obligation of Citizens under this Master Indenture. Further, nothing in this Master Indenture gives the Holders, and they do not have, the right to require or compel the State or any political subdivision thereof to levy or appropriate any taxes for the payment of principal of, redemption premium, if any, and interest or any other payment with respect to Senior Secured Obligations or otherwise required under this Master Indenture. Citizens does not have any taxing power.

The covenants, agreements and obligations of Citizens contained in this Master Indenture shall not be deemed to be the covenants, agreements and obligations of any member of the Board, or of any officer, agent, trustee, or employee of Citizens in his or her individual capacity or of any Insurer and no recourse shall be had against and no such member, officer, agent, trustee or employee of Citizens or Insurer is or shall become personally liable for the performance of any obligation of Citizens under this Master Indenture.

SECTION 10.02. Payment of Senior Secured Obligations. Citizens covenants that it will promptly pay the principal of, redemption premium, if any, and interest on every Bond, Bank Facility, and other Senior Secured Obligation, as applicable, issued, incurred or designated under this Master Indenture at the places, on the dates and in the manner specified herein and in the corresponding Senior Secured Obligation according to the true intent and meaning thereof. The Pledged Revenues are specifically pledged by this Master Indenture to the payment of the Senior Secured Obligations in the manner and to the extent specified herein.

SECTION 10.03. Covenants as to Revenues. (a) Citizens covenants and agrees to fix, levy, charge and collect sufficient funds, including, without limitation, Regular Assessments, Additional Surcharges and Assessments and Emergency Assessments, in respect of the Coastal Account, in accordance with the Plan of Operation, the Act and other applicable law, in an amount sufficient, together with Net Premiums and FHCF Reimbursements received by Citizens, the proceeds of the Bonds and amounts available under any other Senior Secured Obligations, to pay the principal of and interest on all Senior Secured Obligations, and all of its obligations in respect of the Coastal Account when due.

(b) Citizens will cause all Emergency Assessments, Regular Assessments, Additional Surcharges and Assessments, FHCF Reimbursements and Net Premiums, in respect of the Coastal Account, to be levied as soon as is reasonable (and, (x) in the case of the Emergency Assessments collected by the Insurers, other joint underwriting associations, if any, or special purpose insurance companies, to be remitted to the Trustee or to Citizens, as applicable, no less frequently than quarterly and (y) in the case of Emergency Assessments and Regular Assessments collected by Surplus Lines Agents and/or the Surplus Lines Service Office, to be remitted to the Trustee or to Citizens, as applicable, at the times provided in the Plan of Operation) and shall impose and enforce obligations for the payment thereof, to the end that the amount of the Emergency Assessments, Regular Assessments, Additional Surcharges and Assessments and Net Premiums collected in respect of the Coastal Account shall be sufficient to satisfy the requirements of subsection (a) above; provided that (i) Citizens shall levy Citizens Policyholder Surcharges and, if necessary, Regular Assessments, in respect of a Plan Year Deficit paid, in whole or in part, from Draws under this Master Indenture, not later than July 1 after the end of the Plan Year in which the first Draw is made in respect of such Plan Year Deficit and (ii) Citizens shall levy, and shall direct the Insurers, other joint underwriting associations (if any), special purpose insurance companies, Surplus Lines Agents and the Surplus Lines Service Office to start to collect, Emergency Assessments in respect of any Plan Year Deficit paid, in whole or in part, from Draws under this Master Indenture, not later than July 1 of each year following the end of the Plan Year in which the first Draw is made in respect of such Plan Year Deficit and by July 1 of each year thereafter.

SECTION 10.04. No Disposition of Pledged Revenues. Except as permitted or required by this Master Indenture, Citizens covenants and agrees not to sell, lease, pledge, assign or otherwise encumber or dispose of its interest in the Pledged Revenues or any portion thereof. Citizens shall promptly pay or make its best efforts to cause to be discharged, or make adequate provision in the judgment of the Trustee to discharge, any lien or charge on any part thereof not permitted by this Master Indenture.

SECTION 10.05. Information Requirements. Citizens covenants and agrees to provide to the Trustee any information which the Trustee reasonably requests as necessary to enable the Trustee to perform its duties and obligations hereunder.

The Trustee shall make available copies of any of the foregoing information and notices to any Holder requesting a copy of the same. The Trustee may charge the Holder requesting any such information or notice a reasonable charge for the expense of copying the same.

SECTION 10.06. Maintenance of Separate Accounts. (a) Citizens covenants and agrees to prepare and maintain books and records separating all revenues, assets, liabilities, losses and expenses of Citizens into the Coastal Account and each other account of Citizens (currently consisting of the Personal Lines Account and the Commercial Lines Account) as required by the Act and the Plan of Operation. In furtherance, and not in limitation, of this requirement, Citizens shall (i) allocate all Emergency Assessments, Regular Assessments, Additional Surcharges and Assessments, FHCF Reimbursements, Premiums and the proceeds of any other reinsurance purchased by Citizens in respect of the Coastal Account to such Coastal Account, for the corresponding Plan Year Deficit and shall not levy Emergency Assessments, Regular Assessments, or Additional Surcharges and Assessments within the Coastal Account in

excess of the maximum assessment or surcharge permitted by the Act for such account, and (ii) allocate all emergency assessments, additional surcharges and assessments and FHCF reimbursements relating to the other accounts of Citizens (currently consisting of Personal Lines Account and the Commercial Lines Account) to such other accounts, and the proceeds of any other reinsurance purchased by Citizens in respect of the other accounts of Citizens to such other accounts. All books, records and other documents in the possession of Citizens relating to the Pledged Revenues shall at all reasonable times be open to inspection by such accountants or other agencies as the Trustee may from time to time designate.

(b) All revenues, assets, liabilities, losses and expenses of Citizens not directly attributable to the lines and types of insurance coverages relating to any of the Coastal Account, the Personal Lines Account or the Commercial Lines Account shall be prorated among each such account as contemplated by the Act and the Plan of Operation.

SECTION 10.07. Compliance with Laws. (a) Citizens covenants and agrees to comply (i) with all provisions of the Act and with all provisions of other laws, ordinances, rules, regulations and requirements of governmental authorities applicable to Citizens relating to the Emergency Assessments, Regular Assessments, Additional Surcharges and Assessments, Net Premiums and the transactions contemplated by this Master Indenture and (ii) in all material respects with all other material provisions of the Act and other laws, ordinances, rules, regulations and requirements of governmental authorities applicable to Citizens.

(b) This Master Indenture will at all times constitute an “applicable loan agreement, trust indenture or other financing agreement” and a “loan agreement or trust indenture” for purposes of the Plan of Operation.

(c) The Trustee will at all times constitute an “authorized trustee, escrow agent or other custodian” for purposes of the Plan of Operation.

SECTION 10.08. FHCF. Citizens covenants and agrees to take all actions necessary on its part to be taken to entitle Citizens to receive reimbursement on a timely basis from the FHCF under the FHCF Agreement in respect of losses incurred as a result of a “covered event,” as defined in Section 215.555(2)(b), Florida Statutes, as amended.

SECTION 10.09. Instruments of Further Assurance. Citizens covenants and agrees that the Trustee may defend Citizens’ rights to the payments and other amounts due under the Act for the benefit of the Holders, against the claims and demands of all persons whomsoever. Citizens covenants and agrees that it will do, execute, acknowledge and deliver, or make its best efforts to cause to be done, executed, acknowledged and delivered, such indentures supplemental hereto and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, pledging, assigning and confirming to the Trustee all and singular the rights assigned hereby and the amounts pledged hereby to the payment of the principal of, redemption premium, if any, and interest on the Senior Secured Obligations.

SECTION 10.10. Recording and Filing; Further Instruments. Citizens shall record and/or file, or cause to be recorded and/or filed on its behalf, in the manner and in the places required by law, such instruments and related documents as may be required in order to preserve

and protect fully (to the extent permitted by law) the security granted to the Holders hereunder. Citizens shall, upon the reasonable request of the Trustee, from time to time execute and deliver such further instruments and take such further action as may be reasonable and as may be required to effectuate the purposes of this Master Indenture or any provision hereof

SECTION 10.11. Future Collateral. Citizens covenants and agrees that, to the extent it grants any additional collateral to any other creditor or creditors under one or more debt instruments initially secured on a parity with the Senior Secured Obligations, the Holders will be granted a parity lien on and pledge of such additional collateral and the proceeds of any such additional collateral will be applied on a pro rata basis as among the Holders.

SECTION 10.12. Observance and Performance of Covenants, Agreements, Authority and Actions. Citizens covenants and agrees to observe and perform faithfully at all times all covenants, agreements, authority, actions, undertakings, stipulations and provisions to be observed or performed on its part under this Master Indenture and the Senior Secured Obligations which are executed, authenticated and delivered or designated under this Master Indenture, and under all proceedings of its Board pertaining thereto.

SECTION 10.13. Certain Notices to Trustee. Citizens covenants and agrees to provide prompt written notice to the Trustee immediately upon Citizens' becoming aware of the existence of an Event of Default (or event that with the passage of time or giving of notice, or both, would constitute an Event of Default) hereunder. Within ninety (90) days after the end of each Fiscal Year, Citizens shall provide to the Trustee a certificate to the effect that no Event of Default (or event that with the passage of time or giving of notice, or both, would constitute an Event of Default) occurred during the recently concluded Fiscal Year and is continuing hereunder or, if any such Event of Default (or event that with the passage of time or giving of notice, or both, would constitute an Event of Default), occurred and is continuing, containing a description of such Event of Default or other event.

(End of Article X)

## ARTICLE XI

### MATTERS RELATING TO HOLDERS

SECTION 11.01. Purposes of Meetings. A meeting of Holders, or of the Holders of any series of Senior Secured Obligations, may be called at any time and from time to time pursuant to the provisions of this Article XI, to the extent relevant to the Holders of all of the Senior Secured Obligations or of Senior Secured Obligations of that series, as the case may be, to take any action (i) authorized to be taken by or on behalf of the Holders of any specified aggregate principal amount of the Senior Secured Obligations, or of that series, (ii) under any provision of this Master Indenture or (iii) authorized or permitted by law.

SECTION 11.02. Call of Meetings. The Trustee may call at any time a meeting of Holders pursuant to Section 11.01 to be held at any reasonable time and place the Trustee shall determine. Notice of such meeting, setting forth the time, place and generally the subject thereof, shall be mailed by first-class mail, postage prepaid, not fewer than fifteen (15) nor more than ninety (90) days prior to the date of the meeting to the Holders at their addresses as they appear on the Register on the fifteenth (15th) day preceding such mailing, which fifteenth (15th) day, preceding the mailing shall be the record date for the meeting.

If, at any time, the Board, or the Holders of at least twenty-five percent (25%) in aggregate principal amount of the Senior Secured Obligations or, if applicable, the affected series of Senior Secured Obligations, then Outstanding, shall have requested the Trustee to call a meeting of Holders, by written request setting forth the purpose of the meeting, and the Trustee shall not have mailed the notice of the meeting within twenty (20) days after receipt of the request, then Citizens or the Holders of Senior Secured Obligations in the amount above specified may determine the time and the place of the meeting and may call the meeting to take any action authorized in Section 11.01, by mailing notice thereof as provided above.

Any meetings of Holders, or the Holders of any series of Senior Secured Obligations affected by a particular matter, shall be valid without notice, if the Holders of all Senior Secured Obligations, or if applicable, the affected series of Senior Secured Obligations, then Outstanding are present in person or by proxy, or if notice is waived before or after the meeting by the Holders of all Senior Secured Obligations, or if applicable, the affected series of Senior Secured Obligations, Outstanding who were not so present at the meeting, and if Citizens and the Trustee are either present by duly authorized representatives or have waived notice, before or after the meeting.

SECTION 11.03. Voting. To be entitled to vote at any meeting of Holders, a Person shall (a) be a Holder of one or more Outstanding Senior Secured Obligations or, if applicable, of the affected series of Senior Secured Obligations, as of the record date for the meeting as determined above, or (b) be a person appointed by an instrument or document in writing as proxy by a Person who is a Holder as of the record date for the meeting, of one or more Outstanding Senior Secured Obligations or, if applicable, of the affected series of Senior Secured Obligations. Each Holder or proxy shall be entitled to one vote for each \$1,000 principal amount of Senior Secured Obligations held or represented by it.

The vote upon any resolution submitted to any meeting of Holders shall be by written ballots on which shall be subscribed the signatures of the Holders of Senior Secured Obligations or of their representatives by proxy and the identifying number or numbers of the Senior Secured Obligations held or represented by them.

SECTION 11.04. Meetings. Notwithstanding any other provisions of this Master Indenture, the Trustee may make any reasonable regulations which it may deem to be advisable for meetings of Holders, with regard to

- (a) proof of the holding of Senior Secured Obligations and of the appointment of proxies,
- (b) the appointment and duties of inspectors of votes,
- (c) recordation of the proceedings of those meetings,
- (d) the execution, submission and examination of proxies and other evidence of the right to vote, and
- (e) any other matters concerning the conduct, adjournment or reconvening of meetings which it may think fit.

The Trustee shall appoint a temporary chair of the meeting by an instrument or document in writing, unless the meeting shall have been called by Citizens or the Holders, as provided in Section 11.02, in which case Citizens or the Holders calling the meeting, as the case may be, shall appoint a temporary chair in like manner. A permanent chair and a permanent secretary of the meeting shall be elected by vote of the Holders of a majority in principal amount of the Senior Secured Obligations represented at the meeting and entitled to vote.

The only Persons who shall be entitled to be present or to speak at any meeting of Holders shall be the Persons entitled to vote at the meeting and their counsel, any representatives of the Trustee or Registrar and their counsel and any representatives of Citizens and its counsel.

SECTION 11.05. Miscellaneous. Nothing contained in this Article XI shall be deemed or construed to authorize or permit any hindrance or delay in the exercise of any right or rights conferred upon or reserved to the Trustee or to the Holders under any of the provisions of this Master Indenture or of the Senior Secured Obligations by reason of any call of a meeting of Holders or any rights conferred expressly or impliedly hereunder to make a call.

SECTION 11.06. Calculation of Principal Amount of Senior Secured Obligations. The following rules shall apply for purposes of calculating the principal amount of Senior Secured Obligations held by a Holder for purposes of voting, consents, remedial actions and any other purpose:

- (i) Holders of Bonds or Bank Facilities not secured by a Credit Enhancement Facility meeting the criteria of Section 8.04 or which Credit Enhancement Facility is then in default, shall be deemed to be Holders of the principal amount of Bonds owned by such Holder, with respect to Bonds, and the sum of the principal amount of loans

outstanding plus the amount available to be drawn but which has not been drawn under a Bank Facility, with respect to Bank Facilities.

(ii) Holders of Bonds or other Senior Secured Obligations secured by a Credit Enhancement Facility that meets the criteria referenced in Section 8.04, which Credit Enhancement Facility is not in default, shall not be deemed to be the Holder of such Bonds or Senior Secured Obligations but rather, the Credit Enhancement Facility Issuer shall be deemed to be the sole Holder of such Bonds.

(iii) Holders of Senior Secured Obligations which evidence obligations under a Related Hedge Agreement shall be deemed to be the Holders of Senior Secured Obligations in the principal amount of 0% of the notional amount reflected in the Related Hedge Agreement.

(End of Article XI)



## ARTICLE XII

### MISCELLANEOUS

SECTION 12.01. Limitation of Rights. With the exception of rights conferred expressly in this Master Indenture, nothing expressed or mentioned in or to be implied from this Master Indenture or the Senior Secured Obligations is intended or shall be construed to give to any Person other than the parties hereto, the Registrar, the Authenticating Agents and the Holders of the Senior Secured Obligations any legal or equitable right, remedy, power or claim under or with respect to this Master Indenture or any covenants, agreements, conditions and provisions contained herein. This Master Indenture and all of those covenants, agreements, conditions and provisions are intended to be, and are, for the sole and exclusive benefit of the parties hereto and the Holders of the Senior Secured Obligations, as provided herein.

SECTION 12.02. Severability. In case any section or provision of this Master Indenture, or any covenant, agreement, stipulation, obligation, act or action, or part thereof, made, assumed, entered into or taken under this Master Indenture, or any application thereof, is held to be illegal or invalid for any reason, or is inoperable at any time, that illegality, invalidity or inoperability shall not affect the remainder thereof or any other section or provision of this Master Indenture or any other covenant, agreement, stipulation, obligation, act or action, or part thereof, made, assumed, entered into or taken under this Master Indenture, all of which shall be construed and enforced at the time as if the illegal, invalid or inoperable portion were not contained therein.

Any illegality, invalidity or inoperability shall not affect any legal, valid and operable section, provision, covenant, agreement, stipulation, obligation, act, action, part or application, all of which shall be deemed to be effective, operative, made, assumed, entered into or taken in the manner and to the full extent permitted by law from time to time.

SECTION 12.03. Notices. Except as provided in Section 7.02 hereof, it shall be sufficient service or giving of any notice, request, complaint, demand or other instrument or document, if it is forwarded by first-class mail, postage prepaid or by overnight courier service, delivery charges prepaid. Notices to Citizens and the Trustee shall be addressed as follows:

(a) If to Citizens, at Citizens Property Insurance Corporation, 2312 Killearn Center Boulevard, Tallahassee, Florida 32309, Attention: Executive Director; with a copy of such notice to the Chief Financial Officer and the General Counsel of Citizens.

(b) If to the Trustee, at \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, Attention: Corporate Trust Services.

Duplicate copies of each notice, request, complaint, demand or other instrument or document given hereunder by Citizens, the Trustee or the Holders to one or both of the others also shall be given to the others. The foregoing parties may designate, by notice given hereunder, any further or different addresses to which any subsequent notice, request, complaint, demand or other instrument or document shall be sent. The Trustee shall designate, by notice to Citizens the addresses to which notices or copies thereof shall be sent to the Registrar, the Authenticating Agents and the Paying Agents.

In connection with any notice forwarded pursuant to the provisions of this Master Indenture, a certificate of the Trustee, Citizens, the Registrar, the Authenticating Agents or the Holders of the Bonds, whichever or whoever forwarded that notice, that the notice was so forwarded shall be conclusive evidence of the proper mailing of the notice.

SECTION 12.04. Suspension of Mail or Courier Services. If because of the suspension of delivery of first-class mail or by courier services, or for any other reason, the Trustee shall be unable to forward by the required class of mail or by overnight courier service any notice required to be forwarded by the provisions of this Master Indenture, the Trustee shall give such notice in such other manner as in the judgment of the Trustee shall most effectively approximate the forwarding thereof required by this Master Indenture, and the giving of that notice in that manner for all purposes of this Master Indenture shall be deemed to be in compliance with the requirement hereunder for the forwarding thereof. Except as otherwise provided herein, the forwarding of any notice shall be deemed complete upon deposit of that notice in the mail or the delivery to the overnight courier service and the giving of any notice by any other means of delivery shall be deemed complete upon receipt of the notice by the means of delivery.

