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 EXHIBIT 4.16  
  
  
  
  
  
 AMENDED AND RESTATED  
 LIMITED LIABILITY COMPANY AGREEMENT  
  
 OF  
  
 TECO FUNDING COMPANY \_\_\_, LLC  
  
  
  
  
  
  
  
 DATED AS OF \_\_\_\_\_\_\_\_\_\_, 20\_\_  
  
  
  
  
  
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 AMENDED AND RESTATED  
 LIMITED LIABILITY COMPANY AGREEMENT  
  
 OF  
  
 TECO FUNDING COMPANY \_\_\_, LLC  
  
 This Amended and Restated Limited Liability Company Agreement of TECO  
Funding Company \_\_\_, LLC, a Delaware limited liability company (the "COMPANY"),  
is made as of \_\_\_\_\_\_\_\_\_, 20\_\_, among TECO Energy, Inc., a corporation organized  
under the laws of the State of Florida (including any successor in interest  
thereto, "TECO"), as initial Securityholder (as defined below) and holder of the  
Company Common Securities (as defined below), TECO Capital Trust \_\_\_, a Delaware  
statutory business trust (the "TRUST"), as the holder of the Company Preferred  
Securities, and the Persons (as defined below), who may from time to time become  
additional Securityholders of the Company in accordance with the provisions  
hereof.  
  
 WHEREAS, TECO, as initial Securityholder, has formed a limited  
liability company pursuant to the Delaware Limited Liability Company Act, 6  
Del.C. ss. 18-101, et seq., as amended from time to time (the "DELAWARE ACT"),  
by filing a Certificate of Formation of the Company (the "CERTIFICATE OF  
FORMATION") with the office of the Secretary of State of the State of Delaware  
on or about November \_\_, 2000, and has entered into the Limited Liability  
Company Agreement of the Company dated as of November \_\_, 2000 (the "ORIGINAL  
AGREEMENT");  
  
 WHEREAS, on the date of this Agreement the Trust will become the  
initial Company Preferred Securityholder;  
  
 WHEREAS, the Securityholders desire to amend and restate the Original  
Agreement as provided in this Amended and Restated Limited Liability Company  
Agreement of the Company (as amended, modified or supplemented from time to time  
in accordance with its terms, this "AGREEMENT") and to continue the Company as a  
limited liability company under the Delaware Act in accordance with the  
provisions of this Agreement; and  
  
 WHEREAS, simultaneously with TECO's execution and delivery of this  
Agreement, the Company and TECO are executing and delivering the Guarantee  
Agreement, dated as of the date hereof, substantially in the form of Annex A  
hereto (as amended, modified or supplemented from time to time in accordance  
with its terms, the "GUARANTEE AGREEMENT").  
  
 NOW, THEREFORE, in consideration of the agreements and obligations set  
forth herein and for other good and valuable consideration, the receipt and  
sufficiency of which are hereby acknowledged, the Securityholders hereby agree  
as follows:  
  
 ARTICLE I  
 DEFINED TERMS  
  
 Section 1.1 DEFINITIONS. Unless the context otherwise requires, the  
terms defined in this Article 1 shall, for the purposes of this Agreement, have  
the meanings herein specified.  
  
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 "ADMINISTRATIVE ACTION" means any judicial decision, official  
administrative pronouncement, published or private ruling, regulatory procedure,  
notice or announcement (including any notice or announcement of intent to adopt  
such procedures or regulations) by any legislative body, court, governmental  
authority or regulatory body having appropriate jurisdiction.  
  
 "ADMINISTRATION AGREEMENT" means the Administration Agreement between  
TECO and the Company dated \_\_\_\_\_\_\_\_\_\_, 20\_\_ and attached hereto substantially in  
the form of Annex B.  
  
 "AFFILIATE" means, with respect to a specified Person, any Person  
directly or indirectly controlling, controlled by, or under common control with  
the specified Person.  
  
 "AGENCY AGREEMENT" means the Agency Agreement, dated as of \_\_\_\_\_\_\_\_\_\_\_,  
20\_\_, between the Company and The Bank of New York, pursuant to which the  
Company has appointed The Bank of New York, as Registrar for the Company  
Preferred Securities, as such agreement may be amended, modified or supplemented  
from time to time.  
  
 "AGREEMENT" has the meaning specified in the third Recital of this  
Agreement.  
  
 "AUTHORIZED PERSON" has the meaning specified in Section 2.1(b).  
  
 "BANKRUPTCY" means, with respect to any Person, if such Person (i)  
makes an assignment for the benefit of creditors, (ii) files a voluntary  
petition in bankruptcy, (iii) is adjudged a bankrupt or insolvent, or has  
entered against it an order for relief, in any bankruptcy or insolvency  
proceeding, (iv) files a petition or answer seeking for itself any  
reorganization, arrangement, composition, readjustment, liquidation, or similar  
relief under any statute, law or regulation, (v) files an answer or other  
pleading admitting or failing to contest the material allegations of a petition  
filed against it in any proceeding of this nature, (vi) seeks, consents to or  
acquiesces in the appointment of a trustee, receiver or liquidator of the Person  
or of all or any substantial part of its properties, or (vii) 120 days after the  
commencement of any proceeding against the Person seeking reorganization,  
arrangement, composition, readjustment, liquidation, dissolution or similar  
relief under any statute, law or regulation, if the proceeding has not been  
dismissed, or if within 90 days after the appointment without such Person's  
consent or acquiescence of a trustee, receiver or liquidator of such Person or  
of all or any substantial part of its properties, the appointment is not vacated  
or stayed, or within 90 days after the expiration of any such stay, the  
appointment is not vacated. With respect to a Securityholder, the foregoing  
definition of "BANKRUPTCY" is intended to replace and shall supersede and  
replace the definition of "BANKRUPTCY" set forth in Sections 18-101(1) and  
18-304 of the Delaware Act.  
  
 "BOOK-ENTRY COMPANY PREFERRED CERTIFICATES" means a beneficial interest  
in the Company Preferred Certificates, ownership and transfers of which shall be  
made through book entries by a Clearing Agency as described in Section 13.8.  
  
 "BOARD OF DIRECTORS" means the board of directors of the Company.  
  
 "BUSINESS DAY" means a day on which banks are open for business in New  
York and Delaware.  
  
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 "BY-LAWS" means the By-Laws of the Company in the form of Annex C  
hereto, as they may be amended from time to time by the Board of Directors in  
accordance with the provisions of this Agreement (which By-Laws are, for all  
purposes of this Agreement, deemed to be incorporated herein and to be a part  
hereof).  
  
 "CERTIFICATE DEPOSITORY AGREEMENT" means an agreement among the  
Company, the Registrar and the Clearing Agency relating to the Company Preferred  
Certificates, in form satisfactory to the Clearing Agency, as the same may be  
amended and supplemented from time to time.  
  
 "CERTIFICATE OF FORMATION" has the meaning specified in the First  
Recital of this Agreement.  
  
 "CLEARING AGENCY" means an organization registered as a "clearing  
agency" pursuant to Section 17A of the Securities Exchange Act of 1934, as  
amended.  
  
 "CLEARING AGENCY PARTICIPANT" means a broker, dealer, bank, other  
financial institution or other Person for whom from time to time a Clearing  
Agency effects book-entry transfers and pledges of securities deposited with the  
Clearing Agency.  
  
 "CLOSING DATE" means the Closing Date under the Underwriting Agreement.  
  
 "CODE" means the Internal Revenue Code of 1986, as amended.  
  
 "COMMON SECURITYHOLDER" means a Securityholder that owns one or more  
Company Common Securities. Initially, TECO will be the only Common  
Securityholder.  
  
 "COMPANY" has the meaning specified in the Preamble of this Agreement.  
  
 "COMPANY COMMON SECURITIES" means the common limited liability company  
interests in the Company described in this Agreement.  
  
 "COMPANY PREFERRED CERTIFICATE" means the certificate evidencing the  
Company Preferred Securities.  
  
 "COMPANY PREFERRED SECURITIES" has the meaning specified in Section  
7.3(a).  
  
 "COMPANY PREFERRED SECURITYHOLDER" means a Securityholder that owns one  
or more Company Preferred Securities.  
  
 "COMPANY SECURITY" means a limited liability company interest in the  
Company, including the right of the holder thereof to any and all benefits to  
which a Securityholder may be entitled as provided in this Agreement, together  
with the obligations of a Securityholder to comply with all of the terms and  
provisions of this Agreement, and includes the Company Common Securities, and  
the Company Preferred Securities from time to time outstanding.  
  
 "CORRESPONDING AMOUNT" means (i) for each $\_\_\_\_\_\_\_\_\_\_.00 liquidation  
amount of Trust Preferred Securities, $\_\_\_\_\_\_\_\_\_\_.00 liquidation preference of  
Company Preferred  
  
  
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Securities and (ii) for each $\_\_\_\_\_\_\_\_\_\_.00 liquidation preference of  
Company Preferred Securities, $\_\_\_\_\_\_\_\_\_\_.00 liquidation amount of Trust  
Preferred Securities.  
  
 "DEFINITIVE COMPANY PREFERRED CERTIFICATES" means either or both (as  
the context requires) of (a) Company Preferred Certificates issued as Book-Entry  
Company Preferred Certificate as provided in Section 13.10(a) and (b) Company  
Preferred Certificates issued in certificated, fully registered form as provided  
in Section 13.11.  
  
 "DELAWARE ACT" has the meaning specified in the first Recital of this  
Agreement.  
  
 "DIRECTORS" means each of the Persons listed as a director on Annex E  
hereto until such Persons shall resign or otherwise be duly removed as a  
Director, and each Person who may from time to time be designated to serve as a  
successor to any Director of the Company in each case in accordance with the  
provisions of this Agreement and of the By-Laws.  
  
 "DIVIDEND PAYMENT DATE" has the meaning specified in Section 7.3(b).  
  
 "DIVIDEND PERIOD" has the meaning specified in Section 7.3(b).  
  
 "DIVIDEND" has the meaning specified in Section 9.1.  
  
 "EVENT OF DEFAULT" means any one of the following events (whatever the  
reason for such Event of Default and whether it shall be voluntary or  
involuntary or be effected by operation of law or pursuant to any judgment,  
decree or order of any court or any order, rule or regulation of any  
administrative or governmental body):  
  
 (a) the occurrence of an Indenture Event of Default; or  
  
 (b) default by the Company in the payment of any Preferred Dividend  
when it becomes due and payable, and continuation of such default for a period  
of 60 days; or  
  
 (c) default by the Company in the payment of any Redemption Price of  
any Company Preferred Security when it becomes due and payable; or  
  
 (d) the occurrence of a Bankruptcy Event with respect to the Property  
Trustee and the failure by the Depositor to appoint a successor Property Trustee  
within 60 days thereof.  
  
 "FISCAL YEAR" means, with respect to the Company, (i) the period  
commencing upon the formation of the Company and ending on December 31, 2000 and  
(ii) any subsequent twelve month period commencing on January 1 and ending on  
December 31 and, with respect to TECO, means any twelve-month period commencing  
on January 1 and ending on December 31.  
  
 "GUARANTEE AGREEMENT" has the meaning set forth in the fourth Recital  
to this Agreement.  
  
 "INDENTURE" means the Indenture, dated as of August 17, 1998, between  
TECO and the Indenture Trustee, as supplemented by a \_\_\_\_\_\_\_\_\_\_ Supplemental  
Indenture dated as of  
  
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\_\_\_\_\_\_\_, 20\_\_, relating to the Subordinated Notes, each as amended or  
supplemented from time to time.  
  
 "INDENTURE EVENT OF DEFAULT" means an "Event of Default" as defined in  
the Indenture with respect to a Subordinated Note.  
  
 "INDENTURE TRUSTEE" means The Bank of New York, a New York banking  
corporation, as trustee under the Indenture and any successor thereto.  
  
 "INVESTMENT COMPANY ACT EVENT" means the receipt by the Company of an  
Opinion of Counsel experienced in such matters to the effect that, as a result  
of the occurrence of a change in law or regulation or a change in interpretation  
or application of law or regulation by any legislative body, court, governmental  
agency or regulatory authority (a "CHANGE IN 1940 ACT LAW") there is more than  
an insubstantial risk that the Company is or will be considered an "Investment  
Company" that is required to be registered under the 1940 Act, which Change in  
1940 Act Law becomes effective on or after the date of original issuance of the  
Company Preferred Securities.  
  
 "LIKE AMOUNT" means (a) with respect to a redemption of Company  
Securities, Company Securities having a Liquidation Amount equal to the  
principal amount of Subordinated Notes to be contemporaneously redeemed in  
accordance with the Indenture, the proceeds of which will be used to pay the  
Redemption Price of such Company Securities, and (b) with respect to a  
distribution of Subordinated Notes to holders of Company Securities in  
connection with a dissolution or liquidation of the Company, Subordinated Notes  
having a principal amount equal to the Liquidation Amount of the Company  
Securities of the holder to whom such Subordinated Notes are distributed.  
  
 "LIQUIDATION AMOUNT" means (a) with respect to the Company Preferred  
Securities, the Liquidation Preference of such Securities, and (b) with respect  
to the Company Common Securities, the capital contribution made with respect to  
such Securities pursuant to Section 4.2.  
  
 "LIQUIDATION PREFERENCE" means with respect to each Company Preferred  
Security, as of any time of determination, the liquidation preference thereof as  
specified in Section 7.3(a).  
  
 "1940 ACT" means the U.S. Investment Company Act of 1940, as amended.  
  
 "OFFICERS" means each of the Persons listed as an Officer on Annex E  
hereto until such Persons shall resign or otherwise be duly removed as an  
Officer and each Person who may from time to time be duly appointed an Officer  
by the Board of Directors or pursuant to Section 6.1(b) and acting in accordance  
with the provisions of this Agreement and of the By-Laws.  
  
 "OPINION OF COUNSEL" means a written opinion of counsel, who may be  
counsel to the Company, and who shall be reasonably acceptable to the Registrar.  
  
 "ORIGINAL AGREEMENT" has the meaning specified in the first Recital of  
this Agreement.  
  
 "OWNER" means each Person who is the beneficial owner of a Book-Entry  
Company Preferred Certificate as reflected in the records of the Clearing Agency  
or, if a Clearing Agency Participant is not the Owner, then as reflected in the  
records of a Person maintaining an account  
  
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with such Clearing Agency (directly or indirectly, in accordance with the  
rules of such Clearing Agency).  
  
 "PAYING AGENT" means each paying agent with respect to the Trust  
Preferred Securities which will initially be The Bank of New York.  
  
 "PERSON" means any individual, corporation, association, partnership  
(general or limited), joint venture, trust, estate, limited liability company,  
or other legal entity or organization.  
  
 "POWER OF ATTORNEY" means the power of attorney granted pursuant to  
Section 15.6.  
  
 "PREFERRED DIVIDENDS" has the meaning specified in Section 7.3(b).  
  
 "PURCHASE PRICE" for any Company Preferred Security means the amount  
paid per $\_\_\_\_\_\_\_\_\_\_.00 of Liquidation Preference of such Company Preferred  
Security, payment of which shall constitute the contribution to capital  
contemplated by Section 4.3.  
  
 "REDEMPTION DATE" means, with respect to any Company Security to be  
redeemed, the date fixed for such redemption by or pursuant to this Agreement;  
provided that each Subordinated Note Redemption Date and the stated maturity of  
the Subordinated Notes shall be a Redemption Date for a Like Amount of Company  
Securities.  
  
 "REDEMPTION PRICE" means (i) with respect to any Company Preferred  
Security, the Liquidation Amount of such Company Preferred Securities, plus  
accumulated but unpaid Preferred Dividends to the Redemption Date, plus the  
related amount of the premium, if any, paid by TECO upon the concurrent  
redemption of a Like Amount of Subordinated Notes, and (ii) with respect to the  
Company Common Securities, the Liquidation Amount of such Company Common  
Securities, plus declared and unpaid Dividends, plus the related amount of the  
premium, if any, paid by TECO upon the concurrent redemption of a Like Amount of  
Subordinated Notes.  
  
 "REGISTRAR" has the meaning specified in Section 13.5(a).  
  
 "SECURITIES ACT" means the U.S. Securities Act of 1933, as amended.  
  
 "SECURITIES REGISTER" has the meaning specified in Section 13.5(a) of  
this Agreement.  
  
 "SECURITYHOLDER" means any Person that holds a Security of the Company  
and is admitted as a member and securityholder of the Company pursuant to the  
provisions of this Agreement and of the Delaware Act, in its capacity as a  
securityholder. For purposes of the Delaware Act, the Common Securityholders and  
the Company Preferred Securityholders shall constitute separate classes or  
groups of Securityholders and of members.  
  
 "SPECIAL EVENT REDEMPTION DATE" means a redemption date for the Company  
Preferred Securities in connection with the occurrence of a Tax Event or an  
Investment Company Act Event.  
  
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 "SUBORDINATED NOTE EVENT OF DEFAULT" means an event of default under  
the Indenture.  
  
 "SUBORDINATED NOTE REDEMPTION DATE" means, with respect to any  
Subordinated Notes to be redeemed under the Indenture, the date fixed for  
redemption under the Indenture.  
  
 "SUBORDINATED NOTES" means the \_\_\_\_\_% Junior Subordinated Notes due  
\_\_\_\_\_\_ issued by TECO, having an aggregate principal amount of $\_\_\_\_\_\_\_\_\_, in  
substantially the form of Annex D hereto.  
  
 "TAX EVENT" means the receipt by the Company of an Opinion of Counsel  
experienced in such matters to the effect that, as a result of (a) any amendment  
to, or change (including any announced prospective change) in, the laws (or any  
regulations thereunder) of the United States or any political subdivision or  
taxing authority thereof or therein affecting taxation, or (b) any official  
administrative written decision, pronouncement or action or judicial decision  
interpreting or applying such laws or regulations by any court, governmental  
agency or regulatory authority, in each case which amendment or change is  
enacted, promulgated, issued or announced or which interpretation or application  
is issued or announced on or after the date of original issuance of Company  
Preferred Securities, there is more than an insubstantial risk that (i) the  
Company is, or will be within 90 days of the date of the Opinion of Counsel,  
subject to United States Federal income tax with respect to interest received on  
the Subordinated Notes or Company Preferred Securities, (ii) interest payable by  
TECO to the Company on the Subordinated Notes is not, or will not be within 90  
days of the date of the Opinion of Counsel, deductible for United States Federal  
income tax purposes, or (iii) the Company is, or will be within 90 days of the  
date of the Opinion of Counsel, subject to more than a de minimis amount of  
other taxes, duties, assessments or other governmental charges.  
  
 "TAX MATTERS PARTNER" has the meaning specified in Section 11.1.  
  
 "TECO" has the meaning in the Preamble of this Agreement.  
  
 "TRANSACTION DOCUMENTS" has the meaning specified in Section 6.1(e).  
  
 "TRUST" means TECO Capital Trust \_\_\_, a Delaware statutory business  
trust.  
  
 "TRUST AGREEMENT" means the Amended and Restated Trust Agreement dated  
\_\_\_\_\_\_\_\_\_\_, 20\_\_ entered into between the Company, as grantor, and the Trustees,  
as such agreement may be amended or supplemented from time to time.  
  
 "TRUST PREFERRED CERTIFICATES" means the certificates evidencing the  
Trust Preferred Securities.  
  
 "TRUST PREFERRED DEPOSITARY" means the depositary in whose name the  
Trust Preferred Securities are registered, which initially will be The  
Depositary Trust Company.  
  
 "TRUST PREFERRED SECURITIES" means the \_\_\_\_\_% Trust Preferred  
Securities, Liquidation Preference $\_\_\_\_\_\_\_\_\_\_.00 per security and aggregate  
Liquidation Preference $\_\_\_\_\_\_\_\_, representing a corresponding amount of Company  
Preferred Securities.  
  
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 "TRUSTEE" means The Bank of New York, a New York banking corporation,  
or its successor as Property Trustee under the Trust Agreement, and "TRUSTEES"  
means the Trustee and The Bank of New York (Delaware), as Delaware Trustee under  
the Trust Agreement, and in each case their respective successors.  
  
 "UNDERWRITERS" means \_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_ .  
  
 "UNDERWRITING AGREEMENT" means the underwriting agreement dated  
\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_ by and among the Company, the Trust, TECO and the  
Underwriters.  
  
 "UNITED STATES" means the United States of America, its territories and  
possessions, any state of the United States, and the District of Columbia.  
  
 Section 1.2 HEADINGS. The headings and subheadings in this Agreement  
are included for convenience and identification only and are in no way intended  
to describe, interpret, define or limit the scope, extent or intent of this  
Agreement or any provision hereof.  
  
 Section 1.3 ROUNDING. All percentages resulting from any calculations  
on the Company Preferred Securities will be rounded, if necessary, to the  
nearest one hundred-thousandth of a percentage point, with five one-millionths  
of a percentage point rounded upward (e.g., 9.876545% or .09876545 being rounded  
to 9.87655% or .0987655).  
  
 ARTICLE II  
 CONTINUATION AND TERM;  
 ADMISSION OF SECURITYHOLDERS  
  
 Section 2.1 CONTINUATION.  
  
 (a) The Securityholders hereby agree to the continuation of the Company  
as a limited liability company under and pursuant to the provisions of the  
Delaware Act and of this Agreement and agree that the rights, duties and  
liabilities of the Securityholders shall be as provided in the Delaware Act,  
except as otherwise provided herein or in the By-Laws.  
  
 (b) Any Person designated as an "AUTHORIZED PERSON" by the Board of  
Directors is authorized to execute, deliver and file on behalf of the Company  
any and all amendments to and restatements of the Certificate of Formation, as  
an authorized person within the meaning of the Delaware Act.  
  
 Section 2.2 ADMISSION OF SECURITYHOLDERS. Upon the execution of this  
Agreement, TECO shall become and be designated as, automatically and without any  
further act on the part of any Person being necessary, the Common  
Securityholder. Upon the payment of the Purchase Price to the Company for the  
Company Preferred Securities being acquired by the Trust in connection with the  
issuance of the Company Preferred Securities on the Closing Date pursuant to the  
terms of the related Underwriting Agreement, which action shall be deemed to  
constitute a request by the Trust that the books and records of the Company  
reflect its admission as a Preferred Securityholder, the Trust shall thereupon  
be admitted to the Company as a Preferred Securityholder and shall be bound by  
all the terms and conditions hereof and of the Company Preferred Securities.  
  
  
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 Section 2.3 NAME. The name of the Company being continued hereby is  
"TECO Funding Company \_\_\_, LLC". For so long as any Company Preferred Securities  
remain outstanding, the Company will maintain "TECO" in its name (including any  
fictitious business names), unless as a result of a merger or other business  
combination involving TECO or a change by TECO of its own name, in the Company's  
judgment, inclusion of any of the above as part of the Company's name would no  
longer be appropriate. Subject to such limitation, the business of the Company  
may be conducted upon compliance with all applicable laws under any other name  
designated by the Board of Directors except that the Company shall hold itself  
out to the public, and conduct its affairs and dealings under its own limited  
liability company name and as separate and distinct from any third parties.  
  
 Section 2.4 TERM. The term of the Company commenced upon the date the  
Certificate of Formation shall have been filed in the office of the Secretary of  
State of the State of Delaware and shall continue until \_\_\_\_\_\_\_\_, 20\_\_, unless  
the Company is dissolved in accordance with the provisions of the Delaware Act  
and this Agreement. The existence of the Company as a separate legal entity  
shall continue until the cancellation of the Certificate of Formation in the  
manner required by the Delaware Act.  
  
 Section 2.5 REGISTERED AGENT AND OFFICE. The Company's registered agent  
in the State of Delaware shall be \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and its office shall be c/o  
the registered agent. At any time, the Board of Directors may designate another  
registered agent and/or registered office.  
  
 Section 2.6 PRINCIPAL PLACE OF BUSINESS. The principal place of  
business of the Company shall be at c/o The Corporation Trust Company, 0000  
Xxxxxx Xxxxxx, Xxxxxxxxxx, Xxxxxxxx 00000. The Board of Directors may change the  
location of the Company's principal place of business; provided, however, that  
such change has no material adverse effect upon any Company Preferred  
Securityholder.  
  
 Section 2.7 QUALIFICATION IN OTHER JURISDICTIONS. The Board of  
Directors shall cause the Company to be qualified or registered under assumed or  
fictitious name statutes or similar laws in any jurisdiction in which the  
Company conducts business and in which such qualification or registration is  
required by law or deemed advisable by the Board of Directors. Each Person  
designated by the Board of Directors as an "authorized person" is authorized to  
execute, deliver and file on behalf of the Company any certificates (and any  
amendments or restatements thereof) necessary for the Company to qualify to do  
business in each jurisdiction in which the Board of Directors has determined  
that the Company shall conduct business.  
  
 ARTICLE III  
 PURPOSE AND POWERS OF THE COMPANY;  
 BY-LAWS; GUARANTEE AGREEMENT  
  
 Section 3.1 PURPOSES AND POWERS. The Company was formed for the sole  
purposes of (i) issuing the Company Preferred Securities and the Company Common  
Securities, (ii) acquiring and holding the Subordinated Notes issued by TECO,  
any other subordinated note or notes issued by TECO issued in substitution for  
all or part of the Subordinated Notes, and (iii) performing functions necessary  
or incidental thereto. The Company may not conduct any  
  
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other business or operations except as contemplated by the preceding sentence.  
Subject to Section 3.5, the Company shall have the power and authority to take  
any and all actions necessary, appropriate, proper, advisable, incidental or  
convenient to or for the furtherance of the purposes of the Company as set forth  
herein.  
  
 Section 3.2 BY-LAWS. The Board of Directors, Officers and  
Securityholders shall be subject to the express provisions of this Agreement and  
of the By-Laws. In case of any conflict between any provisions of this Agreement  
and any provisions of the By-Laws, the provisions of this Agreement shall  
control.  
  
 Section 3.3 GUARANTEE AGREEMENT. Upon execution and delivery of the  
Guarantee Agreement by the Company and TECO, the provisions of the Guarantee  
Agreement shall be deemed to be incorporated herein and to be a part hereof  
except to the extent any such provisions shall conflict with any express  
provisions of this Agreement or of the Delaware Act.  
  
