



STANDBY TRUST AGREEMENT

(Agreement incorporated in Rule 62B-56.090, F.A.C.)

Form#: 62B-56.900(14), F.A.C.
Form Title: Standby Trust Agreement
Effective: June 22, 2009.

STANDBY TRUST AGREEMENT, the "Agreement," entered into as of _____ by and between
Date

Name of the Responsible Entity

a _____ (the Grantor),
Name of State Insert "corporation, partnership, association, or proprietorship"

and _____,
Name and Address of Corporate Trustee

Insert "Incorporated in the State of _____" or "a national bank." (the Trustee).

WHEREAS, the Florida Department Environmental Protection (FDEP), an agency of the State of Florida, has established certain regulations applicable to the Grantor, requiring that the responsible entity for a reconstructed dune system shall provide assurance that funds will be available when needed for removal and restoration of the project,

WHEREAS, the Grantor has elected to establish a trust to provide all or part of such financial assurance for the facilities identified herein,

WHEREAS, the Grantor, acting through its duly authorized officers, has selected the Trustee to be the trustee under this Agreement, and the Trustee is willing to act as trustee.

NOW, THEREFORE, the Grantor and the Trustee agree as follows:

Section 1. Definitions. As used in this Agreement:

- (a) The term "Grantor" means the responsible entity who enters into this Agreement and any successors or assigns of the Grantor.
- (b) The term "Trustee" means the Trustee who enters into this Agreement and any successor Trustee.
- (c) The term "FDEP" means the Florida Department of Environmental Protection, an Agency of the State of Florida or any successor thereof.

Section 2. Identification of Reconstructed Dune and Cost Estimates. This Agreement pertains to the reconstructed dune and cost estimates identified on attached Schedule A.¹

Section 3. Standby Trust. This trust fund shall remain dormant until funded with the proceeds from the _____ as listed on Schedule B². The Trustee shall have no duties

Insert "Letter of Credit" or "Payment Bond or Performance Bond"
or responsibilities beyond safekeeping this document. Upon funding this trust fund shall become active and be administered pursuant to the terms of this instrument.

Section 4. Establishment of Fund. The Grantor and the Trustee hereby establish a trust fund (the Fund) for the benefit of the FDEP. The Grantor and the Trustee intend that no third party have access to the Fund except as herein provided. The Fund is established initially as consisting of the property, which is acceptable to the Trustee, described in Schedule B² attached hereto. Such property and any other property subsequently transferred to the Trustee is referred to as the Fund, together with all earnings and profits thereon, less any payments or distributions made by the Trustee pursuant to this Agreement. The Fund

¹ On Schedule A, for each project list the FDEP Identification Number, name, address, and the removal and restoration cost estimates, or portion thereof, for which financial assurance is demonstrated by this Agreement.

² On Schedule B, List the property (e.g., Letter of Credit, Payment Bond, or Performance Bond) used to establish the trust fund.

shall be held by the Trustee, IN TRUST, as hereinafter provided. The Trustee shall not be responsible nor shall it undertake any responsibility for the amount or adequacy of, nor any duty to collect from the Grantor, any payments necessary to discharge any liabilities of the Grantor established by the FDEP.

Section 5. Payment for Removal and Restoration of a Reconstructed Dune. The Trustee shall make payments from the Fund as the FDEP Secretary shall direct, in writing, to provide for the payment of the costs of removal and restoration of the reconstructed dune covered by this Agreement. The Trustee shall reimburse the Grantor or other persons as specified by the FDEP Secretary from the Fund for removal and restoration of the reconstructed dune in such amounts as the FDEP Secretary shall direct in writing. In addition, the Trustee shall refund to the Grantor such amounts as the FDEP Secretary specifies in writing. Upon refund, such funds shall no longer constitute part of the Fund as defined herein.

Section 6. Payments Comprising the Fund. Payments made to the Trustee for the Fund shall consist of cash or securities acceptable to the Trustee and shall consist solely of proceeds from the

Insert "Letter of Credit", "Payment Bond", or "Performance Bond"

Section 7. Trustee Management. The Trustee shall invest and reinvest the principal and income of the Fund and keep the Fund invested as a single fund, without distinction between principal and income, in accordance with general investment policies and guidelines which the Grantor may communicate in writing to the Trustee from time to time, subject, however, to the provision of this Section. In investing, reinvesting, exchanging, selling, and managing the Fund, the Trustee shall discharge his duties with respect to the trust fund solely in the interest of the beneficiary and with the care, skill, prudence, and diligence under the circumstances then prevailing which persons of prudence, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims; except that:

- (a) Securities or other obligations of the Grantor, or any other owner or operator of the facilities, or any of their affiliates as defined in the Investment Company Act of 1940, as amended, 15 U.S.C. 80a-2.(a), shall not be acquired or held, unless they are securities or other obligations of the Federal or a State Government;
- (b) The Trustee is authorized to invest the Fund in time or demand deposits of the Trustee, to the extent insured by an agency of the Federal or a State government; and
- (c) The Trustee is authorized to hold cash awaiting investment or distribution un-invested for a reasonable time and without liability for the payment of interest thereon.