SECTION 12.05. Payments Due on Saturdays, Sundays and Holidays. If any Interest Payment Date, any date of maturity of the principal of any Senior Secured Obligation or any date fixed for redemption or purchase of any Senior Secured Obligation is a Saturday, a Sunday or a day on which (i) the Trustee is required, or authorized or not prohibited, by law (including, without limitation, executive orders) to close and is closed, then payment of interest, principal, purchase price or any redemption premium need not be made by the Trustee or any Paying Agent on that date, but that payment may be made on the next succeeding Business Day on which the Trustee is open for business with the same force and effect as if that payment were made on the Interest Payment Date, date of maturity or date fixed for redemption or purchase, and no interest shall accrue for the period after that date, or (ii) a Paying Agent is required, or authorized or not prohibited, by law (including, without limitation, executive orders) to close and is closed, then payment of interest, principal, purchase price and any redemption premium need not be made by that Paying Agent on that date, but that payment may be made on the next succeeding Business Day on which that Paying Agent is open for business with the same force and effect as if that payment were made on the Interest Payment Date, date of maturity or date fixed for redemption or purchase and no interest shall accrue for the period after that date; provided, that if the Trustee is open for business on the applicable Interest Payment Date, date of maturity or date fixed for redemption or purchase, it shall make any payment required hereunder with respect to payment of interest on Outstanding Bonds and payment of principal or purchase price of and premium on Bonds presented to it for payment or purchase, regardless of whether any Paying Agent shall be open for business or closed on the applicable Interest Payment Date, date of maturity or date fixed for redemption or purchase.

SECTION 12.06. Instruments of Holders. Any writing, including, without limitation, any consent, request, direction, approval, objection or other instrument or document required under this Master Indenture to be executed by any Holder may be in any number of concurrent writings of similar tenor and may be executed by that Holder in person or by an agent or attorney appointed in writing. Proof of (i) the execution of any writing including, without limitation, any consent, request, direction, approval, objection or other instrument or document,

(ii) the execution of any writing appointing any agent or attorney, and (iii) the ownership of Senior Secured Obligations, shall be sufficient for any of the purposes of this Master Indenture if made in the following manner and, if so made, shall be conclusive in favor of the Trustee with regard to any action taken thereunder, namely:

(a) the fact and date of the execution by any person of any writing may be proved by the certificate of any officer in any jurisdiction, who has power by law to take acknowledgments within that jurisdiction, that the person signing the writing acknowledged that execution before that officer, or by affidavit of any witness to that execution; and

(b) the fact of ownership of Bonds shall be proved by the Register maintained by the Registrar.

Nothing contained herein shall be construed to limit the Trustee to the foregoing proof, and the Trustee may accept any other evidence of the matters stated therein which it deems to be sufficient. Any writing, including, without limitation, any consent, request, direction, approval, objection or other instrument or document, of the Holder of any Senior Secured Obligations shall bind every future Holder of the same Senior Secured Obligations, with respect to anything done or suffered to be done by Citizens, the Trustee, the Registrar or any Paying Agent or Authenticating Agent pursuant to that writing.

SECTION 12.07. Priority of this Master Indenture. This Master Indenture shall be superior to any liens which may be placed upon the Pledged Revenues or any other funds or accounts created pursuant to this Master Indenture.

SECTION 12.08. Extent of Covenants; No Personal Liability. All covenants, stipulations, obligations and agreements of Citizens contained in this Master Indenture are and shall be deemed to be covenants, stipulations, obligations and agreements of Citizens to the full extent authorized by the Act and permitted by the Constitution of the State. No covenant, stipulation, obligation or agreement of Citizens contained in this Master Indenture shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, agent or employee of Citizens or the Board in other than that person's official capacity. Neither the members of the Board nor any official executing the Senior Secured Obligations or this Master Indenture or any amendment or supplement hereto shall be liable personally on the Senior Secured Obligations or be subject to any personal liability or accountability by reason of the issuance or execution hereof or thereof

SECTION 12.09. Binding Effect. This Master Indenture shall inure to the benefit of and shall be binding upon Citizens and the Trustee and their respective successors and assigns, subject however to the limitations contained herein.

SECTION 12.10. Counterparts. This Master Indenture may be executed in counterpart, and in any number of counterparts, each of which shall be regarded as an original and all of which together shall constitute but one and the same instrument.

SECTION 12.11. Governing Law. This Master Indenture and the Senior Secured Obligations shall be deemed to be contracts made under the laws of the State and for all purposes shall be governed by and construed in accordance with the laws of the State.

(End of Article XII)

IN WITNESS WHEREOF, Citizens has caused this Master Indenture to be executed and delivered for it and in its name and on its behalf by its duly authorized officers; and, in token of its acceptance of the trusts created hereunder, the Trustee has caused this Master Indenture to be executed and delivered for it and in its name and on its behalf by its duly authorized signatories; all as of the day and year first above written.

CITIZENS PROPERTY INSURANCE  
CORPORATION

[SEAL]

By: \_\_\_\_\_

\_\_\_\_\_  
Chairman

ATTEST:

By: \_\_\_\_\_

\_\_\_\_\_  
Executive Director

\_\_\_\_\_,  
not in its individual capacity but as  
Trustee, Registrar and Paying Agent.

By: \_\_\_\_\_

\_\_\_\_\_  
Vice President and Trust Officer

STATE OF FLORIDA                    )  
                                                  ) SS:  
COUNTY OF \_\_\_\_\_ )

On this [2<sup>nd</sup>] day of [June, 2020], before me, a notary public in and for the State and County aforesaid, personally appeared \_\_\_\_\_ and \_\_\_\_\_, Chairman of the Board of Governors and Executive Director, respectively, of Citizens Property Insurance Corporation (“Citizens”), who acknowledged that they did sign the foregoing instrument as such officers, respectively, for and on behalf of Citizens; that the same is their free act and deed as such officers, respectively, and the free act and deed of Citizens; and that the seal affixed to said instrument is the seal of Citizens.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year in this certificate first above written.

My Commission expires

\_\_\_\_\_  
Notary Public, State of Florida

\_\_\_\_\_

[NOTARIAL SEAL]

STATE OF FLORIDA                    )  
                                                  ) SS:  
COUNTY OF \_\_\_\_\_ )

On this [2<sup>nd</sup>] day of [June, 2020], before me, a notary public in and for the State and County aforesaid, personally appeared \_\_\_\_\_, a Vice President and Trust Officer of \_\_\_\_\_, as Trustee, who acknowledged that he did sign said instrument as such officer for and on behalf of said corporation; that the same is his free act and deed as such officer and the free act and deed of said corporation; and that the seal affixed to said instrument is the seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year in this certificate first above written.

My Commission expires

\_\_\_\_\_  
Notary Public, State of Florida

\_\_\_\_\_

[NOTARIAL SEAL]

## EXHIBIT A

### FORM OF DRAW CERTIFICATE (REQUISITION)

#### CITIZENS PROPERTY INSURANCE CORPORATION COASTAL ACCOUNT

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

This Draw Certificate (the “Requisition”) is submitted by Citizens Property Insurance Corporation (“Citizens”), by and through its undersigned Authorized Citizens Representatives, pursuant to Section 5.01(c) of that certain Master Trust Indenture dated as of [June 2, 2020] (the “Master Indenture”), between Citizens and the Trustee, in order to obtain a Draw from amounts on deposit in the Proceeds Account established under the Master Indenture in the amounts and for the purpose set forth below. Capitalized terms used herein without definitions have the meanings ascribed thereto in the Master Indenture.

The Authorized Citizens Representatives hereby certify to the Trustee as follows:

1.	<b>Total Amount of Draw:</b>	\$ _____	
2.	<b>Purpose of Draw:</b>	Pay claims or other costs [Insert if applicable: associated with a Plan Year Deficit for the calendar year ___,] incurred as a result of [Insert if applicable: provide brief explanation as to cause of Plan year Deficit]. _____ _____ _____.	
3.	<b>Type of Pledged Revenue against which draw is made</b> (check one or more, as applicable):	___	Citizens Policyholder Surcharges Amount of Draw Allocable: \$ _____
		___	Regular Assessments Amount of Draw Allocable: \$ _____
		___	FHCF Reimbursements (complete item 5 below) Amount of Draw Allocable: \$ _____
		___	Emergency Assessments (complete item 4 below) Amount of Draw Allocable: \$ _____



		—	Additional Surcharge and Assessments (other than Citizens Policyholder Surcharges) Amount of Draw Allocable: \$_____
4.	<b>Basis for determination of Emergency Assessments:</b>	—	Aggregate direct written premiums (complete item 6 below)
		—	Percentage of Plan Year Deficit. The percentage is ____%.
5.	<b>Certification as to FHCF Agreement:</b>	The undersigned hereby certify that the FHCF Agreement dated _____, ___, between Citizens and the State Board of Administration of the State of Florida, which administers the FHCF, is in full force and effect.	

6. **General Certification as to Sufficiency of Moneys:** After giving effect to the Draw requested hereby, (i) the sum of (A) the amount now on deposit in the Debt Service Account, (B) the amount to remain on deposit in the Proceeds Account immediately following this Draw and (C) the amount of Pledged Revenues and other available moneys reasonably expected to be received by the Trustee from or on behalf of Citizens and available for the purpose of reimbursing this Draw or for the payment of principal and of interest on the Bonds in each year through the final maturity of the Bonds now Outstanding, will be sufficient to pay that portion of the Annual Payment Requirements as they become due through the final maturity of the Bonds, on the Bonds now Outstanding; and (ii) the sum of (A) all amounts now on deposit in the accounts established under all Bank Credit Agreements for the payment of Bank Credit Facilities and (B) the amount of Pledged Revenues and other available moneys (excluding any such revenues included for purposes of clause (i)(C) hereof) reasonably expected to be received by the Trustee from or on behalf of Citizens and available for the purpose of paying the Senior Secured Obligations other than Bonds in each year through the final maturity of Senior Secured Obligations now Outstanding other than Bonds, will be sufficient to pay that portion of the Annual Payment Requirements as they become due through the final maturity of such Senior Secured Obligations, on Senior Secured Obligations Outstanding other than Bonds.

7. **No Event of Default:** There does not exist an Event of Default under this Master Indenture or an event that with the passage of time or the giving of notice, or both, would constitute such an Event of Default.

**IN WITNESS WHEREOF**, Citizens has caused this certificate to be executed by its Authorized Citizens Representatives, as of this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

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

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Authorized Citizens Representative  
Citizens Property Insurance Corporation

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Authorized Citizens Representative  
Citizens Property Insurance Corporation

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**CITIZENS PROPERTY INSURANCE CORPORATION  
COASTAL ACCOUNT SENIOR SECURED BONDS**

**\$700,000,000  
SERIES 2015A-1**

**\$300,000,000  
SERIES 2015A-2  
(SIFMA FLOATING  
RATE NOTES)**

**CERTIFICATE OF EXECUTIVE DIRECTOR  
AS TO THE AUTHORIZING RESOLUTION**

I, BARRY GILWAY, am the duly appointed and qualified Chief Executive Officer/President/Executive Director of Citizens Property Insurance Corporation (the "Issuer") and, as such, I am familiar with the records, the proceedings and the minutes of the meetings of the Board of Governors of the Issuer (the "Board") and DO HEREBY CERTIFY that:

1. Attached hereto is a true and correct copy of a resolution duly adopted by the Board on April 7, 2015 (the "Authorizing Resolution").

2. The Authorizing Resolution is the only resolution of the Board authorizing and approving the issuance of the Series 2015A Bonds (as defined in the Authorizing Resolution) from time to time, in one or more series, and the execution and delivery of various agreements in connection therewith. The Authorizing Resolution is in full force and effect and has not been amended, repealed, rescinded or revoked in any way.

IN WITNESS WHEREOF, I have hereunto set my hand this 2<sup>nd</sup> day of June, 2015.

  
BARRY GILWAY

Chief Executive Officer/President/  
Executive Director  
Citizens Property Insurance Corporation

A RESOLUTION OF THE BOARD OF GOVERNORS OF CITIZENS PROPERTY INSURANCE CORPORATION AUTHORIZING THE ISSUANCE OF CITIZENS PROPERTY INSURANCE CORPORATION COASTAL ACCOUNT SENIOR SECURED BONDS, SERIES 2015A, IN ONE OR MORE SUBSERIES, IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$1,000,000,000, FOR THE PURPOSE OF PROVIDING FUNDS TO, AMONG OTHER THINGS, MEET POLICYHOLDER CLAIMS AND OTHER OBLIGATIONS OF THE COASTAL ACCOUNT; MAKING CERTAIN FINDINGS AND DETERMINATIONS AS TO THE BONDS; DETERMINING CERTAIN PARAMETERS FOR CERTAIN TERMS OF THE BONDS; DELEGATING TO THE CHAIRMAN THE AUTHORITY TO APPROVE THE FINAL TERMS AND PROVISIONS OF THE BONDS, TO BE SET FORTH IN THE TENTH SUPPLEMENTAL INDENTURE, SUBJECT TO THE PARAMETERS AND LIMITATIONS SET FORTH HEREIN; AUTHORIZING THE NEGOTIATED SALE OF THE BONDS AND PROVIDING FOR THE AWARD AND THE SALE OF THE BONDS TO THE UNDERWRITERS, SUBJECT TO THE PARAMETERS AND LIMITATIONS SET FORTH HEREIN; CONFIRMING THE APPOINTMENT OF AN INDENTURE TRUSTEE AND PAYING AGENT AND BOND REGISTRAR; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A TENTH SUPPLEMENTAL INDENTURE PURSUANT TO WHICH THE BONDS WILL BE ISSUED; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT WITH THE UNDERWRITERS; APPROVING THE FORM AND AUTHORIZING THE DISTRIBUTION AND USE OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT IN CONNECTION WITH THE SALE OF THE BONDS; AUTHORIZING THE CHAIRMAN TO OBTAIN CREDIT ENHANCEMENT IF DEEMED IN THE BEST INTERESTS OF CITIZENS AND AUTHORIZING THE EXECUTION AND DELIVERY OF ANY AGREEMENT REQUIRED IN CONNECTION THEREWITH; AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE CERTIFICATE; PROVIDING FOR THE AMENDMENT AND RESTATEMENT OF THE ORIGINAL INDENTURE IN ITS ENTIRETY THROUGH THE MASTER TRUST INDENTURE ATTACHED AS EXHIBIT B TO THE TENTH SUPPLEMENTAL INDENTURE; PROVIDING THAT BY

**PURCHASE OF THE BONDS, THE PURCHASERS THEREOF SHALL BE DEEMED TO HAVE CONSENTED TO THE AMENDMENT AND RESTATEMENT OF THE ORIGINAL INDENTURE IN ITS ENTIRETY AS SET FORTH IN THE MASTER TRUST INDENTURE; PROVIDING FOR THE EXECUTION AND DELIVERY OF THE MASTER TRUST INDENTURE ON THE CONVERSION DATE; AUTHORIZING OFFICERS AND AUTHORIZED REPRESENTATIVES TO DO AND PERFORM ALL OTHER ACTS AND THINGS REQUIRED TO EFFECTUATE THE SALE AND ISSUANCE OF THE BONDS; PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, Citizens Property Insurance Corporation (hereinafter referred to as the "Issuer" or "Citizens") is a statutorily created corporation and government entity that is an integral part of the State of Florida, established pursuant to Chapter 627, Part I, Section 627.351(6), Florida Statutes, as amended (the "Act");

**WHEREAS**, as set forth in the Act, Citizens' public purposes include (a) to ensure the existence of an orderly market for property insurance for residents and businesses of the State of Florida; (b) to assist in assuring that property in the State of Florida is insured and that it is insured at affordable rates so as to facilitate the remediation, reconstruction, and replacement of damaged or destroyed property in order to reduce or avoid the negative effects otherwise resulting to the public health, safety, and welfare, to the economy of the state, and to the revenues of the state and local governments which are needed to provide for the public welfare; and (c) to provide affordable property insurance to applicants who are in good faith entitled to procure insurance through the voluntary market but are unable to do so;

**WHEREAS**, the Issuer, through its Coastal Account, is a significant provider of residential and commercial windstorm insurance in the State of Florida and, as such, must have immediate access to funding sources for the Coastal Account pending receipt of the Coastal Account's ordinary and customary revenues and reinsurance and other reimbursement funds to meet policyholder claims and other obligations resulting from ordinary losses or catastrophic hurricanes or other weather-related events;

**WHEREAS**, the Act authorizes the Issuer to borrow funds for the Coastal Account by issuing bonds or by incurring other indebtedness and to pledge assessments under the Act and other funds available to the Issuer's Coastal Account as the source of security and repayment for such borrowings;

**WHEREAS**, in order to provide funds to, among other things, meet policyholder claims and other obligations of the Coastal Account, the Issuer deems it in its best interests to issue its Coastal Account Senior Secured Bonds, Series 2015A, in one or more subseries, in the aggregate principal amount of not exceeding \$1,000,000,000 (the "Series 2015A Bonds");

**WHEREAS**, the Series 2015A Bonds are to be issued under and secured by that certain

Trust Indenture dated as of August 6, 1997 (the "Original Indenture"), as supplemented and amended by a Series 1999A Supplemental Indenture dated as of March 31, 1999 (the "1999 Supplemental Indenture"), a Second Supplemental Indenture dated as of August 1, 2002 (the "Second Supplemental Indenture"), a Third Supplemental Indenture dated as of May 1, 2004 (the "Third Supplemental Indenture"), a Fourth Supplemental Indenture dated as of June 1, 2006 (the "Fourth Supplemental Indenture"), a Fifth Supplemental Indenture dated as of February 1, 2007 (the "Fifth Supplemental Indenture"), a Sixth Supplemental Indenture dated as of June 1, 2008 (the "Sixth Supplemental Indenture"), a Seventh Supplemental Indenture dated as of May 1, 2009 (the "Seventh Supplemental Indenture"), an Eighth Supplemental Indenture dated as of May 1, 2010 (the "Eighth Supplemental Indenture"), a Ninth Supplemental Indenture dated as of July 1, 2011 (the "Ninth Supplemental Indenture") and a Tenth Supplemental Indenture to be dated on or about May 1, 2015 (the "Tenth Supplemental Indenture" and, together with the Original Indenture, the 1999 Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture and the Ninth Supplemental Indenture, hereinafter collectively referred to as the "Indenture"), each by and between the Issuer and Regions Bank, as successor Indenture Trustee (the "Indenture Trustee");

**WHEREAS**, in order to issue the Series 2015A Bonds, it will be necessary for the Issuer to enter into, approve the entering into and/or approve the issuance of the following documents and agreements the forms of which (except for the Official Statement) at this time are before the Board of Governors of the Issuer (the "Board") as and to the extent described in Sections 8 through 13 hereof, to wit:

- (a) the Tenth Supplemental Indenture described above, including, without limitation, the form of the Master Trust Indenture attached thereto as Exhibit B (the "Master Trust Indenture") to be executed and delivered not earlier than the Conversion Date (as defined herein);
- (b) the Bond Purchase Agreement (the "Bond Purchase Agreement"), by and between the Issuer and one or more underwriter(s) (the "Representative" or "Representatives") as the representative(s), on behalf of itself or themselves and the underwriters listed in the Bond Purchase Agreement (collectively with the Representative(s), the "Underwriters");
- (c) the Preliminary Official Statement relating to the Series 2015A Bonds (the "Preliminary Official Statement");
- (d) the final Official Statement relating to the Series 2015A Bonds (the "Official Statement"), in substantially the form of the Preliminary Official Statement; and
- (e) the Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") of the Issuer.

