

**ESCROW DEPOSIT AGREEMENT**

relating to

\$ \_\_\_\_\_  
PASCO COUNTY, FLORIDA  
SOLID WASTE DISPOSAL AND RESOURCE RECOVERY  
SYSTEM REFUNDING REVENUE BONDS, SERIES 2008\_

This ESCROW DEPOSIT AGREEMENT, dated as of March \_\_, 2008, is by and between Pasco County, Florida (the “Issuer”), and U.S. Bank National Association, Jacksonville, Florida, a national banking association, organized under the laws of the United States, as Escrow Holder (the “Escrow Holder”).

**BACKGROUND FACTS:**

1. The Issuer has previously authorized and issued its Solid Waste Disposal and Resource Recovery System [Refunding] Revenue Bonds, Series 199\_ (the “Refunded Bonds”), as to which the Aggregate Debt Service (defined below) is set forth on Schedule A.

2. The Issuer has determined to provide for payment of the Aggregate Debt Service of the Refunded Bonds, on and prior to their maturity or redemption, as applicable, by depositing with the Escrow Holder cash and Escrow Investments, the principal of and interest on which will be at least equal to such sum.

3. In order to obtain the funds needed for such purpose, the Issuer has authorized and is, concurrently with the delivery of this Agreement, issuing certain Refunding Bonds more fully described herein.

**AGREEMENT:**

In consideration of the mutual covenants and agreements herein contained, the Issuer and the Escrow Holder agree as follows:

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

“Aggregate Debt Service” means, as of any date, the sum of the Annual Debt Service then remaining unpaid with respect to the Refunded Bonds, as set forth on Schedule A attached to this Agreement.

“Agreement” means this Escrow Deposit Agreement.

“Annual Debt Service” means, in any year, the principal of, applicable redemption premium, and interest on the Refunded Bonds, including any paying agent fees and handling charges, coming due in such year as shown on Schedule A.

“Board” means the Board of County Commissioners of Pasco County, Florida, the governing body of the Issuer.

“Bond Resolution” means the resolution of the Board duly adopted on February 12, 2008, as supplemented, providing for the issuance of the Refunding Bonds.

“Escrow Account” means the Escrow Account, created and established by this Agreement, and held by the Escrow Holder, in which cash and investments will be held for payment of the Refunded Bonds.

“Escrow Holder” means U.S. Bank National Association, Jacksonville, Florida.

“Escrow Investments” means direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the United States of America.

“Escrow Requirement” means, as of any date of calculation, the sum of an amount in cash and principal amount of Escrow Investments in the Escrow Account which, together with the interest due on the Escrow Investments, will be sufficient to pay, as the installments thereof become due, the Aggregate Debt Service.

“Expenses” means the expenses of the Issuer resulting from the execution of this Agreement, including, but not limited to, the fees and expenses of the Escrow Holder.

“Refunding Bonds” means the Solid Waste Disposal and Resource Recovery System Refunding Revenue Bonds, Series 2008\_, of the Issuer, described in the Bond Resolution.

Section 2. Deposit of Funds. The Issuer hereby deposits \$\_\_\_\_\_ with the Escrow Holder in immediately available funds, to be held in irrevocable escrow by the Escrow Holder in the Escrow Account, hereby created and established, and applied solely as provided in this Agreement. The Issuer represents that:

(a) \$\_\_\_\_\_ of such funds are derived from the net proceeds of the Refunding Bonds, and \$\_\_\_\_\_ are derived from the Debt Service Fund for the Refunded Bonds.

(b) Such funds, when invested in the Escrow Investments set forth on Schedule B attached hereto, and held in cash, will be, together with the principal amount of such Escrow Investments and the interest due thereon, at least equal to the Escrow Requirement as of the date of such deposit, as demonstrated in Schedule B attached hereto.

Section 3. Use and Investment of Funds. The Escrow Holder acknowledges receipt of the sum described in Section 2 and agrees:

- (a) to hold the funds in irrevocable escrow during the term of this Agreement,
- (b) to hold \$\_\_\_\_\_ in cash and immediately invest the remainder of such funds by the purchase of the Escrow Investments set forth on Schedule B attached hereto, and
- (c) to deposit, as received, all receipts of maturing principal of the Escrow Investments and all receipts of interest in the Escrow Account.

Section 4. Payment of Bonds and Expenses.

(a) Refunded Bonds. On each interest payment date for the Refunded Bonds, the Escrow Holder shall pay to U.S. Bank National Association, Jacksonville, Florida, the paying agent for the Refunded Bonds, from the cash on hand in the Escrow Account, a sum sufficient to pay that portion of the Annual Debt Service coming due on such date as shown on Schedule A. In the event that the amount on deposit in the Escrow Account is ever insufficient for such purpose, the Escrow Holder shall immediately notify the Issuer of such deficiency, and the Issuer shall have a reasonable time to cure the same.

(b) Expenses. The Issuer shall pay the Expenses, as they become due and payable, from legally available funds of the Issuer, and no lien upon or right of set-off against the funds on deposit in the Escrow Account shall exist or be created in favor of the Escrow Holder for any Expenses owed to it.