Section 8. Commingling and Investment. The Trustee is expressly authorized in its discretion:

- (a) To transfer from time to time any or all of the assets of the Fund to any common, commingled, or collective trust fund created by the Trustee in which the Fund is eligible to participate, subject to all of the provisions thereof, to be commingled with the assets of other trusts participating therein; and
- (b) To purchase shares in any investment company registered under the Investment Company Act of 1940, 15 U.S.C. 80a-1 et seq., including one which may be created, managed, underwritten or to which investment advice is rendered or the shares of which are sold by the Trustee. The Trustee may vote such shares in its discretion.

Section 9. Express Powers of Trustee. Without in any way limiting the powers and discretions conferred upon the Trustee by the other provisions of this Agreement or by law, the Trustee is expressly authorized and empowered:

- (a) To sell, exchange, convey, transfer, or otherwise dispose of any property held by it, by public or private sale. No person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity or expediency of any such sale or other disposition;
- (b) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;
- (c) To register any securities held in the Fund in its own name or in the name of a nominee and to hold any security in bearer form or in book entry, or to combine certificates representing such securities with certificates of the same issue held by the Trustee in other fiduciary capacities, or to deposit or arrange for the deposit of such securities in a qualified central depository even though, when so deposited, such securities may be merged and held in bulk in the name of the nominee of such depository with other securities deposited therein by another person, or to deposit or arrange for the deposit of any securities issued by the United States Government, or any agency or instrumentality thereof, with a Federal Reserve bank, but the books and records of the Trustee shall at all times show that all such securities are part of the Fund;

(d) To deposit any cash in the Fund in interest-bearing accounts maintained or savings certificates issued by the Trustee, in its separate corporate capacity, or in any other banking institution affiliated with the Trustee, to the extent insured by an agency of the Federal or a State government; and

(e) To compromise or otherwise adjust all claims in favor of or against the Fund.

Section 10. Taxes and Expenses. All taxes of any kind that may be assessed or levied against or in respect of the Fund and all brokerage commissions incurred by the Fund shall be paid from the Fund. All other expenses incurred by the Trustee in connection with the administration of this Trust, including fees for legal services rendered to the Trustee, the compensation of the Trustee to the extent not paid directly by the Grantor, and all other proper charges and disbursements of the Trustee shall be paid from the Fund.

Section 11. Annual Valuation. The Trustee shall annually, at least 30 days prior to the anniversary date of establishment of the Fund; furnish to the Grantor and to the Secretary of the FDEP a statement confirming the value of the Trust. Any securities in the Fund shall be valued at market value as of no more than 60 days prior to the anniversary date of establishment of the Fund. The failure of the Grantor to object in writing to the Trustee within 90 days after the statement has been furnished to the Grantor and the FDEP Secretary shall constitute a conclusively binding assent by the Grantor, barring the Grantor from asserting any claim or liability against the Trustee with respect to matters disclosed in the statement.

Section 12. Advice of Counsel. The Trustee may from time to time consult with counsel, who may be counsel to the Grantor, with respect to any question arising as to the construction of this Agreement or any action to be taken hereunder. The Trustee shall be fully protected, to the extent permitted by law, in acting upon the advice of counsel.

Section 13. Trustee Compensation. The Trustee shall be entitled to reasonable compensation for its services as agreed upon in writing from time to time with the Grantor.

Section 14. Successor Trustee. The Trustee may resign or the Grantor may replace the Trustee, but such resignation or replacement shall not be effective until the Grantor has appointed a successor trustee and this successor accepts the appointment. The successor trustee shall have the same powers and duties as those conferred upon the Trustee hereunder. Upon the successor trustee's acceptance of the appointment, the Trustee shall assign, transfer, and pay over to the successor trustee the funds and properties then constituting the Fund. If for any reason the Grantor cannot or does not act in the event of the resignation of the Trustee, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee or for instructions. The successor trustee shall specify the date on which it assumes administration of the trust in a writing sent to the Grantor, the FDEP Secretary, and the present Trustee by certified mail 10 days before such change becomes effective. Any expenses incurred by the Trustee as a result of any of the acts contemplated by this Section shall be paid as provided in Section 10.