**WHEREAS**, the execution and delivery of the above-described documents and agreements by the respective parties therein named in connection with the issuance of the Series

2015A Bonds, the issuance of the Series 2015A Bonds in one or more subseries, the consummation of the transactions contemplated by the above-described agreements and documents and the taking of such other and further action and of the other matters above recited, are necessary and desirable and in the best interests of the Coastal Account of Citizens;

**WHEREAS**, in connection with the issuance of the Series 2015A Bonds, Citizens desires to amend and restate in its entirety the Original Indenture as previously amended to date, as more specifically set forth in Article VI of the Tenth Supplemental Indenture and as reflected in the Master Trust Indenture set forth in Exhibit B thereto, with such amendments and the Master Trust Indenture to become effective no earlier than the Conversion Date (as defined herein);

**WHEREAS**, by virtue of their purchase of the Series 2015A Bonds, the purchasers thereof will have consented to and approved (i) the amendment and restatement of the Indenture in its entirety, (ii) the execution and delivery of the Master Trust Indenture, and (iii) the conversion of the Series 2015A Bonds that mature after the Conversion Date from obligations issued and secured under the provisions of the Indenture to obligations issued and secured under the provisions of the Master Trust Indenture;

**WHEREAS**, Citizens' Plan of Operation, as amended (the "Plan of Operation"), authorizes Citizens to issue bonds in the absence of a hurricane or other weather-related event and the Plan of Operation contains a determination by the Board that such advance financings constitute financing mechanisms under the Act that will efficiently meet the financial obligations of Citizens and that such financings are reasonably necessary to effectuate the requirements of the Act;

**WHEREAS**, in accordance with the Act and the Plan of Operation, Citizens has submitted to the State of Florida Office of Insurance Regulation (the "Office") the Tenth Supplemental Indenture, including, without limitation, the form of Master Trust Indenture attached as Exhibit B thereto, a statement of the purpose of the Series 2015A Bonds and an estimate of the costs to be incurred by Citizens in the issuance of the Series 2015A Bonds, for entry of an order by the Office approving the Tenth Supplemental Indenture, the Master Trust Indenture and the issuance, in one or more subseries, of the Series 2015A Bonds;

**WHEREAS**, the Board has determined that a negotiated sale of the Series 2015A Bonds is in the best interests of the Issuer, based on the findings contained in this Resolution, and in connection therewith has determined to enter into the Bond Purchase Agreement with the Underwriters and has authorized the preparation and distribution of the Preliminary Official Statement and the final Official Statement, as provided herein, and has authorized the other acts and things herein stated;

**WHEREAS**, the Plan of Operation provides that financing agreements, and supporting documentation relating thereto, shall be executed and delivered on behalf of the Issuer by the Chairman, the Vice Chair, the Executive Director, or any other officer of the Issuer authorized by resolution of the Board; and

**WHEREAS**, the Board has determined that given the unique nature of the structure of and security for the Series 2015A Bonds and the unsettled nature of the municipal bond market, it is desirable and in the best interests of the Issuer to delegate to (a) the Chairman the authority to



(i) set the details of the Series 2015A Bonds within the parameters set forth herein, and (ii) award and sell the Series 2015A Bonds to the Underwriters within the parameters set forth herein; and (b) the Chairman, the Executive Director, and the Chief Financial Officer, or any of them, the authority to approve the form and details of all necessary agreements and documents, including, but not limited to, the Tenth Supplemental Indenture, the Bond Purchase Agreement, the Continuing Disclosure Certificate, the Preliminary Official Statement, the final Official Statement, the Master Trust Indenture and any other agreements and documents that may be necessary in connection with the issuance and sale of the Series 2015A Bonds;

**NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED BY THE BOARD OF GOVERNORS OF CITIZENS PROPERTY INSURANCE CORPORATION, AS FOLLOWS:**

**Section 1. Definitions.** Terms not defined herein shall have the meanings assigned to such terms in the Indenture. In addition to words and terms defined in the recitals above, the Indenture or elsewhere defined in this Resolution, the following words and terms as used in this Resolution shall have the following meanings, unless some other meaning is plainly intended:

“Authorized Citizens Representative” or “Authorized Issuer Representative” means, in connection with the Series 2015A Bonds, (a) the Chairman of the Board, or (b) the Executive Director of the Issuer, or (c) the Chief Financial Officer of the Issuer, or (d) such other officers, employees or agents of the Issuer as shall be from time to time designated by a certificate executed by the Chairman or the Executive Director.

“Board” means the Board of Governors of the Issuer.

“Bond Counsel” means a firm of nationally recognized bond counsel knowledgeable in matters of municipal finance. Currently, the Issuer’s Bond Counsel is the law firm of Greenberg Traurig, P.A.

“Chairman” means the Chairman or, in the Chairman’s absence or inability to act, the Vice Chairman of the Board; or in each of their absence or inability to act, the Executive Director.

“Chief Financial Officer” means the Chief Financial Officer of the Issuer or, in the Chief Financial Officer’s absence or inability to act, the interim or acting Chief Financial Officer of the Issuer.

“Conversion Date” means the earlier to occur of (a) the Scheduled Conversion Date or (b) the Business Day immediately after the date on which none of the Outstanding Parity Bonds are Outstanding under the Indenture as a result of the Issuer’s legal defeasance of the Outstanding Parity Bonds prior to their stated maturity dates; provided, however, that notwithstanding anything to the contrary contained in the Tenth Supplemental Indenture or in any future Supplemental Indenture, the Conversion Date shall not occur or be deemed to have occurred for so long as there are any Outstanding Parity Bonds that remain Outstanding under the Indenture.

“Credit Enhancement Facility Issuer” means the entity, if any, selected by the Chairman to provide a municipal bond insurance policy or other form of credit enhancement for all or any portion of the Series 2015A Bonds, as provided in Section 11 hereof.

“Disclosure Counsel” means a nationally recognized firm of attorneys knowledgeable in matters of disclosure pertaining to municipal finance. Currently, the Issuer’s Disclosure Counsel is the law firm of Bryant Miller Olive.

“Executive Director” means the President, Chief Executive Officer and Executive Director of the Issuer or, in the President, Chief Executive Officer and Executive Director’s absence or inability to act, the interim or acting President, Chief Executive Officer and Executive Director of the Issuer.

“Financial Advisor” means an entity of favorable reputation knowledgeable in matters of municipal finance, selected by the Board to serve as the Issuer’s financial advisor. Currently, the Issuer’s Financial Advisor is Raymond James & Associates, Inc.

“General Counsel” means the General Counsel of the Issuer or, in the General Counsel’s absence or unavailability to act, such other in house attorney of the Issuer designated by the General Counsel to perform the functions and duties required to be performed by General Counsel to the Issuer by this Resolution or any agreements or other documents executed and delivered by the Issuer in connection with the Series 2015A Bonds.

“Outstanding Parity Bonds” means the Indenture Obligations that have been issued under the Indenture prior to the issuance of the Series 2015A Bonds and that remain Outstanding thereunder as of the date of issuance of the Series 2015A Bonds, to wit: (a) the Senior Secured Bonds, Series 2009A-1, (b) the Senior Secured Bonds, Series 2010A-1 and (c) the Senior Secured Bonds, Series 2011A-1. The term “Outstanding Parity Bonds” as used in this Resolution does not include the Series 2015A Bonds or any future Additional Indenture Obligations issued under the Indenture prior to the Conversion Date; provided, however, that the initial purchasers of any such Additional Indenture Obligations, by virtue of their purchase of such Additional Indenture Obligations, shall be deemed to have consented to and approved (i) the amendment and restatement of the Indenture in its entirety, (ii) the execution and delivery of the Master Trust Indenture, and (iii) the conversion of such Additional Indenture Obligations that mature after the Conversion Date from obligations issued and secured under the provisions of the Indenture to obligations issued and secured under the provisions of the Master Trust Indenture.

“Resolution” means this Resolution, duly adopted by the Board on April 7, 2015.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“Scheduled Conversion Date” means June 2, 2020, which is the day after the last Outstanding Parity Bonds are scheduled to mature in accordance with their stated maturity dates.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words

used herein shall include the plural as well as the singular number. The word "person" shall include any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

The captions and headings in this Resolution are for convenience of reference and in no way define, limit or describe the scope or intent of any provisions or Sections of this Resolution.

**Section 2. Authority for Resolution.** This Resolution is adopted pursuant to the Constitution and laws the State of Florida, including, particularly, the Act and the Plan of Operation.

**Section 3. Findings and Determinations.** This Board has found and determined and does hereby declare, as follows:

(a) the Issuer has been duly created and validly exists pursuant to the Act for the purposes therein set forth, which include the purposes described in the recitals of this Resolution;

(b) as set forth in the Plan of Operation, the Board hereby confirms that the issuance of the Series 2015A Bonds, in advance of a hurricane or any other weather-related event, constitutes a financing mechanism under the Act that will enable the Coastal Account of the Issuer to efficiently meet its financial obligations and such financing is reasonably necessary to effectuate the requirements of the Act. The Board further finds that the funds to be derived from the issuance of the Series 2015A Bonds are reasonably necessary for the Coastal Account of the Issuer to currently meet its mandated purposes and financial obligations as set forth in the Plan of Operation and in the Act;

(c) as provided in the Indenture, the principal of, premium, if any, and interest on the Series 2015A Bonds and all other payments required in the Indenture, will be paid solely from the Pledged Revenues (as defined in the Indenture); the Series 2015A Bonds shall not represent or constitute a debt or pledge of the faith and credit or the taxing power of the State of Florida or of any political subdivision, municipality or other local agency thereof or of any Assessable Insurer or Assessable Insured;

(d) it is in the best interests of the Issuer to amend and restate the Indenture in its entirety as set forth in the Master Trust Indenture; provided, however, that such amendment of the Indenture and the execution and delivery of the Master Trust Indenture shall not occur while any of the Outstanding Parity Bonds remain Outstanding under the Indenture; and

(e) on and after the date of issuance of the Series 2015A Bonds, the Issuer shall not issue any Additional Indenture Obligations unless the purchasers thereof have consented to and approved the amendment and restatement of the Indenture in its entirety and the execution and delivery of the Master Trust Indenture, so that upon the execution and delivery of the Master Trust Indenture (which shall not be earlier than the Conversion Date), any such Additional Indenture Obligations that mature after the Conversion Date

shall become and be deemed to be "Bonds" and "Senior Secured Obligations" issued and secured under the Master Trust Indenture.

**Section 4. Authorization, Approval and Terms of the Series 2015A Bonds.** There is hereby authorized and approved the issuance of bonds of the Issuer, in one or more subseries, in an aggregate principal amount not exceeding \$1,000,000,000, as Additional Indenture Obligations, all pursuant to, in accordance with and subject to the terms and provisions of the Indenture. The bonds authorized to be issued by this Section 4 shall be designated as "Citizens Property Insurance Corporation Coastal Account Senior Secured Bonds, Series 2015A," and shall be issued in one or more subseries, as necessary, as shall be determined by the Chairman in accordance with Section 5(a) hereof. The Series 2015A Bonds authorized hereunder shall be issued for the purpose of providing funds, together with any other available funds, to (i) make a deposit to the Series 2015A Bonds Proceeds Subaccount established in the Tenth Supplemental Indenture (which will become part of the Master Trust Indenture on the Conversion Date) so as to provide funds to pay policyholder claims and other obligations within the Coastal Account, as the same may occur from time to time; provided, however, that amounts on deposit to the credit of the Series 2015A Bonds Proceeds Subaccount may, at the election of the Issuer, be applied to pay principal of and/or interest on the Series 2015A Bonds in accordance with the Indenture, [(ii) make a cash deposit to the Reserve Account or subaccount therein in an amount equal to the Reserve Account Requirement (as such terms are defined in the Indenture) for the Series 2015A Bonds] and (iii) pay the costs of issuance of the Series 2015A Bonds.

**Section 5. Terms and Provisions Applicable to the Series 2015A Bonds.** The Board hereby authorizes the Chairman, upon such consultation with the Chief Financial Officer, the General Counsel and/or such of the Issuer's Financial Advisor, Bond Counsel and Disclosure Counsel as the Chairman deems advisable, to establish the final details, terms and conditions of each subseries of the Series 2015A Bonds, all within the parameters set forth in this Section 5 and in Section 6 below.

(a) **Principal Amount; Number of Subseries.** The Series 2015A Bonds shall be issued in an aggregate principal amount of not exceeding \$1,000,000,000, with the exact aggregate principal amount of the Series 2015A Bonds to be determined by the Chairman, upon such consultation with the Chief Financial Officer, the General Counsel and/or such of the Issuer's Financial Advisor, Bond Counsel and Disclosure Counsel as the Chairman deems advisable. The Series 2015A Bonds may be issued in one or more subseries, each such subseries of Series 2015A Bonds being in the principal amount and, subject to Section 5(c) hereof, maturing in such year, with the exact number of subseries of Series 2015A Bonds, the exact principal amount of each such subseries and the maturity date of each such subseries being determined by the Chairman, upon such consultation with the Chief Financial Officer, the General Counsel and/or such of the Issuer's Financial Advisor, Bond Counsel and Disclosure Counsel as the Chairman deems advisable. The Series 2015A Bonds shall be issued as tax-exempt bonds and may bear interest at fixed or variable rates, with such credit enhancement as the Issuer deems to be in its best interests, and may be sold in whatever manner the Issuer deems to be in its best interests, including public offering or private placement, all to be determined by the Chairman, upon such consultation with the Chief Financial Officer, the General

Counsel and/or such of the Issuer's Financial Advisor, Bond Counsel and Disclosure Counsel as the Chairman deems advisable. Each separate subseries of the Series 2015A Bonds shall be differentiated from other subseries of Series 2015A Bonds by a number designation, starting with the number "1," so that the first subseries of Series 2015A Bonds shall be designated "Series 2015A-1 Bonds," the second subseries of Series 2015A Bonds shall be designated as "Series 2015A-2 Bonds," and so on.

(b) Interest Rate. Each subseries of Series 2015A Bonds may bear interest at fixed or variable rates of interest, including, without limitation, Adjusted SIFMA Rates or such other floating rate or rates as shall be provided for in the Tenth Supplemental Indenture; provided however, that the true interest cost (as determined on the sale date) on each subseries of the Series 2015A Bonds shall not exceed three and one-half percent (3.5%) per annum it being understood that for any Series 2015A Bonds bearing interest at a variable rate, the actual future interest rate or rates on such Series 2015A Bonds shall float in accordance with the formula contained in the Indenture for establishing such variable rate.

(c) Maturity Date. The final maturity date of any Series 2015A Bonds shall not be later than June 1, 2025.

(d) Redemption. The Series 2015A Bonds may be made subject to optional redemption prior to maturity as provided in the final Bond Purchase Agreement; provided, however, that any optional redemption of Series 2015A Bonds shall be at a redemption price equal to the principal amount of such Series 2015A Bonds to be redeemed, with no redemption premium, plus accrued interest.

(e) Execution and Delivery. The Series 2015A Bonds shall be executed in the manner provided in the Indenture. The Chairman or the Executive Director shall request and authorize the Indenture Trustee to authenticate and deliver the Series 2015A Bonds to, or upon the order of, the Underwriters named in the Bond Purchase Agreement upon receipt of certification from the Indenture Trustee of payment to the Indenture Trustee of the purchase price therein set forth.

**Section 6. Negotiated Sale of the Series 2015A Bonds; Award of Series 2015A Bonds.** It is hereby found and determined that due to the character of the Series 2015A Bonds, the unique nature of the security for the Series 2015A Bonds, the time constraints with respect to the issuance of the Series 2015A Bonds, the unsettled nature of the municipal bond market and the uncertainty inherent in a competitive bidding process, the negotiated sale of the Series 2015A Bonds, including, without limitation, by public offering or private placement, is in the best interests of the Issuer. The negotiated sale of the Series 2015A Bonds to the Underwriters is hereby authorized. The Chairman, upon such consultation with the Chief Financial Officer, the General Counsel and/or such of the Issuer's Financial Advisor, Bond Counsel and Disclosure Counsel as the Chairman deems advisable, is hereby authorized to award the Series 2015A Bonds to the Underwriters pursuant to the Bond Purchase Agreement as hereinafter described, subject to the following conditions:

(a) The Series 2015A Bonds shall be sold to the Underwriters at not less

than ninety nine and one-quarter percent (99.25% ) of the original principal amount of the Series 2015A Bonds (inclusive of Underwriters' discount, but not inclusive of original issue discount or original issue premium; the original issue discount and original issue premium, if any, may be such as is necessary to market and sell the Series 2015A Bonds, subject to the provisions of the Code).

(b) The Issuer shall have received a disclosure statement or statements from the Underwriters setting forth the information required by Section 627.3513, Florida Statutes, as amended.

**Section 7. Indenture Trustee.** The Issuer has previously appointed Regions Bank to serve as successor Indenture Trustee under the Indenture. Regions Bank has represented to the Issuer that it is an entity that is fully qualified to exercise trust powers under Florida law. Regions Bank is hereby confirmed as Indenture Trustee, Paying Agent and Bond Registrar for the Series 2015A Bonds.

**Section 8. Approval of Form, Authorization of Execution and Delivery of Tenth Supplemental Indenture.** The details of the Series 2015A Bonds (which may be multiple subseries issued concurrently) shall be contained in the Tenth Supplemental Indenture. The form of the Tenth Supplemental Indenture submitted at this meeting of the Board is hereby approved. The Chairman, the Executive Director, and the Chief Financial Officer, or any of them, is hereby authorized and directed to execute and deliver the Tenth Supplemental Indenture in the name of and on behalf of the Issuer and the General Counsel is authorized to apply and attest to the seal of the Issuer on the Tenth Supplemental Indenture, in substantially the form submitted to this Board, with such changes, insertions or omissions as shall be approved by the officer executing the Tenth Supplemental Indenture, upon such consultation with the Chief Financial Officer (if applicable), the General Counsel and/or such of the Issuer's Financial Advisor, Bond Counsel and Disclosure Counsel as the officer executing the Tenth Supplemental Indenture deems advisable, with the execution and delivery by the Chairman, the Executive Director or the Chief Financial Officer being conclusive evidence of such officer's approval and the Issuer's approval of the Tenth Supplemental Indenture.

**Section 9. Approval of Form, Authorization of Execution and Delivery of Bond Purchase Agreement.** The details and terms and conditions of sale of the Series 2015A Bonds (which may be multiple subseries issued concurrently) shall be contained in the form of the Bond Purchase Agreement submitted at this meeting. The form of the Bond Purchase Agreement submitted at this meeting of the Board in connection with the issuance and sale of the Series 2015A Bonds (which may be multiple series issued concurrently) is hereby approved. The Chairman, the Executive Director, and the Chief Financial Officer, or any of them, is hereby authorized and directed to execute and deliver the Bond Purchase Agreement in the name of and on behalf of the Issuer, the terms of which shall be consistent with the parameters set forth in Sections 5 and 6 of this Resolution and in substantially the form submitted to this Board, with such changes, insertions or omissions as shall be approved by the officer executing the Bond Purchase Agreement, upon such consultation with the Chief Financial Officer (if applicable), the General Counsel and/or such of the Issuer's Financial Advisor, Bond Counsel and Disclosure Counsel as the officer executing the Bond Purchase Agreement deems advisable, with the execution and delivery by the Chairman, the Executive Director or the Chief Financial Officer

being conclusive evidence of such officer's approval and the Issuer's approval of the Bond Purchase Agreement.