 Section 3.4 NO INDEBTEDNESS. The Company shall not incur indebtedness  
for borrowed money.  
  
 Section 3.5 EFFECT OF A LIQUIDATION OF TECO. If TECO is liquidated and,  
upon commencement of the related liquidation proceedings, the Subordinated Notes  
are still outstanding, the Company shall be liquidated and the Subordinated  
Notes shall be distributed to the holders of the Company Securities in the  
manner set forth in Section 14.5.  
  
 Section 3.6 DISPOSITIONS. The Company shall not sell any of the  
Subordinated Notes in whole or in part. If TECO redeems the Subordinated Notes,  
the Company shall promptly distribute the proceeds of such redemption in  
accordance with Section 7.3(g), and such proceeds shall not be invested by the  
Company pending distribution thereof.  
  
 ARTICLE IV  
 CAPITAL CONTRIBUTIONS, ALLOCATIONS AND SECURITIES  
  
 Section 4.1 FORM OF CONTRIBUTION. The contribution to the Company with  
respect to a Securityholder may, as determined by the Board of Directors in its  
discretion, be in cash or other legal consideration.  
  
 Section 4.2 CONTRIBUTIONS WITH RESPECT TO THE COMMON SECURITYHOLDERS.  
As the Common Securityholder, TECO shall contribute to the Company on or prior  
to the issuance of the Company Preferred Securities, cash in the amount of  
$\_\_\_\_.  
  
 Section 4.3 CONTRIBUTIONS WITH RESPECT TO THE COMPANY PREFERRED  
SECURITYHOLDERS. On the Closing Date the Trust shall contribute to the capital  
of the Company, with respect to its purchase of the Company Preferred Securities  
on such Closing Date, an amount in cash equal to the Purchase Price for such  
Company Preferred Securities (such amount being the Trust's capital contribution  
to the Company). As the Company Preferred Securityholder, and in its capacity as  
a Securityholder of the Company, neither the Trust nor any  
  
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successor holder of Company Preferred Securities shall be required to make any  
additional contributions to the Company (except as may be required by law).  
  
 Section 4.4 ALLOCATION OF PROFITS AND LOSSES. The profits and losses of  
the Company for any Fiscal Year (or portion thereof) shall be allocated as  
follows:  
  
 (a) net profit of the Company (determined without regard to the amount  
of any gains and losses described in subparagraphs (c) and (d) of this Section  
4.4, but including any portion of such gains or losses attributable to interest  
on the Subordinated Notes not previously included in net profits) shall be  
allocated (i) first, to the Company Preferred Securityholders pro rata in  
proportion to the Liquidation Amount of the Company Preferred Securities held by  
each such Securityholder, until the amount so allocated equals the excess of (x)  
the Preferred Dividends accrued on such Company Preferred Securities from their  
date of issuance through and including the close of the current Fiscal Year  
(whether or not paid) over (y) the amounts allocated to the Company Preferred  
Securityholders with respect to such Company Preferred Securities pursuant to  
this Section 4.4(a)(i) or Section 4.4(c)(i) in all prior Fiscal Years, and (ii)  
thereafter to the Common Securityholders;  
  
 (b) net loss of the Company (determined without regard to the amount of  
any gains and losses described in subparagraph (c) or (d) of this Section 4.4)  
shall be allocated 100% to the Common Securityholders;  
  
 (c) all gains resulting from any disposition (including, without  
limitation, any redemption or prepayment) of assets by the Company, other than  
any portion of such gains attributable to interest on the Subordinated Notes not  
previously included in net profits, shall be allocated (i) first, to the Company  
Preferred Securityholders pro rata in proportion to the Liquidation Amount of  
the Company Preferred Securities held by each such Securityholder, until the  
amount so allocated equals the excess of (x) the Preferred Dividends accrued on  
such Company Preferred Securities from their date of issuance through and  
including the close of the current Fiscal Year (or portion thereof) over (y) the  
sum of the amounts allocated to the Company Preferred Securityholders with  
respect to such Company Preferred Securities pursuant to Section 4.4(a)(i) in  
the current and all prior Fiscal Years or this Section 4.4(c)(i) in all prior  
Fiscal years, and (ii) thereafter to the Company Securityholders whose  
Securities are being redeemed with the proceeds of such disposition and among  
them in proportion to the Liquidation Amount of the Securities being redeemed;  
and  
  
 (d) all losses resulting from any disposition (including, without  
limitation, any redemption or prepayment) of assets by the Company shall be  
allocated (i) first, to the Common Securityholders, until the aggregate amount  
so allocated pursuant to this Section 4.4(d)(i) equals the sum of the  
Liquidation Amount of the Company Common Securities held by each such  
Securityholder plus the excess, if any, of the sum of net profits and net losses  
allocated to such Company Common Securities pursuant to subparagraphs (a) and  
(b) of this Section 4.4 over the aggregate Dividends paid with respect to such  
Common Securities and (ii) thereafter to the Company Preferred Securityholders.  
  
 Notwithstanding the foregoing, the Tax Matters Partner shall have the  
power to alter any such allocations for federal, state, and local income tax  
purposes if such alteration is necessary to  
  
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cause such allocations to have "SUBSTANTIAL ECONOMIC EFFECT" (within the  
meaning of Treasury regulation 1.704-1(b)(2)) or to ensure that such  
allocations are otherwise in accordance with the interests of the  
Securityholders (within the meaning of Treasury regulation 1.704-1(b)(3))  
determined on the basis of the economic arrangements of the parties as described  
in this Agreement.  
  
 Section 4.5 WITHHOLDING. The Company shall comply with any withholding  
requirements under federal, state and local law and shall remit amounts withheld  
to, and file required forms with, applicable jurisdictions. To the extent that  
the Company is required to withhold and pay over any amounts to any authority  
with respect to distributions or allocations to any Securityholder, the amount  
withheld shall be deemed to be a distribution in the amount of the withholding  
to such Securityholder. To the fullest extent permitted by law, in the event of  
any claimed over-withholding, Securityholders shall be limited to an action  
against the applicable jurisdiction. If the amount withheld was not withheld  
from actual distributions, the Company may reduce subsequent distributions by  
the amount of such withholding subject to Section 7.3(c). Each Securityholder,  
by its acceptance of Securities, shall be deemed to agree to furnish the Company  
with any representations and forms as shall reasonably be requested by the  
Company to assist it in determining the extent of, and in fulfilling, its  
withholding obligations.  
  
 Section 4.6 SECURITIES AS PERSONAL PROPERTY. Each Securityholder hereby  
agrees that its Securities shall, for all purposes, be personal property. A  
Securityholder has no interest in specific property of the Company.  
  
 ARTICLE V  
 SECURITYHOLDERS  
  
 Section 5.1 POWERS OF SECURITYHOLDERS. The Securityholders shall have  
the power to exercise any and all rights or powers granted to the  
Securityholders pursuant to the express terms of this Agreement and of the  
By-Laws and shall be subject in all respects to the provisions hereof and  
thereof.  
  
 Section 5.2 PARTITION. Each Securityholder waives any and all rights  
that it may have to maintain an action for partition of the property of the  
Company.  
  
 Section 5.3 RESIGNATION. A Securityholder may resign from the Company  
prior to the dissolution and winding up of the Company only upon the assignment  
of its entire limited liability company interest in any Company Securities  
(including by any redemption, repurchase or other acquisition by the Company of  
such Company Securities) in accordance with the provisions of this Agreement. A  
resigning Securityholder shall not be entitled to receive any distribution and  
shall not otherwise be entitled to receive the fair value of its Company  
Securities except as otherwise expressly provided for in this Agreement.  
  
 Section 5.4 LIABILITY OF SECURITYHOLDERS.  
  
 (a) Except as otherwise provided by the Delaware Act, (i) the debts,  
obligations and liabilities of the Company, whether arising in contract, tort or  
otherwise, shall be solely the debts, obligations and liabilities of the Company  
and (ii) no Securityholder shall be obligated  
  
  
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personally for any such debt, obligation or liability of the Company solely  
by reason of being a Securityholder of the Company.  
  
 (b) A Securityholder, in its capacity as such, shall have no liability  
other than (i) liabilities that can be satisfied out of its capital  
contributions, (ii) liabilities that can be satisfied out of its share of any  
assets and undistributed profits of the Company, (iii) liability for any amounts  
required to be paid by such Securityholder pursuant to this Agreement or any  
payment and/or indemnity in connection with the registration of transfers of  
Securities and (iv) liability for the amount of any distributions wrongfully  
distributed to it to the extent set forth in the Delaware Act.  
  
 ARTICLE VI  
 MANAGEMENT  
  
 Section 6.1 MANAGEMENT OF THE COMPANY.  
  
 (a) Except as otherwise expressly provided in this Agreement or in the  
By-Laws or as provided in the Delaware Act, the business and affairs of the  
Company shall be managed, and all actions required under this Agreement shall be  
determined, solely and exclusively by the Board of Directors, which shall have  
all rights and powers on behalf and in the name of the Company to perform all  
acts necessary and desirable to the objects and purposes of the Company,  
including the right to appoint Officers and to authorize any Officer to act on  
behalf of the Company. Any action taken by the Board of Directors or any duly  
appointed and acting Officer in accordance with this Agreement or the By-Laws  
shall constitute the act of, and shall serve to bind, the Company.  
  
 (b) The number of directors of the Company initially shall be one. The  
number of directors of the Company may be increased as provided in this  
Agreement or in the By-Laws, but shall never be less than one nor more than  
seven. The name of the initial Director who shall serve until the first annual  
meeting of Securityholders and until his or her successor is duly elected and  
qualified, is set forth in Annex E hereto. These Directors may increase the  
number of Directors and may fill any vacancy, whether resulting from an increase  
in the number of directors or otherwise, on the Board of Directors occurring  
before the first annual meeting of Securityholders in the manner provided in the  
By-Laws. The names of the initial Officers, and their offices, are set forth in  
Annex E hereto. Each such Officer shall have the duties and responsibilities  
that would apply to his or her office if the Company were a corporation  
established under the Delaware General Corporation Law, except to the extent  
that the Directors from time to time determine otherwise.  
  
 (c) Each member of the Board of Directors shall be a "manager" of the  
Company for all purposes of, and within the meaning of, the Delaware Act.  
  
 (d) Without limiting the generality of the foregoing, and subject to  
the provisions of Section 6.2 and provided that any such action will not cause  
the Company to be required to register under the 1940 Act or be treated as an  
association or publicly traded partnership taxable as a corporation, the Board  
of Directors shall have all authority, rights and powers in the management of  
the business of the Company to do any and all other acts and things necessary,  
  
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proper, convenient or advisable to effectuate the purposes of this Agreement,  
including by way of illustration but not by way of limitation, the following:  
  
 (i) to authorize the Company or any Officer of the Company on  
 behalf of the Company, to engage in transactions and dealings,  
 including transactions and dealings with any Securityholder or any  
 Affiliate of any Securityholder and including the entering into and  
 performance by the Company of one or more agreements with any Person  
 whereby, subject to the supervision and control of the Board of  
 Directors, any such other Person shall render or make available to the  
 Company, managerial, investment, advisory or related services, office  
 space and other services and facilities upon such terms and conditions  
 as may be provided in such agreement or agreements (including, if  
 deemed fair and equitable by the Board of Directors, the compensation  
 payable thereunder by the Company);  
  
 (ii) to call meetings of Securityholders or any class or  
 series thereof;  
  
 (iii) to cause the Company to issue Company Securities,  
 including Company Common Securities and Company Preferred Securities,  
 in accordance with the provisions of this Agreement;  
  
 (iv) to cause the Company to pay all expenses incurred in  
 forming the Company to the extent not paid by TECO;  
  
 (v) to cause the Company to purchase and hold the Subordinated  
 Notes in accordance with the provisions of this Agreement;  
  
 (vi) to authorize (A) the entering into by the Company of the  
 Administration Agreement, the Subordinated Notes Purchase Agreement,  
 the Agency Agreement with respect to the Company Preferred Securities,  
 the Registrar and Transfer Agency Agreement with respect to the Trust  
 Preferred Securities and (B) the performance by the Company of its  
 obligations thereunder;  
  
 (vii) to authorize (A) the entering into by the Company of the  
 Underwriting Agreement and (B) the performance by the Company of its  
 obligations thereunder;  
  
 (viii) to authorize (A) the entering into by the Company of  
 similar agreements to those described in this Section 6.1(d) (or other  
 agreements not inconsistent herewith) in the future in respect of the  
 Company Preferred Securities and (B) the performance by the Company of  
 its obligations thereunder;  
  
 (ix) to cause the Company to authorize, suspend, pay, declare  
 or otherwise determine and make dividends, in cash or otherwise, on  
 Company Securities, in accordance with the provisions of this Agreement  
 and of the Delaware Act;  
  
 (x) to establish, when a record date is not otherwise  
 established by this Agreement, a record date with respect to all  
 actions to be taken hereunder that require a record date to be  
 established, including with respect to allocations, dividends and  
 voting rights;  
  
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 (xi) to establish or set aside in their discretion any reserve  
 or reserves for contingencies and for any other proper Company purpose;  
  
 (xii) to redeem or repurchase on behalf of the Company  
 Securities which may be so redeemed or repurchased in accordance with  
 the provisions of this Agreement;  
  
 (xiii) to appoint (and dismiss from appointment) attorneys and  
 agents on behalf of the Company, and employ (and dismiss from  
 employment) any and all Persons providing legal, accounting or  
 financial services to the Company, or such other employees or agents as  
 the Directors deem necessary or desirable for the management and  
 operation of the Company;  
  
 (xiv) to cause the Company to incur and pay all expenses and  
 obligations incident to the operation and management of the Company not  
 otherwise paid by TECO pursuant to Section 12.1, including, without  
 limitation, the services referred to in the preceding paragraph, taxes,  
 interest, rent and insurance;  
  
 (xv) to cause the Company to acquire and enter into any  
 contract of insurance necessary or desirable for the protection or  
 conservation of the Company and its assets or otherwise in the interest  
 of the Company as the Board of Directors shall determine;  
  
 (xvi) to open accounts and deposit, maintain and withdraw  
 funds in the name of the Company in banks, savings and loan  
 associations, brokerage firms or other financial institutions, which  
 bank accounts if opened prior to one month after the Closing Date for  
 the Company Preferred Securities may be opened by any Officer that is  
 authorized to do so by a written consent of any Director;  
  
 (xvii) to effect a dissolution of the Company, and to act as  
 liquidating trustee or the Person winding up the Company's affairs, all  
 in accordance with and subject to the provisions of this Agreement and  
 of the Delaware Act;  
  
 (xviii) to facilitate the distribution of the Company  
 Preferred Securities to the holders of the Trust Preferred Securities  
 upon dissolution of the Trust;  
  
 (xix) to bring and defend on behalf of the Company actions and  
 proceedings at law or equity before any court or governmental,  
 administrative or other regulatory agency, body, commission or  
 otherwise;  
  
 (xx) to prepare and cause to be prepared reports, statements  
 and other relevant information for distribution to Securityholders as  
 may be required or determined to be appropriate by the Board of  
 Directors from time to time;  
  
 (xxi) to prepare and file all necessary returns and statements  
 and pay all taxes, assessments and other impositions applicable to the  
 assets of the Company;  
  
 (xxii) to enforce the Company's rights under the Guarantee  
 Agreement and the Subordinated Notes;  
  
  
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 (xxiii) to maintain the Company separate and apart from TECO,  
 including to cause the Company to maintain its own and separate books  
 and records;  
  
 (xxiv) to execute all other documents or instruments, perform  
 all duties and powers and do all things for and on behalf of the  
 Company in all matters necessary or desirable or incidental to the  
 foregoing; and  
  
 (xxv) to purchase and maintain on behalf of the Company  
 insurance to protect any Director or Officer against any liability  
 asserted against him or her, or incurred by him or her, arising out of  
 his or her status as such.  
  
 (e) Notwithstanding anything in this Agreement to the contrary, without  
the need for consent of any other Person, including the Board of Directors, the  
Company is authorized to purchase the Subordinated Notes and to enter into and  
perform the Underwriting Agreement, the Trust Agreement, the Guarantee  
Agreement, the Administration Agreement, the Agency Agreement with respect to  
the Company Preferred Securities, the Registrar and Transfer Agency Agreement  
with respect to the Trust Preferred Securities (and other agreements not  
inconsistent therewith) (the "TRANSACTION DOCUMENTS") and any Common  
Securityholders, Officer or Director of the Company may (i) on behalf of the  
Company, execute and deliver, and cause the Company (A) to perform its  
obligations under, (B) to satisfy any conditions required to be satisfied by the  
Company as a condition precedent to the effectiveness of, and (C) to take such  
other actions as such Common Securityholders, Officer or Director may deem  
appropriate with respect to, each of the Transaction Documents and (ii) cause  
the Company to issue Company Common Securities and the Company Preferred  
Securities on the Closing Date in accordance with this Agreement. Subject to the  
provisions of Section 6.2 below, the expression of any power or authority of the  
Board of Directors shall not in any way limit or exclude any other power or  
authority which is not specifically or expressly set forth in this Agreement.  
  
 (f) The determination as to any of the following matters, made in good  
faith by, or pursuant to, the direction of the Board of Directors consistent  
with this Agreement and in the absence of actual receipt of an improper benefit  
in money, property or services or active and deliberate dishonesty established  
by a court, shall be final and conclusive and shall be binding upon the Company  
and every Securityholder: the amount of the net income of the Company for any  
period and the amount of assets at any time legally available for the payment of  
dividends, redemption of the Company Securities or the payment of other  
distributions on the Company Securities; the amount of paid-in surplus, net  
assets, other surplus, annual or other net profit, net assets in excess of  
capital, undivided profits or excess of profits over losses on sales of assets;  
the amount, purpose or time of creation of any gain or loss on disposition of  
the Company's assets; the amount, purpose, time of creation, increase or  
decrease, alteration or cancellation of any reserves or charges and the  
propriety thereof (whether or not any obligation or liability for which such  
reserves or charges shall have been created shall have been paid or discharged);  
the fair value, or any sale, bid or asked price to be applied in determining the  
fair value, of any asset owned or held by the Company; and any matters relating  
to the acquisition, holding and disposition of any assets by the Company.  
  
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 (g) The Board of Directors shall cause the Company to use its available  
funds, after satisfaction of the Company's liabilities and other obligations,  
for distributions to Securityholders in accordance with this Agreement.  
  
 Section 6.2 LIMITS ON BOARD OF DIRECTORS' POWERS. Anything in this  
Agreement to the contrary notwithstanding, the Board of Directors shall not  
cause or permit the Company to, and the Company shall not:  
  
 (a) acquire any assets other than the Subordinated Notes and any other  
subordinated notes or notes issued by TECO in substitution for all or part of  
the Subordinated Notes;  
  
 (b) possess Company property for other than a Company purpose;  
  
 (c) admit a Person as a Securityholder, except as expressly provided in  
this Agreement;  
  
 (d) engage in any activity that is not consistent with the purposes of  
the Company, as set forth in Section 3.1 of this Agreement; or  
  
 (e) borrow money or enter into repurchase agreements, reverse  
repurchase agreements, or other securities lending transactions or take any  
action that could reasonably be expected to cause a Tax Event or an Investment  
Company Act Event to occur.  
  
 Section 6.3 RELIANCE BY THIRD PARTIES. Persons dealing with the Company  
are entitled to rely conclusively upon the power and authority of the Board of  
Directors and of any duly appointed and acting Officers. In dealing with the  
Board of Directors or any Officer duly appointed and acting as set forth in this  
Agreement or in the By-Laws, no Person shall be required to inquire into the  
authority of the Board of Directors or any such Officer to bind the Company.  
Persons dealing with the Company are entitled to rely conclusively on the power  
and authority of the Board of Directors or any Officer duly appointed and acting  
as set forth in this Agreement or in the By-Laws.  
  
 Section 6.4 NO MANAGEMENT BY ANY COMPANY PREFERRED SECURITYHOLDERS.  
Except as otherwise expressly provided herein, no Company Preferred  
Securityholder, in its capacity as a Company Preferred Securityholder, shall  
take part in the day-to-day management, operation or control of the business and  
affairs of the Company. The Company Preferred Securityholders, in their capacity  
as Company Preferred Securityholders, shall not be agents of the Company and  
shall not have any right, power or authority to transact any business in the  
name of the Company or to act for or on behalf of or to bind the Company.  
  
 Section 6.5 BUSINESS TRANSACTIONS OF THE COMMON SECURITYHOLDER WITH THE  
COMPANY. Subject to Sections 6.1 and 6.2 of this Agreement and applicable law, a  
Common Securityholder and any of its Affiliates may hold deposits of, and enter  
into business transactions with, the Company and, subject to applicable law,  
shall have the same rights and obligations with respect to any such matter as  
Persons who are not a Common Securityholder or Affiliates thereof.  
  
 Section 6.6 OUTSIDE BUSINESSES. Any Director, Officer, Securityholder  
or Affiliate thereof may engage in or possess an interest in other business  
ventures of any nature or  
  
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description, independently or with others, similar or dissimilar to the  
business of the Company, and the Company and the Securityholders shall have no  
rights by virtue of this Agreement in and to such independent ventures or the  
income or profits derived therefrom, and the pursuit of any such venture, even  
if competitive with the business of the Company, shall not be deemed wrongful or  
improper. No Director, Officer, Securityholder or Affiliate thereof shall be  
obligated to present any particular investment opportunity to the Company, even  
if such opportunity is of a character that, if presented to the Company, could  
be taken by the Company, and any Director, Officer, Securityholder or Affiliate  
thereof shall have the right to take for its own account (individually or as a  
partner or fiduciary) or to recommend to others any such particular investment  
opportunity.  
  
 Section 6.7 DUTIES OF DIRECTORS. Subject to the provisions contained in  
Section 7.3(i) hereof, the Board of Directors shall, in considering any proposed  
action or inaction with respect to the Subordinated Notes (including any  
substitute therefor) to the fullest extent permitted by law, including Section  
18-1101(c) of the Delaware Act, take into account the interest of both the  
Company Preferred Securityholders and TECO, as Securityholder of the Company  
Common Securities. No member of the Board of Directors shall have any liability  
to any Company Preferred Securityholder or the Company for not voting to take  
any enforcement action under the Subordinated Notes in the event of a default by  
TECO in performing any of its obligations (including payment obligations)  
thereunder.  
  
 ARTICLE VII  
 COMPANY COMMON SECURITIES AND  
 COMPANY PREFERRED SECURITIES  
  
 Section 7.1 COMPANY COMMON SECURITIES AND COMPANY PREFERRED SECURITIES.  
  
 (a) The Company Securities shall be divided into two classes, Company  
Common Securities and Company Preferred Securities. TECO, as the initial Common  
Securityholder, shall be deemed to have been issued [\_\_\_\_\_\_\_] Company Common  
Securities upon its designation as the Common Securityholder pursuant to Section  
2.2 of this Agreement.  
  
 (b) A Company Preferred Security shall be represented by the  
corresponding Company Preferred Certificate. Company Common Securities shall not  
be evidenced by any certificate or other written instrument, but shall only be  
evidenced by this Agreement.  
  
 (c) In purchasing Company Preferred Securities, each Company Preferred  
Securityholder agrees with TECO and the Company that TECO, the Company, and the  
Company Preferred Securityholders (i) will treat Company Preferred  
Securityholders as holders of the Company Preferred Securities for all purposes,  
and not as the holders of an interest in TECO or in any other Person and (ii)  
will follow allocations made by the Company, pursuant to Section 4.4 of this  
Agreement.  
  
 (d) The Company Common Securities shall rank junior to the Company  
Preferred Securities as to payment of dividends. Holders of Company Common  
Securities will only receive dividends out of interest payments received by the  
Company on the Subordinated Notes not required to be applied to fund Preferred  
Dividends with respect to the Company Preferred  
  
  
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Securities or expenses of the Company. So long as the Company Preferred  
Securities are outstanding, no dividends or other distributions (including  
redemptions and purchases) may be made with respect to Company Common Securities  
unless all accrued and unpaid Preferred Dividends on the Company Preferred  
Securities have been paid. Upon issuance of the Company Common Securities as  
provided in this Agreement, the Company Common Securities shall be validly  
issued, fully paid and nonassessable.  
  
 (e) As long as any Company Preferred Securities are outstanding, TECO  
agrees that it shall continue to own, directly or indirectly, one hundred  
percent (100%) of the outstanding Company Common Securities.  
  
 Section 7.2 GENERAL PROVISIONS REGARDING COMPANY PREFERRED SECURITIES.  
  
 (a) There are hereby authorized for issuance and sale Company Preferred  
Securities issued in definitive form only in denominations of $\_\_\_\_\_\_\_\_\_\_.00 and  
integral multiples thereof and having an aggregate initial liquidation  
preference of $\_\_\_\_\_\_\_\_\_\_\_\_\_. The specific designation, dividend rate,  
liquidation preference, redemption terms, voting rights, exchange limitations  
and other powers, preferences and special rights and limitations of the Company  
Preferred Securities are set forth in Section 7.3 hereof.  
  
 The Company has no power to create and issue additional limited  
liability company interests in the Company in addition to the Company Common  
Securities and the Company Preferred Securities.  
  
 (b) The Company Preferred Securities shall rank pari passu with each  
other and shall rank senior to all other Company Securities in respect of the  
right to receive dividends, payments of any Redemption Price or other  
distributions and the right to receive payments out of the assets of the  
Company, upon voluntary or involuntary dissolution, winding-up or termination of  
the Company in accordance with the provisions hereof. All Company Preferred  
Securities redeemed, purchased or otherwise acquired by the Company shall be  
cancelled. The Company Preferred Securities shall be issued in registered form  
only, except as otherwise provided in this Agreement.  
  
 (c) Neither TECO, the Company, nor any of their respective Affiliates  
shall have the right to vote or give or withhold consent with respect to any  
Company Preferred Security owned by it, directly or indirectly, and, for  
purposes of any matter upon which the Company Preferred Securityholders may vote  
or give or withhold consent as provided in this Agreement, Company Preferred  
Securities owned by any of TECO, the Company or any of their respective  
Affiliates shall be treated as if they were not outstanding.  
  