(c) Surplus. Upon termination of this Agreement, the Escrow Holder shall pay to the Issuer any remaining cash in the Escrow Account in excess of (i) the Escrow Requirement and (ii) any remaining fees and expenses then due and payable by the Issuer to the Escrow Holder. The Issuer shall apply such remaining funds to finance a portion of the cost of System (as defined in the Bond Resolution) improvements.

(d) Lien on Funds. The holders of the Refunded Bonds shall have an express first lien on the funds and Escrow Investments in the Escrow Fund until such funds and Escrow Investments are used and applied in accordance with this Agreement.

(e) Payments due on Holidays. If any payment date, at the place of payment of the Refunded Bonds, shall be a Saturday, Sunday, legal holiday or a day on which banking institutions are authorized by law to close, then the Escrow Holder may make the payment required by Section 4(a) to the paying agent on the first business day following such Saturday, Sunday, legal holiday or day on which banking institutions are authorized by law to close.

Section 5. Reinvestment.

(a) Except as provided in Section 3 and in this Section, the Escrow Holder shall have no power or duty to invest any funds held under this Agreement or to sell, transfer or otherwise dispose of or make substitutions of the Escrow Investments held hereunder.

(b) Upon compliance with the condition stated in clause (i) below, or otherwise in compliance with all of the following conditions in this Section 5(b), the Escrow Holder shall sell, transfer, otherwise dispose of or request the redemption of any of the Escrow Investments acquired hereunder and shall substitute other Escrow Investments for such Escrow Investments. Any money remaining after such substitutions, not needed to pay the Aggregate Debt Service, shall be paid to the Issuer upon the termination of this Agreement. The Issuer will not request the Escrow Holder to exercise any of the powers described in the preceding sentence in any manner which will cause the Refunding Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder in effect and applicable to obligations issued on the issue date of the Refunding Bonds. Such transactions may be effected only if (i) an independent certified public accountant shall certify to the Issuer and the Escrow Holder that the cash and principal amount of Escrow Investments remaining on hand after the transactions are completed, together with the interest due thereon, will be not less than the Escrow Requirement, and (ii) the Escrow Holder shall receive an unqualified opinion from a nationally recognized bond counsel, addressed to it and the Issuer, to the effect that the transactions will not constitute a breach of this Agreement or any provision of the Bond Resolution, and such transactions will not cause the Refunding Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder.

Section 6. [No] Redemption of Refunded Bonds. The Refunded Bonds will [not] be redeemed prior to their stated dates of maturity [as set forth in the Notice of Redemption attached hereto as Schedule C. The Escrow Holder disseminated the notice of redemption as required by the Original Indenture (as defined in the Bond Resolution). Any out-of-pocket expenses incurred by the Escrow Holder in that regard shall be paid by the Issuer].

Section 7. Indemnity. To the extent authorized by law, the Issuer hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Holder and its respective successors, assigns, agents and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against at any time, the Escrow Holder (whether or not also indemnified against the same by the Issuer or any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Agreement, the maintenance of the Escrow Account, the acceptance of the funds and securities deposited therein, the purchase of the Escrow Investments, the retention of the Escrow Investments or the proceeds thereof and any payment, transfer or other application of funds or securities by the Escrow Holder in accordance with the provisions of this Agreement; provided, however, that the Issuer shall not be required to indemnify the Escrow Holder for its own negligence or willful misconduct. In no event shall the Issuer or the Escrow Holder be liable to any person by reason of the transactions contemplated hereby, other than to each other as set forth in this Section. The indemnities contained in this Section shall survive the termination of this Agreement and the resignation or removal of the Escrow Holder.

Section 8. Responsibility of Escrow Holder. The Escrow Holder and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, whether to the Issuer or to third parties, in tort, contract, or otherwise, in connection with the

execution and delivery of this Agreement, the maintenance of the Escrow Account, the acceptance of the funds deposited therein, the purchase of the Escrow Investments, the retention or other application of money or securities by the Escrow Holder in accordance with the provisions of this Agreement, or by reason of any nonnegligent act, omission or error of the Escrow Holder made in good faith in the conduct of its duties. The Escrow Holder shall, however, be liable to the Issuer for its negligent or willful acts, omissions or errors which violate or fail to comply with the terms of this Agreement. The duties and obligations of the Escrow Holder shall be determined by the express provisions of this Agreement. The Escrow Holder may consult with counsel, who may or may not be counsel to the Issuer, and in reliance upon the opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Holder shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by the Chairman of the Issuer, or his or her designee.

Section 9. Resignation of Escrow Holder. The Escrow Holder may resign and thereby become discharged from the duties and obligations hereby created, by notice in writing given to the Issuer and published once in a daily newspaper of general circulation or a financial journal published and/or of general circulation in the Borough of Manhattan, City and State of New York, not less than 60 days before such resignation shall take effect. Such resignation shall take effect immediately upon the appointment of a new Escrow Holder hereunder. If the Refunded Bonds are outstanding in fully registered form, and the Escrow Holder is able to obtain from the bond registrar for the Refunded Bonds, a complete list of the holders thereof and their addresses, the Escrow Holder may mail the notice of resignation, within the time required, to the holders of the Refunded Bonds in lieu of publication of such notice. Any out-of-pocket expenses incurred by the Escrow Holder in publication or mailing of such notice shall be paid by the Issuer.