**Section 10. Approval of Form, Authorization of Distribution of Preliminary Official Statement; Authorization of Execution and Distribution of Final Official Statement.**

(a) The form of and use and distribution of the Preliminary Official Statement for the Series 2015A Bonds (the "Preliminary Official Statement") submitted at this meeting of the Board is hereby approved, with such changes, insertions or omissions as may be approved by the Chairman, upon such consultation with the Chief Financial Officer, the General Counsel and/or such of the Issuer's Financial Advisor, Bond Counsel and Disclosure Counsel as the Chairman deems advisable, as evidenced by the execution of the "deemed final" certificate described herein. No copies of the Preliminary Official Statement shall be distributed on behalf of the Issuer unless it is "deemed final" (except for permitted omissions) in accordance with the Rule. Any Authorized Issuer Representative is hereby authorized to certify when the Preliminary Official Statement shall be "deemed final" by the Issuer as of its date (except for permitted omissions), in accordance with the Rule.

(b) The use and distribution of a final Official Statement in substantially the form of the Preliminary Official Statement for the Series 2015A Bonds (the "Official Statement") is hereby approved, and each of the Chairman, the Executive Director and the Chief Financial Officer is hereby authorized and directed to execute and deliver the same, with such changes, insertions, omissions and filling in of blanks therein as shall be consistent with the requirements of this Resolution and as may be approved by the Chairman, upon such consultation with the Chief Financial Officer, the General Counsel and/or such of the Issuer's Financial Advisor, Bond Counsel and Disclosure Counsel as the Chairman deems advisable. The execution and delivery of the Official Statement by the Chairman, the Executive Director and the Chief Financial Officer shall be conclusive evidence of such officers' approval and the Issuer's approval of the Official Statement.

**Section 11. Approval of Credit Enhancement and Related Agreements.** The Board hereby authorizes the Chairman, upon such consultation with the Chief Financial Officer, the General Counsel and/or such of the Issuer's Financial Advisor, Bond Counsel and Disclosure Counsel as the Chairman deems advisable, to obtain municipal bond insurance or another form of credit enhancement for any or all of the Series 2015A Bonds if the Chairman determines that such municipal bond insurance or other form of credit enhancement is in the best interests of the Issuer. The Chairman, upon such consultation with the Chief Financial Officer, the General Counsel and/or such of the Issuer's Financial Advisor, Bond Counsel and Disclosure Counsel as the Chairman deems advisable, is authorized to accept one or more commitments providing for credit enhancement from Credit Enhancement Facility Issuers providing terms determined to be in the best interests of the Issuer, such commitment or commitments for credit enhancement may be executed by either the Chairman, the Executive Director or the Chief Financial Officer. The Board hereby further authorizes the execution and delivery by the Chairman, the Executive Director and the Chief Financial Officer, or any of them, of such related agreements, if any, as may be required by a Credit Enhancement Facility Issuer as a condition to the issuance of its



credit enhancement, with the execution and delivery of such related agreements by the Chairman, the Executive Director, or the Chief Financial Officer being conclusive evidence of such officer's approval and the Issuer's approval thereof.

**Section 12. Approval of Form, Authorization of Execution and Delivery of Continuing Disclosure Certificate.**

The form of the Continuing Disclosure Certificate submitted at this meeting of the Board is hereby approved. The Chairman, the Executive Director, and the Chief Financial Officer, or any of them, is hereby authorized and directed to execute and deliver a Continuing Disclosure Certificate in the name of and on behalf of the Issuer, in substantially the form submitted to this Board, in connection with the Series 2015A Bonds; provided that a single Continuing Disclosure Certificate may be used for multiple subseries of Series 2015A Bonds being issued concurrently. The Continuing Disclosure Certificate shall have such changes, insertions or omissions as shall be approved by the officer executing such Continuing Disclosure Certificate, upon such consultation with the Chief Financial Officer (if applicable), the General Counsel and/or such of the Issuer's Financial Advisor, Bond Counsel and Disclosure Counsel as the officer executing the Continuing Disclosure Certificate deems advisable. The execution and delivery by the Chairman, Executive Director or the Chief Financial Officer of the Continuing Disclosure Certificate shall be conclusive evidence of such officer's approval and the Issuer's approval thereof.

**Section 13. Amendment and Restatement of Indenture; Approval of Form and Authorization of Execution and Delivery of Master Trust Indenture; Cancellation of Indenture; Appointment of Master Trustee.**

(a) The Issuer hereby authorizes and approves the amendment and restatement of the Indenture as set forth in the Master Trust Indenture with such amendment and restatement to become effective not earlier than the Conversion Date, which is to be the day after there are no Outstanding Parity Bonds that remain Outstanding. By their purchase of the Series 2015A Bonds, the purchasers of the Series 2015A Bonds will be deemed to have consented to and approved (i) the amendment and restatement of the Indenture in its entirety, (ii) the execution and delivery of the Master Trust Indenture and (iii) the conversion of the Series 2015A Bonds that mature after the Conversion Date from obligations issued and secured under the provisions of the Indenture to Obligations issued and secured under the provisions of the Master Trust Indenture. The Master Trust Indenture shall not be executed and delivered by the Issuer prior to the Conversion Date. Upon execution and delivery of the Master Trust Indenture, the Series 2015A Bonds that mature after the Conversion Date shall automatically become and be deemed to be "Bonds" and "Senior Secured Obligations" issued and secured under the provisions of the Master Trust Indenture for any and all purposes, and the Indenture shall be cancelled and terminated and exist no more.

(b) The form of the Master Trust Indenture attached as Exhibit B to the Tenth Supplemental Indenture and submitted at this meeting of the Board is hereby approved. The Chairman, the Executive Director, and the Chief Financial Officer, or any of them, is hereby authorized and directed to execute and deliver the Master Trust Indenture in the



name of and on behalf of the Issuer and the General Counsel is authorized to apply and attest to the seal of the Issuer on the Master Trust Indenture, in substantially the form attached as Exhibit B to the Tenth Supplemental Indenture, with such changes, insertions or omissions as shall be approved by the officer executing the Master Trust Indenture, upon such consultation with the Chief Financial Officer (if applicable), the General Counsel and/or such of the Issuer's Financial Advisor, Bond Counsel and Disclosure Counsel as the officer executing the Master Trust Indenture deems advisable, with the execution and delivery by the Chairman, the Executive Director or the Chief Financial Officer being conclusive evidence of such officer's approval and the Issuer's approval of the Master Trust Indenture; provided however, that (i) the Master Trust Indenture shall not be executed prior to the Conversion Date and (ii) any changes, insertions or omissions to the form of Master Trust Indenture attached as Exhibit B to the Tenth Supplemental Indenture may only be made if, and to the extent that, the change, insertion or omission is of a nature or character that if it were being made to the Indenture, such change, insertion or omission would be permitted pursuant to Section 9.02 of the Indenture without the consent of any Holder of Indenture Obligations then Outstanding.

(c) Prior to the execution and delivery of the Master Trust Indenture, the Issuer shall appoint a qualified entity with corporate trust powers to serve in the capacity of Master Trustee thereunder.

**Section 14. Payment of Fees and Costs.** The Board does hereby approve payment of all fees and costs required to be paid in connection with the issuance of the Series 2015A Bonds, including, without limitation, all costs of issuance in respect thereof, all in accordance with the estimate of fees and costs to be incurred by the Issuer in the issuance the Series 2015A Bonds submitted to the Office and the Board.

**Section 15. Additional Assurances and Action.** The Issuer shall at any and all times cause to be done all further acts and things and cause to be executed and delivered all such further instruments as may be necessary to carry out the purposes of the Indenture, the Series 2015A Bonds, this Resolution and the Act, including, without limitation, the execution and delivery of any other related or ancillary documentation required in connection with the issuance of the Series 2015A Bonds and the execution and delivery of the Master Trust Indenture as provided herein.

The Chairman, the Executive Director, the Chief Financial Officer, the General Counsel, Bond Counsel, Disclosure Counsel, the Financial Advisor, and the other officers, agents and employees of the Issuer are hereby authorized and directed to do all acts and things necessary to carry into effect the provisions of the Series 2015A Bonds authorized by this Resolution and by the provisions of the Indenture. All of the acts and doings of the Chairman, Executive Director, Chief Financial Officer, General Counsel, Bond Counsel, Disclosure Counsel, Financial Advisor or any other officer, agent or employee of the Issuer which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and are hereby ratified, confirmed and approved. Either of the Executive Director or the Chief Financial Officer is hereby authorized and directed to attest the Chairman's signature on this Resolution and affix the Issuer's official seal hereon.

**Section 16. Severability.** In case one or more of the provisions of this Resolution, the Indenture, the Series 2015A Bonds or the Master Trust Indenture shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Resolution, the Indenture, Series 2015A Bonds or the Master Trust Indenture, as the case may be, and they shall be construed and enforced as if such illegal or invalid provisions had not been contained therein.

**Section 17. Compliance with Open Meeting Requirements.** It is hereby found and determined that all formal actions of the Issuer and this Board concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Board, and that deliberations of this Board and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

**Section 18. Repealing Clause.** All resolutions or parts thereof in conflict with the provisions herein or in the Indenture contained are, to the extent of such conflict, hereby superseded and repealed.

**Section 19. Effective Date.** This Resolution shall take effect and be in force immediately upon its adoption.

Passed this 7th day of April, 2015.

  
\_\_\_\_\_  
CHAIRMAN  
Board of Governors  
Citizens Property Insurance  
Corporation

SEAL

  
\_\_\_\_\_  
CHIEF FINANCIAL OFFICER  
Citizens Property Insurance Corporation

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**FILED**

APR 09 2015

OFFICE OF  
INSURANCE REGULATIONDocketed by: 

## OFFICE OF INSURANCE REGULATION

KEVIN M. MCCARTY  
COMMISSIONER

IN THE MATTER OF:

CITIZENS PROPERTY  
INSURANCE CORPORATION  
\_\_\_\_\_ /

CASE NO.: 171229-15

**ORDER APPROVING CITIZENS PROPERTY INSURANCE  
CORPORATION'S COASTAL ACCOUNT  
BOND ISSUANCE AND RELATED DOCUMENTS**

THIS MATTER came before the Office of Insurance Regulation (the "Office") for consideration and final agency action upon the request of Citizens Property Insurance Corporation ("Citizens"), pursuant to Section 627.351(6), Florida Statutes, as amended (the "Citizens Act"), and Sections 19(B) and 20 of Citizens' Plan of Operation (the "Plan of Operation"), for approval of the issuance by Citizens of its Coastal Account Senior Secured Bonds, Series 2015A, in the aggregate principal amount of not exceeding One Billion U.S. Dollars (\$1,000,000,000) (the "Series 2015A Bonds") and related documentation. Citizens' request is based on the adoption by its Board of Governors (the "Board") of the resolution attached hereto as "Exhibit A" (the "Authorizing Resolution"), authorizing the issuance of the Series 2015A Bonds and related documentation. The Series 2015A Bonds may consist of one or more subseries.

Each separate subseries of Series 2015A Bonds shall be differentiated from other subseries of Series 2015A Bonds by a number designation, starting with the number "1," so that

the first subseries of Series 2015A Bonds shall be designated as “Series 2015A-1 Bonds,” the second subseries of Series 2015A Bonds shall be designated as “Series 2015A-2 Bonds,” and so on. The Series 2015A Bonds are to be issued pursuant to that certain Trust Indenture dated as of August 6, 1997 (the “1997 Indenture”), as amended to date, by and between Citizens and Regions Bank, as successor Indenture Trustee (the “Indenture Trustee”), as further amended by a Tenth Supplemental Indenture by and between Citizens and the Indenture Trustee (the “Tenth Supplemental Indenture” and, together with the 1997 Indenture as amended to date, the “Indenture”). The Tenth Supplemental Indenture is to be in substantially the same form as the copy received and reviewed by the Office prior to the entry of this Order.

The Series 2015A Bonds may be issued bearing interest at fixed or variable rates, including Adjusted SIFMA Rates or such other floating rate or rates as shall be provided for in the Tenth Supplemental Indenture; be issued as tax-exempt bonds; have the benefit of any credit enhancement as determined pursuant to the Authorizing Resolution; and may be sold through a public offering or private placement. The final maturity of the Series 2015A Bonds shall be no later than June 1, 2025. The Tenth Supplemental Indenture approved hereby may be modified as necessary to reflect the final details of the Series 2015A Bonds.

Citizens is also entering into or will utilize, as applicable, other related documents and agreements in connection with the issuance of the Series 2015A Bonds as described in the Authorizing Resolution.

Citizens is a statutorily-created corporation and government entity that is an integral part of the State of Florida, established pursuant to the Citizens Act. Citizens, through its Coastal Account, is a significant provider of residential and commercial windstorm insurance in the State of Florida and, as such, must have immediate access to funding sources for the Coastal Account

pending receipt of the Coastal Account's ordinary and customary revenues and reinsurance and other reimbursement funds to meet policyholder claims and other obligations resulting from ordinary losses or catastrophic hurricanes or other weather-related events.

The Citizens Act authorizes Citizens to borrow funds for the Coastal Account by issuing bonds or by incurring other indebtedness and to pledge assessments under the Act and other funds available to Citizens' Coastal Account as the source of security and repayment for such borrowings. Section 627.351(6)(c)(3), Florida Statutes, states that Citizens may issue bonds or incur other indebtedness in the absence of a hurricane or other weather-related event, upon a determination by Citizens, subject to approval by the Office, that such action would enable it to efficiently meet the financial obligations of Citizens and that such financings are reasonably necessary to effectuate the requirements of the Citizens Act.

The Citizens Act and the Plan Of Operation authorize Citizens to issue bonds in the absence of a hurricane or other weather-related event and the Plan of Operation, in Section 20(D), contains a determination by the Board that such advance financings constitute financing mechanisms under the Act that will allow Citizens to efficiently meet the financial obligations of the Coastal Account and that such financings are reasonably necessary to effectuate the requirements of the Act.

On April 7, 2015, Citizens' Board adopted the Authorizing Resolution authorizing the issuance of the Series 2015A Bonds, in one or more subseries, in the aggregate principal amount of not exceeding One Billion U.S. Dollars (\$1,000,000,000), to pay policyholder claims and other obligations of the Coastal Account. As reflected in the attached "Exhibit A," the Authorizing Resolution contains a finding by Citizens' Board that, in order to provide funds to meet policyholder claims and other obligations of the Coastal Account, it is in the best interests

of Citizens to issue the Series 2015A Bonds. As further reflected in the attached “Exhibit A,” the Authorizing Resolution contains a determination by Citizens’ Board that the proceeds derived from the Series 2015A Bonds are reasonably necessary to enable Citizens to efficiently meet the financial obligations of the Coastal Account and to effectuate the requirements of the Citizens Act.

As required by Section 19(B) of the Plan of Operation, Citizens has filed with the Office a statement of the purpose of the Series 2015A Bonds, a copy of the Tenth Supplemental Indenture in substantially final form, (including, without limitation, the form of the Master Trust Indenture referred to herein below) and an estimate of the costs to be incurred by Citizens in connection with the issuance of the entire aggregate principal amount (i.e., One Billion U.S. Dollars (\$1,000,000,000)) of the Series 2015A Bonds.

In connection with the issuance of the Series 2015A Bonds, Citizens desires to amend and restate the Indenture in its entirety, as more specifically set forth in Article VI of the Tenth Supplemental Indenture and as reflected in the form of the Master Trust Indenture set forth in Exhibit B to the Tenth Supplemental Indenture (the “Master Trust Indenture”), with such amendments and the Master Trust Indenture to be effective no earlier than the Conversion Date (as defined in the Tenth Supplemental Indenture).

By virtue of their purchase of the Series 2015A Bonds, the purchasers thereof will have consented to and approved (i) the amendment and restatement of the Indenture in its entirety, (ii) the execution and delivery of the Master Trust Indenture, and (iii) the conversion of the Series 2015A Bonds that mature after the Conversion Date from obligations issued and secured under the provisions of the Indenture to obligations issued and secured under the provisions of the Master Trust Indenture.

The Office, having considered this submission, and being otherwise advised in the premises, hereby finds that:

1. The Office has jurisdiction over the subject matter of, and the parties to, this proceeding pursuant to the Citizens Act.

2. The Series 2015A Bonds are being issued for the purpose of providing additional resources to assist Citizens in covering policyholders' claims and expenses in the Coastal Account and are hereby determined to be for a valid purpose under the Citizens Act. The Series 2015A Bonds will enable Citizens to efficiently meet its financial obligations and are reasonably necessary to effectuate the requirements of the Citizens Act.

3. Each of the Indenture and the Master Trust Indenture is hereby deemed to be a "trust indenture" within the meaning of, and is approved for purposes of, Section 19(B) of the Plan of Operation.

4. Pursuant to the Citizens Act, and Sections 19(B) and 20 of the Plan of Operation, Citizens has authority to enter into the Tenth Supplemental Indenture in connection with the issuance of the Series 2015A Bonds, to issue the Series 2015A Bonds under the Indenture and with the details and characteristics described herein and in the Authorizing Resolution, and to make the Series 2015A Bonds payable and secured as provided in the Indenture. Citizens further has authority to enter into the Master Trust Indenture as contemplated by and provided for in the Authorizing Resolution, to have the Series 2015A Bonds that mature after the Conversion Date convert from obligations issued and secured under the Indenture to obligations issued and secured under the Master Trust Indenture, and to make such Series 2015A Bonds payable and secured as provided in the Master Trust Indenture.

IT IS THEREFORE ORDERED:



That the Office recognizes that on April 7, 2015, the Board adopted the Authorizing Resolution which delegates authority to the Chairman to (i) set the details of the Series 2015A Bonds, and (ii) award and sell the Series 2015A Bonds to the Underwriters, all within the parameters set forth therein and herein.

The Office of Insurance Regulation hereby APPROVES:

- A. The Tenth Supplemental Indenture.
- B. The issuance of the Series 2015A Bonds under the Indenture, with the details and characteristics described herein and in the Authorizing Resolution.
- C. The pledge by Citizens of the Pledged Revenues (as defined in the Indenture) to secure the Series 2015A Bonds.
- D. The Master Trust Indenture.
- E. On and after the execution and delivery of the Master Trust Indenture (which shall be no earlier than the Conversion Date), the conversion of the Series 2015A Bonds that mature after the Conversion Date from obligations issued and secured under the Indenture to obligations issued and secured under the Master Trust Indenture.
- F. The pledge by Citizens of the Pledged Revenues (as defined in the Master Trust Indenture) to secure the Series 2015A Bonds that mature after the Conversion Date.

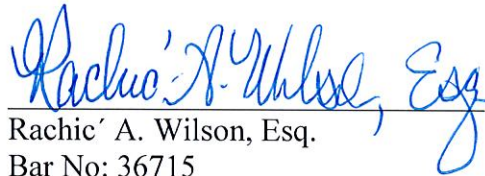
DONE and ORDERED this 9th day of April, 2015.



  
Kevin M. McCarty, Commissioner  
Office of Insurance Regulation

## NOTICE OF RIGHTS

Any party to these proceedings adversely affected by this Order is entitled to seek review of this Order pursuant to Section 120.68, Florida Statutes, and Rule 9.110, Fla. R. App. P. Review proceedings must be instituted by filing a petition or notice of appeal with Anoush A. Brangaccio, General Counsel of the Office of Insurance Regulation, acting as the Agency Clerk, at 612 Larson Building, Tallahassee, Florida 32399-4206, and a copy of the same with the appropriate district court of appeal, within thirty (30) days of rendition of this Order.