 Section 7.3 COMPANY PREFERRED SECURITIES.  
  
 (a) DESIGNATION. There shall hereby be designated as a series of  
preferred limited liability company interests in the Company a series identified  
as the Company's "\_\_\_\_\_\_% Company Preferred Securities", liquidation preference  
("LIQUIDATION PREFERENCE") $\_\_\_\_\_\_\_\_\_\_.00 per security, and aggregate  
Liquidation Preference $\_\_\_\_\_\_\_\_\_ (the "COMPANY PREFERRED SECURITIES").  
  
  
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 The holders of the Company Preferred Securities will have no preemptive  
rights with respect to any limited liability company interests in the Company or  
any other securities of the Company convertible into or carrying rights or  
options to purchase any such securities. Company Preferred Securities will not  
be convertible into Company Common Securities or any other class or series of  
limited liability company interests in the Company and will not be subject to  
any sinking fund or other obligation of the Company for its repurchase or  
retirement. Upon issuance of the Company Preferred Securities as provided in  
this Agreement, the Company Preferred Securities shall be validly issued, fully  
paid and nonassessable.  
  
 (b) PREFERRED DIVIDENDS. Holders of the Company Preferred Securities  
shall be entitled to receive, out of funds held by the Company to the extent  
that the Company has cash on hand sufficient to permit such payments and funds  
legally available therefor, distributions (the "PREFERRED DIVIDENDS") at a rate  
of \_\_\_% per annum (the "PREFERRED RATE") of the Liquidation Preference of the  
Company Preferred Securities. Preferred Dividends shall be cumulative, and will  
accumulate whether or not there are funds of the Company available for their  
payment. Preferred Dividends shall accrue from \_\_\_\_\_\_\_\_\_\_and, except as provided  
below, shall be payable quarterly in arrears on \_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_,  
\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_ of each year, commencing on \_\_\_\_\_\_\_\_\_\_\_, 20\_\_, and  
ending on \_\_\_\_\_\_\_\_\_, \_\_\_\_. Each such date of payment is a "DIVIDEND PAYMENT  
DATE" and each period from and including a Dividend Payment Date, or the date of  
initial issuance as applicable, to but not including the next Dividend Payment  
Date, is a "DIVIDEND PERIOD"; provided, however, that if any Dividend Payment  
Date is not a business day, dividends will be payable on the next business day  
(and without any interest or other payment in respect of any such delay) except  
that, if such business day is in the next succeeding calendar year, payment of  
such Preferred Dividend shall be made on the immediately preceding Business Day,  
in each case with the same force and effect as if made on such date. Preferred  
Dividends shall accrue on a daily accrual basis on the basis of a 360-day year  
of twelve 30-day months. Preferred Dividends in arrears will accumulate and  
compound quarterly at the Preferred Rate.  
  
 (c) TECO has the right under the Indenture to defer payments of  
interest by extending the interest payment period from time to time on the  
Subordinated Notes for a period not extending, in the aggregate, beyond the  
maturity date of the Subordinated Notes (each, an "EXTENSION PERIOD"). During  
such Extension Period, no interest shall be due and payable on the Subordinated  
Notes. As a consequence of such deferral, Preferred Dividends will also be  
deferred. Despite such deferral, quarterly Preferred Dividends will continue to  
accumulate, compounded quarterly, during any such Extension Period (to the  
extent permitted by applicable law). Payments of accrued Preferred Dividends  
will be payable to Company Preferred Securityholders as they appear on the books  
and records of the Company on the first record date after the end of the  
Extension Period. Upon the termination of any Extension Period and the payment  
of all amounts then due, TECO may commence a new Extension Period; provided that  
such Extension Period together with all such previous and further extensions  
thereof may not extend beyond the maturity date of the Subordinated Notes.  
  
 (d) RANKING AND LIQUIDATION PREFERENCE. The Company Preferred  
Securities will rank senior to the Company Common Securities as to payment of  
dividends.  
  
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 If full dividends on the Company Preferred Securities are paid on any  
Dividend Payment Date and, after giving effect to such payment, the Company has  
additional funds available for the payment of dividends, the Company, in its  
discretion, may apply such additional funds to pay dividends on the Company  
Common Securities.  
  
 If TECO is liquidated, whether voluntarily or involuntarily (and  
whether in connection with the occurrence of a Bankruptcy or otherwise), the  
Company will be liquidated. However, for so long as the Company Preferred  
Securities are outstanding, TECO, as Common Securityholder, agrees that it shall  
not cause the Company to liquidate unless TECO is also liquidating. Holders of  
the Company Preferred Securities shall not have the ability to force or initiate  
commencement of a liquidation of the Company unless TECO is also liquidating.  
  
 Subject to the first sentence of Section 14.5, in the event of any  
voluntary or involuntary dissolution, liquidation or winding up of the Company,  
after satisfaction of liabilities to creditors, if any, but before any  
liquidating distribution is made to holders of the Company Common Securities,  
holders of the Company Preferred Securities will be entitled to receive out of  
the assets of the Company available for distribution in liquidation, liquidating  
distributions in respect of the Company Preferred Securities equal to the  
"LIQUIDATION PREFERENCE CLAIM AMOUNT." That amount, for each $\_\_\_\_\_\_\_\_\_\_.00  
Liquidation Preference of Company Preferred Securities, is equal to: (i)  
$\_\_\_\_\_\_\_\_\_\_.00, plus (ii) unpaid Preferred Dividends thereon with respect to the  
current Dividend Period accrued on a daily basis through the date of  
liquidation, plus (iii) accrued and unpaid Preferred Dividends, if any, for any  
prior Dividend Period, plus (iv) the related amount of premium, if any, paid by  
TECO upon the concurrent redemption of a Like Amount of Subordinated Notes.  
After the holders of the Company Preferred Securities have received the  
Liquidation Preference Claim Amount with respect to such Securities, holders of  
the Company Common Securities will be entitled to share equally and ratably in  
any remaining assets of the Company.  
  
 (e) VOTING RIGHTS. Notwithstanding anything elsewhere in this Agreement  
to the contrary, if (i) an Indenture Event of Default occurs and is continuing;  
or (ii) TECO is in default on any of its payment or other obligations under the  
Guarantee, then the holders of the Company Preferred Securities will be  
entitled, by a vote of the majority of the aggregate stated liquidation  
preference of outstanding Company Preferred Securities, to appoint and authorize  
a special representative of the Company and the holders of the Company Preferred  
Securities (the "SPECIAL REPRESENTATIVE") to enforce the Company's rights under  
the Subordinated Notes and the Indenture, and to enforce the obligations of TECO  
under the Guarantee. If a Special Representative has been appointed, the Special  
Representative shall have the exclusive right to enforce, or direct the  
enforcement of, the Company's rights under the Subordinated Notes and the  
Indenture. In furtherance of the foregoing, and without limiting the powers of  
any Special Representative so appointed and for the avoidance of any doubt  
concerning the powers of the Special Representative, any Special Representative,  
in its own name, in the name of the Company, in the name of the holders of the  
Company Preferred Securities or otherwise, may, to the fullest extent permitted  
by law, institute or cause to be instituted, any proceedings, including, without  
limitation, any suit in equity, an action at law or other judicial or  
administrative proceeding, to enforce the Company's or the holders of the  
Company Preferred Securities' rights directly against TECO (including, without  
limitation, the Company's rights under the Indenture or as a holder or  
beneficial owner of the Subordinated Notes), or any other obligor in connection  
  
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with such obligations on behalf of the Company or the holders of the Company  
Preferred Securities, and may prosecute such proceeding to final judgment or  
decree, including any appeals thereof, and enforce the same against TECO or any  
other obligor in connection with such obligations and collect, out of the  
property, wherever situated, of TECO or any such other obligor upon such  
obligations, the monies adjudged or decreed to be payable in the manner provided  
by law.  
  
 (f) WITHDRAWAL; REDEPOSIT OF COMPANY PREFERRED SECURITIES. Pursuant to  
(and under the circumstances provided for in) the Trust Agreement, any  
beneficial owner of the Trust Preferred Securities may withdraw all, but not  
less than all, of the Company Preferred Securities represented by such owner's  
corresponding Trust Preferred Securities by providing a written notice to the  
Trustee, with evidence of ownership in form satisfactory to the Trustee.  
  
 Within a reasonable period after such request has been properly made,  
(i) the Trustee shall reduce the amount of Company Preferred Securities  
represented by the Company Preferred Certificate held by the Trust, by the  
amount (by Liquidation Preference) of Company Preferred Securities to be so  
withdrawn by the withdrawing Securityholder, and (ii) the Company shall issue to  
the withdrawing Securityholder a Company Preferred Security Certificate,  
representing the amount (by Liquidation Preference) of Company Preferred  
Securities so withdrawn and cause the registration of such transfer in the  
Securities Register. It is expected that withdrawn Company Preferred Securities  
will only be issued in definitive fully registered form.  
  
 Any holder of Company Preferred Securities may redeposit withdrawn  
Company Preferred Securities by delivery to the Trustee of a certificate or  
certificates for the Company Preferred Securities to be deposited, properly  
endorsed or accompanied, if required by the Trustee, by a properly executed  
instrument of transfer of endorsement in form satisfactory to the Trustee and in  
compliance with the terms of this Agreement, together with all such  
certifications as may be required by the Trustee in its sole discretion and in  
accordance with the provisions of the Trust Agreement. Within a reasonable  
period after such deposit is properly made, the Company shall cancel the Company  
Preferred Securities so deposited and instruct the Trustee to increase the  
number of Company Preferred Securities represented by the permanent global  
certificate and the Company shall instruct the Trust Preferred Depositary to  
increase the number of Trust Preferred Securities represented by the permanent  
global certificate held by the Trust Preferred Depositary accordingly.  
  
 (g) REDEMPTION. The Company Preferred Securities are not redeemable at  
the option of the holders of Company Preferred Securities at any time and are  
not redeemable by the Company prior to the Dividend Payment Date regularly  
scheduled to occur on \_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_\_\_, except in whole upon the  
occurrence of a Tax Event or an Investment Company Act Event as provided below.  
  
 On each Subordinated Note Redemption Date and on the stated maturity of  
the Subordinated Notes, the Company will be required to redeem a Like Amount of  
Company Securities at the Redemption Price. Notice of redemption shall be given  
by the Company by first-class mail, postage prepaid, mailed not less than 30 nor  
more than 60 days prior to the Redemption Date to each holder of Company  
Securities to be redeemed. All notices of redemption shall state: (i) the  
Redemption Date; (ii) the Redemption Price; (iii) if less than all the  
  
  
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Company Securities are to be redeemed, the identification and the total  
Liquidation Amount of the particular Company Securities to be redeemed; and (iv)  
that on the Redemption Date the Redemption Price will become due and payable  
upon each such Company Security to be redeemed and that distributions thereon  
will cease to accrue on and after said date.  
  
 The Company Securities redeemed on each Redemption Date shall be  
redeemed at the Redemption Price with the proceeds from the contemporaneous  
redemption of Subordinated Notes. Redemptions of the Company Securities shall be  
made and the Redemption Price shall be payable on each Redemption Date only to  
the extent that the Company has funds then on hand and available for the payment  
of such Redemption Price. Notwithstanding any provision herein to the contrary,  
the Company Preferred Securities shall rank senior to the Company Common  
Securities in respect of the right to receive payment of any Redemption Price.  
  
 If the Company gives a notice of redemption in respect of any Company  
Preferred Securities, then, by 12:00 noon, New York City time, on the Redemption  
Date, the Company will irrevocably deposit with the Trustee for the Trust funds  
sufficient to pay the applicable Redemption Price of the Company Preferred  
Securities represented by the Company Preferred Certificate held by the Trust.  
The Company will irrevocably deposit with a paying agent funds sufficient to pay  
the applicable Redemption Price on Company Preferred Securities, if any, not  
represented by the Company Preferred Certificate held by the Trust and will give  
the paying agent irrevocable instructions and authority to pay the Redemption  
Price to the holders thereof upon surrender of their Company Preferred  
Securities Certificates. Notwithstanding the foregoing, Preferred Dividends  
payable on or prior to the Redemption Date for any Company Preferred Securities  
called for redemption shall be payable to the holders of such Securities as they  
appear on the Securities Register for the Company Preferred Securities on the  
relevant record dates for the related Dividend Payment Dates. If notice of  
redemption shall have been given and funds deposited as required, then  
immediately prior to the close of business on the date of such deposit, all  
rights of Securityholders holding Company Securities so called for redemption  
will cease, except the right of such Securityholders to receive the Redemption  
Price and any Dividend payable on or prior to the Redemption Date, but without  
interest, and such Securities will cease to be outstanding. In the event that  
any date on which any Redemption Price is payable is not a Business Day, then  
payment of the Redemption Price payable on such date will be made on the next  
succeeding day that is a Business Day (and without any interest or other payment  
in respect of any such delay), except that, if such Business Day falls in the  
next calendar year, such payment will be made on the immediately preceding  
Business Day, in each case, with the same force and effect as if made on such  
date. In the event that payment of the Redemption Price in respect of any  
Company Preferred Securities called for redemption is improperly withheld or  
refused and not paid either by the Company or by TECO pursuant to the Guarantee,  
Preferred Dividends on such Company Preferred Securities will continue to  
accrue, at the then applicable rate, from the Redemption Date originally  
established by the Company for such Company Preferred Securities to the date  
such Redemption Price is actually paid, in which case the actual payment date  
will be the date fixed for redemption for purposes of calculating the Redemption  
Price.  
  
 Payment of the Redemption Price on the Company Preferred Securities  
shall be made to the recordholders thereof as they appear on the Securities  
Register for the Company Preferred Securities on the relevant record date, which  
shall be fifteen calendar days prior to the relevant  
  
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Redemption Date.  
  
 If less than all the Company Securities are to be redeemed on a  
Redemption Date, then no Company Common Securities shall be redeemed unless and  
until all Company Preferred Securities have been redeemed. The particular  
Company Preferred Securities to be redeemed shall be selected on a pro rata  
basis (based upon Liquidation Amounts) not more than 60 days prior to the  
Redemption Date by the Company from the outstanding Company Preferred Securities  
not previously called for redemption which may provide for the selection for  
redemption of portions (equal to $\_\_\_\_ or an integral multiple of $\_\_\_ in excess  
thereof) of the Liquidation Amount of Preferred Securities of a denomination  
larger than $\_\_\_\_. The Company shall promptly notify the Trustee and the  
Registrar in writing of the Company Preferred Securities selected for redemption  
and, in the case of any Company Preferred Securities selected for partial  
redemption, the Liquidation Amount thereof to be redeemed. For all purposes of  
this Agreement, unless the context otherwise requires, all provisions relating  
to the redemption of Company Preferred Securities shall relate, in the case of  
any Company Preferred Securities redeemed or to be redeemed only in part, to the  
portion of the Liquidation Amount of Company Preferred Securities that has been  
or is to be redeemed.  
  
 The Company will also have the right at any time prior to the Dividend  
Payment Date regularly scheduled to occur on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_\_\_\_\_, upon  
the occurrence of a Tax Event or an Investment Company Act Event, and on not  
less than 30 or more than 60 days' notice by mail, to redeem Company Preferred  
Securities, in whole (but not in part) at a redemption price per security equal  
to the Redemption Price.  
  
 Notwithstanding the foregoing, the Company Preferred Securities will  
not be subject to any sinking fund or mandatory redemption.  
  
 Any Company Preferred Securities redeemed shall be canceled. There  
shall be no prescription period in respect of uncollected dividends on the  
Company Preferred Securities.  
  
 (h) RIGHTS OF HOLDERS OF TRUST PREFERRED SECURITIES UNDER THE COMPANY  
PREFERRED SECURITIES. To the fullest extent permitted by law, without the need  
for any other action of any Person, including the Trustee and any other holder  
of the Trust Preferred Securities, each holder of the Trust Preferred Securities  
shall be entitled to enforce in the name of the Trust the Trust's rights under  
the Company Preferred Securities represented by the Trust Preferred Securities  
held by such holder.  
  
 (i) SUBORDINATION OF COMPANY COMMON SECURITIES. If on any Dividend  
Payment Date or Redemption Date any Event of Default resulting from an Indenture  
Event of Default shall have occurred and be continuing, no payment of any  
Dividend on, or Redemption Price of, any Company Common Security, and no other  
payment on account of the redemption, liquidation or other acquisition of  
Company Common Securities, shall be made unless payment in full in cash of all  
accumulated and unpaid Preferred Dividends on all outstanding  
  
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Company Preferred Securities for all Dividend Periods terminating on or  
prior thereto, or in the case of payment of the Redemption Price the full amount  
of such Redemption Price on all outstanding Company Preferred Securities, shall  
have been made or provided for, and all funds immediately available to the  
Company shall first be applied to the payment in full in cash of all Preferred  
Dividends on, or the Redemption Price of, Preferred Securities then due and  
payable. In the case of the occurrence of any Event of Default resulting from  
any Indenture Event of Default, the holders of Company Common Securities will be  
deemed to have waived any right to act with respect to any such Event of Default  
under this Agreement until the effect of all such Events of Default with respect  
to the Company Preferred Securities have been cured, waived or otherwise  
eliminated. Until any such Event of Default under this Agreement with respect to  
the Company Preferred Securities has been so cured, waived or otherwise  
eliminated, the Board of Directors shall act solely on behalf of the holders of  
the Company Preferred Securities and not the holders of the Company Common  
Securities, and only the holders of the Company Preferred Securities will have  
the right to direct the Board of Directors to act on their behalf.  
  
 ARTICLE VIII  
 VOTING AND MEETINGS  
  
 Section 8.1 VOTING RIGHTS OF COMPANY PREFERRED SECURITYHOLDERS.  
  
 (a) Except as shall be otherwise expressly provided herein, in the  
By-Laws, or as otherwise required by the Delaware Act, the Company Preferred  
Securityholders shall have no right or power to vote on any question or matter  
or in any proceeding or to be represented at, or to receive notice of, any  
meeting of Securityholders.  
  
 (b) For so long as any Company Preferred Securities remain Outstanding,  
if, upon a Note Event of Default, the Indenture Trustee fails or the holders of  
not less than 25% in aggregate principal amount of the outstanding Subordinated  
Notes fail to declare the principal of all of the Subordinated Notes to be  
immediately due and payable, the holders of at least 25% in aggregate  
Liquidation Preference of the Company Preferred Securities shall have such right  
by a notice in writing to TECO and the Indenture Trustee; and upon any such  
declaration such principal amount of and the accrued interest on all of the  
Subordinated Notes shall become immediately due and payable; provided that the  
payment of principal and interest on such Subordinated Notes shall remain  
subordinated to the extent provided in the Indenture. At any time after such a  
declaration of acceleration with respect to the Subordinated Notes has been made  
and before a judgment or decree for payment of the money due has been obtained  
by the Indenture Trustee as in the Indenture provided, the holders of a majority  
in Liquidation Preference of the Company Preferred Securities, by written notice  
to Registrar, TECO and the Indenture Trustee may rescind and annul such  
declaration and its consequences if:  
  
 (i) TECO has paid or deposited with the Indenture Trustee a sum  
 sufficient to pay  
  
 (A) all overdue installments of interest on all of the  
Subordinated Notes,  
  
 (B) the principal of (and premium, if any, on) any  
Subordinated Notes which have become due otherwise than by such declaration of  
acceleration and interest thereon at the rate borne by the Subordinated Notes,  
and  
  
  
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 (C) all sums paid or advanced by the Indenture Trustee  
under the Indenture and the reasonable compensation, expenses, disbursements and  
advances of the Indenture Trustee, its agents and counsel; and  
  
 (ii) all Events of Default with respect to the Subordinated  
 Notes, other than the non-payment of the principal of the Subordinated  
 Notes which has become due solely by such acceleration, have been cured  
 or waived as provided in Section 502 of the Indenture.  
  
The holders of a majority in aggregate Liquidation Preference of the  
Company Preferred Securities may, on behalf of the holders of all the Company  
Preferred Securities, waive any past default under the Indenture, except a  
default in the payment of principal or interest (unless such default has been  
cured and a sum sufficient to pay all matured installments of interest and  
principal due otherwise than by acceleration has been deposited with the  
Indenture Trustee) or a default in respect of a covenant or provision which  
under the Indenture cannot be modified or amended without the consent of the  
holder of each outstanding Subordinated Note. No such waiver or rescission shall  
affect any subsequent default or impair any right consequent thereon. Upon  
receipt by the Registrar of written notice declaring such an acceleration, or  
rescission and annulment thereof, by holders of the Company Preferred Securities  
all or part of which is represented by Book-Entry Company Preferred Securities  
Certificates, a record date shall be established for determining holders of  
outstanding Company Preferred Securities entitled to join in such notice, which  
record date shall be at the close of business on the day the Registrar receives  
such notice. The holders on such record date, or their duly designated proxies,  
and only such Persons, shall be entitled to join in such notice, whether or not  
such holders remain holders after such record date; provided, that, unless such  
declaration of acceleration, or rescission and annulment, as the case may be,  
shall have become effective by virtue of the requisite percentage having joined  
in such notice prior to the day which is 90 days after such record date, such  
notice of declaration of acceleration, or rescission and annulment, as the case  
may be, shall automatically and without further action by any holder be canceled  
and of no further effect. Nothing in this paragraph shall prevent a holder, or a  
proxy of a holder, from giving, after expiration of such 90-day period, a new  
written notice of declaration of acceleration, or rescission and annulment  
thereof, as the case may be, that is identical to a written notice which has  
been canceled pursuant to the proviso to the preceding sentence, in which event  
a new record date shall be established pursuant to the provisions of this  
Section 8.1(b).  
  
 (c) For so long as any Company Preferred Securities remain Outstanding,  
to the fullest extent permitted by law and subject to the terms of this  
Agreement and the Indenture, upon a Note Event of Default specified in Section  
501(1) or 501(2) of the Indenture, any holder of Company Preferred Securities  
shall have the right to institute a proceeding directly against TECO, pursuant  
to the Indenture, for enforcement of payment to such holder of the principal  
amount of or interest on Subordinated Notes having a principal amount equal to  
the Liquidation Preference of the Company Preferred Securities of such holder (a  
"DIRECT ACTION"). In connection with any such Direct Action, TECO will be  
subrogated to the rights of any holder of the Company Preferred Securities to  
the extent of any payment made by TECO to such holder of Company Preferred  
Securities as a result of such Direct Action.  
  
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 (d) Notwithstanding that Securityholders holding Company Preferred  
Securities are entitled to vote or consent under any of the circumstances  
described in this Agreement or the By-Laws, any of the Company Preferred  
Securities that are owned by TECO, the Common Securityholder, the Company or any  
of their respective Affiliates, either directly or indirectly, shall not be  
entitled to vote or consent and shall, for the purposes of such vote or consent,  
be treated as if they were not outstanding.  
  
 Section 8.2 VOTING RIGHTS OF COMMON SECURITYHOLDERS. Except as  
otherwise provided herein and subject to the limited rights of holders of the  
Company Preferred Securities, and except as otherwise provided by the Delaware  
Act, all voting rights of the Securityholders shall be vested in the Common  
Securityholders. The Company Common Securities shall entitle the Common  
Securityholders to vote in proportion to the stated amounts represented by their  
Company Common Securities.  
  
 Section 8.3 MEETINGS OF THE SECURITYHOLDERS.  
  
 (a) Meetings of the Securityholders of any class or of all classes of  
Securities may be called at any time by the Board of Directors or as provided by  
this Agreement or the By-Laws. Except to the extent otherwise provided, the  
following provisions shall apply to meetings of Securityholders.  
  
 (b) Securityholders may vote in person or by proxy at such meeting.  
Whenever a vote, consent or approval of Securityholders is permitted or required  
under this Agreement, such vote, consent or approval may be given at a meeting  
of Securityholders or by written consent.  
  
 (c) Each Securityholder may authorize any Person to act for it by proxy  
on all matters in which a Securityholder is entitled to participate, including  
waiving notice of any meeting or voting or participating at a meeting. Every  
proxy must be signed by the Securityholder or its attorney-in-fact. Every proxy  
shall be revocable at the pleasure of the Securityholder executing it at any  
time before it is voted.  
  
 (d) Each meeting of Securityholders shall be conducted by the Board of  
Directors or by such other Person that the Board of Directors may designate.  
  
 (e) Any required approval of Company Preferred Securityholders may be  
given at a separate meeting of such Company Preferred Securityholders convened  
for such purpose or at a meeting of Securityholders of the Company or pursuant  
to written consent. The Board of Directors shall cause a notice of any meeting  
at which Company Preferred Securityholders holding Preferred Securities are  
entitled to vote pursuant to Section 7.3, or of any matter upon which action may  
be taken by written consent of such Company Preferred Securityholders, to be  
mailed to each holder of record of the Company Preferred Securities. Each such  
notice shall include a statement setting forth (i) the date of such meeting or  
the date by which such action is to be taken, (ii) a description of any action  
proposed to be taken at such meeting on which such Company Preferred  
Securityholders are entitled to vote or of such matters upon which written  
consent is sought and (iii) instructions for the delivery of proxies or  
consents.  
  
 (f) Subject to Section 7.3(e) and Section 8.3(e) of this Agreement, the  
Board of Directors, in their sole discretion, shall establish all other  
provisions relating to meetings of  
  
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Securityholders, including notice of the time, place or purpose of any meeting  
at which any matter is to be voted on by any Securityholders, waiver of any such  
notice, action by consent without a meeting, the establishment of a record date,  
quorum requirements, voting in person or by proxy or any other matter with  
respect to the exercise of any such right to vote.  
  
 ARTICLE IX  
 DIVIDENDS  
  
 Section 9.1 DIVIDENDS.  
  
 (a) Subject to the terms of this Article 9 and the provisions of the  
Delaware Act: (i) Company Preferred Securityholders shall receive periodic  
distributions ("DIVIDENDS") in accordance with Article 7 of this Agreement, out  
of funds held by the Company to the extent that the Company has cash on hand  
sufficient to permit such distributions, and (ii) subject to the rights of the  
Company Preferred Securityholders as set forth in Article 7, Common  
Securityholders shall receive Dividends when, as and if declared by the Board of  
Directors, in its discretion.  
  
