

RESOLUTION NO. 2023-11

A RESOLUTION OF THE POLK REGIONAL WATER COOPERATIVE AUTHORIZING THE ISSUANCE OF ITS NOT TO EXCEED \$175,000,000 WATER REVENUE BOND, SERIES 2023C TO FINANCE PROJECT COSTS, INCLUDING COSTS OF THE ACQUISITION AND CONSTRUCTION OF THE SOUTHEAST WELLFIELD PROJECT AND THE WEST POLK WELLFIELD PROJECT AND OTHER COSTS RELATED THERETO AND FUNDING CAPITALIZED INTEREST AND PAYING COSTS OF ISSUANCE FOR SUCH BOND; EXPRESSING THE INTENT FOR PURPOSES OF COMPLIANCE WITH UNITED STATES TREASURY REGULATION SECTION 1.150-2 TO REIMBURSE WITH THE PROCEEDS OF REVENUE BONDS THE CAPITAL EXPENDITURES MADE WITH RESPECT TO SUCH PROJECT; AUTHORIZING THE AWARD OF THE SALE OF SUCH BOND ON A NEGOTIATED BASIS TO TRUIST COMMERCIAL EQUITY, INC., IN ACCORDANCE WITH CERTAIN PARAMETERS SET FORTH HEREIN; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT TO SECURE THE REPAYMENT OF SAID 2023 BOND; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT TO PROVIDE FOR THE INVESTMENT AND DISBURSEMENT OF THE PROCEEDS OF SAID 2023 BOND; AUTHORIZING THE PROPER OFFICIALS OF THE ISSUER TO DO ANY OTHER ADDITIONAL THINGS DEEMED NECESSARY OR ADVISABLE IN CONNECTION WITH THE EXECUTION OF THE LOAN AGREEMENT, THE ESCROW AGREEMENT, SUCH 2023 BOND, AND THE SECURITY THEREFOR; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS IN CONNECTION WITH SAID LOAN; PROVIDING FOR SEVERABILITY AND OTHER MATTERS IN REGARD THERETO; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Board of Directors (the "Board") of the Polk Regional Water Cooperative (the "Issuer") adopted Resolution No. 2022-05 on July 13, 2022, as amended and supplemented (the "Bond Resolution"), as supplemented by Resolution No. 2023-02 adopted by the Board on January 18, 2023, pursuant to which the Issuer has issued its Revolving Revenue Note, Series 2023A and Revolving Revenue Note, Series 2023B (Federally Taxable) (collectively, the "Outstanding Notes"); and

WHEREAS, the Issuer is authorized under the Act and the Bond Resolution to issue its Water Revenue Bond, Series 2023C (the "2023C Bond") to finance a portion of the costs of development, acquisition and construction of the 2023 Project (as defined in the Loan Agreement), fund capitalized interest on the 2023C Bond and to pay issuance costs; and

WHEREAS, Truist Commercial Equity, Inc. (the "Lender") intends to purchase the 2023C Bond by negotiated sale pursuant to the terms of a Loan Agreement between the Issuer and the Lender in substantially the form attached hereto as Exhibit "A" (the "Loan Agreement"); and

WHEREAS, the proceeds of the 2023C Bond will be held, invested and disbursed pursuant to the terms of an Escrow Agreement among the Issuer, Truist Bank in its capacity as Escrow Agent, and the Lender in substantially the form attached hereto as Exhibit "B" (the "Escrow Agreement"); and

WHEREAS, because of the currently fluctuating conditions existing in the market for securities similar to the 2023C Bond, the Issuer finds it appropriate to delegate the authority as provided herein to accept the offer of the Lender to purchase the 2023C Bond to be issued pursuant to the terms of the Loan Agreement if certain conditions set forth in this Resolution are met, and to make certain other determinations with respect to the 2023C Bond and the security therefor all as forth herein;

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE POLK REGIONAL WATER COOPERATIVE, AS FOLLOWS:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to Section 163.01, Chapter 159 and Chapter 189, Florida Statutes, the Interlocal Agreement, the Constitution of the State and other applicable provisions of law (collectively, the "Act") and the Bond Resolution. Capitalized terms not defined herein shall have the meanings ascribed to them in the Bond Resolution and the Loan Agreement.

SECTION 2. FINDINGS. It is hereby ascertained, determined and declared:

(A) The Issuer is an interlocal agency, created by its members pursuant to the Interlocal Agreement under Section 163.01, Florida Statutes, to provide for the planning, acquisition, development, management, operation, improvement and maintenance of Projects and the System.