Rachic' A. Wilson, Esq.

Bar No: 36715

Assistant General Counsel

Office of Insurance Regulation

Division of Legal Services

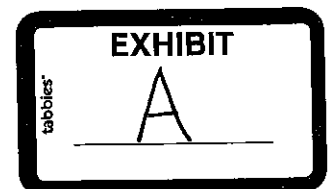
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A RESOLUTION OF THE BOARD OF GOVERNORS OF CITIZENS PROPERTY INSURANCE CORPORATION AUTHORIZING THE ISSUANCE OF CITIZENS PROPERTY INSURANCE CORPORATION COASTAL ACCOUNT SENIOR SECURED BONDS, SERIES 2015A, IN ONE OR MORE SUBSERIES, IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$1,000,000,000, FOR THE PURPOSE OF PROVIDING FUNDS TO, AMONG OTHER THINGS, MEET POLICYHOLDER CLAIMS AND OTHER OBLIGATIONS OF THE COASTAL ACCOUNT; MAKING CERTAIN FINDINGS AND DETERMINATIONS AS TO THE BONDS; DETERMINING CERTAIN PARAMETERS FOR CERTAIN TERMS OF THE BONDS; DELEGATING TO THE CHAIRMAN THE AUTHORITY TO APPROVE THE FINAL TERMS AND PROVISIONS OF THE BONDS, TO BE SET FORTH IN THE TENTH SUPPLEMENTAL INDENTURE, SUBJECT TO THE PARAMETERS AND LIMITATIONS SET FORTH HEREIN; AUTHORIZING THE NEGOTIATED SALE OF THE BONDS AND PROVIDING FOR THE AWARD AND THE SALE OF THE BONDS TO THE UNDERWRITERS, SUBJECT TO THE PARAMETERS AND LIMITATIONS SET FORTH HEREIN; CONFIRMING THE APPOINTMENT OF AN INDENTURE TRUSTEE AND PAYING AGENT AND BOND REGISTRAR; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A TENTH SUPPLEMENTAL INDENTURE PURSUANT TO WHICH THE BONDS WILL BE ISSUED; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT WITH THE UNDERWRITERS; APPROVING THE FORM AND AUTHORIZING THE DISTRIBUTION AND USE OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT IN CONNECTION WITH THE SALE OF THE BONDS; AUTHORIZING THE CHAIRMAN TO OBTAIN CREDIT ENHANCEMENT IF DEEMED IN THE BEST INTERESTS OF CITIZENS AND AUTHORIZING THE EXECUTION AND DELIVERY OF ANY AGREEMENT REQUIRED IN CONNECTION THEREWITH; AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE CERTIFICATE; PROVIDING FOR THE AMENDMENT AND RESTATEMENT OF THE ORIGINAL INDENTURE IN ITS ENTIRETY THROUGH THE MASTER TRUST INDENTURE ATTACHED AS EXHIBIT B TO THE TENTH SUPPLEMENTAL INDENTURE; PROVIDING THAT BY



**PURCHASE OF THE BONDS, THE PURCHASERS THEREOF SHALL BE DEEMED TO HAVE CONSENTED TO THE AMENDMENT AND RESTATEMENT OF THE ORIGINAL INDENTURE IN ITS ENTIRETY AS SET FORTH IN THE MASTER TRUST INDENTURE; PROVIDING FOR THE EXECUTION AND DELIVERY OF THE MASTER TRUST INDENTURE ON THE CONVERSION DATE; AUTHORIZING OFFICERS AND AUTHORIZED REPRESENTATIVES TO DO AND PERFORM ALL OTHER ACTS AND THINGS REQUIRED TO EFFECTUATE THE SALE AND ISSUANCE OF THE BONDS; PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, Citizens Property Insurance Corporation (hereinafter referred to as the “Issuer” or “Citizens”) is a statutorily created corporation and government entity that is an integral part of the State of Florida, established pursuant to Chapter 627, Part I, Section 627.351(6), Florida Statutes, as amended (the “Act”);

**WHEREAS**, as set forth in the Act, Citizens’ public purposes include (a) to ensure the existence of an orderly market for property insurance for residents and businesses of the State of Florida; (b) to assist in assuring that property in the State of Florida is insured and that it is insured at affordable rates so as to facilitate the remediation, reconstruction, and replacement of damaged or destroyed property in order to reduce or avoid the negative effects otherwise resulting to the public health, safety, and welfare, to the economy of the state, and to the revenues of the state and local governments which are needed to provide for the public welfare; and (c) to provide affordable property insurance to applicants who are in good faith entitled to procure insurance through the voluntary market but are unable to do so;

**WHEREAS**, the Issuer, through its Coastal Account, is a significant provider of residential and commercial windstorm insurance in the State of Florida and, as such, must have immediate access to funding sources for the Coastal Account pending receipt of the Coastal Account’s ordinary and customary revenues and reinsurance and other reimbursement funds to meet policyholder claims and other obligations resulting from ordinary losses or catastrophic hurricanes or other weather-related events;

**WHEREAS**, the Act authorizes the Issuer to borrow funds for the Coastal Account by issuing bonds or by incurring other indebtedness and to pledge assessments under the Act and other funds available to the Issuer’s Coastal Account as the source of security and repayment for such borrowings;

**WHEREAS**, in order to provide funds to, among other things, meet policyholder claims and other obligations of the Coastal Account, the Issuer deems it in its best interests to issue its Coastal Account Senior Secured Bonds, Series 2015A, in one or more subseries, in the aggregate principal amount of not exceeding \$1,000,000,000 (the “Series 2015A Bonds”);

**WHEREAS**, the Series 2015A Bonds are to be issued under and secured by that certain

Trust Indenture dated as of August 6, 1997 (the “Original Indenture”), as supplemented and amended by a Series 1999A Supplemental Indenture dated as of March 31, 1999 (the “1999 Supplemental Indenture”), a Second Supplemental Indenture dated as of August 1, 2002 (the “Second Supplemental Indenture”), a Third Supplemental Indenture dated as of May 1, 2004 (the “Third Supplemental Indenture”), a Fourth Supplemental Indenture dated as of June 1, 2006 (the “Fourth Supplemental Indenture”), a Fifth Supplemental Indenture dated as of February 1, 2007 (the “Fifth Supplemental Indenture”), a Sixth Supplemental Indenture dated as of June 1, 2008 (the “Sixth Supplemental Indenture”), a Seventh Supplemental Indenture dated as of May 1, 2009 (the “Seventh Supplemental Indenture”), an Eighth Supplemental Indenture dated as of May 1, 2010 (the “Eighth Supplemental Indenture”), a Ninth Supplemental Indenture dated as of July 1, 2011 (the “Ninth Supplemental Indenture”) and a Tenth Supplemental Indenture to be dated on or about May 1, 2015 (the “Tenth Supplemental Indenture” and, together with the Original Indenture, the 1999 Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture and the Ninth Supplemental Indenture, hereinafter collectively referred to as the “Indenture”), each by and between the Issuer and Regions Bank, as successor Indenture Trustee (the “Indenture Trustee”);

**WHEREAS**, in order to issue the Series 2015A Bonds, it will be necessary for the Issuer to enter into, approve the entering into and/or approve the issuance of the following documents and agreements the forms of which (except for the Official Statement) at this time are before the Board of Governors of the Issuer (the “Board”) as and to the extent described in Sections 8 through 13 hereof, to wit:

(a) the Tenth Supplemental Indenture described above, including, without limitation, the form of the Master Trust Indenture attached thereto as Exhibit B (the “Master Trust Indenture”) to be executed and delivered not earlier than the Conversion Date (as defined herein);

(b) the Bond Purchase Agreement (the “Bond Purchase Agreement”), by and between the Issuer and one or more underwriter(s) (the “Representative” or “Representatives”) as the representative(s), on behalf of itself or themselves and the underwriters listed in the Bond Purchase Agreement (collectively with the Representative(s), the “Underwriters”);

(c) the Preliminary Official Statement relating to the Series 2015A Bonds (the “Preliminary Official Statement”);

(d) the final Official Statement relating to the Series 2015A Bonds (the “Official Statement”), in substantially the form of the Preliminary Official Statement; and

(e) the Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”) of the Issuer.

**WHEREAS**, the execution and delivery of the above-described documents and agreements by the respective parties therein named in connection with the issuance of the Series

2015A Bonds, the issuance of the Series 2015A Bonds in one or more subseries, the consummation of the transactions contemplated by the above-described agreements and documents and the taking of such other and further action and of the other matters above recited, are necessary and desirable and in the best interests of the Coastal Account of Citizens;

**WHEREAS**, in connection with the issuance of the Series 2015A Bonds, Citizens desires to amend and restate in its entirety the Original Indenture as previously amended to date, as more specifically set forth in Article VI of the Tenth Supplemental Indenture and as reflected in the Master Trust Indenture set forth in Exhibit B thereto, with such amendments and the Master Trust Indenture to become effective no earlier than the Conversion Date (as defined herein);

**WHEREAS**, by virtue of their purchase of the Series 2015A Bonds, the purchasers thereof will have consented to and approved (i) the amendment and restatement of the Indenture in its entirety, (ii) the execution and delivery of the Master Trust Indenture, and (iii) the conversion of the Series 2015A Bonds that mature after the Conversion Date from obligations issued and secured under the provisions of the Indenture to obligations issued and secured under the provisions of the Master Trust Indenture;

**WHEREAS**, Citizens' Plan of Operation, as amended (the "Plan of Operation"), authorizes Citizens to issue bonds in the absence of a hurricane or other weather-related event and the Plan of Operation contains a determination by the Board that such advance financings constitute financing mechanisms under the Act that will efficiently meet the financial obligations of Citizens and that such financings are reasonably necessary to effectuate the requirements of the Act;

**WHEREAS**, in accordance with the Act and the Plan of Operation, Citizens has submitted to the State of Florida Office of Insurance Regulation (the "Office") the Tenth Supplemental Indenture, including, without limitation, the form of Master Trust Indenture attached as Exhibit B thereto, a statement of the purpose of the Series 2015A Bonds and an estimate of the costs to be incurred by Citizens in the issuance of the Series 2015A Bonds, for entry of an order by the Office approving the Tenth Supplemental Indenture, the Master Trust Indenture and the issuance, in one or more subseries, of the Series 2015A Bonds;

**WHEREAS**, the Board has determined that a negotiated sale of the Series 2015A Bonds is in the best interests of the Issuer, based on the findings contained in this Resolution, and in connection therewith has determined to enter into the Bond Purchase Agreement with the Underwriters and has authorized the preparation and distribution of the Preliminary Official Statement and the final Official Statement, as provided herein, and has authorized the other acts and things herein stated;

**WHEREAS**, the Plan of Operation provides that financing agreements, and supporting documentation relating thereto, shall be executed and delivered on behalf of the Issuer by the Chairman, the Vice Chair, the Executive Director, or any other officer of the Issuer authorized by resolution of the Board; and

**WHEREAS**, the Board has determined that given the unique nature of the structure of and security for the Series 2015A Bonds and the unsettled nature of the municipal bond market, it is desirable and in the best interests of the Issuer to delegate to (a) the Chairman the authority to

(i) set the details of the Series 2015A Bonds within the parameters set forth herein, and (ii) award and sell the Series 2015A Bonds to the Underwriters within the parameters set forth herein; and (b) the Chairman, the Executive Director, and the Chief Financial Officer, or any of them, the authority to approve the form and details of all necessary agreements and documents, including, but not limited to, the Tenth Supplemental Indenture, the Bond Purchase Agreement, the Continuing Disclosure Certificate, the Preliminary Official Statement, the final Official Statement, the Master Trust Indenture and any other agreements and documents that may be necessary in connection with the issuance and sale of the Series 2015A Bonds;

**NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED BY THE BOARD OF GOVERNORS OF CITIZENS PROPERTY INSURANCE CORPORATION, AS FOLLOWS:**

**Section 1. Definitions.** Terms not defined herein shall have the meanings assigned to such terms in the Indenture. In addition to words and terms defined in the recitals above, the Indenture or elsewhere defined in this Resolution, the following words and terms as used in this Resolution shall have the following meanings, unless some other meaning is plainly intended:

“Authorized Citizens Representative” or “Authorized Issuer Representative” means, in connection with the Series 2015A Bonds, (a) the Chairman of the Board, or (b) the Executive Director of the Issuer, or (c) the Chief Financial Officer of the Issuer, or (d) such other officers, employees or agents of the Issuer as shall be from time to time designated by a certificate executed by the Chairman or the Executive Director.

“Board” means the Board of Governors of the Issuer.

“Bond Counsel” means a firm of nationally recognized bond counsel knowledgeable in matters of municipal finance. Currently, the Issuer’s Bond Counsel is the law firm of Greenberg Traurig, P.A.

“Chairman” means the Chairman or, in the Chairman’s absence or inability to act, the Vice Chairman of the Board; or in each of their absence or inability to act, the Executive Director.

“Chief Financial Officer” means the Chief Financial Officer of the Issuer or, in the Chief Financial Officer’s absence or inability to act, the interim or acting Chief Financial Officer of the Issuer.

“Conversion Date” means the earlier to occur of (a) the Scheduled Conversion Date or (b) the Business Day immediately after the date on which none of the Outstanding Parity Bonds are Outstanding under the Indenture as a result of the Issuer’s legal defeasance of the Outstanding Parity Bonds prior to their stated maturity dates; provided, however, that notwithstanding anything to the contrary contained in the Tenth Supplemental Indenture or in any future Supplemental Indenture, the Conversion Date shall not occur or be deemed to have occurred for so long as there are any Outstanding Parity Bonds that remain Outstanding under the Indenture.

“Credit Enhancement Facility Issuer” means the entity, if any, selected by the Chairman to provide a municipal bond insurance policy or other form of credit enhancement for all or any portion of the Series 2015A Bonds, as provided in Section 11 hereof.

“Disclosure Counsel” means a nationally recognized firm of attorneys knowledgeable in matters of disclosure pertaining to municipal finance. Currently, the Issuer’s Disclosure Counsel is the law firm of Bryant Miller Olive.

“Executive Director” means the President, Chief Executive Officer and Executive Director of the Issuer or, in the President, Chief Executive Officer and Executive Director’s absence or inability to act, the interim or acting President, Chief Executive Officer and Executive Director of the Issuer.

“Financial Advisor” means an entity of favorable reputation knowledgeable in matters of municipal finance, selected by the Board to serve as the Issuer’s financial advisor. Currently, the Issuer’s Financial Advisor is Raymond James & Associates, Inc.

“General Counsel” means the General Counsel of the Issuer or, in the General Counsel’s absence or unavailability to act, such other in house attorney of the Issuer designated by the General Counsel to perform the functions and duties required to be performed by General Counsel to the Issuer by this Resolution or any agreements or other documents executed and delivered by the Issuer in connection with the Series 2015A Bonds.

“Outstanding Parity Bonds” means the Indenture Obligations that have been issued under the Indenture prior to the issuance of the Series 2015A Bonds and that remain Outstanding thereunder as of the date of issuance of the Series 2015A Bonds, to wit: (a) the Senior Secured Bonds, Series 2009A-1, (b) the Senior Secured Bonds, Series 2010A-1 and (c) the Senior Secured Bonds, Series 2011A-1. The term “Outstanding Parity Bonds” as used in this Resolution does not include the Series 2015A Bonds or any future Additional Indenture Obligations issued under the Indenture prior to the Conversion Date; provided, however, that the initial purchasers of any such Additional Indenture Obligations, by virtue of their purchase of such Additional Indenture Obligations, shall be deemed to have consented to and approved (i) the amendment and restatement of the Indenture in its entirety, (ii) the execution and delivery of the Master Trust Indenture, and (iii) the conversion of such Additional Indenture Obligations that mature after the Conversion Date from obligations issued and secured under the provisions of the Indenture to obligations issued and secured under the provisions of the Master Trust Indenture.

“Resolution” means this Resolution, duly adopted by the Board on April 7, 2015.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“Scheduled Conversion Date” means June 2, 2020, which is the day after the last Outstanding Parity Bonds are scheduled to mature in accordance with their stated maturity dates.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words



used herein shall include the plural as well as the singular number. The word "person" shall include any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

The captions and headings in this Resolution are for convenience of reference and in no way define, limit or describe the scope or intent of any provisions or Sections of this Resolution.

**Section 2. Authority for Resolution.** This Resolution is adopted pursuant to the Constitution and laws the State of Florida, including, particularly, the Act and the Plan of Operation.

**Section 3. Findings and Determinations.** This Board has found and determined and does hereby declare, as follows:

(a) the Issuer has been duly created and validly exists pursuant to the Act for the purposes therein set forth, which include the purposes described in the recitals of this Resolution;

(b) as set forth in the Plan of Operation, the Board hereby confirms that the issuance of the Series 2015A Bonds, in advance of a hurricane or any other weather-related event, constitutes a financing mechanism under the Act that will enable the Coastal Account of the Issuer to efficiently meet its financial obligations and such financing is reasonably necessary to effectuate the requirements of the Act. The Board further finds that the funds to be derived from the issuance of the Series 2015A Bonds are reasonably necessary for the Coastal Account of the Issuer to currently meet its mandated purposes and financial obligations as set forth in the Plan of Operation and in the Act;

(c) as provided in the Indenture, the principal of, premium, if any, and interest on the Series 2015A Bonds and all other payments required in the Indenture, will be paid solely from the Pledged Revenues (as defined in the Indenture); the Series 2015A Bonds shall not represent or constitute a debt or pledge of the faith and credit or the taxing power of the State of Florida or of any political subdivision, municipality or other local agency thereof or of any Assessable Insurer or Assessable Insured;

(d) it is in the best interests of the Issuer to amend and restate the Indenture in its entirety as set forth in the Master Trust Indenture; provided, however, that such amendment of the Indenture and the execution and delivery of the Master Trust Indenture shall not occur while any of the Outstanding Parity Bonds remain Outstanding under the Indenture; and

(e) on and after the date of issuance of the Series 2015A Bonds, the Issuer shall not issue any Additional Indenture Obligations unless the purchasers thereof have consented to and approved the amendment and restatement of the Indenture in its entirety and the execution and delivery of the Master Trust Indenture, so that upon the execution and delivery of the Master Trust Indenture (which shall not be earlier than the Conversion Date), any such Additional Indenture Obligations that mature after the Conversion Date

shall become and be deemed to be “Bonds” and “Senior Secured Obligations” issued and secured under the Master Trust Indenture.