 (b) A Securityholder shall not be entitled to receive any Dividend or  
other distribution with respect to any Dividend Payment Date (and any such  
Dividend or other distribution shall not be considered due and payable),  
irrespective of whether such Dividend or other distribution is payable  
automatically or has been declared by the Directors, until such time as the  
Company shall have funds legally available for the payment of such dividend to  
such Securityholder pursuant to the terms of this Agreement and the Delaware  
Act, and notwithstanding any provision of Section 18-606 of the Delaware Act to  
the contrary, until such time, a Securityholder shall not have the status of a  
creditor of the Company, or the remedies available to a creditor of the Company.  
  
 Section 9.2 LIMITATIONS ON DISTRIBUTIONS. Notwithstanding any provision  
to the contrary contained in this Agreement, the Company shall not make a  
distribution (including a Dividend or redemption payment) to any Securityholder  
on account of a Company Security if such distribution would violate Section  
18-607 of the Delaware Act or other applicable law.  
  
 Section 9.3 PAYMENT. The Company will make payments in respect of the  
Company Preferred Securities, at its election, by check or by crediting the  
account of the Trustee and the other holders of the Company Preferred Securities  
on any Dividend Payment Date or other distribution date  
  
 ARTICLE X  
 BOOKS AND RECORDS  
  
 Section 10.1 COMPANY BOOKS AND RECORDS. The Company shall maintain its  
books and records separate and apart from the books and records of TECO.  
  
 Section 10.2 LIMITATION ON ACCESS TO RECORDS. Each Securityholder has  
the right, subject to this Agreement and to reasonable standards established by  
the Board of Directors to obtain from the Company from time to time upon  
reasonable request for any purpose reasonably related to such Securityholder's  
interest as a member in the Company, information regarding the  
  
  
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affairs of the Company. Notwithstanding any provision of this Agreement, the  
Board of Directors may, to the maximum extent permitted by law, keep, or cause  
to be kept, confidential from the Company Preferred Securityholders, for such  
period of time as the Board of Directors deems reasonable, any information the  
disclosure of which the Board of Directors reasonably believes to be in the  
nature of trade secrets or other information the disclosure of which the Board  
of Directors in good faith believe is not in the best interest of the Company or  
could damage the Company or its business or which the Company or the Board of  
Directors are required by law or by an agreement with any Person to keep  
confidential.  
  
 Section 10.3 ACCOUNTING METHOD. For both financial and tax reporting  
purposes and for purposes of determining profits and losses, the books and  
records of the Company shall be kept on the accrual method of accounting applied  
in a consistent manner and shall reflect all Company transactions and be  
appropriate and adequate for the Company's business.  
  
 ARTICLE XI  
 TAX MATTERS  
  
 Section 11.1 COMPANY TAX RETURNS.  
  
 (a) The Common Securityholder is hereby designated as the Company's  
"TAX MATTERS PARTNER" under Section 6231(a)(7) of the Code and shall have all  
the powers and responsibilities of such position as provided in the Code. The  
Tax Matters Partner is specifically directed and authorized to take whatever  
steps TECO, in its discretion, deems necessary or desirable to perfect such  
designation, including filing any forms or documents with the Internal Revenue  
Service and taking such other action as may from time to time be required under  
the Treasury Regulations. Expenses incurred by the Tax Matters Partner in its  
capacity as such shall be borne by the Company.  
  
 (b) The Tax Matters Partner shall cause to be prepared and timely filed  
all tax returns required to be filed for the Company. The Tax Matters Partner  
may, in its discretion, cause the Company to make or refrain from making any  
federal, state or local income or other tax elections for the Company that it  
deems necessary or advisable, including, without limitation, any election under  
Section 754 of the Code or any successor provision.  
  
 Section 11.2 TAX REPORTS. The Tax Matters Partner shall, as promptly as  
practicable and in any event within 90 days of the end of each Fiscal Year,  
cause to be prepared and mailed by the Company to each Company Preferred  
Securityholder of record Internal Revenue Service Schedule K-1 and any other  
forms that are necessary or advisable in order to permit the Securityholders to  
comply with U.S. federal and any other income tax requirements.  
  
 Section 11.3 TAXATION AS A PARTNERSHIP. The Company shall take any  
necessary steps to be treated as a partnership for U.S. federal income tax  
purposes and shall not file any election to be treated as anything other than a  
partnership for such purposes.  
  
 Section 11.4 TAXATION OF SECURITYHOLDERS. As provided in Section  
4.4(a), net profits shall be allocated to the Company Preferred Securityholders  
on a daily accrual basis. The Securityholders intend that allocations of income  
and loss for U.S. federal income tax purposes be consistent with the economic  
allocations of income under this Agreement.  
  
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 ARTICLE XII  
 EXPENSES  
  
 Section 12.1 EXPENSES. TECO shall be responsible for all Company  
charges and expenses including, without limitation:  
  
 (a) all costs and expenses related to the business of the Company and  
all routine administrative expenses of the Company, including the maintenance of  
books and records of the Company, the preparation and dispatch to the  
Securityholders of checks, financial reports, tax returns and notices required  
pursuant to this Agreement and the holding of any meetings of the  
Securityholders;  
  
 (b) all expenses incurred in connection with any litigation involving  
the Company (including the cost of any investigation and preparation) and the  
amount of any judgment or settlement paid in connection therewith (other than  
expenses incurred by any Director in connection with any litigation brought by  
or on behalf of any Securityholder against such Director);  
  
 (c) all expenses for indemnity or contribution payable by the Company  
to any Person;  
  
 (d) all expenses incurred in connection with the collection of amounts  
due to the Company from any Person;  
  
 (e) all expenses incurred in connection with the preparation of  
amendments or restatements to this Agreement; and  
  
 (f) all expenses incurred in connection with the dissolution,  
winding-up or termination of the Company.  
  
 Notwithstanding the foregoing, if, at the request of a holder of  
Company Preferred Securities or other Person, the Company incurs fees, charges  
or expenses, for which it is not otherwise liable under this Agreement, such  
holder or other Person will be liable for such fees, charges and expenses.  
  
 ARTICLE XIII  
 TRANSFERS OF SECURITIES BY SECURITYHOLDERS  
 AND RELATED MATTERS  
  
 Section 13.1 RIGHT OF ASSIGNEE TO BECOME A COMPANY PREFERRED  
SECURITYHOLDER. An assignee of Company Preferred Securities shall become a  
Company Preferred Securityholder upon compliance with the provisions of Section  
13.5 of this Agreement.  
  
 Section 13.2 EVENTS OF CESSATION OF SECURITY OWNERSHIP. A Person shall  
cease to be a Securityholder upon the lawful assignment of all of its Securities  
(including by any redemption or other repurchase by the Company) or as otherwise  
provided herein.  
  
 Section 13.3 PERSONS DEEMED COMPANY PREFERRED SECURITYHOLDERS. The  
Company may treat the Person in whose name any Company Preferred Certificate  
shall be registered on the  
  
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books and records of the Company as the sole holder of such Company Preferred  
Certificate and of the Company Preferred Securities represented by such Company  
Preferred Certificate for purposes of receiving dividends or other distributions  
and for all other purposes whatsoever and, accordingly, shall not be bound to  
recognize any equitable or other claim to or interest in such Company Preferred  
Certificate or in the Company Preferred Securities represented by such Company  
Preferred Certificate on the part of any other Person, whether or not the  
Company shall have actual or other notice thereof. Notwithstanding the foregoing  
or anything to the contrary herein, the Company agrees that at any time that the  
Trust shall be a holder of any Company Preferred Securities, each holder of a  
preferred certificate issued by the Trust shall, upon presentation to the  
Company or the Registrar of reasonable evidence thereof, have the right to the  
fullest extent permitted by law and without the need for any other action of any  
other Person, including the Trustee under the Trust and any other holder of any  
other of such preferred certificates, (a) to enforce in the name of the Trust  
the Trust's rights under the Company Preferred Securities represented by the  
preferred certificates of such holder and (b) to withdraw from the Trust upon  
written notice to such Trustee and the Company and hold directly the underlying  
Company Preferred Securities represented by such preferred certificates.  
  
 Section 13.4 THE COMPANY PREFERRED CERTIFICATES. Company Preferred  
Certificates shall be in denominations of $\_\_\_\_\_\_\_\_\_\_.00 or multiples thereof.  
Each Company Preferred Certificate shall be signed, manually or by facsimile by  
the President, any Vice-President or the Secretary of the Company. Company  
Preferred Certificates, other than Company Preferred Certificates held by the  
Trust, shall also be manually signed by the Registrar. Company Preferred  
Certificates bearing the signatures of individuals who were, at the time when  
such signatures shall have been affixed, authorized to sign on behalf of the  
Company shall be validly issued notwithstanding that such individuals or any of  
them shall have ceased to be so authorized prior to the delivery of such Company  
Preferred Certificates or did not hold such offices at the date of delivery of  
such Company Preferred Certificates. A transferee of a Company Preferred  
Certificate shall become a Securityholder, upon due registration of such Company  
Preferred Certificate in such transferee's name pursuant to Section 13.5.  
  
 Section 13.5 TRANSFER OF COMPANY PREFERRED CERTIFICATES.  
  
 (a) The Board of Directors shall provide for the registration and  
transfer of Company Preferred Certificates in a record thereof (each a  
"SECURITIES REGISTER") and shall appoint a securities registrar and transfer  
agent (the "REGISTRAR") to act on its behalf, or may act as its own Registrar;  
provided, however, that without any action on the part of the Board of Directors  
being necessary, The Bank of New York, or any of its Affiliates, may be  
appointed as the initial Registrar by any officer of the Company. Subject to the  
other provisions of this Article 13, upon surrender for registration of transfer  
of any Company Preferred Certificate, the Board of Directors shall cause one or  
more new Company Preferred Certificates to be issued in the name of the  
designated transferee or transferees. Every Company Preferred Certificate  
surrendered for registration of transfer shall be accompanied by a written  
instrument of transfer in form satisfactory to the Board of Directors duly  
executed by the Company Preferred Securityholder or his or her attorney duly  
authorized in writing. Any registration of transfer shall be effected upon the  
Registrar being satisfied with the documents of title and identity of the Person  
making the request, upon the receipt by the Registrar of any applicable  
certificate relating to transfer restrictions as described below, and subject to  
such reasonable regulations as the Company may  
  
  
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from time to time establish. Each Company Preferred Certificate surrendered for  
registration of transfer shall be canceled by the Registrar. A transferee of a  
Company Preferred Certificate shall be admitted to the Company, as a Company  
Preferred Securityholder and shall be entitled to the rights and subject to the  
obligations of a Company Preferred Securityholder hereunder upon receipt by such  
transferee of a Company Preferred Certificate. By acceptance of a Company  
Preferred Certificate, each transferee shall be bound by this Agreement. The  
transferor of a Company Preferred Certificate, in whole, shall cease to be a  
Company Preferred Securityholder at the time that the transferee of such Company  
Preferred Certificate is admitted to the Company as a Company Preferred  
Securityholder in accordance with this Section 13.5.  
  
 (b) Upon surrender for registration of transfer of any Company  
Preferred Certificate at the office or agency of the Company or the Registrar  
maintained for that purpose, subject to Section 13.6, the Company shall deliver  
or cause to be delivered to the Registrar in a form duly executed on behalf of  
the Company in the manner provided for in Section 13.4(a), and the Registrar  
shall countersign in the manner provided in and to the extent required by  
Section 13.4(a) and deliver, in the name of the designated transferee or  
transferees, one or more new Company Preferred Certificates in authorized  
denominations of a like aggregate liquidation preference dated the date of  
execution by such Registrar.  
  
 The Registrar shall not be required, (i) to issue, register the  
transfer of or exchange any Company Preferred Security during a period beginning  
at the opening of business 15 days before the day of selection for redemption of  
such Company Preferred Securities and ending at the close of business on the day  
of mailing of the notice of redemption, or (ii) to register the transfer of or  
exchange any Company Preferred Security so selected for redemption in whole or  
in part, except, in the case of any such Company Preferred Security to be  
redeemed in part, any portion thereof not to be redeemed.  
  
 No service charge shall be made for any registration of transfer or  
exchange of Company Preferred Certificates, but the Registrar may require  
payment of a sum sufficient to cover any tax or governmental charge that may be  
imposed in connection with any transfer or exchange of Company Preferred  
Certificates.  
  
 (c) A Company Preferred Certificate may be transferred after the  
Exchange Date as provided in Section 13.5(a), in whole or in part, to a Person  
who takes delivery, in the form of another Company Preferred Certificate.  
  
 Section 13.6 MUTILATED, DESTROYED, LOST OR STOLEN COMPANY PREFERRED  
CERTIFICATES. If (a) any mutilated Company Preferred Certificate shall be  
surrendered to the Registrar, or if the Registrar shall receive evidence to its  
satisfaction of the destruction, loss or theft of any Company Preferred  
Certificate, and (b) there shall be delivered to the Registrar and the Company  
such security or indemnity as may be required by them to save each of them  
harmless, then in the absence of notice that such Company Preferred Certificate  
shall have been acquired by a protected purchaser, the Company shall sign, the  
Registrar shall countersign to the extent required under Section 13.4(a), and  
the Company and the Registrar shall make available for delivery (all in the  
manner provided for in Section 13.4), in exchange for or in lieu of any  
mutilated, destroyed, lost or stolen Company Preferred Certificate, a new  
Company Preferred Certificate of like class, tenor and denomination. In  
connection with the issuance of any new  
  
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Company Preferred Certificate under this Section 13.6, the Company or the  
Registrar may require the payment of a sum sufficient to cover any tax or other  
governmental charge that may be imposed in connection therewith. Any duplicate  
Company Preferred Certificate issued pursuant to this Section shall constitute  
conclusive evidence of a limited liability company interest in the Company  
corresponding to that evidenced by the lost, stolen or destroyed Company  
Preferred Certificate, as if originally issued, whether or not the lost, stolen  
or destroyed Company Preferred Certificate shall be found at any time.  
  
 Section 13.7 BOOK-ENTRY COMPANY PREFERRED CERTIFICATES.  
  
 Upon the distribution of the Company Preferred Securities to the  
holders of the Trust Preferred Securities in accordance with the provisions of  
the Trust Agreement, the Company Preferred Certificates will be issued in the  
form of a typewritten Company Preferred Certificate or Certificates representing  
Book-Entry Company Preferred Certificates and delivered to the Clearing Agency  
and registered on the Securities Register in the name of the nominee of the  
Clearing Agency, and no beneficial owner will receive a Definitive Company  
Preferred Certificate representing such beneficial owner's interest in such  
Company Preferred Securities, except as provided in Section 13.10. Thereafter,  
unless and until Definitive Company Preferred Certificates have been issued to  
beneficial owners pursuant to Section 13.10:  
  
 (a) the provisions of this Section 13.8 shall be in full force and  
effect;  
  
 (b) the Registrar and the Company shall be entitled to deal with the  
Clearing Agency for all purposes of this Agreement relating to the Book-Entry  
Company Preferred Certificates (including the payment of the Liquidation Amount  
of and distributions on the Book-Entry Company Preferred Certificate and the  
giving of instructions or directions to Owners of Book-Entry Company Preferred  
Securities) as the sole holder of Book-Entry Company Preferred Securities and  
shall have no obligations to the Owners thereof;  
  
 (c) to the extent that the provisions of this Section 13.8 conflict  
with any other provisions of this Agreement, the provisions of this Section 13.8  
shall control; and  
  
 (d) the rights of the Owners of the Book-Entry Company Preferred  
Certificates shall be exercised only through the Clearing Agency and shall be  
limited to those established by law and agreements between such Owners and the  
Clearing Agency and/or the Clearing Agency Participants. Pursuant to the  
Certificate Depository Agreement, unless and until Definitive Company Preferred  
Certificates are issued pursuant to Section 13.10, the initial Clearing Agency  
will make book-entry transfers among the Clearing Agency Participants and  
receive and transmit payments on the Company Preferred Securities to such  
Clearing Agency Participants.  
  
 Section 13.8 NOTICES TO CLEARING AGENCY.  
  
 To the extent that a notice or other communication to the Owners is  
required under this Agreement, from and after the date on which Company  
Preferred Certificates shall have been delivered to a Clearing Agency, unless  
and until Definitive Company Preferred Certificates shall have been issued to  
Owners pursuant to Section 13.10, the Company shall give all such notices and  
communications specified herein to be given to Owners to the Clearing Agency,  
and shall have no obligations to the Owners.  
  
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 Section 13.9 DEFINITIVE COMPANY PREFERRED CERTIFICATES.  
  
 If (a) the Clearing Agency is no longer willing or able to properly  
discharge its responsibilities with respect to the Company Preferred  
Certificates, and the Company is unable to locate a qualified successor, (b) the  
Company elects to terminate the book-entry system through the Clearing Agency or  
(c) after the occurrence of a Note Event of Default, Owners of Company Preferred  
Certificates representing beneficial ownership interests aggregating at least a  
majority of the Liquidation Amount advise the Company in writing that the  
continuation of a book-entry system through the Clearing Agency is no longer in  
the best interest of the Owners of Company Preferred Certificates, then the  
Company shall notify the Clearing Agency and the Clearing Agency shall notify  
all Owners of Company Preferred Certificates of the occurrence of any such event  
and of the availability of the Definitive Company Preferred Certificates to  
Owners requesting the same. Upon surrender to the Registrar of the typewritten  
Company Preferred Certificate or Certificates representing the Book-Entry  
Company Preferred Certificates by the Clearing Agency, accompanied by  
registration instructions, the Company shall execute the Definitive Company  
Preferred Certificates in accordance with the instructions of the Clearing  
Agency. Neither the Registrar nor the Company shall be liable for any delay in  
delivery of such instructions and may conclusively rely on, and shall be  
protected in relying on, such instructions. Upon the issuance of Definitive  
Company Preferred Certificates, the Company and the Registrar shall recognize  
the holders of the Definitive Company Preferred Certificates as Securityholders.  
The Definitive Company Preferred Certificates shall be printed, lithographed or  
engraved or may be produced in any other manner as is reasonably acceptable to  
the Company, as evidenced by the execution thereof by the Company.  
  
 ARTICLE XIV  
 DISSOLUTION, LIQUIDATION AND TERMINATION  
  
 Section 14.1 NO DISSOLUTION. The Company shall not be dissolved by the  
admission of Securityholders. The death, insanity, retirement, resignation,  
expulsion, bankruptcy or dissolution of a Securityholder, or the occurrence of  
any other event which terminates the continued membership of a Securityholder in  
the Company, shall not in and of itself cause the Company to be dissolved and  
its affairs wound up. Upon the occurrence of any such event, the business of the  
Company shall be continued without dissolution. The Bankruptcy of a  
Securityholder shall not cause a Securityholder to cease to be a member of the  
Company.  
  
 Section 14.2 EVENTS CAUSING DISSOLUTION. The Company shall be dissolved  
and its affairs shall be wound up in accordance with the Delaware Act if any of  
the following events occur:  
  
 (a) a decree or order by a court of competent jurisdiction shall have  
been entered adjudging the Company a bankrupt or insolvent, or approving as  
properly filed a petition seeking reorganization, arrangement, adjustment or  
composition of the Company under any applicable federal or state bankruptcy or  
similar law, and such decree or order shall have continued undischarged and  
unstayed for a period of 90 days; or a decree or order of a court having  
jurisdiction in the premises for the appointment of a receiver, liquidator,  
trustee, assignee, sequestrator or similar official in bankruptcy or insolvency  
of the Company or of all or substantially all of its property, or for the  
winding up or liquidation of its affairs, shall have been  
  
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entered, and such decree or order shall have continued undischarged and  
unstayed for a period of 90 days or the Company shall institute proceedings to  
be adjudicated a voluntary bankrupt, or shall consent to the filing of a  
bankruptcy proceeding against it, or shall file a petition or answer or consent  
seeking reorganization, arrangement, adjustment or composition under any  
applicable federal or state bankruptcy or similar law, or shall consent to the  
filing of any such petition, or shall consent to the appointment of a receiver,  
liquidator, trustee, assignee, sequestrator or similar official in bankruptcy or  
insolvency of the Company or of all or substantially all of its property, or  
shall make an assignment for the benefit of creditors, or shall admit in writing  
its inability to pay its debts generally as they become due and its willingness  
to be adjudged a bankrupt, or limited liability company action shall be taken by  
the Company in furtherance of any of the aforesaid purposes;  
  
 (b) TECO is liquidated;  
  
 (c) the entry of a decree of judicial dissolution of the Company under  
Section 18-802 of the Delaware Act;  
  
 (d) TECO's written direction, as holder of the Company Common  
Securities, to the Board of Directors, only if a Tax Event or an Investment  
Company Event (each as defined in the Subordinated Notes) has occurred, to  
dissolve the Company and distribute the Subordinated Notes to the holders of the  
Company Preferred Securities; or  
  
 (e) the redemption of all of the Company Securities.  
  
 Notwithstanding the foregoing, the Company shall not be dissolved until  
all claims under the Guarantee Agreement shall have been paid in full pursuant  
to its terms, to the fullest extent permitted by law.  
  
 Section 14.3 NOTICE OF DISSOLUTION. Upon the dissolution of the  
Company, the Board of Directors shall promptly notify the Securityholders of  
such dissolution.  
  
 Section 14.4 LIQUIDATION. Upon dissolution of the Company, the Board of  
Directors or, in the event that the dissolution is caused by an event described  
in Sections 14.2(b) or (c) of this Agreement and there are no Directors, a  
Person or Persons who may be approved by the Company Preferred Securityholders  
holding not less than a majority in liquidation amount, as liquidating trustees,  
shall immediately commence to wind up the Company's affairs; provided, however,  
that a reasonable time shall be allowed for the orderly liquidation of the  
assets of the Company and the satisfaction of liabilities to creditors so as to  
minimize the losses attendant upon a liquidation. The proceeds of liquidation  
shall be distributed, as realized, in the manner provided in Section 18-804 of  
the Delaware Act, subject to the provisions of Section 14.5.  
  
 Section 14.5 CERTAIN RESTRICTIONS ON LIQUIDATION PAYMENTS. In the event  
of any voluntary or involuntary dissolution of the Company, the board of  
directors will distribute (after satisfying any liabilities to the Company's  
creditors as provided by applicable law) to the holders of the Company  
Securities a Like Amount of the Subordinated Notes. However, if that  
distribution is determined to be impractical by the Board of Directors, the  
holders of the Company Securities will be entitled to receive out of the  
Company's assets available for distribution to holders (after any liabilities to  
the Company's creditors as provided by applicable  
  
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law) a liquidation distribution in an amount equal to the amounts set forth,  
and in the priority prescribed, in Section 7.3(d). If such liquidation  
distribution to the Company Preferred Securityholders can be paid only in part  
because the Company has insufficient assets available to pay in full the  
aggregate liquidation distribution, then the amounts payable directly by the  
Company on its Company Preferred Securities will be paid on a pro rata basis  
based on the Liquidation Amount.  
  
 Section 14.6 TERMINATION. This Agreement will terminate upon the latest  
to occur of the redemption of all of the Company Preferred Securities, a final  
distribution in respect of the Company Preferred Securities and delivery of such  
distribution to the holders of the Company Preferred Securities, or dissolution,  
winding up and termination of the Company.  
  
 ARTICLE XV  
 MISCELLANEOUS  
  
 Section 15.1 AMENDMENTS. TECO may, at any time and from time to time,  
enter into one or more agreements supplemental to this Agreement and the  
Guarantee Agreement without the consent of the holders of the Company Preferred  
Securities: (i) to evidence the succession of another entity to TECO and the  
assumption by any such successor of the covenants of TECO in this Agreement;  
(ii) to add to the covenants of TECO for the benefit of the holders of the  
Company Preferred Securities, or to surrender any right or power therein  
conferred upon TECO, (iii) to cure any ambiguity or correct or supplement any  
provision in this Agreement which may be defective or inconsistent with any  
other provision therein or to make any other provisions with respect to matters  
or questions arising under this Agreement in a way consistent with the other  
provisions of this Agreement; provided that any such action shall not materially  
adversely affect the interests of the holders of the Company Preferred  
Securities; or (iv) to modify, eliminate or add to any provisions of the limited  
liability company agreement if necessary to ensure that the Company will be  
classified for United States federal income tax purposes as a partnership or to  
ensure that the Company will not be required to be registered under the 1940  
Act. Any other amendment of this Agreement and the Guarantee Agreement must be  
approved by holders of a majority of the Company Preferred Securities and the  
Company must have received an Opinion of Counsel experienced in such matters to  
the effect that the amendment or the exercise of any power granted in accordance  
with the amendment will not affect the Company's status as a partnership for  
United States federal income tax purposes or the Company's exemption from status  
as an "investment company" under the 1940 Act. However, without the consent of  
each holder of Company Preferred Securities, no amendment may: (i) change the  
amount or timing of any distribution on the Company Preferred Securities or  
otherwise adversely affect the amount of any distribution required to be made in  
respect of the Company Preferred Securities as of a specified date; or (ii)  
restrict the right of a holder of Trust Preferred Securities to xxx for the  
enforcement of any distribution payment. The Company must notify each holder of  
Company Preferred Securities whenever it is notified of a default with respect  
to the Subordinated Notes.  
  
 Section 15.2 NOTIFICATION; AMENDMENT OF CERTIFICATE OF FORMATION. In  
the event this Agreement shall be amended pursuant to Section 15.1, the Board of  
Directors shall promptly notify all Securityholders of such amendments and cause  
the Certificate of Formation to be  
  
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amended to reflect such change if it deems such amendment of the Certificate  
of Formation to be necessary or appropriate.  
  
 Section 15.3 SUCCESSORS. This Agreement shall be binding as to the  
executors, administrators, estates, heirs and legal successors, or nominees or  
representatives, of the Securityholders.  
  