Section 15. Instructions to the Trustee. All orders, requests, and instructions by the Grantor to the Trustee shall be in writing, signed by such persons as are designated in the attached Exhibit A or such other designees as the Grantor may designate by amendment to Exhibit A. The Trustee shall be fully protected in acting without inquiry in accordance with the Grantor's orders, requests, and instructions. All orders, requests, and instructions by the FDEP Secretary to the Trustee shall be in writing, signed by the FDEP Secretary, or the designee, and the Trustee shall act and shall be fully protected in acting in accordance with such orders, requests, and instructions. The Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event constituting a change or a termination of the authority of any person to act on behalf of the Grantor or the FDEP hereunder has occurred. The Trustee shall have no duty to act in the absence of such orders, requests, and instructions from the Grantor and/or the FDEP, except as provided herein.

Section 16. Amendment of Agreement. This Agreement may be amended by an instrument in writing executed by the Grantor, the Trustee, and the FDEP Secretary, or by the Trustee and the FDEP Secretary, if the Grantor ceases to exist.

Section 17. Irrevocability and Termination. Subject to the right of the parties to amend this Agreement as provided in Section 16, this Trust shall be irrevocable and shall continue until terminated at the written agreement of the Grantor, the Trustee, and the FDEP Secretary, or by the Trustee and the FDEP Secretary, if the Grantor ceases to exist. Upon termination of the Trust, all remaining trust property, less final trust administration expenses, shall be delivered to the Grantor.

Section 18. Immunity and Indemnification. The Trustee shall not incur personal liability of any nature in connection with any act or omission, made in good faith, in the administration of this Trust, or in carrying out any directions by the Grantor or the FDEP Secretary issued in accordance with this Agreement. The Trustee shall be indemnified and saved harmless by the

Grantor or from the Trust Fund, or both, from and against any personal liability to which the Trustee may be subjected by reason of any act or conduct in its official capacity, including all expenses reasonably incurred in its defense in the event the Grantor fails to provide such defense.

Section 19. Choice of Law. This Agreement shall be administered, construed, and enforced according to the laws of the State of Florida.

Section 20. Interpretation. As used in this Agreement, words in the singular include the plural and words in the plural include the singular. The descriptive headings for each Section of this Agreement shall not affect the interpretation of the legal efficacy of this Agreement.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed by their respective officers duly authorized and their corporate seals to be hereunto affixed and attested as of the date first above written. The persons whose signatures appear below hereby certify that the wording of this Agreement is identical to the wording as adopted and incorporated by reference in Rule 62B-56.900, F.A.C.

| | |
|-------------------------------|-------------------------------|
| _____ Signature of Grantor | _____ Signature of Trustee |
| _____ Title | _____ Title |

Attest:

| | |
|------------------------------|------------------------------|
| _____ Title (Seal) | _____ Title (Seal) |
|------------------------------|------------------------------|

BELOW ARE EXAMPLES OF THE FOUR REQUIRED ATTACHMENTS THAT MUST ACCOMPANY A STANDBY TRUST FUND AGREEMENT. THEY ARE ONLY EXAMPLES OF FORMATS ACCEPTABLE TO THE DEPARTMENT. THEREFORE, VARIATIONS CONTAINING THE REQUIRED INFORMATION ARE ALSO ACCEPTABLE.

**CERTIFICATION OF ACKNOWLEDGEMENT FOR REMOVAL AND RESTORATION
STANDBY TRUST FUND AGREEMENT**

State of _____ County of _____ On this _____, before me personally came _____
Date

_____, to me known, who, being by me duly sworn, did depose and say that
Responsible Entity

she/he is _____ of _____,
Title Business Organization

the business organization described in and which executed the above instrument; that she/he knows the seal of said entity; that the seal affixed to such instrument is such entity's seal; that it was so affixed by order of the Board of Directors or equivalent governing body of such entity, and that she/he signed her/his name thereto by like order.

(Please delete all references to a corporate seal if one does not exist for your business organization.)

Signature of Notary Public Date

Print, Type, or Stamp Commissioned Name of Notary Public, Commission Number & Expiration Date

Personally Known or Produced Identification

Type of Identification Produced _____

SCHEDULE A

This Agreement demonstrates financial assurance for the following cost estimate(s) for the following reconstructed dune project:

| | | |
|------------------|-------|--|
| FDEP PERMIT NO.: | _____ | COST ESTIMATES |
| NAME: | _____ | Removal and Restoration: \$ _____ |
| ADDRESS: | _____ | One Time Deferred Removal Cost: \$ _____ |
| _____ | _____ | Total \$ _____ |

SCHEDULE B

The fund is established initially as consisting of the following property:

List the property used to establish the trust fund (e.g., Letter of Credit # _____ in the amount of \$ _____).

EXHIBIT A

All orders, requests, and instructions by the Grantor to the Trustee shall be in writing and signed by one of the following persons:

| | |
|-------|-------|
| _____ | Name |
| _____ | Title |
| _____ | Name |
| _____ | Title |
| _____ | Name |
| _____ | Title |