**Section 4. Authorization, Approval and Terms of the Series 2015A Bonds.** There is hereby authorized and approved the issuance of bonds of the Issuer, in one or more subseries, in an aggregate principal amount not exceeding \$1,000,000,000, as Additional Indenture Obligations, all pursuant to, in accordance with and subject to the terms and provisions of the Indenture. The bonds authorized to be issued by this Section 4 shall be designated as “Citizens Property Insurance Corporation Coastal Account Senior Secured Bonds, Series 2015A,” and shall be issued in one or more subseries, as necessary, as shall be determined by the Chairman in accordance with Section 5(a) hereof. The Series 2015A Bonds authorized hereunder shall be issued for the purpose of providing funds, together with any other available funds, to (i) make a deposit to the Series 2015A Bonds Proceeds Subaccount established in the Tenth Supplemental Indenture (which will become part of the Master Trust Indenture on the Conversion Date) so as to provide funds to pay policyholder claims and other obligations within the Coastal Account, as the same may occur from time to time; provided, however, that amounts on deposit to the credit of the Series 2015A Bonds Proceeds Subaccount may, at the election of the Issuer, be applied to pay principal of and/or interest on the Series 2015A Bonds in accordance with the Indenture, [(ii) make a cash deposit to the Reserve Account or subaccount therein in an amount equal to the Reserve Account Requirement (as such terms are defined in the Indenture) for the Series 2015A Bonds] and (iii) pay the costs of issuance of the Series 2015A Bonds.

**Section 5. Terms and Provisions Applicable to the Series 2015A Bonds.** The Board hereby authorizes the Chairman, upon such consultation with the Chief Financial Officer, the General Counsel and/or such of the Issuer’s Financial Advisor, Bond Counsel and Disclosure Counsel as the Chairman deems advisable, to establish the final details, terms and conditions of each subseries of the Series 2015A Bonds, all within the parameters set forth in this Section 5 and in Section 6 below.

(a) **Principal Amount; Number of Subseries.** The Series 2015A Bonds shall be issued in an aggregate principal amount of not exceeding \$1,000,000,000, with the exact aggregate principal amount of the Series 2015A Bonds to be determined by the Chairman, upon such consultation with the Chief Financial Officer, the General Counsel and/or such of the Issuer’s Financial Advisor, Bond Counsel and Disclosure Counsel as the Chairman deems advisable. The Series 2015A Bonds may be issued in one or more subseries, each such subseries of Series 2015A Bonds being in the principal amount and, subject to Section 5(c) hereof, maturing in such year, with the exact number of subseries of Series 2015A Bonds, the exact principal amount of each such subseries and the maturity date of each such subseries being determined by the Chairman, upon such consultation with the Chief Financial Officer, the General Counsel and/or such of the Issuer’s Financial Advisor, Bond Counsel and Disclosure Counsel as the Chairman deems advisable. The Series 2015A Bonds shall be issued as tax-exempt bonds and may bear interest at fixed or variable rates, with such credit enhancement as the Issuer deems to be in its best interests, and may be sold in whatever manner the Issuer deems to be in its best interests, including public offering or private placement, all to be determined by the Chairman, upon such consultation with the Chief Financial Officer, the General

Counsel and/or such of the Issuer's Financial Advisor, Bond Counsel and Disclosure Counsel as the Chairman deems advisable. Each separate subseries of the Series 2015A Bonds shall be differentiated from other subseries of Series 2015A Bonds by a number designation, starting with the number "1," so that the first subseries of Series 2015A Bonds shall be designated "Series 2015A-1 Bonds," the second subseries of Series 2015A Bonds shall be designated as "Series 2015A-2 Bonds," and so on.

(b) Interest Rate. Each subseries of Series 2015A Bonds may bear interest at fixed or variable rates of interest, including, without limitation, Adjusted SIFMA Rates or such other floating rate or rates as shall be provided for in the Tenth Supplemental Indenture; provided however, that the true interest cost (as determined on the sale date) on each subseries of the Series 2015A Bonds shall not exceed three and one-half percent (3.5%) per annum it being understood that for any Series 2015A Bonds bearing interest at a variable rate, the actual future interest rate or rates on such Series 2015A Bonds shall float in accordance with the formula contained in the Indenture for establishing such variable rate.

(c) Maturity Date. The final maturity date of any Series 2015A Bonds shall not be later than June 1, 2025.

(d) Redemption. The Series 2015A Bonds may be made subject to optional redemption prior to maturity as provided in the final Bond Purchase Agreement; provided, however, that any optional redemption of Series 2015A Bonds shall be at a redemption price equal to the principal amount of such Series 2015A Bonds to be redeemed, with no redemption premium, plus accrued interest.

(e) Execution and Delivery. The Series 2015A Bonds shall be executed in the manner provided in the Indenture. The Chairman or the Executive Director shall request and authorize the Indenture Trustee to authenticate and deliver the Series 2015A Bonds to, or upon the order of, the Underwriters named in the Bond Purchase Agreement upon receipt of certification from the Indenture Trustee of payment to the Indenture Trustee of the purchase price therein set forth.

**Section 6. Negotiated Sale of the Series 2015A Bonds; Award of Series 2015A Bonds.** It is hereby found and determined that due to the character of the Series 2015A Bonds, the unique nature of the security for the Series 2015A Bonds, the time constraints with respect to the issuance of the Series 2015A Bonds, the unsettled nature of the municipal bond market and the uncertainty inherent in a competitive bidding process, the negotiated sale of the Series 2015A Bonds, including, without limitation, by public offering or private placement, is in the best interests of the Issuer. The negotiated sale of the Series 2015A Bonds to the Underwriters is hereby authorized. The Chairman, upon such consultation with the Chief Financial Officer, the General Counsel and/or such of the Issuer's Financial Advisor, Bond Counsel and Disclosure Counsel as the Chairman deems advisable, is hereby authorized to award the Series 2015A Bonds to the Underwriters pursuant to the Bond Purchase Agreement as hereinafter described, subject to the following conditions:

(a) The Series 2015A Bonds shall be sold to the Underwriters at not less

than ninety nine and one-quarter percent (99.25% ) of the original principal amount of the Series 2015A Bonds (inclusive of Underwriters' discount, but not inclusive of original issue discount or original issue premium; the original issue discount and original issue premium, if any, may be such as is necessary to market and sell the Series 2015A Bonds, subject to the provisions of the Code).

(b) The Issuer shall have received a disclosure statement or statements from the Underwriters setting forth the information required by Section 627.3513, Florida Statutes, as amended.

**Section 7. Indenture Trustee.** The Issuer has previously appointed Regions Bank to serve as successor Indenture Trustee under the Indenture. Regions Bank has represented to the Issuer that it is an entity that is fully qualified to exercise trust powers under Florida law. Regions Bank is hereby confirmed as Indenture Trustee, Paying Agent and Bond Registrar for the Series 2015A Bonds.

**Section 8. Approval of Form, Authorization of Execution and Delivery of Tenth Supplemental Indenture.** The details of the Series 2015A Bonds (which may be multiple subseries issued concurrently) shall be contained in the Tenth Supplemental Indenture. The form of the Tenth Supplemental Indenture submitted at this meeting of the Board is hereby approved. The Chairman, the Executive Director, and the Chief Financial Officer, or any of them, is hereby authorized and directed to execute and deliver the Tenth Supplemental Indenture in the name of and on behalf of the Issuer and the General Counsel is authorized to apply and attest to the seal of the Issuer on the Tenth Supplemental Indenture, in substantially the form submitted to this Board, with such changes, insertions or omissions as shall be approved by the officer executing the Tenth Supplemental Indenture, upon such consultation with the Chief Financial Officer (if applicable), the General Counsel and/or such of the Issuer's Financial Advisor, Bond Counsel and Disclosure Counsel as the officer executing the Tenth Supplemental Indenture deems advisable, with the execution and delivery by the Chairman, the Executive Director or the Chief Financial Officer being conclusive evidence of such officer's approval and the Issuer's approval of the Tenth Supplemental Indenture.

**Section 9. Approval of Form, Authorization of Execution and Delivery of Bond Purchase Agreement.** The details and terms and conditions of sale of the Series 2015A Bonds (which may be multiple subseries issued concurrently) shall be contained in the form of the Bond Purchase Agreement submitted at this meeting. The form of the Bond Purchase Agreement submitted at this meeting of the Board in connection with the issuance and sale of the Series 2015A Bonds (which may be multiple series issued concurrently) is hereby approved. The Chairman, the Executive Director, and the Chief Financial Officer, or any of them, is hereby authorized and directed to execute and deliver the Bond Purchase Agreement in the name of and on behalf of the Issuer, the terms of which shall be consistent with the parameters set forth in Sections 5 and 6 of this Resolution and in substantially the form submitted to this Board, with such changes, insertions or omissions as shall be approved by the officer executing the Bond Purchase Agreement, upon such consultation with the Chief Financial Officer (if applicable), the General Counsel and/or such of the Issuer's Financial Advisor, Bond Counsel and Disclosure Counsel as the officer executing the Bond Purchase Agreement deems advisable, with the execution and delivery by the Chairman, the Executive Director or the Chief Financial Officer

being conclusive evidence of such officer's approval and the Issuer's approval of the Bond Purchase Agreement.

**Section 10. Approval of Form, Authorization of Distribution of Preliminary Official Statement; Authorization of Execution and Distribution of Final Official Statement.**

(a) The form of and use and distribution of the Preliminary Official Statement for the Series 2015A Bonds (the "Preliminary Official Statement") submitted at this meeting of the Board is hereby approved, with such changes, insertions or omissions as may be approved by the Chairman, upon such consultation with the Chief Financial Officer, the General Counsel and/or such of the Issuer's Financial Advisor, Bond Counsel and Disclosure Counsel as the Chairman deems advisable, as evidenced by the execution of the "deemed final" certificate described herein. No copies of the Preliminary Official Statement shall be distributed on behalf of the Issuer unless it is "deemed final" (except for permitted omissions) in accordance with the Rule. Any Authorized Issuer Representative is hereby authorized to certify when the Preliminary Official Statement shall be "deemed final" by the Issuer as of its date (except for permitted omissions), in accordance with the Rule.

(b) The use and distribution of a final Official Statement in substantially the form of the Preliminary Official Statement for the Series 2015A Bonds (the "Official Statement") is hereby approved, and each of the Chairman, the Executive Director and the Chief Financial Officer is hereby authorized and directed to execute and deliver the same, with such changes, insertions, omissions and filling in of blanks therein as shall be consistent with the requirements of this Resolution and as may be approved by the Chairman, upon such consultation with the Chief Financial Officer, the General Counsel and/or such of the Issuer's Financial Advisor, Bond Counsel and Disclosure Counsel as the Chairman deems advisable. The execution and delivery of the Official Statement by the Chairman, the Executive Director and the Chief Financial Officer shall be conclusive evidence of such officers' approval and the Issuer's approval of the Official Statement.

**Section 11. Approval of Credit Enhancement and Related Agreements.** The Board hereby authorizes the Chairman, upon such consultation with the Chief Financial Officer, the General Counsel and/or such of the Issuer's Financial Advisor, Bond Counsel and Disclosure Counsel as the Chairman deems advisable, to obtain municipal bond insurance or another form of credit enhancement for any or all of the Series 2015A Bonds if the Chairman determines that such municipal bond insurance or other form of credit enhancement is in the best interests of the Issuer. The Chairman, upon such consultation with the Chief Financial Officer, the General Counsel and/or such of the Issuer's Financial Advisor, Bond Counsel and Disclosure Counsel as the Chairman deems advisable, is authorized to accept one or more commitments providing for credit enhancement from Credit Enhancement Facility Issuers providing terms determined to be in the best interests of the Issuer, such commitment or commitments for credit enhancement may be executed by either the Chairman, the Executive Director or the Chief Financial Officer. The Board hereby further authorizes the execution and delivery by the Chairman, the Executive Director and the Chief Financial Officer, or any of them, of such related agreements, if any, as may be required by a Credit Enhancement Facility Issuer as a condition to the issuance of its

credit enhancement, with the execution and delivery of such related agreements by the Chairman, the Executive Director, or the Chief Financial Officer being conclusive evidence of such officer's approval and the Issuer's approval thereof.

**Section 12. Approval of Form, Authorization of Execution and Delivery of Continuing Disclosure Certificate.**

The form of the Continuing Disclosure Certificate submitted at this meeting of the Board is hereby approved. The Chairman, the Executive Director, and the Chief Financial Officer, or any of them, is hereby authorized and directed to execute and deliver a Continuing Disclosure Certificate in the name of and on behalf of the Issuer, in substantially the form submitted to this Board, in connection with the Series 2015A Bonds; provided that a single Continuing Disclosure Certificate may be used for multiple subseries of Series 2015A Bonds being issued concurrently. The Continuing Disclosure Certificate shall have such changes, insertions or omissions as shall be approved by the officer executing such Continuing Disclosure Certificate, upon such consultation with the Chief Financial Officer (if applicable), the General Counsel and/or such of the Issuer's Financial Advisor, Bond Counsel and Disclosure Counsel as the officer executing the Continuing Disclosure Certificate deems advisable. The execution and delivery by the Chairman, Executive Director or the Chief Financial Officer of the Continuing Disclosure Certificate shall be conclusive evidence of such officer's approval and the Issuer's approval thereof.

**Section 13. Amendment and Restatement of Indenture; Approval of Form and Authorization of Execution and Delivery of Master Trust Indenture; Cancellation of Indenture; Appointment of Master Trustee.**

(a) The Issuer hereby authorizes and approves the amendment and restatement of the Indenture as set forth in the Master Trust Indenture with such amendment and restatement to become effective not earlier than the Conversion Date, which is to be the day after there are no Outstanding Parity Bonds that remain Outstanding. By their purchase of the Series 2015A Bonds, the purchasers of the Series 2015A Bonds will be deemed to have consented to and approved (i) the amendment and restatement of the Indenture in its entirety, (ii) the execution and delivery of the Master Trust Indenture and (iii) the conversion of the Series 2015A Bonds that mature after the Conversion Date from obligations issued and secured under the provisions of the Indenture to Obligations issued and secured under the provisions of the Master Trust Indenture. The Master Trust Indenture shall not be executed and delivered by the Issuer prior to the Conversion Date. Upon execution and delivery of the Master Trust Indenture, the Series 2015A Bonds that mature after the Conversion Date shall automatically become and be deemed to be "Bonds" and "Senior Secured Obligations" issued and secured under the provisions of the Master Trust Indenture for any and all purposes, and the Indenture shall be cancelled and terminated and exist no more.

(b) The form of the Master Trust Indenture attached as Exhibit B to the Tenth Supplemental Indenture and submitted at this meeting of the Board is hereby approved. The Chairman, the Executive Director, and the Chief Financial Officer, or any of them, is hereby authorized and directed to execute and deliver the Master Trust Indenture in the

name of and on behalf of the Issuer and the General Counsel is authorized to apply and attest to the seal of the Issuer on the Master Trust Indenture, in substantially the form attached as Exhibit B to the Tenth Supplemental Indenture, with such changes, insertions or omissions as shall be approved by the officer executing the Master Trust Indenture, upon such consultation with the Chief Financial Officer (if applicable), the General Counsel and/or such of the Issuer's Financial Advisor, Bond Counsel and Disclosure Counsel as the officer executing the Master Trust Indenture deems advisable, with the execution and delivery by the Chairman, the Executive Director or the Chief Financial Officer being conclusive evidence of such officer's approval and the Issuer's approval of the Master Trust Indenture; provided however, that (i) the Master Trust Indenture shall not be executed prior to the Conversion Date and (ii) any changes, insertions or omissions to the form of Master Trust Indenture attached as Exhibit B to the Tenth Supplemental Indenture may only be made if, and to the extent that, the change, insertion or omission is of a nature or character that if it were being made to the Indenture, such change, insertion or omission would be permitted pursuant to Section 9.02 of the Indenture without the consent of any Holder of Indenture Obligations then Outstanding.

(c) Prior to the execution and delivery of the Master Trust Indenture, the Issuer shall appoint a qualified entity with corporate trust powers to serve in the capacity of Master Trustee thereunder.

**Section 14. Payment of Fees and Costs.** The Board does hereby approve payment of all fees and costs required to be paid in connection with the issuance of the Series 2015A Bonds, including, without limitation, all costs of issuance in respect thereof, all in accordance with the estimate of fees and costs to be incurred by the Issuer in the issuance the Series 2015A Bonds submitted to the Office and the Board.

**Section 15. Additional Assurances and Action.** The Issuer shall at any and all times cause to be done all further acts and things and cause to be executed and delivered all such further instruments as may be necessary to carry out the purposes of the Indenture, the Series 2015A Bonds, this Resolution and the Act, including, without limitation, the execution and delivery of any other related or ancillary documentation required in connection with the issuance of the Series 2015A Bonds and the execution and delivery of the Master Trust Indenture as provided herein.

The Chairman, the Executive Director, the Chief Financial Officer, the General Counsel, Bond Counsel, Disclosure Counsel, the Financial Advisor, and the other officers, agents and employees of the Issuer are hereby authorized and directed to do all acts and things necessary to carry into effect the provisions of the Series 2015A Bonds authorized by this Resolution and by the provisions of the Indenture. All of the acts and doings of the Chairman, Executive Director, Chief Financial Officer, General Counsel, Bond Counsel, Disclosure Counsel, Financial Advisor or any other officer, agent or employee of the Issuer which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and are hereby ratified, confirmed and approved. Either of the Executive Director or the Chief Financial Officer is hereby authorized and directed to attest the Chairman's signature on this Resolution and affix the Issuer's official seal hereon.


**Section 16. Severability.** In case one or more of the provisions of this Resolution, the Indenture, the Series 2015A Bonds or the Master Trust Indenture shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Resolution, the Indenture, Series 2015A Bonds or the Master Trust Indenture, as the case may be, and they shall be construed and enforced as if such illegal or invalid provisions had not been contained therein.

**Section 17. Compliance with Open Meeting Requirements.** It is hereby found and determined that all formal actions of the Issuer and this Board concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Board, and that deliberations of this Board and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

**Section 18. Repealing Clause.** All resolutions or parts thereof in conflict with the provisions herein or in the Indenture contained are, to the extent of such conflict, hereby superseded and repealed.

**Section 19. Effective Date.** This Resolution shall take effect and be in force immediately upon its adoption.

Passed this 7th day of April, 2015.

  
\_\_\_\_\_  
CHAIRMAN  
Board of Governors  
Citizens Property Insurance  
Corporation

SEAL

  
\_\_\_\_\_  
CHIEF FINANCIAL OFFICER  
Citizens Property Insurance Corporation



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## **AGREEMENT FOR INDENTURE TRUSTEE SERVICES**

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This Agreement ("Agreement") is between CITIZENS PROPERTY INSURANCE CORPORATION ("Citizens"), a legislatively-created Florida governmental entity, having its principal place of business at 2312 Killearn Center Boulevard, Tallahassee, Florida 32309, and Regions Bank ("Vendor" or "Regions") having its principal place of business at 10245 Centurion Parkway, 2<sup>nd</sup> Floor, Jacksonville, Florida 32256. Citizens and Vendor shall each be known as a "Party," and collectively shall be known as the "Parties."

### **Recitals**

On April 27, 2015, Citizens issued a Request for Proposals for Indenture Trustee Services (the "Solicitation"). Vendor's response to the Solicitation was accepted by Citizens, subject to the terms set forth in this Agreement.