 Section 15.4 LAW; SEVERABILITY. This Agreement shall be governed by and  
construed in accordance with the laws of the State of Delaware. In particular,  
this Agreement shall be construed to the maximum extent possible to comply with  
all of the terms and conditions of the Delaware Act. If, nevertheless, it shall  
be determined by a court of competent jurisdiction that any provisions or  
wording of this Agreement shall be invalid or unenforceable under the Delaware  
Act or other applicable law, such invalidity or unenforceability shall not  
invalidate the entire Agreement. In that case, this Agreement shall be construed  
so as to limit any term or provision so as to make it enforceable or valid  
within the requirements of applicable law, and, in the event such term or  
provisions cannot be so limited, this Agreement shall be construed to omit such  
invalid or unenforceable provisions. If it shall be determined by a court of  
competent jurisdiction that any provision relating to the distributions and  
allocations of the Company or to any fee payable by the Company is invalid or  
unenforceable, this Agreement shall be construed or interpreted so as (a) to  
make it enforceable or valid and (b) to make the distributions and allocations  
as closely equivalent to those set forth in this Agreement as is permissible  
under applicable law.  
  
 Section 15.5 FILINGS. Following the execution and delivery of this  
Agreement, the Board of Directors shall cause to be promptly prepared any  
documents required to be filed and recorded under the Delaware Act, and the  
Board of Directors shall cause to be promptly filed and recorded each such  
document in accordance with the Delaware Act and, to the extent required by  
local law, to be filed and recorded or notice thereof to be published in the  
appropriate place in each jurisdiction in which the Company may hereafter  
establish a place of business. The Board of Directors shall also promptly cause  
to be filed, recorded and published such statements of fictitious business name  
and any other notices, certificates, statements or other instruments required by  
any provision of any applicable law of the United States or any, state or other  
jurisdiction which governs the conduct of its business from time to time.  
  
 Section 15.6 POWER OF ATTORNEY. Each Company Preferred Securityholder  
does hereby constitute and appoint each Person specifically authorized by the  
Board of Directors to act as its true and lawful representative and  
attorney-in-fact, in its name, place and stead to make, execute, sign, deliver  
and file (a) any amendment of the Certificate of Formation required because of  
an amendment to this Agreement or in order to effectuate any change in the  
ownership of the Company Securities, (b) any amendments to this Agreement made  
in accordance with the terms hereof and (c) all such other instruments,  
documents and certificates which may from time to time be required by the laws  
of the United States of America, the State of Delaware or any other  
jurisdiction, or any political subdivision or agency thereof, to effectuate,  
implement and continue the valid and subsisting existence of the Company or to  
dissolve the Company or for any other purpose consistent with this Agreement and  
the transactions contemplated hereby.  
  
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 The power of attorney granted hereby is coupled with an interest and  
shall (a) survive and not be affected by the subsequent death, incapacity,  
disability, dissolution, termination or bankruptcy of the Company Preferred  
Securityholder granting the same or the transfer of all or any portion of such  
Company Preferred Securityholder's Preferred Securities and (b) extend to such  
Company Preferred Securityholder's successors, assigns and legal  
representatives.  
  
 Section 15.7 EXCULPATION.  
  
 (a) No Director or Officer shall have personal liability to the Company  
or the Securityholders for monetary damages for breach of, in the case of a  
Director, such Director's fiduciary duty (if any) or, in the case of a Director  
or an Officer, for any act or omission performed or omitted by such Director or  
Officer in good faith on behalf of the Company, except for such Director's or  
Officer's gross negligence or willful misconduct.  
  
 (b) Each Director and Officer shall be fully protected in relying in  
good faith upon the records of the Company and upon such information, opinions,  
reports or statements presented to the Company by any Person as to matters that  
such Director or Officer reasonably believes are within such other Person's  
professional or expert competence and who has been selected with reasonable care  
by or on behalf of the Company, including information, opinions, reports or  
statements as to the value and amount of the assets, liabilities, profits,  
losses or any other facts pertinent to the existence and amount of assets from  
which distributions to Securityholders might properly be paid.  
  
 Section 15.8 INDEMNIFICATION. To the fullest extent permitted by  
applicable law, each Director and Officer shall be entitled to indemnification  
from the Company for any loss, damage, claim or expense (including reasonable  
attorney's fees) incurred by such Director or Officer by reason of any act or  
omission performed or omitted by such Director or Officer in good faith on  
behalf of the Company and in a manner reasonably believed to be within the scope  
of authority conferred on such Director or Officer by this Agreement, except  
with respect to any act or omission determined by a court of competent  
jurisdiction to have constituted gross negligence or willful misconduct of such  
Director or Officer; provided, however, that any indemnity under this Section  
15.8 shall be provided out of and to the extent of any director and officer  
insurance policy, and no Securityholder shall have any personal liability on  
account thereof. The right to indemnification under this Section 15.8 is a  
contract right. The Company may purchase and maintain insurance to protect any  
Director or Officer against liability asserted against him or her, or incurred  
by him or her, arising out of his or her status as such.  
  
 Without limiting the foregoing, the Company's directors shall have no  
personal liability to the Company or its Securityholders for monetary damages  
(i) for not voting to take enforcement action with respect to the Subordinated  
Notes owned by the Company, if any, prior to the occurrence of a Bankruptcy of  
the Company or (ii) at any time for breach of any such director's fiduciary duty  
(if any) except for such director's gross negligence or willful misconduct.  
  
 Section 15.9 ADDITIONAL DOCUMENTS. Each Company Preferred  
Securityholder, upon the request of the Board of Directors, agrees to perform  
all further acts and execute,  
  
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acknowledge and deliver any documents that may be reasonably necessary to  
carry out the provisions of this Agreement.  
  
 Section 15.10 NOTICES. All notices provided for in this Agreement shall  
be in writing, duly signed by the party giving such notice, and shall be  
delivered, telecopied or mailed by registered or certified mail, as follows:  
  
 (i) If given to the Company, at the address set forth below:  
  
 c/o The Corporation Trust Company  
 0000 Xxxxxx Xxxxxx  
 Xxxxxxxxxx, Xxxxxxxx 00000  
  
 with a copy to:  
  
 TECO Energy, Inc.  
 000 Xxxxx Xxxxxxxx Xxxxxx  
 Xxxxx, Xxxxxxx 00000  
 Attention: Secretary  
 Telecopy: 813/228-1328  
  
 (ii) If given to any Securityholder, at the address set  
 forth in the Securities Register.  
  
 Subject to Section 7.3 of this Agreement, each such notice, request or  
other communication shall be effective (a) if given by telecopier, when  
transmitted to the number specified in such registration books and the  
appropriate confirmation is received, (b) if given by mail, 72 hours after such  
communication is deposited in the mails with first class postage prepaid,  
addressed as aforesaid, or (c) if given by any other means, when delivered at  
the address specified in the Securities Register.  
  
 Section 15.11 COUNTERPARTS. This Agreement may be executed in any  
number of counterparts, each of which shall be deemed an original of this  
Agreement and all of which together shall constitute one and same agreement.  
  
 Section 15.12 CONCERNING THE TRUSTEE. This document has been executed  
by a representative of The Bank of New York, acting not in its individual  
capacity, but solely, in its capacity as Trustee on behalf of the Trust. In no  
case shall The Bank of New York (or any entity, acting as successor or  
additional trustee or any of their respective representatives or agents) be  
personally liable for or on account of any of the statements, representations,  
warranties, covenants or obligations of or pertaining to the Trust or any other  
Person hereunder.  
  
 Section 15.13 SUBMISSION TO JURISDICTION. TECO irrevocably consents and  
agrees, that any legal action, suit or proceeding against it with respect to its  
obligations, liabilities or any other matter arising out of or in connection  
with this Agreement may be brought in the courts of the State of New York or the  
courts of the United States of America located in The City of New York and until  
amounts due and to become due under this Agreement have been paid, hereby  
  
  
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irrevocably consents and submits to the non-exclusive jurisdiction of each such  
court in personam, generally and unconditionally with respect to any such  
action, suit or proceeding for itself and in respect of its properties, assets  
and revenues. Service of process upon the branch in any such action, suit or  
proceeding shall be deemed in every respect service of process upon TECO. TECO  
hereby irrevocably and unconditionally waives, to the fullest extent permitted  
by law, except as otherwise provided for in this Agreement, any objection which  
it may now or hereafter have to the laying of venue of any of the aforesaid  
actions, suits or proceedings brought in the United States Federal courts  
located in The City of New York or the courts of the State of New York and  
hereby further irrevocably and unconditionally waives and agrees not to plead or  
claim in any such court that any such action, suit or proceeding brought in any  
such court has been brought in an inconvenient forum. The provisions of this  
Section 15.13 shall survive any termination of this Agreement, in whole or in  
part.  
  
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 IN WITNESS WHEREOF, TECO Energy, Inc., as the Common Securityholder,  
and the Trust have executed this Agreement as of the date first above stated.  
  
  
 TECO ENERGY, INC.  
  
  
  
 By:  
 -----------------------------------  
 Name:  
 Title:  
  
  
 TECO CAPITAL TRUST \_\_\_\_  
  
  
 By: The Bank of New York, not in its  
 individual capacity, but solely  
 as Property Trustee  
  
  
  
 By:  
 -----------------------------------  
 Name:  
 Title:  
  
  
  
  
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 ANNEX A  
 to the Amended and Restated  
 Limited Liability Company Agreement  
  
  
  
  
  
  
  
  
  
  
  
  
  
  
  
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 GUARANTEE AGREEMENT  
  
 between  
  
  
  
 TECO ENERGY, INC.  
  
 (as Guarantor)  
  
 and  
  
 THE BANK OF NEW YORK  
  
 (as Guarantee Trustee)  
  
 dated as of  
  
 \_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_  
  
  
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 GUARANTEE AGREEMENT  
  
 This GUARANTEE AGREEMENT, dated as of \_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_, is executed and  
delivered by TECO ENERGY, INC. (the "GUARANTOR"), a Florida corporation having  
its principal office at TECO Plaza, 000 Xxxxx Xxxxxxxx Xxxxxx, Xxxxx, Xxxxxxx,  
00000, and THE BANK OF NEW YORK, a New York banking corporation, as trustee (the  
"GUARANTEE TRUSTEE"), for the benefit of the Holders (as defined herein) from  
time to time of the Company Preferred Securities (as defined herein) of TECO  
Funding Company \_\_\_, LLC, a Delaware limited liability company (the "LLC").  
  
 WHEREAS, pursuant to an Amended and Restated Trust Agreement (the "TRUST  
AGREEMENT"), dated as of \_\_\_\_\_\_\_\_\_\_\_\_\_, 2000 among the trustees named therein  
(the "TRUSTEES"), the LLC, as Depositor, and the Holders from time to time of  
undivided beneficial ownership interests in the assets of TECO Capital Trust \_\_\_  
(the "Issuer"), a Delaware statutory business trust, the Issuer is issuing up to  
$\_\_\_\_\_\_\_\_\_\_\_\_\_ aggregate liquidation preference of its \_\_% Trust Preferred  
Securities (liquidation preference $25 per preferred security) (the "TRUST  
PREFERRED SECURITIES") representing undivided beneficial ownership interests in  
the assets of the Issuer and having the terms set forth in the Trust Agreement;  
  
 WHEREAS, the Guarantee Trustee will use the proceeds of the Trust Preferred  
Securities to purchase the preferred securities of the LLC (the "COMPANY  
PREFERRED SECURITIES"), and the proceeds of the Company Preferred Securities  
will be used to purchase $\_\_\_\_\_\_\_\_\_ of the \_\_\_\_% Junior Subordinated Notes due  
\_\_\_\_\_\_\_ (the "NOTES") of the Guarantor which will constitute the principal  
assets of the LLC; and  
  
 WHEREAS, as incentive for the Guarantee Trustee to purchase the Company  
Preferred Securities, the Guarantor desires irrevocably and unconditionally to  
agree, to the extent set forth herein, to pay to the Holders of the Company  
Preferred Securities the Guarantee Payments (as defined herein) and to make  
certain other payments on the terms and conditions set forth herein;  
  
 NOW, THEREFORE, in consideration of the purchase by the Guarantee Trustee  
and each Holder of Company Preferred Securities, which purchase the Guarantor  
hereby agrees shall benefit the Guarantor, the Guarantor executes and delivers  
this Guarantee Agreement for the benefit of the Holders from time to time of the  
Company Preferred Securities.  
  
 ARTICLE I  
  
 DEFINITIONS  
  
 SECTION 1.1 DEFINITIONS.  
  
 As used in this Guarantee Agreement, the terms set forth below shall,  
unless the context otherwise requires, have the following meanings. Capitalized  
or otherwise defined terms used but not otherwise defined herein shall have the  
meanings assigned to such terms in the Trust Agreement as in effect on the date  
hereof.  
  
 "AFFILIATE" of any specified Person means any other Person directly or  
indirectly controlling or controlled by or under direct or indirect common  
control with such specified  
  
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Person; provided, however, that an Affiliate of the Guarantor shall not be  
deemed to include the Issuer. For the purposes of this definition, "control"  
when used with respect to any specified Person means the power to direct the  
management and policies of such Person, directly or indirectly, whether through  
the ownership of voting securities, by contract or otherwise; and the terms  
"controlling" and "controlled" have meanings correlative to the foregoing.  
  
 "EVENT OF DEFAULT" means a default by the Guarantor on any of its payment  
or other obligations under this Guarantee Agreement; provided, however, that,  
except with respect to a default in payment of any Guarantee Payments, the  
Guarantor shall have received notice of default and shall not have cured such  
default within 90 days after receipt of such notice.  
  
 "GUARANTEE PAYMENTS" means the following payments or distributions, without  
duplication, with respect to the Company Preferred Securities, to the extent not  
paid or made by or on behalf of the LLC; (i) any accumulated and unpaid  
Dividends (as defined in the LLC Agreement) required to be paid on such Company  
Preferred Securities, (ii) the redemption price, including all accumulated and  
unpaid Dividends to the date of redemption (the "REDEMPTION PRICE"), with  
respect to the Company Preferred Securities called for redemption by the LLC,  
and (iii) upon a voluntary or involuntary termination, winding up or liquidation  
of the LLC, unless Notes are distributed to the Holders, the greater of (a) the  
aggregate of the liquidation preference of $25 per Company Preferred Security  
plus accumulated and unpaid Dividends on the Company Preferred Securities to the  
date of payment and (b) the amount of assets of the LLC remaining available for  
distribution to Holders in liquidation of the LLC (in either case, the  
"LIQUIDATION DISTRIBUTION").  
  
 "GUARANTEE TRUSTEE" means The Bank of New York, until a Successor Guarantee  
Trustee has been appointed and has accepted such appointment pursuant to the  
terms of this Guarantee Agreement and thereafter means each such Successor  
Guarantee Trustee.  
  
 "HOLDER" means any holder, as registered on the books and records of the  
Issuer, of any Trust Preferred Securities or, as registered on the books of the  
LLC, of any Company Preferred Securities, as the context may require; provided,  
however, that in determining whether the holders of the requisite percentage of  
Trust Preferred Securities or Company Preferred Securities have given any  
request, notice, consent or waiver hereunder, "Holder" shall not include the  
Guarantor, the Guarantee Trustee, or any Affiliate of the Guarantor or the  
Guarantee Trustee.  
  
 "INDEBTEDNESS" means, with respect to a Person, (i) the principal of and  
premium, if any, and interest, if any, on, (A) indebtedness of such Person for  
money borrowed and (B) indebtedness evidenced by securities, notes, debentures,  
bonds or other similar instruments issued by such Person; (ii) all capital lease  
obligations of such Person; (iii) all obligations of such Person issued or  
assumed as the deferred purchase price of property, all conditional sale  
obligations of such Person and all obligations of such Person under any  
conditional sale or title retention agreement (but excluding trade accounts  
payable and accrued liabilities in the ordinary course of business); (iv) all  
obligations, contingent or otherwise, of such Person in respect of any letters  
of credit, banker's acceptance, security purchase facilities or similar credit  
transactions; (v) all obligations in respect of interest rate swap, cap, floor,  
collar or other agreements, interest  
  
  
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rate future or option contracts, currency swap agreements, currency future or  
option contracts and other similar agreements; and (vi) all obligations of the  
type referred to in clauses (i) through (v) of others for the payment of which  
such Person is responsible or liable as obligor, guarantor or otherwise.  
  
 "INDENTURE" means the Indenture, dated as of August 17, 1998, between the  
Guarantor and The Bank of New York, as Trustee, together with the Third  
Supplemental Indenture dated as of \_\_\_\_\_\_\_, 2000 relating to the Notes, each as  
amended or supplemented from time to time.  
  
 "JUNIOR SUBORDINATED INDEBTEDNESS" means all Indebtedness of the Guarantor  
subordinate and junior to Subordinated Indebtedness and Senior Indebtedness.  
  
 "LIST OF HOLDERS" has the meaning specified in Section 2.2(a).  
  
 "LLC AGREEMENT" means the Amended and Restated Limited Liability Company  
Agreement of the LLC dated as of \_\_\_\_\_\_\_\_, 2000, as the same may be amended from  
time to time.  
  
 "MAJORITY IN LIQUIDATION PREFERENCE OF THE COMPANY PREFERRED SECURITIES"  
means, except as provided by the Trust Indenture Act, a vote by the Holder(s),  
voting separately as a class, of more than 50% of the liquidation preference of  
all then outstanding Company Preferred Securities issued by the LLC.  
  
 "OFFICERS' CERTIFICATE" means, with respect to any Person, a certificate  
signed by the Chairman or a Vice Chairman of the Board, the President or a Vice  
President, and by the Treasurer, an Assistant Treasurer, the Secretary or an  
Assistant Secretary of such Person, and delivered to the Guarantee Trustee. Any  
Officers' Certificate delivered with respect to compliance with a condition or  
covenant provided for in this Guarantee Agreement shall include:  
  
 (a) a statement that each officer signing the Officers' Certificate  
 has read the covenant or condition and the definitions relating thereto;  
  
 (b) a brief statement of the nature and scope of the examination or  
 investigation undertaken by each officer in rendering the Officers'  
 Certificate;  
  
 (c) a statement that each officer has made such examination or  
 investigation as, in such officer's opinion, is necessary to enable such  
 officer to express an informed opinion as to whether or not such covenant  
 or condition has been complied with; and  
  
 (d) a statement as to whether, in the opinion of each officer, such  
 condition or covenant has been complied with.  
  
 "PERSON" means a legal person, including any individual, corporation,  
estate, partnership, joint venture, association, joint stock company, limited  
liability company, trust, unincorporated association, or government or any  
agency or political subdivision thereof, or any other entity of whatever nature.  
  
  
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 "RESPONSIBLE OFFICER" means, with respect to the Guarantee Trustee, any  
Senior Vice President, any Vice President, any Assistant Vice President, any  
Assistant Secretary, any Assistant Treasurer, any trust officer or assistant  
trust officer or any other officer of the Corporate Trust Department of the  
above designated officers and also means, with respect to a particular corporate  
trust matter, any other officer to whom such matter is referred because of that  
officer's knowledge of and familiarity with the particular subject.  
  
 "SENIOR INDEBTEDNESS" means all Indebtedness of the Guarantor, unless, in  
the instrument creating or evidencing the same or pursuant to which the same is  
outstanding, it is provided that such obligations are not superior in right of  
payment to Subordinated Indebtedness or Junior Subordinated Indebtedness or to  
other Indebtedness of the Guarantor which is pari passu with, or subordinated  
to, Subordinated Indebtedness or Junior Subordinated Indebtedness.  
  
 "SUBORDINATED INDEBTEDNESS" means all Indebtedness of the Guarantor which  
is subordinated and Junior in right of payment to Senior Indebtedness, but does  
not include Junior Subordinated Indebtedness.  
  
 "SUCCESSOR GUARANTEE TRUSTEE" means a successor Guarantee Trustee  
possessing the qualifications to act as Guarantee Trustee under Section 4.1.  
  
 "TRUST INDENTURE ACT" means the Trust Indenture Act of 1939, as amended.  
  
 ARTICLE II  
  
 TRUST INDENTURE ACT  
  
 SECTION 2.1 TRUST INDENTURE ACT; APPLICATION.  
  
 (a) This Guarantee Agreement is subject to the provisions of the  
 Trust Indenture Act that are required to be part of this Guarantee  
 Agreement and shall, to the extent applicable, be governed by such  
 provisions.  
  
 (b) If and to the extent that any provision of this Guarantee  
 Agreement limits, qualifies or conflicts with the duties imposed by  
 Sections 310 to 317, inclusive, of the Trust Indenture Act, such imposed  
 duties shall control.  
  
 SECTION 2.2 LIST OF HOLDERS.  
  
 (a) The Guarantor shall furnish or cause to be furnished to the  
 Guarantee Trustee (a) quarterly, on or before January 1, April 1, July 1  
 and October 1(1) of each year, a list, in such form as the Guarantee  
 Trustee may reasonably require, of the names and addresses of the Holders  
 of the Company Preferred Securities ("LIST OF HOLDERS") as of a date not  
 more than 15 days prior to the delivery thereof, and (b) at such other  
 times as the Guarantee Trustee may request in writing, within 30 days after  
 the receipt by the  
  
-----------------  
(1) These dates are 15 days before the interest payment dates.  
  
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 Guarantor of any such request, a List of Holders as of a date not more than  
 15 days prior to the time such list is furnished, in each case to the  
 extent such information is in the possession or control of the Guarantor  
 and is not identical to a previously supplied list of Holders or has not  
 otherwise been received by the Guarantee Trustee in its capacity as such.  
 The Guarantee Trustee may destroy any List of Holders previously given to  
 it on receipt of a new List of Holders.  
  
 (b) The Guarantee Trustee shall comply with its obligations under  
 Section 311(a), Section 311(b) and Section 312(b) of the Trust Indenture  
 Act.  
  
 SECTION 2.3 REPORTS BY THE GUARANTEE TRUSTEE.  
  
 Not later than May 15 of each year, commencing May 15, 2001 the Guarantee  
Trustee shall provide to the Holders of the Company Preferred Securities such  
reports as are required by Section 313 of the Trust Indenture Act, if any, in  
the form and in the manner provided by Section 313 of the Trust Indenture Act.  
The Guarantee Trustee shall also comply with the requirements of Section 313(d)  
of the Trust Indenture Act.  
  
 A copy of each such report shall, at the time of such transmission to  
Holders, be filed by the Guarantee Trustee with each national stock exchange,  
the NASDAQ National Market or such other interdealer quotation system or  
self-regulatory organization upon which the Company Preferred Securities are  
listed or traded, with the Commission and with the Guarantor. The Guarantor will  
promptly notify the Guarantee Trustee when any Company Preferred Securities are  
listed on any stock exchange and of any delisting thereof.  
  
 SECTION 2.4 PERIODIC REPORTS TO THE GUARANTEE TRUSTEE.  
  
 The Guarantor shall provide to the Guarantee Trustee, the Securities and  
Exchange Commission and the Holders such documents, reports and information, if  
any, as required by Section 314 of the Trust Indenture Act and the compliance  
certificate required by Section 314 of the Trust Indenture Act, in the form, in  
the manner and at the times required by Section 314 of the Trust Indenture Act.  
  
 SECTION 2.5 EVIDENCE OF COMPLIANCE WITH CONDITIONS PRECEDENT.  
  
 The Guarantor shall provide to the Guarantee Trustee such evidence of  
compliance with such conditions precedent, if any, provided for in this  
Guarantee Agreement that relate to any of the matters set forth in Section  
314(c) of the Trust Indenture Act. Any certificate or opinion required to be  
given by an officer pursuant to Section 314(c)(1) may be given in the form of an  
Officers' Certificate.  
  
 SECTION 2.6 EVENTS OF DEFAULT; WAIVER.  
  
 The Holders of a Majority in liquidation preference of the Company  
Preferred Securities may, by vote, on behalf of the Holders, waive any past  
Event of Default and its consequences. Upon such waiver, any such Event of  
Default shall cease to exist, and any Event of Default arising therefrom shall  
be deemed to have been cured, for every purpose of this Guarantee  
  
  
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Agreement, but no such waiver shall extend to any subsequent or other default or  
Event of Default or impair any right consequent therefrom.  
  
 SECTION 2.7 EVENT OF DEFAULT; NOTICE.  
  
 (a) The Guarantee Trustee shall, within 90 days after the occurrence  
 of an Event of Default known to the Guarantee Trustee, transmit by mail,  
 first class postage prepaid, to the Holders of the Company Preferred  
 Securities, notices of all such Events of Default unless such defaults have  
 been cured or waived before the giving of such notice; provided, that,  
 except in the case of a default in the payment of a Guarantee Payment, the  
 Guarantee Trustee shall be protected in withholding such notice if and so  
 long as the Board of Directors, the executive committee or a trust  
 committee of directors and/or Responsible Officers of the Guarantee Trustee  
 in good faith determines that the withholding of such notice is in the  
 interests of the Holders.  
  
 (b) The Guarantee Trustee shall not be deemed to have knowledge of  
 any Event of Default unless the Guarantee Trustee shall have received  
 written notice, or a Responsible Officer charged with the administration of  
 the Trust Agreement shall have obtained written notice, of such Event of  
 Default.  
  
 SECTION 2.8 CONFLICTING INTERESTS.  
  
 The Trust Agreement shall be deemed to be specifically described in this  
Guarantee Agreement for the purposes of clause (i) of the first proviso  
contained in Section 310(b) of the Trust Indenture Act.  
  
 ARTICLE III  
  
 POWERS, DUTIES AND RIGHTS OF THE GUARANTEE TRUSTEE  
  
 SECTION 3.1 POWERS AND DUTIES OF THE GUARANTEE TRUSTEE.  
  
 (a) This Guarantee Agreement shall be held by the Guarantee Trustee  
 for the benefit of the Holders of the Company Preferred Securities, and the  
 Guarantee Trustee shall not transfer this Guarantee Agreement to any Person  
 except a Holder exercising his or her rights pursuant to Section 5.4(iv) or  
 to a Successor Guarantee Trustee on acceptance by such Successor Guarantee  
 Trustee of its appointment to act as Successor Guarantee Trustee. The  
 right, title and interest of the Guarantee Trustee shall automatically vest  
 in any Successor Guarantee Trustee, upon acceptance by such Successor  
 Guarantee Trustee of its appointment hereunder, and such vesting and  
 cessation of title shall be effective whether or not conveyancing documents  
 have been executed and delivered pursuant to the appointment of such  
 Successor Guarantee Trustee.  
  