(B) The Issuer anticipates obtaining a loan from the United States Environmental Protection Agency pursuant to the Water Infrastructure Finance and Innovation Act (the "WIFIA Loan") to provide long-term financing for a portion of the costs of development, acquisition and construction of the 2023 Project.

(C) The Issuer is authorized under the Act and the Bond Resolution to issue the 2023C Bond to finance a portion of the costs of development, acquisition and construction of the 2023 Project, fund capitalized interest on the 2023C Bond and to pay issuance costs.

(D) The Board, based on the advice of RBC Capital Markets, LLC (the "Financial Advisor"), the Issuer's financial advisor, has reviewed the proposal of the Lender regarding a loan in a principal amount not exceeding \$175,000,000, the proceeds of which will be applied to the 2023 Project, to fund capitalized interest on the 2023C Bond and to pay all or a portion of the costs of issuance of the 2023C Bond.

(E) The Pledged Revenues are anticipated to be sufficient to timely pay the principal of and interest on the 2023C Bond as the same shall become due.

(F) Because of the characteristics of the 2023C Bond and prevailing market conditions, and after review of responses to a request for proposals distributed by the Financial Advisor, and based in part on advice of the Financial Advisor, the Board has determined that it is best to award the sale of the 2023C Bond to the Lender at a negotiated sale, with the interest rate, dated date, maturity date and redemption provisions either set forth herein or as to be set forth in the Loan

Agreement, a form of which is attached hereto as Exhibit "A," or in the 2023C Bond, a form of which is attached to the form of the Loan Agreement.

(G) Prior to the sale of the 2023C Bond, the Lender must provide the Issuer with a disclosure statement containing the information required by Section 218.385(6), Florida Statutes, and a Truth-in-Bonding Statement pursuant to Section 218.385(2), Florida Statutes, in order for the Lender's offer to purchase the 2023C Bond to be accepted pursuant to this Resolution, and no further disclosure is required by the Issuer.

(H) The 2023C Bond shall be issued as a Tax-Exempt Bond, the interest on which shall be excludable from gross income under the applicable provisions of the Internal Revenue Code.

(I) The 2023C Bond shall not be secured by the Composite Reserve Account created by the Bond Resolution or any reserve account within the Reserve Fund and there shall be no Reserve Requirement with respect to the 2023C Bond.

(J) The 2023C Bond will not be issued unless the applicable requirements of the Bond Resolution are satisfied. Upon issuance in accordance with the terms hereof and of the Loan Agreement, the 2023C Bond will constitute a Series of Bonds issued under the Bond Resolution, as supplemented hereby, entitled to all the security and benefits thereof.

(K) The covenants and agreements set forth herein and in the Bond Resolution to be performed by the Issuer shall be for the equal benefit, protection and security of the Lender and the Holders of the 2023C Bond, and the 2023C Bond shall be of equal rank with all other Bonds and Additional Bonds issued under the Bond Resolution, without preference, priority or distinction over any other Bond.

(L) All applicable covenants contained in the Bond Resolution shall be fully applicable to the 2023C Bond as if originally issued thereunder.

(M) The Authorized Signatories may authorize the modification of the name or series designation of the 2023C Bond, as deemed appropriate, the approval of such modification to be evidenced by the execution and delivery of the 2023C Bond showing such modification.

(N) Principal of the 2023C Bond shall be payable to the Lender in accordance with the Loan Agreement.

(O) If the date for the payment of principal of or interest on the 2023C Bond shall be a day other than a Business Day, then the date for such payment shall be the next succeeding Business Day, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

(P) The 2023C Bond shall be subject to redemption as set forth in the Loan Agreement and the 2023C Bond. Notwithstanding anything in the Bond Resolution to the contrary, notice of redemption shall be given as provided in the Loan Agreement.

SECTION 3. AUTHORIZATION OF 2023 BOND AND 2023 PROJECT. The Issuer hereby authorizes the issuance of the 2023C Bond and hereby authorizes the use of proceeds of the 2023C Bond to pay costs of the 2023 Project, fund capitalized interest on the 2023C Bond and pay all or a portion of the costs of issuance of the 2023C Bond, all as more particularly described

in the Loan Agreement. The 2023 Project shall be deemed to be a "Project" as defined in the Bond Resolution and an "Approved Water Project" as defined in the Interlocal Agreement.