Section 10. Removal of Escrow Holder.

(a) The Escrow Holder may be removed at any time by an instrument or concurrent instruments in writing, executed by the holders of not less than 51% in aggregate principal amount of the Refunded Bonds then outstanding, such instruments to be filed with the Issuer, and notice in writing given by such holders to the original purchaser or purchasers of the Refunding Bonds, and published once in a daily newspaper of general circulation or a financial journal published and/or of general circulation in the Borough of Manhattan, City and State of New York, not less than 60 days before such removal is to take effect as stated in such instrument or instruments. A photographic copy of any instrument filed with the Issuer under the provisions of this paragraph shall be delivered by the Issuer to the Escrow Holder. If the Refunded Bonds are outstanding in fully registered form, and such holders of the Refunded Bonds are able to obtain from the bond registrar for the Refunded Bonds, a complete list of the remaining holders thereof and their addresses, such bondholders removing the Escrow Holder may mail such notice of removal, within the time required, to the remaining bondholders in lieu of publication of such notice.

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

Section 11. Successor Escrow Holder.

(a) If at any time hereafter the Escrow Holder shall resign, be removed, be dissolved or otherwise become incapable of acting, or shall be taken over by any governmental official, agency, department or board, the position of Escrow Holder shall thereupon become vacant. If the position of Escrow Holder shall become vacant for any of the foregoing reasons or for any other reason, the Issuer shall appoint an Escrow Holder to fill such vacancy. The Issuer shall publish notice of any such appointment once in a daily newspaper of general circulation or a financial journal published and/or of general circulation in the Borough of Manhattan, City and State of New York, and, before the second publication of such notice, shall mail a copy thereof to the original purchaser or purchasers of the Refunding Bonds. If the Refunded Bonds are outstanding in fully registered form, the Issuer may mail or cause to be mailed, the notice of resignation, within the time required, to the holders of the Refunded Bonds in lieu of publication of such notice.

(b) If at any time within one year after such vacancy shall have occurred, the Issuer has not appointed a successor Escrow Holder in accordance with the provisions of paragraph (a) of this section, the holders of 51% in aggregate principal amount of the Refunded Bonds then outstanding, by an instrument or concurrent instruments in writing, executed by such bondholders and filed with the governing body of the Issuer, may appoint a successor Escrow Holder, which shall supersede any Escrow Holder theretofore appointed by the Issuer. Photographic copies of each such instrument shall be delivered promptly by the Issuer, to the predecessor Escrow Holder and to the Escrow Holder so appointed by the bondholders.

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

Section 12. Term; Amendments.

This Agreement shall commence upon its execution and delivery and shall terminate when the Refunded Bonds have been paid and discharged in accordance with the proceedings authorizing the Refunded Bonds.

No amendments hereto may be made nor shall this Agreement be repealed, revoked or altered except (a) in writing signed by both parties hereto, with the prior written consent of the holders of 100% in principal amount of the Refunded Bonds which have not matured and become due as of the effective date of such amendment and (b) upon receipt of an opinion of Bond Counsel to the effect set forth in Subsection 5(b)(ii) hereof; provided, however, that the Issuer and the Escrow

Holder may, without the consent of, or notice to, such holders, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

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

The Escrow Holder shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized attorneys on the subject of municipal bonds with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Refunded Bonds, or that any instrument executed hereunder complies with the conditions and provisions of this Section.

Each rating agency that has rated the Refunded Bonds as a result of the actions taken pursuant to this Agreement shall be notified in writing by the Escrow Holder prior to any amendment to this Agreement, and in all instances in which any provision hereof is declared to be contrary to law. Any such notice of amendment shall be accompanied by a draft thereof. Such rating agencies shall include Moody's Investors Service, 99 Church Street, New York, New York 10007, Attn: Public Finance/Refunded Bonds; and Standard & Poor's, a division of The McGraw-Hill Companies Inc., 25 Broadway, New York, New York 10004, Attn: Municipal Finance Department.

Section 13. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Issuer or the Escrow Holder to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreements herein contained shall in no way affect the validity of the remaining provisions of this Agreement.

Section 14. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as duplicate originals and shall constitute and be but one and the same instrument.

Section 15. Governing Law. This Agreement shall be construed under the laws of the State of Florida.

EXECUTION:

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

PASCO COUNTY, FLORIDA

(Seal)

By \_\_\_\_\_  
Chairman

Attested:

\_\_\_\_\_  
[Deputy] Clerk, Board of County  
Commissioners



U.S. BANK NATIONAL ASSOCIATION  
Escrow Holder

By \_\_\_\_\_  
Title: Vice President

Schedule A

Debt Service: The debt service payments on the Refunded Bonds[, taking into account the redemption on \_\_\_\_\_, 2008, of all of the Refunded Bonds] is as set forth below:

Schedule B

The initial Escrow Investments and escrow cash flow are as follows:

Schedule C