 (b) If an Event of Default has occurred and is continuing, the  
 Guarantee Trustee shall enforce this Guarantee Agreement for the benefit of  
 the Holders of the Company Preferred Securities.  
  
  
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 (c) The Guarantee Trustee, before the occurrence of any Event of  
 Default and after the curing or waiver of all Events of Default that may  
 have occurred, shall undertake to perform only such duties as are  
 specifically set forth in this Guarantee Agreement, and no implied  
 covenants shall be read into this Guarantee Agreement against the Guarantee  
 Trustee. In case an Event of Default has occurred (that has not been cured  
 or waived pursuant to Section 2.6), the Guarantee Trustee shall exercise  
 such of the rights and powers vested in it by this Guarantee Agreement, and  
 use the same degree of care and skill in its exercise thereof, as a prudent  
 person would exercise or use under the circumstances in the conduct of his  
 or her own affairs.  
  
 (d) No provision of this Guarantee Agreement shall be construed to  
 relieve the Guarantee Trustee from liability for its own negligent action,  
 its own negligent failure to act or its own willful misconduct, except  
 that:  
  
 (i) prior to the occurrence of any Event of Default and after  
 the curing or waiving of all such Events of Default that may have  
 occurred:  
  
 (A) the duties and obligations of the Guarantee Trustee  
 shall be determined solely by the express provisions of this  
 Guarantee Agreement, and the Guarantee Trustee shall not be  
 liable except for the performance of such duties and obligations  
 as are specifically set forth in this Guarantee Agreement; and  
  
 (B) in the absence of bad faith on the part of the  
 Guarantee Trustee, the Guarantee Trustee may conclusively rely,  
 as to the truth of the statements and the correctness of the  
 opinions expressed therein, upon any certificates or opinions  
 furnished to the Guarantee Trustee and conforming to the  
 requirements of this Guarantee Agreement; but in the case of any  
 such certificates or opinions that by any provision hereof or of  
 the Trust Indenture Act are specifically required to be furnished  
 to the Guarantee Trustee, the Guarantee Trustee shall be under a  
 duty to examine the same to determine whether or not they conform  
 to the requirements of this Guarantee Agreement;  
  
 (ii) the Guarantee Trustee shall not be liable for any error of  
 judgment made in good faith by a Responsible Officer of the Guarantee  
 Trustee, unless it shall be proved that the Guarantee Trustee was  
 negligent in ascertaining the pertinent facts upon which such judgment  
 was made;  
  
 (iii) the Guarantee 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 liquidation preference of the Company Preferred Securities  
 relating to the time, method and place of conducting any proceeding  
 for any remedy available to the Guarantee Trustee, or exercising any  
 trust or power conferred upon the Guarantee Trustee under this  
 Guarantee Agreement; and  
  
  
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 (iv) no provision of this Guarantee Agreement shall require the  
 Guarantee Trustee to expend or risk its own funds or otherwise incur  
 personal financial liability in the performance of any of its duties  
 or in the exercise of any of its rights or powers, if the Guarantee  
 Trustee shall have reasonable grounds for believing that the repayment  
 of such funds or liability is not reasonably assured to it under the  
 terms of this Guarantee Agreement or adequate indemnity against such  
 risk or liability is not reasonably assured to it.  
  
 SECTION 3.2 CERTAIN RIGHTS OF GUARANTEE TRUSTEE.  
  
 (a) Subject to the provisions of Section 3.1:  
  
 (i) The Guarantee Trustee may conclusively rely and shall be  
 fully protected in acting or refraining from acting upon any  
 resolution, certificate, statement, instrument, opinion, report,  
 notice, request, direction, consent, order, bond, debenture, note,  
 other evidence of indebtedness or other paper or document reasonably  
 believed by it to be genuine and to have been signed, sent or  
 presented by the proper party or parties.  
  
 (ii) Any direction or act of the Guarantor contemplated by this  
 Guarantee Agreement shall be sufficiently evidenced by an Officer's  
 Certificate unless otherwise prescribed herein.  
  
 (iii) Whenever, in the administration of this Guarantee  
 Agreement, the Guarantee Trustee shall deem it desirable that a matter  
 be proved or established before taking, suffering or omitting to take  
 any action hereunder, the Guarantee Trustee (unless other evidence is  
 herein specifically prescribed) may, in the absence of bad faith on  
 its part, request and rely upon an Officers' Certificate which, upon  
 receipt of such request from the Guarantee Trustee, shall be promptly  
 delivered by the Guarantor.  
  
 (iv) The Guarantee Trustee may consult with legal counsel of its  
 selection, and the written advice or opinion of such legal counsel  
 with respect to legal matters shall be full and complete authorization  
 and protection in respect of any action taken, suffered or omitted to  
 be taken by it hereunder in good faith and in accordance with such  
 advice or opinion. Such legal counsel may be legal counsel to the  
 Guarantor or any of its Affiliates and may be one of its employees.  
 The Guarantee Trustee shall have the right at any time to seek  
 instructions concerning the administration of this Guarantee Agreement  
 from any court of competent jurisdiction.  
  
 (v) The Guarantee Trustee shall be under no obligation to  
 exercise any of the rights or powers vested in it by this Guarantee  
 Agreement at the request or direction of any Holder, unless such  
 Holder shall have provided to the Guarantee Trustee such adequate  
 security and indemnity as would satisfy a reasonable person in the  
 position of the Guarantee Trustee, against the costs, expenses  
 (including attorneys' fees and expenses) and liabilities that might be  
 incurred by it  
  
  
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 in complying with such request or direction, including such reasonable  
 advances as may be requested by the Guarantee Trustee; provided that,  
 nothing contained in this Section 3.2(a)(v) shall be taken to relieve  
 the Guarantee Trustee, upon the occurrence of an Event of Default, of  
 its obligation to exercise the rights and powers vested in it by this  
 Guarantee Agreement.  
  
 (vi) The Guarantee Trustee shall not be bound to make any  
 investigation into the facts or matters stated in any resolution,  
 certificate, statement, instrument, opinion, report, notice, request,  
 direction, consent, order, bond, debenture, note, other evidence of  
 indebtedness or other paper or document, but the Guarantee Trustee, in  
 its discretion, may make such further inquiry or investigation into  
 such facts or matters as it may see fit, and if the Guarantee Trustee  
 shall determine to make such further inquiry or investigation, it  
 shall be entitled to examine the books, records and premises of the  
 Guarantor, personally or by agent or attorney.  
  
 (vii) The Guarantee Trustee may execute any of the trusts or  
 powers hereunder or perform any duties hereunder either directly or by  
 or through its agents or attorneys, and the Guarantee Trustee shall  
 not be responsible for any misconduct or negligence on the part of any  
 such agent or attorney appointed with due care by it hereunder.  
  
 (viii) Any action taken by the Guarantee Trustee or its agents  
 hereunder shall bind the Holders, and the signature of the Guarantee  
 Trustee or its agents alone shall be sufficient and effective to  
 perform such action. No third party shall be required to inquire as to  
 the authority of the Guarantee Trustee to so act or as to its  
 compliance with any of the terms and provisions of this Guarantee  
 Agreement, both of which shall be conclusively evidenced by the  
 Guarantee's or its agent's taking such action.  
  
 (ix) Whenever in the administration of this Guarantee Agreement  
 the Guarantee Trustee shall deem it desirable to receive instructions  
 with respect to enforcing any remedy or right or taking any other  
 action hereunder, the Guarantee Trustee (A) may request instructions  
 from the Holders of a Majority in Liquidation Amount of the Company  
 Preferred Securities, (B) may refrain from enforcing such remedy or  
 right or taking such other action until such instructions are  
 received, and (C) shall be protected in acting in accordance with such  
 instructions.  
  
 (b) No provision of this Guarantee Agreement shall be deemed to  
 impose any duty or obligation on the Guarantee Trustee to perform any act  
 or acts or exercise any right, power, duty or obligation conferred or  
 imposed on it in any jurisdiction in which it shall be illegal, or in which  
 the Guarantee Trustee shall be unqualified or incompetent in accordance  
 with applicable law, to perform any such act or acts or to exercise any  
 such right, power, duty or obligation. No permissive power or authority  
 available to the Guarantee Trustee shall be construed to be a duty to act  
 in accordance with such power and authority.  
  
  
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 SECTION 3.3 INDEMNITY.  
  
 The Guarantor agrees to indemnify the Guarantee Trustee for, and to hold it  
harmless against, any loss, liability or expense incurred without negligence or  
bad faith on the part of the Guarantee Trustee, arising out of or in connection  
with the acceptance or administration of this Guarantee Agreement, including the  
costs and expenses of defending itself against any claim or liability in  
connection with the exercise or performance of any of its powers or duties  
hereunder. The Guarantee Trustee will not claim or exact any lien or charge on  
any Guarantee Payments as a result of any amount due to it under this Guarantee  
Agreement.  
  
 ARTICLE IV  
  
 GUARANTEE TRUSTEE  
  
 SECTION 4.1 GUARANTEE TRUSTEE: ELIGIBILITY.  
  
 (a) There shall at all times be a Guarantee Trustee which shall:  
  
 (i) not be an Affiliate of the Guarantor; and  
  
 (ii) be a Person that is eligible pursuant to the Trust Indenture  
 Act to act as such and has a combined capital and surplus of at least  
 $50,000,000, and shall be a corporation meeting the requirements of  
 Section 310(c) of the Trust Indenture Act. If such corporation  
 publishes reports of condition at least annually, pursuant to law or  
 to the requirements of the supervising or examining authority, then,  
 for the purposes of this Section and to the extent permitted by the  
 Trust Indenture Act, the combined capital and surplus of such  
 corporation shall be deemed to be its combined capital and surplus as  
 set forth in its most recent report of condition so published.  
  
 (b) If at any time the Guarantee Trustee shall cease to be eligible  
 to so act under Section 4.1(a), the Guarantee Trustee shall immediately  
 resign in the manner and with the effect set out in Section 4.2(c).  
  
 (c) If the Guarantee Trustee has or shall acquire any "conflicting  
 interest" within the meaning of Section 310(b) of the Trust Indenture Act,  
 the Guarantee Trustee and Guarantor shall in all respects comply with the  
 provisions of Section 310(b) of the Trust Indenture Act.  
  
 SECTION 4.2 APPOINTMENT, REMOVAL AND RESIGNATION OF THE GUARANTEE TRUSTEE.  
  
 (a) Subject to Section 4.2(b), the Guarantee Trustee may be appointed  
 or removed without cause at any time by the Guarantor.  
  
 (b) The Guarantee Trustee shall not be removed until a Successor  
 Guarantee Trustee has been appointed and has accepted such appointment by  
 written instrument executed by such Successor Guarantee Trustee and  
 delivered to the Guarantor.  
  
  
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 (c) The Guarantee Trustee appointed hereunder shall hold office until  
 a Successor Guarantee Trustee shall have been appointed or until its  
 removal or resignation. The Guarantee Trustee may resign from office  
 (without need for prior or subsequent accounting) by an instrument in  
 writing executed by the Guarantee Trustee and delivered to the Guarantor,  
 which resignation shall not take effect until a Successor Guarantee Trustee  
 has been appointed and has accepted such appointment by instrument in  
 writing executed by such Successor Guarantee Trustee and delivered to the  
 Guarantor and the resigning Guarantee Trustee.  
  
 (d) If no Successor Guarantee Trustee shall have been appointed and  
 accepted appointment as provided in this Section 4.2 within 60 days after  
 delivery to the Guarantor of an instrument of resignation, the resigning  
 Guarantee Trustee may petition, at the expense of the Guarantor, any court  
 of competent jurisdiction for appointment of a Successor Guarantee Trustee.  
 Such court may thereupon, after prescribing such notice, if any, as it may  
 deem proper, appoint a Successor Guarantee Trustee.  
  
 ARTICLE V  
  
 GUARANTEE  
  
 SECTION 5.1 GUARANTEE.  
  
 The Guarantor irrevocably and unconditionally agrees to pay in full to the  
Holders of the Company Preferred Securities the Guarantee Payments (without  
duplication of amounts theretofore paid by or on behalf of the LLC), as and when  
due, regardless of any defense, right of setoff or counterclaim which the LLC  
may have or assert. The Guarantor's obligation to make a Guarantee Payment may  
be satisfied by direct payment of the required amounts by the Guarantor to the  
Holders of the Company Preferred Securities or by causing the LLC to pay such  
amounts to the Holders.  
  
 SECTION 5.2 WAIVER OF NOTICE AND DEMAND.  
  
 The Guarantor hereby waives notice of acceptance of the Guarantee Agreement  
and of any liability to which it applies or may apply, presentment, demand for  
payment, any right to require a proceeding first against the Guarantee Trustee,  
LLC or any other Person before proceeding against the Guarantor, protest, notice  
of nonpayment, notice of dishonor, notice of redemption and all other notices  
and demands.  
  
 SECTION 5.3 OBLIGATIONS NOT AFFECTED.  
  
 The obligations, covenants, agreements and duties of the Guarantor under  
this Guarantee Agreement shall in no way be affected or impaired by reason of  
the happening from time to time of any of the following:  
  
 (a) the release or waiver, by operation of law or otherwise, of the  
 performance or observance by the LLC of any express or implied agreement,  
 covenant, term or condition relating to the Company Preferred Securities to  
 be performed or observed by the LLC;  
  
  
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 (b) the extension of time for the payment by the LLC of all or any  
 portion of the Dividends (other than an extension of time for payment of  
 Dividends that results from the extension of any interest payment period on  
 the Notes as so provided in the Indenture), Redemption Price, Liquidation  
 Distribution or any other sums payable under the terms of the Company  
 Preferred Securities or the extension of time for the performance of any  
 other obligation under, arising out of, or in connection with, the Company  
 Preferred Securities;  
  
 (c) any failure, omission, delay or lack of diligence on the part of  
 the Holders to enforce, assert or exercise any right, privilege, power or  
 remedy conferred on the Holders pursuant to the terms of the Company  
 Preferred Securities, or any action on the part of the LLC granting  
 indulgence or extension of any kind;  
  
 (d) the voluntary or involuntary liquidation, dissolution, sale of  
 any collateral, receivership, insolvency, bankruptcy, assignment for the  
 benefit of creditors, reorganization, arrangement, composition or  
 readjustment of debt of, or other similar proceedings affecting, the LLC or  
 any of the assets of the LLC;  
  
 (e) any invalidity of, or defect or deficiency in, the Company  
 Preferred Securities;  
  
 (f) the settlement or compromise of any obligation guaranteed hereby  
 or hereby incurred; or  
  
 (g) any other circumstance whatsoever that might otherwise constitute  
 a legal or equitable discharge or defense of a guarantor, it being the  
 intent of this Section 5.3 that the obligations of the Guarantor hereunder  
 shall be absolute and unconditional under any and all circumstances.  
  
 There shall be no obligation of the Holders to give notice to, or obtain  
the consent of, the Guarantor with respect to the happening of any of the  
foregoing.  
  
 SECTION 5.4 RIGHTS OF HOLDERS.  
  
 The Guarantor expressly acknowledges that: (i) this Guarantee Agreement  
will be deposited with the Guarantee Trustee to be held for the benefit of the  
Holders of the Company Preferred Securities; (ii) the Guarantee Trustee has the  
right to enforce this Guarantee Agreement on behalf of the Holders of the  
Company Preferred Securities; (iii) the Holders of a Majority in liquidation  
preference of the Company Preferred Securities have the right to direct the  
time, method and place of conducting any proceeding for any remedy available to  
the Guarantee Trustee in respect of this Guarantee Agreement or exercising any  
trust or power conferred upon the Guarantee Trustee under this Guarantee  
Agreement; and (iv) to the fullest extent permitted by law, without the need for  
any other action of any person, including the Guarantee Trustee or any other  
Holder of Trust Preferred Securities or Company Preferred Securities, each  
Holder of Trust Preferred Securities or Company Preferred Securities will be  
entitled to enforce the rights of the Holders of the Company Preferred  
Securities under this Guarantee Agreement. The Guarantor waives, any right or  
remedy to require that any action on this Guarantee Agreement be  
  
  
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brought first against the LLC or any other Person or entity before proceeding  
directly against the Guarantor.  
  
 SECTION 5.5 GUARANTEE OF PAYMENT.  
  
 This Guarantee Agreement creates a guarantee of payment and not of  
collection. This Guarantee Agreement will not be discharged except by payment of  
the Guarantee Payments in full (without duplication of amounts theretofore paid  
by the LLC) or upon distribution of Notes to Holders as provided in the LLC  
Agreement and the Trust Agreement.  
  
 SECTION 5.6 SUBROGATION.  
  
 The Guarantor shall be subrogated to all (if any) rights of the Holders  
against the LLC in respect of any amounts paid to the Holders by the Guarantor  
under this Guarantee Agreement and shall have the right to waive payment by the  
LLC pursuant to Section 5.1; provided, however, that the Guarantor shall not  
(except to the extent required by mandatory provisions of law) be entitled to  
enforce or exercise any rights which it may acquire by way of subrogation or any  
indemnity, reimbursement or other agreement, in all cases as a result of payment  
under this Guarantee Agreement, if at the time of any such payment, any amounts  
are due and unpaid under this Guarantee Agreement. If any amount shall be paid  
to the Guarantor in violation of the preceding sentence, the Guarantor agrees to  
hold such amount in trust for the Holders of the Company Preferred Securities  
and to pay over such amount to the Holders.  
  
 SECTION 5.7 INDEPENDENT OBLIGATIONS.  
  
 The Guarantor acknowledges that its obligations hereunder are independent  
of the obligations of the LLC with respect to the Company Preferred Securities  
and that the Guarantor shall be liable as principal and as debtor hereunder to  
make Guarantee Payments pursuant to the terms of this Guarantee Agreement  
notwithstanding the occurrence of any event referred to in subsections (a)  
through (g), inclusive, of Section 5.3 hereof.  
  
 ARTICLE VI  
  
 COVENANTS AND SUBORDINATION  
  
 SECTION 6.1 SUBORDINATION.  
  
 This Guarantee Agreement will constitute an unsecured obligation of the  
Guarantor and will rank subordinate and junior in right of payment to all Senior  
Indebtedness and Subordinated Indebtedness of the Guarantor.  
  
 SECTION 6.2 PARI PASSU GUARANTEES.  
  
 This Guarantee Agreement shall rank pari passu with any similar Guarantee  
Agreements issued by the Guarantor on behalf of the Holders of Company Preferred  
Securities issued by TECO Funding Company I, LLC.  
  
  
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 ARTICLE VII  
  
 TERMINATION  
  
 SECTION 7.1 TERMINATION.  
  
 This Guarantee Agreement shall terminate and be of no further force and  
effect upon (i) full payment of the Redemption Price of all Company Preferred  
Securities, (ii) the distribution of Notes to the Holders in exchange for all of  
the Company Preferred Securities or (iii) full payment of the amounts payable in  
accordance with the Trust Agreement upon liquidation of the LLC, provided,  
however, that the provisions of Section 3.3 hereof shall survive the termination  
of this Guarantee Agreement. Notwithstanding the foregoing, this Guarantee  
Agreement will continue to be effective or will be reinstated, as the case may  
be, if at any time any Holder must restore payment of any sums paid with respect  
to Company Preferred Securities or this Guarantee Agreement.  
  
 ARTICLE VIII  
  
 MISCELLANEOUS  
  
 SECTION 8.1 SUCCESSORS AND ASSIGNS.  
  
 All guarantees and agreements contained in this Guarantee Agreement shall  
bind the successors, assigns, receivers, trustees and representatives of the  
Guarantor and shall inure to the benefit of the Holders of the Company Preferred  
Securities then outstanding. Except in connection with a consolidation, merger  
or sale involving the Guarantor that is permitted under Article Eight of the  
Indenture and pursuant to which the assignee agrees in writing to perform the  
Guarantor's obligations hereunder, the Guarantor shall not assign its  
obligations hereunder.  
  
 SECTION 8.2 AMENDMENTS.  
  
 Except with respect to any changes which do not adversely affect the rights  
of the Holders of the Company Preferred Securities in any material respect (in  
which case no consent of the Holders will be required), this Guarantee Agreement  
may only be amended with the prior approval of the Holders of not less than a  
Majority in liquidation preference of all the outstanding Company Preferred  
Securities. The provisions of Article VIII of the LLC Agreement concerning  
meetings of the Holders shall apply to the giving of such approval.  
  
 SECTION 8.3 NOTICES.  
  
 Any notice, request or other communication required or permitted to be  
given hereunder shall be in writing, duly signed by the party giving such  
notice, and delivered, telecopied or mailed by first class mail as follows:  
  
 (a) if given to the Guarantee Trustee, at the Guarantee Trustee's  
 mailing address set forth below (or such other address as the Guarantee  
 Trustee may give notice of to the Guarantor and the Holders):  
  
  
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 The Bank of New York  
 000 Xxxxxxx Xxxxxx  
 00xx Xxxxx  
 Xxx Xxxx, Xxx Xxxx 00000  
 Attention: Corporate Trust Trustee Administration  
  
 (b) if given to the Guarantor, to the address set forth below or such  
 other address, facsimile number or to the attention of such other Person as  
 the Guarantor may give notice to the Holders of the Company Preferred  
 Securities:  
  
 TECO Energy, Inc.  
 TECO Plaza  
 000 Xxxxx Xxxxxxxx Xxxxxx  
 Xxxxx, Xxxxxxx 00000  
 Attention: Secretary  
  
 (c) if given to any Holder, at the address set forth on the books and  
 records of the LLC.  
  
 All notices hereunder shall be deemed to have been given when received in  
person, telecopied with receipt confirmed, or mailed by first class mail,  
postage prepaid, except that if a notice or other document is refused delivery  
or cannot be delivered because of a changed address of which no notice was  
given, such notice or other document shall be deemed to have been delivered on  
the date of such refusal or inability to deliver.  
  
 SECTION 8.4 BENEFIT.  
  
 This Guarantee Agreement is for the benefit of the Holders of the Company  
Preferred Securities and is not separately transferable from the Company  
Preferred Securities. In addition, this Guarantee Agreement is for the benefit  
of the Holders of the Trust Preferred Securities and is not separately  
transferable from the Trust Preferred Securities.  
  
 SECTION 8.5 INTERPRETATION.  
  
 In this Guarantee Agreement, unless the context otherwise requires:  
  
 (a) capitalized terms used in this Guarantee Agreement but not  
 defined in the preamble hereto have the respective meanings assigned to  
 them in Section 1.1;  
  
 (b) a term defined anywhere in this Guarantee Agreement has the same  
 meaning throughout;  
  
 (c) all references to "the Guarantee Agreement" or "this Guarantee  
 Agreement" are to this Guarantee Agreement as modified, supplemented or  
 amended from time to time;  
  
 (d) all references in this Guarantee Agreement to Articles and  
 Sections are to Articles and Sections of this Guarantee Agreement unless  
 otherwise specified;  
  
  
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 (e) a term defined in the Trust Indenture Act has the same meaning  
 when used in this Guarantee Agreement unless otherwise defined in this  
 Guarantee Agreement or unless the context otherwise requires;  
  
 (f) a reference to the singular includes the plural and vice versa;  
 and  
  
 (g) the masculine, feminine or neuter genders used herein shall  
 include the masculine, feminine and neuter genders.  
  
 SECTION 8.6 GOVERNING LAW.  
  
 THIS GUARANTEE AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED  
IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE  
CONFLICT OF LAW PRINCIPLES THEREOF.  
  
 This instrument may be executed in any number of counterparts, each of  
which so executed shall be deemed to be an original, but all such counterparts  
shall together constitute but one and the same instrument.  
  
 THIS GUARANTEE AGREEMENT is executed as of the date first above written.  
  
 TECO ENERGY, INC.  
  
  
 By:  
 -------------------------------------  
 Name:  
 --------------------------------  
 Title:  
 -------------------------------  
  
  
 THE BANK OF NEW YORK  
 as Guarantee Trustee  
  
  
 By:  
 -------------------------------------  
 Name:  
 --------------------------------  
 Title:  
 -------------------------------  
  
  
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 ANNEX B  
 to the Amended and Restated  
 Limited Liability Company Agreement  
  
  
  
  
  
  
  
  
  
 ADMINISTRATION AGREEMENT  
  
  
  
  
  
  
  
  
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 ANNEX B  
 to the Amended and Restated  
 Limited Liability Company Agreement  
  
 ADMINISTRATION AGREEMENT  
  
 This ADMINISTRATION AGREEMENT (this "Agreement") dated as of \_\_\_\_\_\_\_\_\_\_\_,  
2000, is by and between TECO Funding Company \_\_, LLC (the "Company"), a Delaware  
limited liability company, and TECO Energy, Inc. ("TECO"), a Florida  
corporation, acting as administrator (the "Administrator").  
  
 WITNESSETH  
  
 WHEREAS, the Company proposes to engage in the following activities (among  
others):  
  
 i. to purchase newly issued junior subordinated notes (the "Subordinated  
Notes"), issued by TECO, in an aggregate principal amount of  
$[\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_];  
  
 ii. to issue (i) [\_\_\_\_\_\_\_\_\_\_\_\_\_\_] common limited liability company  
interests in the Company (the "Company Common Securities"), representing all of  
the common limited liability company interests in the Company, to TECO at an  
aggregate purchase price of $[\_\_\_\_\_\_\_\_\_\_]; and (ii) [\_\_]% Company Preferred  
Securities with an aggregate liquidation preference of $[\_\_\_\_\_\_\_\_\_] (the  
"Company Preferred Securities"), representing preferred limited liability  
company interests in the Company to TECO Capital Trust \_\_, a Delaware statutory  
business trust (the "Trust"), the proceeds of which will be used to purchase the  
Subordinated Notes and pay certain expenses relating to the foregoing offering;  
  
 iii. to enter into any agreements in connection with the foregoing  
(together with the Amended and Restated Limited Liability Company Agreement of  
the Company (the "Company Agreement"), the "Transaction Documents");  
  
 iv. to enter into any agreement providing for the management and  
administration of the activities of the Company; and  
  
 v. to engage in such activities and to exercise such powers permitted to  
limited liability companies under the laws of the State of Delaware that are  
incidental to or connected with the foregoing business or purposes or necessary  
to accomplish the foregoing or any other lawful purpose which is, in each case,  
not inconsistent with the Company Agreement as amended from time to time; and  
  
 WHEREAS, the Company has requested that the Administrator provide  
assistance to the Company and perform various services for the Company, and the  
Administrator is willing to furnish such services on the terms and conditions  
herein set forth. In connection herewith, the Administrator has also requested  
certain indemnities from the Company.  
  