SECTION 4. APPROVAL OF FORM OF AND AUTHORIZATION OF LOAN AGREEMENT AND EXECUTION OF LOAN AGREEMENT AND 2023 BOND. The Issuer is authorized to execute the Loan Agreement with the Lender in substantially the form attached hereto as Exhibit "A" and the Escrow Agreement with Truist Bank and the Lender in substantially the form attached hereto as Exhibit "B", and to make and deliver to the Lender the 2023C Bond, substantially in the form attached to the Loan Agreement, and to apply the proceeds thereof to pay costs of the 2023 Project, to capitalize interest on the 2023C Bond, and to pay the costs of issuance of the 2023C Bond. The forms and terms of the Loan Agreement, the Escrow Agreement and the 2023C Bond (collectively, the "Loan Documents") attached hereto are hereby approved, and the Chairman, the Secretary, the Executive Director and the officers, attorneys and other agents or employees of the Issuer (collectively, the "Authorized Signatories") are each individually authorized to execute and deliver the same, with such changes, insertions, omissions and filling of blanks, including, without limitation, the principal amount of the 2023C Bond and redemption provisions, as may be approved by the Authorized Signatories, such approval to be conclusively evidenced by the execution thereof by the Authorized Signatories and the full and complete satisfaction of the conditions set forth in this 4; provided, however, that the principal amount of the 2023C Bond shall in no event exceed \$175,000,000, the true interest cost rate on the 2023C Bond shall not exceed 5.00% per annum (subject to adjustment as provided in the Loan Agreement) and shall not exceed the maximum rate permitted by law and the final maturity date of the 2023C Bond shall not be later than October 1, 2053.

The 2023C Bond shall be issued as a fully registered bond and be in a denomination equal to the outstanding principal amount thereof and shall be subject to restrictions on transfer set forth in the form thereof. The principal of the 2023C Bond shall be payable in installments in the amounts and on the dates set forth on the schedule attached to the 2023C Bond, as may be approved by the Authorized Signatories, such approval to be conclusively evidenced by the execution thereof by the Authorized Signatories.

Interest on the 2023C Bond will be computed on the basis of a 360-day year and the actual number of days elapsed.

Notwithstanding anything in the Bond Resolution to the contrary, notice of redemption shall be given as provided in the Loan Agreement. Notwithstanding any other provision hereof, notice of optional redemption may be conditioned upon the occurrence or non-occurrence of such event or events as shall be specified in such notice of optional redemption and may also be subject to rescission by the Issuer, whether or not expressly set forth in such notice.

SECTION 5. PAYMENT OF DEBT SERVICE ON 2023 BOND; LOAN AGREEMENT AND 2023 BOND NOT TO BE GENERAL OBLIGATION OR INDEBTEDNESS OF THE ISSUER. The 2023C Bond will be secured by the Pledged Revenues to the extent and in the manner provided in the Bond Resolution and the Loan Agreement on parity with the Outstanding Notes and any Additional Bonds hereafter issued, all as more particularly described in the Bond Resolution and the Loan Agreement. The Loan Agreement is incorporated by reference herein and the 2023C Bond shall be a Bond under the Bond Resolution and all of the covenants contained in the Bond Resolution shall be fully applicable to the 2023C Bond as if originally issued thereunder.

The Loan Agreement and 2023C Bond and the obligations of the Issuer thereunder shall not be deemed to constitute general obligations or a pledge of the faith and credit of the Issuer, the State of Florida or any political subdivision thereof within the meaning of any constitutional, legislative or charter provision or limitation, but shall be payable solely from and secured by a lien upon and a pledge of Pledged Revenues. No holder or owner of the 2023C Bond shall ever have the right, directly or indirectly, to require or compel the exercise of the ad valorem taxing power of the Issuer or any other political subdivision of the State of Florida or taxation in any form on any real or personal property for any purpose, including, without limitation, for the payment of debt service with respect thereto. The Loan Agreement and the 2023C Bond and the indebtedness evidenced thereby shall not constitute a lien upon any real or personal property of the Issuer, or any part thereof, or any other tangible personal property of or in the Issuer, but shall constitute a lien only on the Pledged Revenues, all in the manner and to the extent provided in the Bond Resolution.