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In consideration of the mutual promises and restrictions stated in this Agreement, the Parties acknowledge and agree as follows:

### **Terms of Agreement**

**1. Definitions.** As used in this Agreement, the following terms have the following meanings:

- 1.1 "Citizens' Confidential Information" means all information, data, and documentation, whether marked as confidential or not, disclosed to Vendor in the course of this Agreement that is either: (a) Protected under any applicable state or federal law (including Chapter 119, Florida Statutes; Sections 501.171, and 627.351(6), Florida Statutes; Chapter 690-128, Florida Administrative Code; and, 15 U.S.C. § 6801 et seq.); (b) private information concerning Citizens' employees or policyholders (including social security numbers, personal health information, personal credit information, banking information, drivers' license numbers, personal email addresses, personal phone numbers, and home addresses); or (c) related to any Citizens manuals, lists, operating and other systems or programs, business practices or procedures, insurance policies, claimants or claims, or any business, governmental, and regulatory matters affecting Citizens. "Citizens' Confidential Information" does not include any information, data or documentation that: (a) is publicly available through no fault of Vendor or Vendor Staff; or (b) Vendor developed independently without relying in any way on Citizens' Confidential Information.
- 1.2 "Citizens' Contract Manager" means Citizens' departmental representative who will be responsible for administering the daily functions of the Agreement for Citizens.
- 1.3 "Citizens' Trust Indentures" means the agreements referenced in Sections 1.9 and 1.12 herein.
- 1.4 "CLA" means Citizens' Commercial Lines Account.
- 1.5 "Coastal" means Citizens' Coastal Account, formerly the "High-Risk Account."
- 1.6 "Deliverables" means the quantifiable, measurable, and verifiable items required to be delivered to Citizens by Vendor under this Agreement.
- 1.7 "Effective Date" means the date on which the last Party executes this Agreement or April 6, 2016, whichever is later, such date being the date upon which this Agreement is effective and commences.
- 1.8 "HRA/Coastal" means Citizens' High-Risk Account prior to 2011. Pursuant to legislative changes during 2011, the High-Risk Account was renamed the "Coastal Account."
- 1.9 "HRA/Coastal Trust Indenture" means the Trust Indenture, dated as of August 6, 1997 (the "Original HRA Trust Indenture") between Citizens, as successor to the Florida Windstorm Underwriting Association ("FWUA"), and Regions Bank, as successor Indenture Trustee. The Original HRA Trust Indenture has been supplemented and amended by a Series 1999A Supplemental Indenture, dated as of March 31, 1999 (the "1999 Supplemental Indenture"); a Second Supplemental Indenture, dated as of August 1, 2002 (the "Second Supplemental

Indenture"); a Third Supplemental Indenture, dated as of May 1, 2004 (the "Third Supplemental Indenture"); a Fourth Supplemental Indenture, dated as of June 1, 2006 (the "Fourth Supplemental Indenture"); a Fifth Supplemental Indenture dated as of February 1, 2007 (the "Fifth Supplemental Indenture"); a Sixth Supplemental Indenture, dated as of June 1, 2008, together with a First Amendment to the Sixth Supplemental Indenture, dated as of August 1, 2008 (the "Sixth Supplemental Indenture"); a Seventh Supplemental Indenture, dated as of May 1, 2009 (the "Seventh Supplemental Indenture"); an Eighth Supplemental Indenture, dated as of April 1, 2010 (the "Eighth Supplemental Indenture"); a Ninth Supplemental Indenture, dated as of July 1, 2011 (the "Ninth Supplemental Indenture"); and a Tenth Supplemental Indenture, dated as of June 1, 2015 (the "Tenth Supplemental Indenture").

- 1.10 "Line of Credit" (LOC) means an amount of credit extended to a borrower.
- 1.11 "PLA" means Citizens' Personal Lines Account.
- 1.12 "PLA-CLA Trust Indenture" means the Master Trust Indenture, dated as of June 1, 2012, between Citizens and Regions Bank, as trustee (the "Trustee"), as supplemented by a First Supplemental Indenture, dated as of June 1, 2012 between Citizens and the Trustee (collectively, the "Indenture").
- 1.13 "Response" means all materials submitted by the Vendor pursuant to the solicitation instructions.
- 1.14 "Services" means all services and Deliverables to be provided by Vendor to Citizens under this Agreement. If any service or Deliverable is not specifically described in this Agreement but is necessary for the proper performance and provisioning of the Services, that service or Deliverable shall be included within the definition of the Services to the same extent and in the same manner as if specifically described herein.
- 1.15 "Vendor Staff" means any of Vendor's employees, agents, subcontractors or representatives who: (a) provide the Services; or (b) have access to Citizens' Confidential Information.
- 1.16 "Work Product" means each Deliverable and any drawing, design, specification, rendering, notebook, tracing, photograph, reference book, equipment, material, negative, report, finding, recommendation, data and memorandum of every description, shared with or delivered to Citizens by Vendor or Vendor Staff in the course of performing this Agreement.

## **2. Term and Renewals.**

- 2.1. Term of Agreement. This Agreement shall commence on the Effective Date and, unless terminated as provided for herein, shall continue for five (5) years. Notwithstanding the preceding sentence, Vendor shall have the right to elect to terminate this Agreement by resigning as trustee, registrar, paying agent and authenticating agent under the Citizens' Trust Indentures pursuant to the respective provisions thereof.
- 2.2. Renewals. This Agreement may be renewed for one, optional two (2) year renewal term at Citizens' sole discretion. All terms, conditions and pricing will remain fixed for the term of the Agreement and any renewal term.

**3. Services; Service Requirements.**

- 3.1. Description. The terms and conditions of the Citizens' Trust Indentures are hereby incorporated into this Agreement as if fully set forth herein. Additionally, Vendor shall provide the following Services, which constitute the normal functions of an Indenture Trustee (as prescribed by the Citizens' Trust Indentures) and as described in Vendor's Response, which include but are not limited to:
- 3.1.1. Setting up accounts and handling account maintenance for current and future Citizens bond issues;
  - 3.1.2. Providing an automatic money market sweep vehicle (must meet the definition of a Permitted Investment per the Citizens Investment Policy located \_\_\_\_\_ on \_\_\_\_\_ Citizens' website: <https://www.citizensfla.com/about/corpf Financials-investor.cfm?show=pdf&link=/shared/investor/OfficialStatement2012-PLA-CLA.pdf>) for investing funds that are not otherwise invested pursuant to the applicable Citizens' Trust Indenture;
  - 3.1.3. Applying receipts and disbursements of monies in accordance with the flow of funds specified in the Citizens' Trust Indentures and in compliance with federal tax law; provided, that in no case shall Vendor be responsible for determining compliance with federal tax law;
  - 3.1.4. Calculating monthly interest and principal funding requirements and notifying Citizens of funding needs in a timely manner (not less than forty-eight (48) business hours before the funding is due);
  - 3.1.5. Paying debt service payments in a timely manner;
  - 3.1.6. Performing the proper allocation of investment earnings;
  - 3.1.7. Calculating the Reserve Account Requirements for all outstanding bond issues as of December 31<sup>st</sup> and informing Citizens of any deficiencies within ten (10) business days after December 31<sup>st</sup>;
  - 3.1.8. Preparing trade-basis statements for all accounts and delivering the statements to Citizens by the 5<sup>th</sup> business day of the month; and
  - 3.1.9. Performing all other duties as described in the Trust Indenture.

**4. Services Standards.**

- 4.1. General. Vendor covenants that the Services will be performed and delivered in a professional manner in accordance with this Agreement and the standards prevailing in the industry. To this end, Vendor will undertake the following actions without additional consideration during the term of this Agreement: (a) promptly make necessary revisions or corrections to resolve any errors and omissions on the part of Vendor; and (b) confer with Citizens as Citizens deems appropriate for the purpose of interpreting any of the Services or information furnished. Acceptance of or payment for the Services by Citizens shall not

relieve Vendor of these responsibilities.

- 4.2. Ability to Perform. As of the Effective Date, Vendor warrants that, to the best of its knowledge, there is no pending or threatened action, proceeding, or investigation, or any other legal or financial condition, that would in any way prohibit, restrain, or diminish Vendor's ability to perform the Services or satisfy its contractual obligations. During the term of this Agreement, Vendor shall notify Citizens of any change in circumstances that would in any way diminish Vendor's ability to perform the Services or satisfy its contractual obligations.
- 4.3. Monitoring of Performance. Vendor shall continuously monitor and record its performance to ensure that all of Vendor's responsibilities and obligations hereunder are being met and fulfilled. Citizens may conduct programmatic and other administrative contract monitoring during the term of this Agreement. The purpose of this monitoring is to ensure that all of Vendor's responsibilities and obligations are being met and fulfilled. Such monitoring may include on-site visits, report reviews, invoice reviews, compliance reviews, and a review of any other areas reasonably necessary to ensure compliance with the Agreement.
- 4.4. Trained and Qualified Vendor Staff. Vendor warrants that all Vendor Staff shall be properly trained and qualified. Upon request, Vendor shall furnish a copy of all technical certifications or other proof of qualification. All Vendor Staff must comply with all reasonable administrative requirements of Citizens and with all controlling laws and regulations relevant to the Services.
  - 4.4.1. Removal and Replacement of Vendor Staff. Without limiting Citizens' other rights and remedies under this Agreement, including suspension of Services and termination of this Agreement, where any Vendor Staff fails to comport to any of the training or qualification requirements in this Agreement or, in Citizens' determination, is unsuitable for the performance of the Services, Citizens has the right, at Citizens' sole election, to disallow such Vendor Staff from performing the Services. Upon Citizens' request, Vendor shall promptly provide qualified replacement Vendor Staff reasonably acceptable to Citizens.
- 4.5. Title to Work Product. With the exception of the Pre-Existing Materials described in Section 4.6, Citizens will have all right, title and interest in and to each Work Product and any derivative works relating thereto (including ownership of copyrights). The use of these Work Products in any manner by Citizens shall not support any claim by Vendor for additional compensation. Each Work Product, and any portion thereof, shall be a "work made for hire" for Citizens pursuant to federal copyright laws. To the extent any of the Work Product is not deemed a work made for hire by operation of law, Vendor hereby irrevocably assigns, transfers, and conveys to Citizens, or its designee, without further consideration, jointly with Vendor, all of its right, title, and interest in such Work Product, including all rights of patent, copyright, trade secret, trademark, or other proprietary rights in such materials. Vendor acknowledges that Citizens shall have the right to obtain and hold in its own name, jointly with Vendor, any intellectual property right in and to the Work Product. Vendor agrees to execute any documents or take any other actions as may reasonably be necessary, or as Citizens may reasonably request, to perfect or evidence Citizens' ownership, jointly with Vendor, of the Work Product. This Section shall survive the

termination of this Agreement.

4.6. Pre-Existing Materials.

4.6.1. Citizens acknowledges that, in the course of performing the Services, Vendor may use materials, software, reports, routines, language, instructions, methods, techniques, trade secrets, patents or copyrights that have been previously developed by Vendor or by third parties (collectively, the "Pre-Existing Materials"), and that such Pre-Existing Materials shall remain the sole and exclusive property of Vendor or the third parties.

4.6.2. If, and to the extent any Pre-Existing Materials of Vendor are embodied or reflected in the Work Product, Vendor hereby grants to Citizens the irrevocable, perpetual, non-exclusive, worldwide, royalty-free right and license to: (a) use, execute, reproduce, display, perform, distribute copies of and prepare derivative works based upon such Pre-existing Materials and any derivative works thereof for Citizens' internal business purposes only; and (b) authorize others to do any or all of the foregoing for Citizens' internal business purposes only.

4.6.3. If, and to the extent any Pre-Existing Materials of third parties are embodied or reflected in the Work Product, Vendor shall secure for Citizens an irrevocable, perpetual, non-exclusive, worldwide, royalty-free and fully paid-up right to use, execute, display, and perform such Pre-Existing Materials. Vendor shall secure such right at its expense and prior to incorporating any such Pre-Existing Materials into any Work Product, and such right must include, if practicable, a right to: (a) copy, modify, and create derivative works based upon such Pre-Existing Materials; and (b) sublicense all or any portion of the foregoing rights to an affiliate or a third-party service provider of Citizens. This Section does not apply to standard office software (e.g., Microsoft Office).

4.6.4. The provisions of this Section shall survive the termination of this Agreement.

5. Changes.

5.1. Citizens may unilaterally require changes altering, adding to, or deducting from the Services (each, a "Change"); provided that a Change is within the general scope of this Agreement. Citizens will make an equitable adjustment in this Agreement price or delivery date if a Change materially affects the cost or time of performance of the Services. Such equitable adjustments require the written consent of Vendor, which consent shall not be unreasonably withheld, delayed or conditioned. The Parties will cooperate in good faith to determine the scope and nature of a Change, the availability of Vendor Staff, the expertise and resources to provide such Change, and the time period in which such Change will be implemented.

5.2. A Change resulting in an increase or decrease to the Agreement price or the scope of Services must be evidenced by a formal amendment to this Agreement. All other Changes shall be evidenced by either a writing signed by the Contract Manager or designee of each Party or a formal amendment to this Agreement.

**6. Corrective Action Plan.**

- 6.1. Corrective Action Plan. At any stage during the thirty (30) day cure period provided below or whenever Citizens identifies a deficiency in Vendor's performance of this Agreement, Citizens may require Vendor to take the following actions: (a) perform a cause analysis to identify the cause of the deficiency; (b) provide a written plan (the "Corrective Action Plan") detailing the cause of, and procedure for, correcting such deficiency (Citizens will be afforded the time necessary to review and approve the proposed Corrective Action Plan or require Vendor to make revisions); (c) implement the Corrective Action Plan as approved by Citizens; and (d) provide Citizens with satisfactory assurance that such deficiency will not reoccur following the implementation of the Corrective Action Plan. In the case of a deficiency identified by Citizens, completion of the cause analysis and implementation of the Corrective Action Plan by Vendor must occur before the end of the thirty (30) day cure period, unless otherwise agreed to by Citizens in its sole discretion.

**7. Consideration.**

- 7.1. Consideration. Citizens and Vendor agree that good and valuable consideration is being exchanged for this Agreement, the receipt of which is hereby acknowledged. Indemnification.
- 8.1. Indemnification. Vendor shall be fully liable for the actions of Vendor Staff and shall fully indemnify, defend, and hold harmless Citizens, and its officers, members of the Board of Governors, agents and employees (each, an "Indemnitee" and collectively, the "Indemnitees") from suits, actions, damages, liabilities, demands, claims, fines, penalties, fees, and costs of every name and description (collectively, "Claims"), including reasonable attorneys' fees, costs, and expenses incidental thereto, which may be suffered by, accrued against, charged to, or recoverable from an Indemnitee arising out of or relating to any gross negligence or willful misconduct of Vendor or Vendor Staff during the performance of this Agreement. The foregoing obligation applies, without limitation, to Claims arising out of or relating to: (a) a violation of federal, state, local, international, or other laws or regulations for the protection of persons or members of a protected class or category of persons; (b) sexual discrimination or harassment based upon any protected characteristic; (c) bodily injury (including death) or damage to tangible personal or real property; (d) breaches of any representations made by Vendor under this Agreement; (e) any claim that any Work Product violates or infringes upon a trademark, copyright, patent, trade secret or intellectual property right; or (f) Vendor's failure to timely forward a public records request to Citizens for handling.
- 8.1.1 Vendor's obligations of indemnification with respect to any Claim are contingent upon Citizens (or other Indemnitee) providing Vendor: (a) written notice of the Claim; (b) the opportunity to settle or defend against the Claim at Vendor's sole expense; and (c) assistance in defending against or settling the Claim at Vendor's sole expense. Vendor shall not be liable for any cost, expense, or compromise incurred or made by an Indemnitee in any legal action without Vendor's prior written consent, which shall not be unreasonably withheld.
- 8.1.2 Notwithstanding anything in this Agreement to the contrary, Vendor shall



not indemnify for that portion of a Claim proximately caused by: (a) a negligent act or omission of an Indemnitee; or (b) an Indemnitee's misuse or modification of the Service or Work Product.

8.1.3 The provisions of this Section shall survive the termination of this Agreement.

**9. Insurance.**

- 9.1. During the term of this Agreement, Vendor will maintain at its sole expense the following insurance, purchased from an insurer licensed to transact business in the State of Florida:
- 9.2. Commercial General Liability with minimum limits of \$10 million per occurrence (to include contractual liability on a blanket basis for liability assumed hereunder). Citizens shall be named as additional insured in the Commercial General Liability policy.
- 9.3. Umbrella/Excess General Liability and Auto Liability insurance with minimum limits of \$4 million in the aggregate.
- 9.4. Professional Liability (errors and omissions) with minimum limits of \$10 million per occurrence.
- 9.5. Upon execution of this Agreement, Vendor must provide to Citizens a current in-force certificate of insurance evidencing the above coverage limits and subsequent certificates prior to their expiration. Vendor further agrees that it will maintain insurance to cover any indemnity obligation that it has assumed under this Agreement. All policies will include provisions that the insurers waive the rights of recovery or subrogation against Citizens. Citizens shall be exempt from, and in no way liable for, any sum of money which may represent a deductible in any of the aforementioned insurance policies. The payment of such deductible shall be the sole responsibility of Vendor. Unless otherwise agreed in writing by the Contract Administrator, all policies shall require ninety (90) calendar days prior written notice to Citizens of cancellation or change in any coverage. Any certificate or certificates of insurance provided by Vendor to Citizens referencing this Section 9 shall be conclusively deemed to fully comply with the requirements of this Section 9 unless Citizens objects in writing to Vendor within 30 days of Vendor's providing such certificate or certificates of insurance to Citizens.

**10. Contract Administration.**

- 10.1. Contract Administrator. Citizens shall name a Contract Administrator during the term of this Agreement whose responsibility shall be to maintain this Agreement. All legal notices and contractual documents shall be sent to the Contract Administrator in addition to the Citizens Contract Manager named below. As of the Effective Date, the Contract Administrator is:

Lori Newman, Vendor Management Office  
2101 Maryland Circle  
Tallahassee, Florida 32303  
850-513-3795

Lori.Newman@citizensfla.com

Citizens shall provide written notice to Vendor of any changes to the Contract Administrator; such changes shall not be deemed Agreement amendments.

- 10.2. Contract Managers. Each Party will designate a Contract Manager during the term of this Agreement whose responsibility shall be to oversee the Party's performance of its duties and obligations pursuant to the terms of this Agreement. As of the Effective Date, Citizens' and Vendor's Contract Managers are as follows:

Citizens' Contract Manager

Jonathan Norfleet

Manager- Treas/Invest

Citizens Property Insurance Corporation

2312 Killearn Center Boulevard, Bldg. A

Tallahassee, Florida 32309

321-537-1214

Jonathan.Norfleet@citizensfla.com

Vendor's Contract Manager

Vladimir Muñoz

Regions Bank

10245 Centurion Parkway, 2<sup>nd</sup> Floor

Jacksonville, Florida 32256

(904) 565-7970

vladimir.munoz@regions.com

Vendor shall provide written notice to Citizens of any changes to the Contract Manager; such changes shall not be deemed Agreement amendments.