 NOW, THEREFORE, in mutual consideration of these promises, the parties  
hereto agree as follows:  
  
 1. ADMINISTRATIVE SERVICES. The Administrator hereby agrees to provide  
certain services to the Company, and the Company hereby authorizes the  
Administrator to provide such services, including:  
  
  
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 (a) taking such actions, as Administrator on behalf of the Company  
(including through managers of the Company or through employees of the  
Administrator who are authorized by the Company), as are necessary or desirable  
for the Company to remain organized and qualified in all appropriate  
jurisdictions and to carry out its business in such manner as the managers of  
the Company determine and as the Company shall from time to time reasonably  
request in order to effect transactions of the type described in the recitals to  
this Agreement;  
  
 (b) providing, or causing to be provided, clerical, bookkeeping and other  
services necessary and appropriate for the Company, including, without  
limitation, the following services:  
  
 (i) providing such banking and investment services as may be agreed  
upon from time to time;  
  
 (ii) providing from its employees signatories to the Company's bank  
and investment accounts;  
  
 (iii) maintaining any books and records that are required in the  
ordinary course of the business of the Company (the "Business"), are agreed  
between the parties and are required in order to comply with any laws or  
regulations of the State of Delaware and in such form and manner as may be  
agreed upon from time to time;  
  
 (iv) preparing such periodic reports and accounting information as may  
be requested from time to time by the board of directors;  
  
 (v) dealing with correspondence relating to the Business;  
  
 (vi) providing a Company Secretary;  
  
 (vii) providing non-exclusive telephone, telecopy, telex, post office  
box and duplicating facilities and within its premises and such other  
non-exclusive space and ancillary services as may be necessary for the other  
purposes of the Business including facilities for meetings of the managers of  
the Company from time to time;  
  
 (viii) complying with the terms of the Company Agreement, all  
agreements to which the Company is a party and, without prejudice to the  
foregoing, not entering into, on behalf of the Company, any commitments, loans  
or obligations nor charging, mortgaging, pledging, encumbering or otherwise  
restricting or disposing of the Company's property or assets and generally not  
taking any action inconsistent with the Business; and  
  
 (ix) keeping confidential all documents, materials and other  
information relating to the Business and not disclosing any of the aforesaid  
without the prior consent of the Company unless it shall in good faith determine  
that such disclosure is necessary to protect the interests of the Administrator;  
and  
  
 (c) undertaking such other administrative services as may be reasonably  
requested by the Company, including providing notices to third parties on behalf  
of the Company  
  
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and providing such other services as are necessary or desirable for the Company  
to carry out its duties and obligations under the Transaction Documents.  
  
 Any of the above services may, if the Administrator or the Company deems it  
necessary or desirable, be subcontracted by the Administrator; provided, that  
prior written consent is obtained from the Company of such subcontract and,  
provided further, that notwithstanding such subcontract, the Administrator shall  
remain responsible for performance of the services set forth above.  
  
 2. COMPENSATION; INDEMNITIES.  
  
 (a) The Company agrees to pay to the Administrator, in consideration  
for the Administrator's services described in Sections 1 above, an annual fee as  
determined periodically by the Company and the Administrator, which fee in no  
event shall exceed the value of the services provided by the Administrator to  
the Company on an arms-length basis.  
  
 (b) The Company shall pay and shall indemnify and hold harmless the  
Administrator and the Administrator's directors, officers, employees and agents  
(each of the foregoing an "Administrator Indemnified Person") from and against  
any and all losses, liabilities (including liabilities for penalties), actions,  
suits, judgments, demands, damages, costs and expenses (including, without  
limitation, under any securities laws, rules or regulations) arising from or  
relating to the transactions contemplated hereby (all of the foregoing being  
collectively referred to as "Indemnified Amounts"), provided, however, that the  
Company shall have no obligation to indemnify any Administrator Indemnified  
Person hereunder in respect of Indemnified Amounts to the extent any such  
losses, liabilities, actions, suits, judgments, demands, damages, costs and  
expenses resulted from the negligence or willful misconduct of such  
Administrator Indemnified Person.  
  
 (c) The Administrator shall pay and shall protect, indemnify and hold  
harmless the Company and its members, employees and agents and all Persons  
affiliated with the Company (each of the foregoing a "Company Indemnified  
Person") from and against any and all losses, liabilities (including liabilities  
for penalties), actions, suits, judgments, demands, damages, costs and expenses  
(including, without limitation, reasonable fees and expenses of counsel) of any  
nature (including, without limitation, under any securities laws, rules or  
regulations) arising from or relating to the Administrator's negligence or  
willful misconduct or that of its directors, officers, employees and agents in  
connection with the exercise of the Administrator's rights and/or the  
performance of the Administrator's duties hereunder.  
  
 (d) This Section 2 shall survive the termination of this Agreement.  
  
 3. TERM. The Company may terminate this Agreement upon at least 90 days'  
written notice to the Administrator.  
  
 4. OBLIGATION TO SUPPLY INFORMATION. The Company shall forward to the  
Administrator such information in connection with the Transaction Documents as  
the Administrator may from time to time reasonably request in connection with  
the performance of its obligations hereunder.  
  
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 5. THE ADMINISTRATOR'S LIABILITY AND STANDARD OF CARE. The Administrator  
assumes no liability for anything other than the services rendered by it  
pursuant to Section 1. Without limiting the generality of the foregoing, it is  
agreed that the Administrator assumes no liability with respect to any of the  
Company's obligations under the Transaction Documents.  
  
 The Administrator shall perform its duties hereunder diligently and with  
the same standard of care exercised by a prudent person in connection with the  
performance of the same or similar duties and, in no event with less care than  
the Administrator exercises or would exercise in connection with the same or  
similar obligations if those obligations were the direct obligations of the  
Administrator.  
  
 6. RELIANCE ON INFORMATION OBTAINED FROM THIRD PARTIES. The Company  
recognizes that the accuracy and completeness of the records maintained and the  
information supplied by the Administrator hereunder is dependent upon the  
accuracy and completeness of the information obtained by the Administrator from  
the parties to the Transaction Documents and other sources and the Administrator  
shall not be responsible for any inaccuracy in the information so obtained or  
for any inaccuracy in the records maintained by the Administrator hereunder that  
may result therefrom.  
  
 7. NOTICES. All notices and other communications to be given shall be in  
writing (including by facsimile transmission) and delivered to the relevant  
address or number specified below (or such other address or number as may be  
notified in accordance with this Section 7) and shall take effect at the time of  
receipt.  
  
 The Company:  
  
 TECO Funding Company \_\_, LLC  
 c/o The Corporation Trust Company  
 0000 Xxxxxx Xxxxxx  
 Xxxxxxxxxx, XX 00000  
 Telephone:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
  
 The Administrator:  
  
 TECO Energy, Inc.  
 000 Xxxxx Xxxxxxxx Xxxxxx  
 Xxxxx, XX 00000  
 Telephone: (000) 000-0000  
 Facsimile: (813) \_\_\_\_\_\_\_\_  
 Attention: Secretary  
  
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 With a copy to:  
  
 Xxxxxx & Dodge LLP  
 Xxx Xxxxxx Xxxxxx  
 Xxxxxx, XX 00000  
 Telephone: (000) 000-0000  
 Facsimile: (000) 000-0000  
 Attention: Xxxx X. Xxxxxxxx, Esq.  
  
 8. NO JOINT VENTURE. Nothing contained in this Agreement shall constitute  
the Administrator and the Company as members of any partnership, joint venture,  
association, syndicate or unincorporated business.  
  
 9. ASSIGNMENT. This Agreement may not be assigned by any party without the  
prior written consent of the other parties, provided, that the parties hereby  
agree that if TECO sells, assigns or otherwise transfers the Company Common  
Securities to a wholly owned subsidiary of TECO, TECO's rights (and obligations)  
under this Agreement (including those of the Administrator) may be assigned to  
such subsidiary. Subject to the foregoing, this Agreement shall be binding upon  
and inure to the benefit of the parties hereto and their respective successors  
and assigns.  
  
 10. GOVERNING LAW. This Administration Agreement shall be governed by and  
construed in accordance with the laws of the State of Delaware.  
  
 11. MISCELLANEOUS. No waiver, alteration, modification, amendment or  
supplement of the terms of this Agreement shall be effective unless accomplished  
by written instrument signed by all parties hereto. This Agreement may be  
executed in any number of counterparts and by different parties hereto on  
separate counterparts, each of which counterparts, when so executed and  
delivered, shall be deemed to be an original and all of which counterparts,  
taken together, shall constitute one and the same Agreement. This Agreement  
constitutes the entire agreement between the parties hereto with respect to the  
matters covered hereby and supersedes all prior agreements and understandings  
with respect to such matters between the parties.  
  
 [remainder of page intentionally left blank]  
  
  
  
  
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 IN WITNESS WHEREOF, the parties hereto have caused this Administration  
Agreement to be executed as of the date first written above.  
  
 TECO Energy, Inc.  
  
  
 By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
  
 Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
  
 Title:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
  
  
  
 TECO FUNDING COMPANY \_\_, LLC  
  
  
 By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
  
 Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
  
 Title:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
  
  
  
  
  
  
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 ANNEX C  
 to the Amended and Restated  
 Limited Liability Company Agreement  
  
  
  
 BY-LAWS  
  
 OF  
  
 TECO FUNDING COMPANY \_\_\_, LLC  
  
  
 These By-Laws have been established as the By-Laws of TECO Funding  
Company \_\_\_, LLC, a Delaware limited liability company (the "COMPANY"), pursuant  
to the Amended and Restated Limited Liability Company Agreement, dated as of  
\_\_\_\_\_\_\_\_\_\_\_, 20\_\_ (as from time to time amended, modified or supplemented, the  
"AGREEMENT"), pursuant to which the Company's existence has been continued, and,  
together with the Agreement and the other annexes thereto, are deemed to be the  
limited liability company agreement of the Company for purposes of the Delaware  
Act. In the event of any inconsistency between the Agreement and these By-Laws,  
the provisions of the Agreement shall control.  
  
 Capitalized terms used and not otherwise defined herein shall have the  
meanings ascribed to them in the Agreement.  
  
 ARTICLE 1  
  
 SECURITYHOLDERS  
  
 Section 1.1 ANNUAL MEETINGS. An annual meeting of Securityholders may  
be held at such date, time and place, either within or without the State of  
Delaware and outside of the State of Florida, if and as may be decided and  
designated by the Board of Directors from time to time; provided, however the  
Company shall not be required to have an annual meeting of Securityholders. Any  
other proper business may be transacted at the annual meeting.  
  
 Section 1.2 SPECIAL MEETINGS. Special meetings of Securityholders may  
be called at any time by the Chairman of the Board, if any, the President, or  
the Board of Directors, to be held at such date, time and place, either within  
or without the State of Delaware and outside of the State of Florida, except in  
the case of an emergency, in which case meetings may be held within the State of  
Florida, as may be stated in the notice of the meeting. A special meeting of  
Securityholders shall be called by the Secretary upon the written request,  
stating the purpose of the meeting, of Securityholders who together own of  
record a majority of the Securities entitled to vote at such meeting.  
  
 Section 1.3 NOTICE OF MEETINGS. Whenever Securityholders are required  
or permitted to take any action at a meeting, a written notice of the meeting  
shall be given which shall state the place, date and hour of the meeting, and,  
in the case of a special meeting, the purpose or purposes for which the meeting  
is called. Unless otherwise provided by law, the written notice of any meeting  
shall be given not less than ten nor more than sixty days before the date of the  
meeting to each Securityholder entitled to vote at such meeting. If mailed, such  
notice shall be  
  
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deemed to be given when deposited in the United States mail, postage prepaid,  
directed to the Securityholder at such Securityholder's address as it appears on  
the records of the Company.  
  
 Section 1.4 ADJOURNMENTS. Any meeting of Securityholders, annual or  
special, may be adjourned from time to time, to reconvene at the same or some  
other place, and notice need not be given of any such adjourned meeting if the  
time and place thereof are announced at the meeting at which the adjournment is  
taken. At the adjourned meeting the Company may transact any business which  
might have been transacted at the original meeting. If the adjournment is for  
more than thirty days, or if after the adjournment a new record date is fixed  
for the adjourned meeting, a notice of the adjourned meeting shall be given to  
each Securityholder of record entitled to vote at the meeting.  
  
 Section 1.5 QUORUM. At each meeting of Securityholders, except where  
otherwise provided by law or the Agreement or these By-Laws, the holders of at  
least 50% of the Company Common Securities and the Company Preferred Securities  
(together, the "Securities") entitled to vote on a matter at the meeting,  
present in person or represented by proxy, shall constitute a quorum. In the  
absence of a quorum of the holders of Securities entitled to vote on a matter,  
the holders of a majority of the Securities present or represented may adjourn  
such meeting from time to time in the manner provided by Section 1.4 of these  
By-Laws until a quorum shall be so present or represented. Securities other than  
Common Securities belonging on the record date for the meeting to the Company or  
an Affiliate of the Company shall neither be entitled to vote nor be counted for  
quorum purposes.  
  
 Section 1.6 ORGANIZATION. Meetings of Securityholders shall be presided  
over by the Chairman of the Board, if any, or in the absence of the Chairman of  
the Board by the President, or in the absence of the President by a chairman  
designated by the Board of Directors, or in the absence of such designation, by  
a chairman chosen at the meeting. The Secretary, or in the absence of the  
Secretary, the chairman of the meeting may appoint any person to act as  
secretary of the meeting.  
  
 Section 1.7 VOTING; PROXIES. Unless otherwise provided in the  
Agreement, each Securityholder entitled to vote at any meeting of  
Securityholders shall have voting power proportionate to the outstanding amount,  
based on initial issue price (in the case of Company Common Securities) and  
liquidation preference (in the case of Company Preferred Securities), of the  
Securities held by such Securityholder that have voting power upon the matter in  
question. Each Securityholder entitled to vote at a meeting of Securityholders  
or to express consent or dissent to action in writing without a meeting may  
authorize another person or persons to act for such Securityholder by proxy, but  
no such proxy shall be voted or acted upon after three years from its date,  
unless the proxy provides for a longer period. A duly executed proxy shall be  
irrevocable if it states that it is irrevocable and if, and only as long as, it  
is coupled with an interest sufficient in law to support an irrevocable power,  
regardless of whether the interest with which it is coupled is an interest in  
the Securities themselves or an interest in the Company generally. A  
Securityholder may revoke any proxy which is not irrevocable by attending the  
meeting and voting in person or by filing an instrument in writing revoking the  
proxy or another duly executed proxy, bearing a later date with the Secretary of  
the Company. Voting at meetings of Securityholders need not be by written ballot  
unless the holders of a majority of the outstanding Securities entitled to vote  
thereon present in person or represented by proxy at such  
  
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meeting shall so determine. Directors shall be designated, removed and replaced  
as provided in the Agreement and Article 2 hereof. Other than in the case of any  
matter expressly set forth in the Agreement for which a higher vote may be  
required, the affirmative vote of the holders of a majority of the Securities  
present in person or represented by proxy at the meeting and entitled to vote on  
the subject matter shall be the act of the Securityholders.  
  
 Section 1.8 FIXING DATE FOR DETERMINATION OF SECURITYHOLDERS OF RECORD.  
In order that the Company may determine the Securityholders entitled to notice  
of or to vote at any meeting of Securityholders or any adjournment thereof, the  
Board of Directors may fix a record date, which record date shall not precede  
the date upon which the resolution fixing the record date is adopted by the  
Board of Directors, and which record date shall not be more than sixty nor less  
than ten days before the date of such meeting. If no record date is fixed by the  
Board of Directors, the record date for determining Securityholders entitled to  
notice of or to vote at a meeting of Securityholders shall be at the close of  
business on the day next preceding the day on which notice is given, or, if  
notice is waived, at the close of business on the day next preceding the day on  
which the meeting is held. A determination of Securityholders of record entitled  
to notice of or to vote at a meeting of Securityholders shall apply to any  
adjournment of the meeting; provided, however, that the Board of Directors may  
fix a new record date for the adjourned meeting.  
  
 In order that the Company may determine the Securityholders entitled to  
consent to action in writing without a meeting, the Board of Directors may fix a  
record date, which record date shall not precede the date upon which the  
resolution fixing the record date is adopted by the Board of Directors, and  
which date shall not be more than ten days after the date upon which the  
resolution fixing the record date is adopted by the Board of Directors. If no  
record date has been fixed by the Board of Directors, the record date for  
determining Securityholders entitled to consent to action in writing without a  
meeting, when no prior action by the Board of Directors is required by law,  
shall be the first date on which a signed written consent setting forth the  
action taken or proposed to be taken is delivered to the Company by delivery to  
(a) its registered office in the State of Delaware, (b) its principal place of  
business, or (c) an Officer or agent of the Company having custody of the book  
in which proceedings of meetings of Securityholders are recorded. Delivery made  
to the Company's registered office shall be by hand or by certified or  
registered mail, return receipt requested. If no record date has been fixed by  
the Board of Directors and prior action by the Board of Directors is required by  
law, the record date for determining Securityholders entitled to consent to  
action in writing without a meeting shall be at the close of business on the day  
on which the Board of Directors adopts the resolution taking such prior action.  
  
 In order that the Company may determine the Securityholders entitled to  
receive payment of any distribution or allotment of any rights or the  
Securityholders entitled to exercise rights in respect of any exchange of  
Securities, or for the purpose of any other lawful action, the Board of  
Directors may fix a record date, which record date shall not precede the date  
upon which the resolution fixing the record date is adopted, and which record  
date shall be not more than sixty days prior to such action. If no record date  
is fixed, the record date for determining Securityholders for any such purpose  
shall be at the close of business on the day on which the Board of Directors  
adopts the resolution relating thereto.  
  
  
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 Section 1.9 LIST OF SECURITYHOLDERS ENTITLED TO VOTE. The Secretary  
shall prepare and make, at least ten days before every meeting of  
Securityholders, a complete list of the Securityholders entitled to vote at the  
meeting, arranged in alphabetical order, and showing the address of each  
Securityholder and the amount of Securities registered in the name of each  
Securityholder. Such list shall be open to the examination of any  
Securityholder, for any purpose germane to the meeting, during ordinary business  
hours, for a period of at least ten days prior to the meeting, either at a place  
within the city where the meeting is to be held, which place shall be specified  
in the notice of the meeting, or, if not so specified, at the place where the  
meeting is to be held. The list shall also be produced and kept at the time and  
place of the meeting during the whole time thereof and may be inspected by any  
Securityholder who is present.  
  
 Section 1.10 CONSENT OF SECURITYHOLDERS IN LIEU OF MEETING. Unless  
otherwise provided in the Agreement or by law, any action required by law to be  
taken at any annual or special meeting of Securityholders of the Company, or any  
action which may be taken at any annual or special meeting of such  
Securityholders, may be taken without a meeting, without prior notice and  
without a vote, if a consent or consents in writing, setting forth the action so  
taken, shall be signed by the holders of outstanding Securities having not less  
than the minimum number of votes that would be necessary to authorize or take  
such action at a meeting at which all Securities entitled to vote thereon were  
present and voted and shall be delivered to the Company by delivery to (a) its  
registered office in the State of Delaware by hand or by certified mail or  
registered mail, return receipt requested, (b) its principal place of business,  
or (c) an Officer or agent of the Company having custody of the book in which  
proceedings of meetings of Securityholders are recorded. Every written consent  
shall bear the date of signature of each Securityholder who signs the consent  
and no written consent shall be effective to take the action referred to therein  
unless, within sixty days of the earliest dated consent delivered in the manner  
required by this By-Law to the Company, written consents signed by holders  
representing a sufficient amount of Securities to take action are delivered to  
the Company by delivery to (a) its registered office in the State of Delaware by  
hand or by certified or registered mail, return receipt requested, (b) its  
principal place of business, or (c) an Officer or agent of the Company having  
custody of the book in which proceedings of meetings of Securityholders are  
recorded. Prompt notice of the taking of the action without a meeting by less  
than unanimous written consent shall be given to those Securityholders who have  
not consented in writing.  
  
 ARTICLE 2  
  
 BOARD OF DIRECTORS  
  
 Section 2.1 NUMBER; POWERS; BY-LAWS. The business and affairs of the  
Company shall be managed by or under the direction of a Board composed of not  
less than one nor more than seven Directors. The Board shall manage the business  
and affairs of the Company and may exercise all powers in connection therewith,  
except for such powers as are required to be exercised by Securityholders, all  
in accordance with the Agreement, these By-Laws and applicable law. Except to  
the extent that the Board or the Securityholders confer such authority on a  
Director, no Director shall have the authority to bind the Company.  
  
  
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 Section 2.2 VOTING POWER. Each Director shall, in the consideration of  
any matter by the Board, have a single vote at the time such vote is taken or  
made (whether at a meeting or by written consent). Except where a greater  
percentage approval may be provided for herein or in the Agreement or by law, an  
action shall be deemed approved by the Board only if it has been approved by a  
majority of the Directors.  
  
 Section 2.3 QUORUM. At all meetings of the Board, the presence of at  
least a majority of Directors shall constitute a quorum for the transaction of  
business. In case at any meeting of the Board a quorum shall not be present, any  
Director present may adjourn the meeting from time to time until a quorum shall  
be present.  
  
 Section 2.4 DESIGNATION; REMOVAL; REPLACEMENT. The term of office of a  
Director shall be until the earliest of the following events: (i) his or her  
successor is designated or (ii) he or she resigns or is removed. Any Director  
may be removed, with or without cause by majority vote of the remaining  
Directors. In the event of the resignation, removal or death of a Director, such  
Director shall be replaced by another person designated by majority vote of the  
remaining Directors. Any Director may resign at any time upon written notice to  
the Board of Directors or to the President or the Secretary of the Company. Such  
resignation shall take effect at the time specified therein, and unless  
otherwise specified therein no acceptance of such resignation shall be necessary  
to make it effective.  
  
 Section 2.5 REGULAR MEETINGS. Regular meetings of the Board of  
Directors may be held at such places, within or without the State of Delaware  
and outside of the State of Florida, at such times as the Board may from time to  
time determine, and if so determined notice thereof need not be given.  
  
 Section 2.6 SPECIAL MEETINGS. Special meetings of the Board of  
Directors may be held at any time or place, either within or without the State  
of Delaware and outside of the State of Florida, except in the case of an  
emergency, in which case a special meeting may be held within the State of  
Florida, as may be stated in the notice of the meeting, whenever called by the  
Chairman of the Board, by the President or by any two Directors. Reasonable  
notice thereof shall be given by the person or persons calling the meeting.  
  
 Section 2.7 PARTICIPATION IN MEETINGS BY CONFERENCE TELEPHONE  
PERMITTED. Unless otherwise restricted by the Agreement or these By-Laws, the  
Board of Directors, or any committee designated by the Board, may participate in  
a meeting of the Board or of such committee, as the case may be, by means of  
conference telephone or similar communications equipment by means of which all  
persons participating in the meeting can hear each other, and participation in a  
meeting pursuant to this By-Law shall constitute presence in person at such  
meeting.  
  
 Section 2.8 ORGANIZATION. Meetings of the Board of Directors shall be  
presided over by the Chairman of the Board, or in the absence of the Chairman of  
the Board by the President, or in their absence, by a chairman chosen at the  
meeting. The Secretary, or in the absence of the Secretary, an Assistant  
Secretary, shall act as secretary of the meeting, but in the absence of the  
Secretary and any Assistant Secretary, the chairman of the meeting may appoint  
any person to act as secretary of the meeting.  
  
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 Section 2.9 ACTION BY DIRECTORS WITHOUT A MEETING. Unless otherwise  
restricted by the Agreement or these By-Laws, any action required or permitted  
to be taken at any meeting of the Board of Directors, or of any committee  
thereof, may be taken without a meeting if all of the Board or of such  
committee, as the case may be, consent thereto in writing, and the writing or  
writings are filed with the minutes of proceedings of the Board or committee.  
  
 ARTICLE 3  
  
 COMMITTEES  
  
 Section 3.1 COMMITTEES. The Board of Directors may, by resolution of  
the Board adopted by majority vote, designate one or more committees, each  
committee to consist of one or more of the Directors of the Company. Any such  
committee, to the extent provided in the resolution of the Board of Directors or  
in these By-Laws, shall have and may exercise all the powers and authority of  
the Board of Directors in the management of the business and affairs of the  
Company, and may authorize the seal of the Company to be affixed to all papers  
which may require it; but no such committee shall have the power or authority in  
reference to amending the Certificate of Formation, adopting an agreement of  
merger, consolidation or conversion, recommending to the Securityholders the  
sale, lease or exchange of all or substantially all of the Company's property  
and assets, recommending to the Securityholders a dissolution of the Company or  
a revocation of a dissolution or amending these By-Laws; and, unless the  
resolution, these By-Laws or the Agreement expressly so provides, no such  
committee shall have the power or authority to authorize the issuance of  
Securities, to adopt a certificate of ownership and merger, consolidation or  
conversion or to remove or indemnify Officers or Directors.  
  
 Section 3.2 COMMITTEE RULES. Unless the Board of Directors otherwise  
provides, each committee designated by the Board may adopt, amend and repeal  
rules for the conduct of its business. In the absence of a provision by the  
Board or a provision in the rules of such committee to the contrary, a majority  
of the members of such committee shall constitute a quorum for the transaction  
of business, the vote of a majority of the members present at a meeting at the  
time of such vote if a quorum is then present shall be the act of such  
committee, and in other respects each committee shall conduct its business in  
the same manner as the Board conducts its business pursuant to Article 2 of  
these By-Laws.  
  