SECTION 6. AUTHORIZATIONS. In accordance with the terms of this Resolution, the Authorized Signatories are authorized to execute manually or by their facsimile signatures and deliver on behalf of the Issuer the Loan Documents as provided hereby. All officials and employees of the Issuer, including, without limitation, the Authorized Signatories, are authorized and empowered, collectively or individually, to take all other actions and steps and to execute all instruments, documents, and contracts and giving of notices on behalf of the Issuer as they shall deem necessary or desirable in connection with the completion of the Loan (as defined in the Loan Agreement) and the carrying out of the intention of this Resolution.

The Authorized Signatories and such other officers of the Issuer legally authorized to take action in their absence, and such other officers and employees of the Issuer as may be designated by the Chairman or the Secretary or any Assistant Secretary of the Issuer, are each designated as agents of the Issuer in connection with issuance and delivery of the 2023C Bond and the execution and delivery of the Loan Agreement and the Escrow Agreement, and are authorized and empowered, collectively or individually, to take all action and steps and to execute all instruments, documents and contracts on behalf of the Issuer that are necessary or desirable in connection with the execution and delivery of the Loan Documents and which are specifically authorized or are not inconsistent with the terms and provisions of this Resolution or the Bond Resolution or any action relating to the Loan Documents heretofore taken by the Issuer, including, without limitation the execution and delivery of a term sheet. Such officers and those so designated are hereby charged with the responsibility for the issuance of the 2023C Bond and may request disbursements of the Loan in accordance with the terms of the Loan Agreement.

The Vice-Chairman is hereby authorized to do all acts or things required of the Chairman by the terms hereof in the event of the Chairman's absence or unavailability. Any Assistant Secretary is hereby authorized to do all acts and things required of the Secretary (or such other member of the Board delegated such authority).

SECTION 7. REIMBURSEMENT. The Issuer has paid within 60 days prior to the date of this Resolution or expects to pay on or after the date of this Resolution and before the issuance of the 2023C Bond certain costs of the 2023 Project with funds other than proceeds of the 2023C Bond (the "Advanced Funds"). The Issuer reasonably expects to use proceeds of the 2023C Bond to reimburse itself for expenditures made with the Advanced Funds. This Section 7 is a declaration of the official intent of the Issuer in that regard, within the contemplation of Section 1.150-2 of the Income Tax Regulations promulgated by the United States Department of the Treasury. The

maximum principal amount of proceeds of the 2023C Bond expected to be issued to finance the cost of the 2023 Project is \$175,000,000. All of the expenditures initially to be made with the Advanced Funds and then to be reimbursed by the Issuer from proceeds of the 2023C Bond will be for costs of the 2023 Project of a type constituting capital expenditures or preliminary expenditures relating to the 2023 Project or costs of issuing the 2023C Bond.

SECTION 8. CONTROLLING LAW; MEMBERS OF THE BOARD OF ISSUER NOT LIABLE. This Resolution shall be governed by and construed in accordance with the laws of the State of Florida. All covenants, stipulations, obligations and agreements of the Issuer contained in the Bond Resolution and herein shall be deemed to be covenants, stipulations, obligations and agreements of the Issuer to the full extent authorized by the Act and provided by the Constitution and laws of the State of Florida. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent or employee of the Board in his or her individual capacity, and neither the members of the Board nor any official executing the Loan Agreement, the Escrow Agreement, the 2023C Bond or other documents contemplated hereby shall be liable personally on the Loan Agreement, the Escrow Agreement, the 2023C Bond or the Bond Resolution or shall be subject to any personal liability or accountability by reason of the issuance or the execution by the Board or such official.

SECTION 9. AUTHORITY AS PAYING AGENT AND REGISTRAR. The Issuer is hereby designated paying agent and registrar for the 2023C Bond.

SECTION 10. REPEAL OF INCONSISTENT RESOLUTIONS AND ACTIONS. All resolutions or actions of the Issuer in conflict herewith are hereby superseded and repealed to the extent of such conflict.

SECTION 11. EFFECT OF PARTIAL INVALIDITY. If any one or more provisions of this Resolution, the Loan Agreement, or the 2023C Bond shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Resolution, the 2023C Bond or the Loan Agreement, but this Resolution, the Loan Agreement and the 2023C Bond shall be construed and enforced as if such illegal or invalid provision had not been contained therein.


SECTION 12. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

[Signatures on Following Page]

Passed and duly adopted by the Board of Directors of the Polk Regional Water Cooperative on the 26th day of April, 2023.

POLK REGIONAL WATER COOPERATIVE

(SEAL)

By: 
Chairman

ATTESTED:

By: 
Secretary

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