**11. Agreement Termination; Transition Assistance.**

- 11.1. Termination without Cause. Vendor shall be subject to the requirements for termination without cause, as detailed in the Master Trust Indenture and Supplemental Trust Indentures, which are hereby incorporated into this Agreement.
- 11.2. Termination for Cause. Vendor shall be subject to the requirements for termination for cause, as detailed in the Master Trust Indenture and Supplemental Trust Indentures, which are hereby incorporated into this Agreement.
- 11.3. Transition Assistance. At any time prior to the date this Agreement expires or terminates for any reason (either, the "Termination Date"), Citizens may request Vendor to provide transition assistance services ("Transition Assistance"). Vendor shall provide such Transition Assistance until Citizens notifies Vendor that Citizens no longer requires such Transition Assistance, which shall in no event be more than one-hundred and eighty (180) days following the Termination Date.
- 11.4. "Transition Assistance" shall mean any transition services, functions, or responsibilities that are ordinarily or customarily provided to a purchaser to

ensure that the services provided to that purchaser by a vendor are fully transitioned in a smooth and efficient manner to the purchaser or to a successor vendor. Transition Assistance includes the development and implementation of a detailed transition plan, if requested. To the extent the Transition Assistance will involve a successor vendor, Vendor agrees that it will cooperate with such successor vendor. As reasonably required by Vendor, Citizens shall cause any successor vendor to execute Vendor's non-disclosure agreement.

- 11.5. Transition Assistance rendered before the Termination Date shall be provided at no cost to Citizens. Transition Assistance rendered after the Termination Date shall be provided at the rates negotiated by the Parties prior to the rendering of the post-termination Transition Assistance, which rates shall not exceed the standard market rates Vendor charges to government entities for comparable services; provided however, that if Citizens terminates this Agreement because of a breach by Vendor, then the post-termination Transition Assistance shall be provided at no cost to Citizens. Vendor may withhold Transition Assistance after the Termination Date if Citizens does not provide reasonable assurance that the charges for such Transition Assistance will be paid to Vendor.

## **12. Disputes.**

- 12.1. Dispute Resolution Process. Vendor acknowledges that Citizens is not an agency for purposes of the Florida Administrative Procedure Act, Chapter 120, Florida Statutes. Prior to commencing any litigation relating to this Agreement, the Parties agree that they will attempt to resolve any dispute through non-binding mediation. The Parties agree that, if a disagreement arises as to the terms or enforcement of any provision of this Agreement, each Party shall in good faith attempt to resolve the disagreement prior to the filing of a lawsuit or commencing a legal action. Vendor acknowledges that any dispute or disagreement under this Agreement relating to Citizens' Confidential Information shall not be subject to the foregoing dispute resolution process.
- 12.2. Jurisdiction and Venue; Waiver of Jury Trial. This Agreement shall be deemed to have been made in the State of Florida and shall be subject to, and governed by, the laws of the State of Florida, and no doctrine of choice of law shall be used to apply any law other than that of the State of Florida. Each Party hereby irrevocably consents and submits to the exclusive jurisdiction of the Circuit Court of Leon County, Florida, for all purposes under this Agreement, and waives any defense to the assertion of such jurisdiction based on inconvenient forum or lack of personal jurisdiction. The Parties also agree to waive any right to jury trial.
- 12.3. The provisions of this Section shall survive the termination of this Agreement.

## **13. Records; Audits.**

- 13.1. Vendor's Records. Vendor shall retain all records relating to this Agreement for seven (7) years after the termination of this Agreement; provided that Citizens may request in writing the delivery within a reasonable time by Vendor of any such records during the period Vendor is required to retain such records.
- 13.2. Right to Audit Records. Citizens, as required by law shall have reasonable access to the Vendor's facilities during normal business hours and the right to review and audit any of Vendor's records related solely to this Agreement, upon

written notice to Vendor of at least three (3) business days. Vendor shall not unreasonably delay or inhibit Citizens' right to audit as set forth in this Section. Vendor shall cooperate with auditor(s), providing requested documentation in a timely manner (preferably within five (5) business days). Vendor must use its reasonable efforts to resolve any deficiencies discovered during the audit within ninety (90) calendar days from being reported. Citizens may extend the response time period in its sole discretion. Citizens has the right to conduct follow-up audit procedures to assess Vendor's corrective action(s). Any entity performing auditing services pursuant to this Section shall execute a non-disclosure agreement with regard to Vendor's proprietary information, unless precluded from doing so by law.

- 13.3. Public Records. Vendor acknowledges that Citizens is subject to Chapter 119, Florida Statutes, and Section 627.351(6)(j), Florida Statutes, therefore, any information provided to Citizens or maintained by Vendor in connection with this Agreement may fall within the disclosure requirements of Chapter 119, Florida Statutes. Section 627.351(6)(x)1.e., Florida Statutes, provides that proprietary information licensed to Citizens under a contract providing for the confidentiality of such information is confidential and exempt from the provisions of Section 119.07(1), Florida Statutes, and Section 24(a), Article I of the State Constitution. Vendor must clearly label and mark each page or section of information provided to Citizens in connection with this Agreement that it considers proprietary information or otherwise confidential or exempt from Chapter 119, Florida Statutes, and Section 24(a), Article I., Florida Constitution ("Vendor's Confidential Information").

13.3.1. If Citizens receives a Public Records Request ("PRR") or a request from any regulatory or legislative entity regarding Vendor's Confidential Information, it shall promptly notify Vendor in writing, or electronically. The Parties agree (to the extent permitted by law) that Citizens shall not produce Vendor's Confidential Information unless authorized by Vendor, or mandated by order of a court of competent jurisdiction. In the event a legal proceeding is brought to compel the production of Vendor's Confidential Information, the Parties agree that Citizens is authorized to deliver Vendor's Confidential Information to the court or other legal tribunal for disposition. If Vendor continues to assert in good faith that Vendor's Confidential Information is confidential or exempt from disclosure or production pursuant to Chapter 119, Florida Statutes, then Vendor shall be solely responsible for defending its position, or seeking a judicial declaration. Nothing in this Agreement shall create an obligation or duty for Citizens to defend or justify Vendor's position. Vendor also agrees to indemnify and hold harmless any Citizens Indemnitee for any Claims, including attorneys' fees, costs, and expenses incidental thereto, incurred by Citizens in connection with this Section.

- 13.3.2. If Vendor receives a PRR that is in any way related to this Agreement, Vendor agrees to immediately notify Citizens' Custodian of Records and forward the PRR to Citizens' Custodian of Records for logging and processing. Citizens' Custodian of Records' email address is: [Recordsrequest@citizensfla.com](mailto:Recordsrequest@citizensfla.com). Citizens shall be the Party responsible for coordinating the response and production to the PRR. Vendor shall communicate with Citizens to determine whether requested information is

confidential and/or exempt from public records disclosure requirements. Vendor agrees to assist Citizens in responding to any PRR in a prompt and timely manner as required by Chapter 119, Florida Statutes.

- 13.3.3. Without limiting Citizens' other rights of termination as further described in this Agreement, Citizens may unilaterally terminate this Agreement for refusal by Vendor to comply with this Section by not allowing public access to all documents, papers, letters, emails, or other material made or received by Vendor in conjunction with this Agreement, unless the records are exempt from Section 24(a) of Article I of the Florida Constitution and Section 119.07 (1), Florida Statutes.
- 13.3.4. To the extent Vendor is providing Services and is "acting on behalf of" Citizens as provided under Section 119.011(2), Florida Statutes, Vendor must: (a) keep and maintain public records that ordinarily and necessarily would be required by Citizens in order to perform Services; (b) provide the public with access to public records on the same terms and conditions that Citizens would provide the records and at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law; (c) ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed, except as authorized by law; and (d) meet all requirements for retaining public records and transfer, at no cost, to Citizens all public records in possession of Vendor upon termination of this Agreement and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to Citizens in a format that is compatible with the information technology systems of Citizens.
- 13.3.5. The provisions of this Section shall survive the termination of this Agreement.

#### **14. Security and Confidentiality.**

- 14.1. General Requirements. Vendor shall implement and maintain appropriate safeguards to: (a) ensure the security and confidentiality of Citizens' Confidential Information; (b) protect against any anticipated threats or hazards to the security or integrity of Citizens' Confidential Information; and (c) protect against unauthorized access to or use of Citizens' Confidential Information that could cause harm or inconvenience to Citizens or any customer of Citizens.
- 14.2. Implementation of IT Security. Vendor represents that it has in place measures which meet the appropriate industry standard of care for the protection of all hosted applications and data residing at its data center to help insure confidentiality, integrity and availability of hosted applications and their associated data to Citizens. Vendor has layered controls including active monitoring to protect confidentiality, integrity and availability of sensitive data. These controls are tested regularly to ensure their effectiveness.
- 14.3. Use of Citizens' Systems. Where Vendor or Vendor Staff have access to Citizens' systems or technology provided by or through Citizens, in addition to the other safeguards required by this Section, Vendor and Vendor Staff shall not share user identifications and / or passwords with any other individual.

- 14.4. Data Encryption. Vendor and Vendor Staff will encrypt all electronic data and communications containing Citizens' Confidential Information using a strong cryptographic protocol that is consistent with industry standards.
- 14.5. Data Storage. Except as permitted in writing by Citizens' Contract Manager or designee, Vendor and Vendor Staff shall not store Citizens' Confidential Information on portable external storage devices or media (such as flash drives, compact disks, or portable disk drives).
- 14.6. Data Export. Except as permitted in writing by Citizens' Contract Manager or designee, Vendor and Vendor Staff are prohibited from: (a) performing any Services outside of the United States; or (b) sending, transmitting, or accessing any Citizens' Confidential Information outside of the United States.
- 14.7. Security of Vendor Facilities. All Vendor and Vendor Staff facilities in which Citizens' Confidential Information is located or housed shall be maintained in a reasonably secure manner. Within such facilities, all printed materials containing Citizens' Confidential Information should be kept locked in a secure office, file cabinet, or desk (except when materials are being used).
- 14.8. Labeling of Confidential Information. Any documents or electronic files created by Vendor or Vendor Staff that contain Citizens' Confidential Information must be conspicuously labeled or marked so that the individual viewing or receiving the information understands that the information is confidential.
- 14.9. Photocopying and Faxing Restrictions. Vendor and Vendor Staff shall not make photocopies or send facsimiles of Citizens' Confidential Information unless there is a business need.
- 14.10. Transmission of Confidential Information Materials. In the event it is necessary to transport materials containing Citizens' Confidential Information via mail, parcel delivery service or other means, Vendor Staff must subsequently verify that such materials have been received by the intended parties.
- 14.11. Disposal of Confidential Information. The disposal of all printed materials containing Citizens' Confidential Information must be done in a manner that renders the information inaccessible to others (the use of a reputable third party shredding company is permissible).
- 14.12. Authority to Disclose Confidential Information to Others. Vendor acknowledges and agrees that any Citizens' Confidential Information disclosed to or acquired by Vendor is disclosed and/or acquired solely for the purposes of facilitating the provision of the Services. Vendor shall restrict access to Citizens' Confidential Information to Vendor Staff who will actually perform Services and Vendor shall provide such Vendor Staff with work environments that protect against inadvertent disclosure to others. Vendor shall be solely responsible for informing any individual or entity with access to Citizens' Confidential Information of the provisions of this Agreement and shall be responsible for any acts of those individuals and entities that violate such provisions.
- 14.13. Unauthorized Disclosure of Confidential Information. Vendor will notify Citizens as soon as possible of any potential or actual unauthorized disclosure, misuse, or misappropriation of Citizens' Confidential Information of which it becomes aware and will cooperate in remedying such situation promptly. Pursuant to Section 501.171, Florida Statutes, if Vendor maintains computerized data that includes personal information, as defined in such statute, on behalf of Citizens, Vendor shall disclose to

Citizens any breach of the security of the system as soon as practicable, but no later than ten (10) days following the determination of the breach of security or reason to believe the breach occurred.

- 14.14. Return of Confidential Information. During the term of this Agreement upon Citizens' written request or upon the termination of this Agreement for any reason, Vendor shall promptly return to Citizens all copies, whether in written, electronic or other form or media, of Citizens' Confidential Information in its possession, or securely dispose of all such copies, and certify in writing in Citizens that Citizens' Confidential Information has been returned to Citizens or disposed of securely.
- 14.15. Notification of Anticipatory Breach. Vendor agrees that should it, for any reason not be able to provide or maintain appropriate safeguards to fulfill its obligations under this Section, it will immediately inform Citizens in writing of such inability and such inability on Vendor's part will serve as justification for Citizens' termination of this Agreement, at Citizens' sole election, at any time after the inability becomes known to Citizens.
- 14.16. Remedies. Vendor acknowledges that breach of Vendor's obligation of data security and confidentiality may give rise to irreparable injury to Citizens and Citizens' customers, which damage may be inadequately compensable in the form of monetary damages. Accordingly, Citizens may seek and obtain injunctive relief against the breach or threatened breach of the provisions of this Section, in addition to any other legal remedies which may be available, including, at the sole election of Citizens, the immediate termination, without penalty to Citizens, of this Agreement in whole or in part.
- 14.17. The provisions of this Section shall survive the termination of this Agreement.

**15. Miscellaneous.**

- 15.1. Relationship of the Parties. Vendor is an independent contractor with no authority to contract for Citizens or in any way to bind or to commit Citizens to any agreement of any kind or to assume any liabilities of any nature in the name of or on behalf of Citizens. Under no circumstances shall Vendor or Vendor Staff hold itself out as or be considered an agent, employee, joint venturer, or partner of Citizens. In recognition of Vendor's status as an independent contractor, Citizens shall carry no Workers' Compensation insurance or any health or accident insurance to cover Vendor or Vendor Staff. Citizens shall not pay any contributions to Social Security, unemployment insurance, federal or state withholding taxes, any other applicable taxes whether federal, state, or local, nor provide any other contributions or benefits which might be expected in an employer-employee relationship. Neither Vendor nor Vendor Staff shall be eligible for, participate in, or accrue any direct or indirect benefit under any other compensation, benefit, or retirement plan of Citizens.
- 15.2. Vendor Conflicts of Interests. Vendor, and all principals in its business, must execute a Conflict of Interest Form as required by Citizens. Vendor shall not have a relationship with a Citizens officer or employee that creates a conflict of interest. If there is the appearance of a conflict of interest, Vendor will promptly contact Citizens' Contract Manager or designee to obtain a written decision as to whether action needs to be taken to ensure a conflict does not exist or that the appearance of a

conflict is not significant.

- 15.3. No Gifts. Vendor shall not give a gift or make an expenditure to or for the personal benefit of a Citizens officer or employee.
- 15.4. Compliance with Laws. Vendor and Vendor Staff will comply with all applicable laws, ordinances, rules, and regulations governing Vendor's performance under this Agreement.
- 15.5. Severability. If a court deems any provision of this Agreement void or unenforceable, that provision shall be enforced only to the extent that it is not in violation of law or is not otherwise unenforceable and all other provisions shall remain in full force and effect.
- 15.6. Headings. The sections and headings herein contained are for the purposes of identification only, and shall not be considered as controlling in construing this Agreement.
- 15.7. Publicity; Use of Names and Logos. Vendor may use Citizens' name and logo in its marketing materials, website and social media to indicate that it is a participating or contracted vendor for Citizens. However, Vendor may not in any way state, imply or infer that it holds a "preferred," "approved," "awarded," "selected" or otherwise special status with Citizens in any such materials. This prohibition includes, but is not limited to, the use of endorsements or quotes from Citizens officials, Citizens' vendor scores, or any other Citizens-related materials that may directly or indirectly imply that Vendor enjoys a special or preferred status with Citizens. Citizens reserves the right to determine that its name and/or logo have been misused and to request that Vendor cease using its name and/or logo in any way it deems inappropriate. Failure to comply will result in disciplinary action, up to and including contract termination. Vendor may only use the approved Citizens logo, which is available for download at: <https://www.citizensfla.com/about/mediaresources.cfm>.
- 15.8. Waiver. The delay or failure by a Party to exercise or enforce any of its rights under this Agreement shall not constitute or be deemed a waiver of the Party's right thereafter to enforce those rights, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.
- 15.9. Entire Agreement. This Agreement, and any exhibits, schedules and attachments hereto, set forth the entire agreement and understanding of the Parties with respect to the subject matter hereof, and supersedes any prior or contemporaneous proposals, agreements or understandings with respect to the subject matter hereof. Notwithstanding the foregoing, the representations and warranties in Vendor's Response to the Solicitation are hereby incorporated into this Agreement and reaffirmed by Vendor.
- 15.10. Modification of Terms. This Agreement may only be modified or amended upon a mutual written contract amendment signed by Citizens and Vendor or as otherwise



permitted by this Agreement. Vendor may not unilaterally modify the terms of this Agreement in any manner such as by affixing additional terms to any Deliverable (e.g., attachment or inclusion of standard preprinted forms, product literature, "shrink wrap" or "click through" terms, whether written or electronic) or by incorporating such terms onto Vendor's order or fiscal forms or other documents forwarded by Vendor for payment and any such terms shall have no force or effect upon Citizens or this Agreement. Citizens' acceptance of any Service or processing of documentation on forms furnished by Vendor for approval or payment shall not constitute acceptance of any proposed modification to terms and conditions or any conflicting terms and conditions.

- 15.11. Assignments. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of each Party, but only as permitted under this Agreement. Each Party binds itself and its respective successors and assigns in all respects to all of the terms, conditions, covenants and provisions of this Agreement. Vendor shall not sell, assign or transfer any of its rights, duties or obligations under this Agreement without the prior written consent of Citizens. In the event of any assignment, Vendor shall remain liable for performance of this Agreement unless Citizens expressly waives such liability. Citizens may assign this Agreement with prior written notice to Vendor of its intent to do so. Nothing herein shall be construed as creating any personal liability on the part of any officer, employee or agent of Citizens.
- 15.12. Notice and Approval of Changes in Ownership. Because the award of this Agreement may have been predicated upon Vendor's ownership structure, Vendor agrees that any transfer of a substantial interest in Vendor by any of its owners shall require Citizens' prior written approval, which approval shall not be unreasonably withheld or unreasonably delayed. By execution of this Agreement, Vendor represents that it has no knowledge of any intent to transfer a substantial interest in Vendor. A substantial interest shall mean at least twenty-five percent (25%) of the voting shares or control over Vendor. This Section shall not apply to: (a) transfers occurring upon the incapacitation or death of an owner; (b) transfers associated with an initial public offering on a major stock exchange; or (c) transfers to a company whose stock is publicly traded on a major stock exchange.
- 15.13. Force Majeure. Because of the nature of Citizens' business, Citizens requires that the Services be performed during or immediately after catastrophic events which might otherwise be considered force majeure. Therefore, Vendor acknowledges and agrees that force majeure will not constitute an excuse for non-performance of the Services as this Agreement and the Services are considered and designated as essential to Citizens' operations.
- 15.14. Execution in Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute but one and the same Agreement. The Parties agree that a faxed or scanned signature may substitute for and have the same legal effect as the original signature.

***[Signature Page Follows]***

IN WITNESS WHEREOF, this Agreement has been duly executed by authorized representatives of the Parties.

**CITIZENS PROPERTY INSURANCE  
CORPORATION**

**REGIONS BANK**

  
Signature

Jennifer Montero

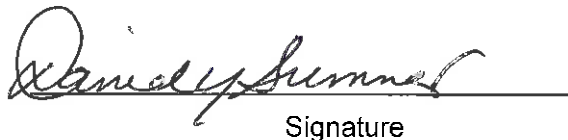
Print Name

Chief Financial Officer

Title

12/18/15

Date Signed

  
Signature

Dan Sumner

Print Name

Chief Legal Officer and General Counsel

Title

12/18/15

Date Signed

  
Signature

Vladimir Muñoz

Print Name

Vice President and Trust Officer

Title

12/8/2015

Date Signed

63-0371391

Vendor Federal Employer  
Identification Number