 ARTICLE 4  
  
 OFFICERS  
  
 Section 4.1 OFFICERS; ELECTION. As soon as practicable after the annual  
meeting of Securityholders in each year, the Board of Directors shall elect a  
President and a Secretary, and may also elect one or more Vice Presidents, one  
or more Assistant Vice Presidents, one or more Assistant Secretaries, a  
Treasurer and one or more Assistant Treasurers and such other Officers as the  
Board may deem desirable or appropriate and may give any of them such further  
designations or alternate titles as it considers desirable. Any number of  
offices may be held by the same person unless the Agreement or these By-Laws  
otherwise provide.  
  
 Section 4.2 TERM OF OFFICE; RESIGNATION; REMOVAL; VACANCIES. Unless  
otherwise provided in the resolution of the Board of Directors electing any  
Officer, each Officer shall hold  
  
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office until his or her successor is elected and qualified or until his or her  
earlier resignation or removal. Any Officer may resign at any time upon written  
notice to the Board or to the President or the Secretary of the Company. Such  
resignation shall take effect at the time specified therein, and unless  
otherwise specified therein no acceptance of such resignation shall be necessary  
to make it effective. The Board may remove any Officer with or without cause at  
any time. Any such removal shall be without prejudice to the contractual rights  
of such Officer, if any, with the Company, but the election of an Officer shall  
not of itself create contractual rights. Any vacancy occurring in any office of  
the Company by death, resignation, removal or otherwise may be filled by the  
Board at any regular or special meeting.  
  
 Section 4.3 POWERS AND DUTIES. The Officers of the Company shall have  
such powers and duties in the management of the Company as shall be stated in  
these By-Laws or in a resolution of the Board of Directors which is not  
inconsistent with these By-Laws and, to the extent not so stated, as generally  
pertain to comparable offices in a corporation organized under the General  
Corporation Law of the State of Delaware, subject to the control of the Board.  
The Secretary shall have the duty to record the proceedings of the meetings of  
the Securityholders, the Board of Directors and any committees in a book to be  
kept for that purpose. The Board may require any Officer, agent or employee to  
give security for the faithful performance of his or her duties.  
  
 ARTICLE 5  
  
 SECURITIES  
  
 Section 5.1 CERTIFICATES FOR SECURITIES. The Securities shall be  
registered in certificated form. If such certificate is manually countersigned  
by a transfer agent or by a registrar, any other signature on the certificate  
may be a facsimile. In case any Officer who has signed or whose facsimile  
signature has been placed upon a certificate shall have ceased to be such  
Officer before such certificate is issued, it may be issued by the Company with  
the same effect as if such person were such Officer at the date of issue.  
  
 ARTICLE 6  
  
 MISCELLANEOUS  
  
 Section 6.1 SEAL. The Company may have a company seal which shall have  
the name of the Company inscribed thereon and shall be in such form as may be  
approved from time to time by the Board of Directors. The company seal may be  
used by causing it or a facsimile thereof to be impressed or affixed or in any  
other manner reproduced.  
  
 Section 6.2 WAIVER OF NOTICE OF MEETINGS OF SECURITYHOLDERS, DIRECTORS  
AND COMMITTEES. Whenever notice is required to be given by law or under any  
provision of the Agreement or these By-Laws, a written waiver thereof, signed by  
the person entitled to notice, whether before or after the time stated therein,  
shall be deemed equivalent to notice. Attendance of a person at a meeting shall  
constitute a waiver of notice of such meeting, except when the person attends a  
meeting for the express purpose of objecting, at the beginning of the meeting,  
to the transaction of any business because the meeting is not lawfully called or  
convened. Neither the business to be transacted at, nor the purpose of, any  
regular or special meeting of the  
  
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Securityholders, Directors or a committee of Directors need be specified in any  
written waiver of notice unless so required by the Agreement or these By-Laws.  
  
 Section 6.3 INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES. The  
Company shall indemnify to the full extent permitted under the Delaware Act any  
person made or threatened to be made a party to any action, suit or proceeding,  
whether civil, criminal, administrative or investigative, by reason of the fact  
that such person or such person's testator or intestate is or was a Director,  
Officer or employee of the Company or serves or served at the request of the  
Company any other enterprise as a Director, director, officer or employee except  
for such Director's or Officer's gross negligence or willful misconduct.  
Expenses, including reasonable attorneys' fees, incurred by any such person in  
defending any such action, suit or proceeding shall be paid or reimbursed by the  
Company promptly upon receipt by it of an undertaking of such person to repay  
such expenses if it shall ultimately be determined that such person is not  
entitled to be indemnified by the Company. The rights provided to any person by  
this By-Law shall be enforceable against the Company by such person who shall be  
presumed to have relied upon it in serving or continuing to serve as a Director,  
Officer or employee as provided above. No amendment of this By-Law shall impair  
the rights of any person arising at any time with respect to events occurring  
prior to such amendment. For purposes of this By-Law, the term "Company" shall  
include any predecessor of the Company and any constituent company (including  
any constituent of a constituent) absorbed by the Company in a consolidation or  
merger; the term "other enterprise" shall include any limited liability company,  
corporation, partnership, joint venture, trust or employee benefit plan; service  
"at the request of the Company" shall include service as a Director, Officer or  
employee of the Company which imposes duties on, or involves services by, such  
Director, Officer or employee with respect to an employee benefit plan, its  
participants or beneficiaries; any excise taxes assessed on a person with  
respect to an employee benefit plan shall be deemed to be indemnifiable  
expenses; and action by a person with respect to an employee benefit plan which  
such person reasonably believes to be in the interest of the participants and  
beneficiaries of such plan shall be deemed to be action not opposed to the best  
interests of the Company. The rights conferred on any Person by this Section 6.3  
shall not be exclusive of any other rights which such Person may have or  
hereafter acquire under any statute, provision of these By-Laws, the Agreement,  
any other agreement, vote of Securityholders or disinterested Directors or  
otherwise. The Company's obligation, if any, to indemnify any Person who was or  
is serving at its request as a director, officer, employee or agent of any other  
enterprise shall be reduced by any amount such Person may collect as  
indemnification from such other enterprise. Any repeal or modification of the  
foregoing provisions of this Section 6.4 shall not adversely affect any right of  
protection hereunder of any Person in respect of any act or omission occurring  
prior to the time of such repeal or modification.  
  
 Section 6.4 INTERESTED DIRECTORS; QUORUM. No contract or transaction  
between the Company and one or more of its Directors or Officers, or between the  
Company and any other limited liability company, corporation, partnership,  
association or other organization in which one or more of its Directors or  
Officers are Directors or officers, or have a financial interest, shall be void  
or voidable solely for this reason, or solely because the Director or Officer is  
present at or participates in the meeting of the Board of Directors or committee  
thereof which authorizes the contract or transaction, or solely because his or  
her or their votes are counted for such purpose, if: (1) the material facts as  
to his or her relationship or interest and as to the  
  
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contract or transaction are disclosed or are known to the Board or the  
committee, and the Board or committee in good faith authorizes the contract or  
transaction by the affirmative votes of disinterested Directors, even though the  
disinterested Directors be less than a quorum; or (2) the material facts as to  
his or her relationship or interest and as to the contract or transaction are  
disclosed or are known to the Securityholders entitled to vote thereon, and the  
contract or transaction is specifically approved in good faith by vote of the  
Securityholders; or (3) the contract or transaction is fair as to the Company as  
of the time it is authorized, approved or ratified, by the Board, a committee  
thereof or the Securityholders. Common or interested Directors may be counted in  
determining the presence of a quorum at a meeting of the Board of Directors or  
of a committee which authorizes the contract or transaction.  
  
 Section 6.5 FORM OF RECORDS. Any records maintained by the Company in  
the regular course of its business, including its Securities ledger, books of  
account and minute books, shall be kept separate and apart from any records of  
TECO, and may be kept on, or be in the form of, punch cards, magnetic tape or  
disk, photographs, microphotographs or any other information storage device,  
provided that the records so kept can be converted into clearly legible form  
within a reasonable time. The Company shall so convert any records so kept upon  
the request of any person entitled to inspect the same.  
  
 Section 6.6 AMENDMENT OF BY-LAWS. These By-Laws may be amended or  
repealed, and new by-laws adopted, by the Board of Directors in accordance with  
the Agreement.  
  
  
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 ANNEX D  
 to the Amended and Restated  
 Limited Liability Company Agreement  
  
  
  
  
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CUSIP NO.: \_\_\_\_\_\_\_ PRINCIPAL AMOUNT: $\_\_\_\_\_\_\_\_  
  
REGISTERED NO. \_\_\_\_  
  
 TECO ENERGY, INC.  
  
 \_\_\_\_% Junior Subordinated Notes Due 20\_\_  
  
 -------------------------  
  
  
   
ORIGINAL ISSUE DATE: PRINCIPAL AMOUNT: SPECIFIED CURRENCY:  
\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_ $\_\_\_\_\_\_\_\_\_\_\_ U.S. dollars  
  
 INTEREST RATE: \_\_\_\_% SINKING FUND: None  
ISSUE PRICE: \_\_\_\_% (as a  
percentage of principal amount) INTEREST PAYMENT REDEMPTION OPTIONS:  
 DATES: \_\_\_\_\_\_ \_\_, \_\_\_\_\_\_ \_\_, See reverse of this Note.  
STATED MATURITY: \_\_\_\_\_\_\_, 20\_\_. \_\_\_\_\_ \_\_and \_\_\_\_\_ \_\_ of each  
 year, commencing \_\_\_\_\_\_\_\_\_ \_\_,  
 20\_\_.  
  
  
 -------------------------  
  
  
 TECO ENERGY, INC., a corporation duly organized and existing under the laws  
of the State of Florida (herein called the "COMPANY," which term includes any  
successor Corporation under the Indenture hereinafter referred to), for value  
received, hereby promises to pay to the order of TECO FUNDING COMPANY \_\_\_, LLC,  
a Delaware limited liability company (the "LLC"), or registered assigns, the  
principal sum set forth above on the Stated Maturity, upon the presentation and  
surrender hereof at the principal office of the Company or such other office as  
the Company has designated in writing, and to pay interest on the unpaid  
principal balance hereof at a rate per annum (assuming a 360-day year consisting  
of twelve 30-day months) equal to the Interest Rate set forth above.  
  
 Interest will be payable on the Interest Payment Dates to the Person in  
whose name this Note is registered at the close of business on the related  
Record Date as provided below. In each case, payments shall be made in  
accordance with the provisions hereof until the principal hereof is paid or duly  
made available for payment.  
  
 Payment of the principal of (and premium, if any) and any such interest on  
this Note shall be made in immediately available funds at the office or agency  
of the Company maintained for that purpose in the City of New York in the State  
of New York, in such coin or currency of the United States of America as at the  
time of payment is legal tender for payment of public and private debts.  
  
 Reference is hereby made to the further provisions of this Note set forth  
on the reverse hereof, which further provisions shall for all purposes have the  
same effect as if set forth at this place.  
  
  
 Annex A -- 1  
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 Unless the certificate of authentication hereon has been executed by the  
Trustee referred to on the reverse hereof by manual signature, this Note shall  
not be entitled to any benefit under the Indenture or be valid or obligatory for  
any purpose.  
  
 IN WITNESS WHEREOF, TECO ENERGY, INC. has caused this instrument to be duly  
executed.  
  
  
Dated: \_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_  
  
  
  
  
TRUSTEE'S CERTIFICATE TECO ENERGY, INC.  
OF AUTHENTICATION  
This is one of the series  
designated therein referred By:  
to in the within-mentioned --------------------------------  
Indenture. Name:  
 Title:  
  
  
  
THE BANK OF NEW YORK,  
as Authenticating Agent for the Trustee  
  
  
By: [SEAL]  
 -------------------------------  
 Authorized signatory  
  
[SEAL]  
  
  
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 (REVERSE OF NOTE)  
  
 TECO ENERGY, INC.  
  
 \_\_% Junior Subordinated Notes Due 20\_\_  
  
 This Note is one of a duly authorized issue of securities of the Company  
(herein called the "NOTES"), issued and to be issued under an Indenture dated as  
of August 17, 1998, as supplemented by the \_\_\_\_\_\_\_\_\_ Supplemental Indenture,  
dated as of \_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_)) (as previously supplemented and amended, and as  
further amended or supplemented, the "INDENTURE"), between the Company and The  
Bank of New York, as trustee (the "TRUSTEE", which term includes any successor  
Trustee under the Indenture), to which Indenture reference is hereby made for a  
statement of the respective rights, limitations of rights, duties and immunities  
thereunder of the Company, the Trustee and the Holders of the Securities and of  
the terms upon which the Notes are, and are to be, authenticated and delivered,  
including provisions relating to extensions of interest payments in Article Two  
of the \_\_\_\_\_\_ Supplemental Indenture and subordination in Article Five of the  
\_\_\_\_\_\_\_ Supplemental Indenture. This Note is one of the securities of the series  
designated on the face hereof, limited in aggregate principal amount to  
$\_\_\_\_\_\_\_\_\_\_\_.  
  
 TRANSFER OR EXCHANGE  
  
 As provided in the Indenture and subject to certain limitations therein set  
forth, the transfer of this Note is registrable in the Security Register, upon  
surrender of this Note for registration of transfer at the office or agency of  
the Company in any place where the principal of (and premium, if any) and  
interest on this Note is payable, duly endorsed by, or accompanied by a written  
instrument of transfer in form satisfactory to the Company and the Security  
Registrar duly executed by, the Holder hereof or his attorney duly authorized in  
writing, and thereupon one or more new Notes of this series and of like tenor,  
of authorized denominations and for the same aggregate principal amount, will be  
issued to the designated transferee or transferees.  
  
 The Notes are issuable only in registered form without coupons and, except  
for such Notes issued in book-entry form, only in denominations of $\_\_\_\_\_ and  
any integral multiple of $\_\_\_\_\_. As provided in the Indenture and subject to  
certain limitations therein set forth, this Note is exchangeable for a like  
aggregate principal amount of Notes of this series and of like tenor of a  
different authorized denomination, as requested by the Holder surrendering the  
same.  
  
 No service charge shall be made for any such registration of transfer or  
exchange, but the Company may require payment of a sum sufficient to cover any  
tax or other governmental charge payable in connection therewith.  
  
 Prior to due presentment of this Note for registration of transfer, the  
Company or the Trustee and any agent of the Company or the Trustee may treat the  
Person in whose name this Note is registered as the owner hereof for all  
purposes, whether or not this Note be overdue, and neither the Company, the  
Trustee nor any such agent shall be affected by notice to the contrary.  
  
  
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 REDEMPTION AND ACCELERATION  
  
 Optional Redemption. On or after \_\_\_\_\_\_\_, 20\_\_, the Company may redeem all  
the Notes at any time or some of them from time to time at a redemption price  
equal to 100% of the principal amount plus accrued and unpaid interest to the  
redemption date.  
  
 Additional Optional Redemption. In addition to redemptions pursuant to the  
above under "Optional Redemption", if a Special Event (as defined below) has  
occurred and is continuing then the Company shall have the right upon not less  
than 30 days nor more than 60 days notice to the Holders of the Notes to redeem  
the Notes, in whole but not in part, for cash within 90 days following the  
occurrence of such Special Event (the "90 DAY PERIOD") at a redemption price  
equal to 100% of the principal amount to be redeemed plus any accrued and unpaid  
interest thereon, if any, to the date of such redemption (the "REDEMPTION  
PRICE"); provided, however, that in the case of a Tax Event, if at the time  
there is available to the Company the opportunity to eliminate, within the 90  
Day Period, the Tax Event by taking some ministerial action ("MINISTERIAL  
ACTION"), such as filing a form or making an election, or pursuing some other  
similar reasonable measure which has no adverse effect on the Company, the LLC,  
the Trust or the Holders of the Trust Preferred Securities issued by the Trust,  
the Company shall pursue such Ministerial Action instead of redemption, and  
provided, further, that the Company shall have no right to redeem the Notes  
while the Company is pursuing any Ministerial Action pursuant to its obligations  
under the Limited Liability Company Agreement of the LLC. The Redemption Price  
shall be paid on the date of such redemption, provided that the Company shall  
deposit with the Trustee an amount sufficient to pay the Redemption Price by  
10:00 a.m., New York time, on the date such Redemption Price is to be paid.  
  
 A "SPECIAL EVENT" shall mean either a Tax Event or an Investment Company  
Event. "TAX EVENT" shall mean that the LLC or the Trust shall have received an  
opinion of counsel (which may be regular counsel to the Company or an Affiliate,  
but not an employee thereof) experienced in such matters to the effect that, as  
a result of (a) any amendment to, or change (including any announced prospective  
change) in, the laws (or any regulations thereunder) of the United States or any  
political subdivision or taxing authority thereof or therein affecting taxation,  
or (b) any official administrative written decision, pronouncement or action or  
judicial decision interpreting or applying such laws or regulations by any  
court, governmental agency or regulatory authority, in each case which amendment  
or change is enacted, promulgated, issued or announced or which interpretation  
or application is issued or announced on or after the date of original issuance  
of Notes, there is more than an insubstantial risk that (i) the LLC or the Trust  
is, or will be within 90 days of the date of the opinion of counsel, subject to  
United States Federal income tax with respect to interest received on the Notes  
or Company Preferred Securities, (ii) interest payable by the Company to the LLC  
on the Notes is not, or will not be within 90 days of the date of the opinion of  
counsel, deductible for United States Federal income tax purposes, or (iii) the  
LLC or the Trust is, or will be within 90 days of the date of the opinion of  
counsel, subject to more than a de minimis amount of other taxes, duties,  
assessments or other governmental charges. "INVESTMENT COMPANY EVENT" shall mean  
the LLC or the Trust shall have received an opinion of counsel (which may be  
regular counsel to the Company or an Affiliate, but not an employee thereof)  
experienced in such matters to the effect that, as a result of the occurrence of  
a change in law or regulation or a change in interpretation or application of  
law or regulation by any legislative body, court, governmental agency or  
  
  
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regulatory authority (a "Change in 1940 Act Law") there is more than an  
insubstantial risk that the LLC or the Trust is or will be considered an  
"Investment Company" that is required to be registered under the Investment  
Company Act of 1940, as amended, which Change in 1940 Act Law becomes effective  
on or after the date of original issuance of the Notes.  
  
 Notice of redemption shall be given by mail to the registered owner of this  
Note, not less than 30 nor more than 60 days prior to the Redemption Date, all  
as provided in the Indenture. The Company shall not be required to (a) issue,  
register the transfer of or exchange Notes of this series during a period  
beginning at the opening of business 15 days before the day of the mailing of  
the relevant notice of redemption and ending at the close of business on the day  
of such mailing or (b) register the transfer of or exchange any Notes selected  
for redemption, in whole or in part, except the unredeemed portion of any Note  
being redeemed in part.  
  
 In the event of redemption of this Note in part only, a new Note or Notes  
of this series, of like tenor, for the unredeemed portion hereof will be issued  
in the name of the registered owner hereof upon the cancellation hereof.  
  
 Acceleration. If any Event of Default with respect to the Notes shall occur  
and be continuing, the principal of the Notes may be declared due and payable in  
the manner and with the effect provided in the Indenture.  
  
OTHER PROVISIONS  
  
 The Indenture permits, with certain exceptions as therein provided, the  
amendment thereof and the modification of the rights and obligations of the  
Company and the rights of the Holders of the Securities of each series to be  
affected under the Indenture at any time by the Company and the Trustee with the  
consent of the Holders of a majority in principal amount of the Securities at  
the time Outstanding of each series to be affected and of the Holders of 66 2/3%  
in principal amount of the Securities at the time Outstanding of all series to  
be affected. The Indenture also contains provisions permitting the Holders of  
specified percentages in principal amount of the Securities of each series at  
the time Outstanding, on behalf of the Holders of all Securities of such series,  
to waive compliance by the Company with certain provisions of the Indenture and  
certain past defaults under the Indenture and their consequences. To the extent  
permitted by law, any such consent or waiver by the Holder of this Note shall be  
conclusive and binding upon such Holder and upon all future Holders of this Note  
and of any Note issued upon the registration of transfer hereof or in exchange  
hereof or in lieu hereof, whether or not notation of such consent or waiver is  
made upon this Note.  
  
 No reference herein to the Indenture and no provision of this Note or of  
the Indenture shall alter or impair the obligation of the Company, which is  
absolute and unconditional, to pay the principal of (and premium, if any) and  
interest on this Note at the times, place and rate, and in the coin or currency,  
herein prescribed.  
  
 All terms used in this Note that are defined in the Indenture shall have  
the meanings assigned to them in the Indenture.  
  
 This Note shall be governed by and construed in accordance with the laws of  
The State of New York.  
  
  
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ABBREVIATIONS  
  
 The following abbreviations, when used in the inscription on the face of  
this instrument, shall be construed as though they were written out in full  
according to applicable laws or regulations:  
  
  
   
TEN COM -- as tenants in common UNIF GIFT MIN ACT--\_\_\_\_\_\_ CUSTODIAN\_\_\_\_\_  
TEN ENT -- as tenants by the entireties (Cust) (Minor)  
JT TEN -- as joint tenants with right Under Uniform Gifts to Minors Act  
 of survivorship and not as  
 tenants in common \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
 (State)  
  
  
 Additional abbreviations may also be used though not in the above list.  
  
 FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and  
transfer(s) unto  
  
Please Insert Social Security or  
Other Identifying Number of Assignee  
  
-------------------------------------------  
  
-------------------------------------------  
  
--------------------------------------------------------------------------------  
PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS INCLUDING POSTAL ZIP CODE OF ASSIGNEE  
  
--------------------------------------------------------------------------------  
  
  
--------------------------------------------------------------------------------  
  
the within Security of TECO ENERGY, INC. and does hereby irrevocably constitute  
and appoint  
  
\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ attorney to transfer said  
Security on the books of the Company, with full power of substitution in the  
premises.  
  
  
Dated:  
 ------------------------ ---------------------------------------------  
  
  
 ---------------------------------------------  
  
  
NOTICE: The signature to this assignment must correspond with the name as  
written upon the face of the within instrument in every particular, without  
alteration or enlargement or any change whatsoever.  
  
  
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 ANNEX E  
 to the Amended and Restated  
 Limited Liability Company Agreement  
  
  
  
 LIST OF INITIAL DIRECTORS AND OFFICERS  
  
NAME  
  
  
  
  
  
  
  
  
  
  
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 ANNEX F  
 to the Amended and Restated  
 Limited Liability Company Agreement  
  
 AMOUNT OF COMPANY  
CERTIFICATE NUMBER \_\_\_\_\_ PREFERRED SECURITIES: $\_\_\_\_\_  
  
  
 \_\_\_\_\_% CUMULATIVE COMPANY PREFERRED SECURITIES  
 (LIQUIDATION PREFERENCE $\_\_\_\_\_\_\_\_\_\_.00 PER SECURITY)  
 OF  
 TECO FUNDING COMPANY \_\_\_, LLC  
  
 TECO FUNDING COMPANY \_\_\_, LLC, a limited liability company formed under  
the laws of the State of Delaware (the "COMPANY"), hereby certifies that TECO  
Capital Trust \_\_\_ (the "SECURITYHOLDER") is the registered owner of Company  
Preferred Securities representing a corresponding amount of preferred limited  
liability company interests in the Company, which are designated the \_\_\_\_\_%  
Company Preferred Securities, liquidation preference $\_\_\_\_\_\_\_\_\_\_.00 per security  
and aggregate liquidation preference of $\_\_\_\_\_\_\_\_\_ (the "COMPANY PREFERRED  
SECURITIES"). Subject to certain obligations which may arise under the Delaware  
Limited Liability Company Act (the "DELAWARE ACT"), no additional payments will  
be required pursuant to the Delaware Act for the Company Preferred Securities to  
represent preferred limited liability company interests in the Company, as to  
which the Securityholders of the Company who hold the Company Preferred  
Securities (the "SECURITYHOLDERS"), in their capacities as such, have no  
liability in excess of their obligations to make payments provided for in the  
L.L.C. Agreement (as defined below) and their share as provided in the L.L.C.  
Agreement of the Company's assets and undistributed profits (subject to their  
obligation to repay any funds wrongfully distributed to them), and are  
transferable on the books and records of the Company, in person or by a duly  
authorized attorney, upon surrender of this certificate duly endorsed and in  
proper form for transfer and otherwise in accordance with the provisions of the  
L.L.C. Agreement. The powers, preferences and special rights and limitations of  
the Company Preferred Securities are set forth in, and this certificate and the  
Company Preferred Securities represented hereby are issued and shall in all  
respects be subject to the terms and provisions of, the Amended and Restated  
Limited Liability Company Agreement of the Company, dated as of \_\_\_\_\_\_\_, 20\_\_,  
as the same may be amended from time to time in accordance with its terms (the  
"L.L.C. AGREEMENT"), authorizing the issuance of the Company Preferred  
Securities and determining the powers, preferences and other special rights and  
limitations, regarding dividends, voting, return of capital and otherwise, and  
other matters relating to the Company Preferred Securities. Capitalized terms  
used herein but not defined herein shall have the meaning given them in the  
L.L.C. Agreement. The holders of the Company Preferred Securities are entitled  
to the benefits of the Guarantee Agreement of TECO Energy, Inc., a Florida  
corporation, dated as of \_\_\_\_\_\_\_\_\_\_, 20\_\_ (the "GUARANTEE AGREEMENT") to the  
extent provided therein. Holders of Company Preferred Securities are third party  
beneficiaries of the Guarantee Agreement and may enforce such agreement as  
provided therein. The Company will furnish a copy of the L.L.C. Agreement and  
the Guarantee Agreement to the Securityholder without charge upon written  
request to the Company at its principal place of business.  
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 The Securityholder, by accepting this certificate, is deemed to have  
agreed to be bound by the provisions of the L.L.C. Agreement. Upon receipt of  
this certificate, the Securityholder is admitted to the Company as a Company  
Preferred Securityholder, is bound by the L.L.C. Agreement and is entitled to  
the benefits thereunder.  
  
 IN WITNESS WHEREOF, this certificate has been executed on behalf of the  
Company by a duly authorized officer as of this \_\_\_\_ day of \_\_\_\_\_\_\_\_\_, 20\_\_\_.  
  
  
  
 TECO FUNDING COMPANY \_\_\_, LLC  
  
  
  
 By:  
 ----------------------------------  
 Name:  
 Title:  
  
  
  
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