RESOLUTION NO. 2023-02

A RESOLUTION OF THE POLK REGIONAL WATER COOPERATIVE AUTHORIZING A REVOLVING LOAN IN THE PRINCIPAL AMOUNT AT ANY ONE TIME NOT EXCEEDING $15,000,000 AND PROVIDING FOR THE ISSUANCE OF ITS REVOLVING REVENUE NOTE, SERIES 2023A AND REVOLVING REVENUE NOTE, SERIES 2023B (FEDERALLY TAXABLE) TO EVIDENCE SUCH LOAN TO FINANCE THE COSTS OF THE PROJECTS AND PAY COSTS OF ISSUANCE; APPROVING THE FORM OF A LOAN AGREEMENT, REVOLVING REVENUE NOTE, SERIES 2023A AND REVOLVING REVENUE NOTE, SERIES 2023B (FEDERALLY TAXABLE) TO BE ISSUED THEREUNDER; AUTHORIZING THE AWARD OF THE SALE OF SAID NOTES ON A NEGOTIATED BASIS TO WELLS FARGO BANK, NATIONAL ASSOCIATION; PROVIDING OTHER DETAILS WITH RESPECT THERETO; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE POLK REGIONAL WATER COOPERATIVE (the "Issuer") that:

Section 1. Authority for this Resolution. This Resolution is adopted pursuant to Section 163.01 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, as hereinafter defined.

Section 2. Findings. The Issuer hereby finds as follows:

A. The Issuer was established as separate legal entity, public agency and unit of special purpose local government pursuant to Section 173.01(7)(g), Florida Statutes, and a regional water supply authority pursuant to Section 373.713, Florida Statutes, by its members pursuant to the Interlocal Agreement to provide for the planning, acquisition, development, management, operation, improvement and maintenance of Projects and the System.

B. The Issuer is authorized under the Act and the Bond Resolution to issue the Series 2023 Notes to finance a portion of the costs of development, acquisition and construction of the Projects and to pay issuance costs.

C. The Board, based on the advice of RBC Capital Markets, LLC, financial advisor to the Issuer (the "Financial Advisor"), has determined that it is financially advantageous to the Issuer to finance a portion of the costs of the Projects (including through reimbursement) through the issuance of the Issuer's Series 2023 Notes, payable from and secured by a lien upon the Pledged Revenues under the Bond Resolution.

D. The Pledged Revenues are anticipated to be sufficient to timely pay the principal of and interest on the Series 2023 Notes as the same shall become due.

E. Because of prevailing and anticipated market conditions and the nature of the Loan, and taking into account the advice of the Financial Advisor, it is not feasible, cost effective or advantageous to sell the Series 2023 Notes and enter into the hereinafter described Loan Agreement through a competitive sale and it is in the best interest of the Issuer to accept the terms of the Loan from the Purchaser in a principal amount outstanding at any time not to exceed the Loan Amount, at a negotiated sale upon the terms and conditions outlined herein and in the Loan Agreement and as determined by the Authorized Signatory executing the Loan Agreement on behalf of the Issuer in accordance with the terms hereof;

F. Prior to the sale of the Series 2023 Notes, there shall be delivered to the Issuer 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 Series 2023 Notes to be issued pursuant to this Resolution and the Bond Resolution. No further disclosure is required by the Issuer.

G. The Series 2023A Note 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 and the Series 2023B Note shall be issued as a Taxable Bond, the interest on which shall not be excludable from gross income under the applicable provisions of the Internal Revenue Code.

H. The Series 2023 Notes 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 Series 2023 Notes will constitute a Series of Bonds issued under the Bond Resolution, as supplemented hereby, entitled to all the security and benefits thereof. The Series 2023 Notes are further determined to be Designated Maturity Bonds and shall be issued as a Full Draw LOC under the Bond Resolution.

Section 3. Definitions. Words and phrases used herein in capitalized form and not otherwise defined herein (including, without limitation, in the preamble hereto) shall have the meanings ascribed thereto in the Bond Resolution or, if not defined therein, in the Loan Agreement (as each is hereinafter defined) and, in addition, the following words and phrases shall have the following meanings:

"Authorized Signatories" means any one or more of the Chairman or the Vice Chairman of the Issuer.

"Bond Resolution" means Resolution No. 2022-05 duly adopted by the Board of Directors of the Issuer on July 13, 2022, as amended and supplemented.

"Business Day" means a day other than (i) a Saturday, Sunday, legal holiday or day on which banking institutions in Polk County, Florida are authorized or required by law or executive order to close, or (ii) a day on which the New York Stock Exchange is closed.

"Loan" means the loan to the Issuer by the Purchaser as documented herein and in the Loan Agreement, and as evidenced by the Series 2023 Notes.

"Loan Agreement" means the Loan Agreement between the Issuer and the Purchaser related to the Series 2023 Notes, the form of which is attached hereto as Exhibit A.

"Loan Amount" means a principal amount outstanding at any time not to exceed $15,000,000.

"Projects" means collectively, the Southeast Wellfield Project and the West Polk Wellfield Project, together with supply lines, transmission lines and water production facilities, the costs of which are to be funded in whole or in part with proceeds from the Series 2023 Notes, as set forth in the Loan Agreement.

"Purchaser" means Wells Fargo Bank, National Association, together with its successors and assigns.

"Series 2023 Notes" means, collectively, the Series 2023A Note and the Series 2023B Note.

"Series 2023A Note" means the Issuer's Revolving Revenue Note, Series 2023A.

"Series 2023B Note" means Issuer's Revolving Revenue Note, Series 2023B (Federally Taxable).

Section 4. Projects. To the extent not previously authorized, the Board hereby authorizes the Projects. The Board hereby specifically ratifies and affirms all actions previously taken in furtherance of the undertaking of the financing of the Projects and obtaining the Loan. Each 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 5. Loan Agreement and Series 2023 Notes.

A. The Issuer is authorized to execute the Loan Agreement with the Purchaser in substantially the form attached hereto as Exhibit "A" and to issue and deliver to the Purchaser the Series 2023 Notes, substantially in the forms attached to the Loan Agreement, and to apply the proceeds thereof to finance the Projects (including through reimbursement) and to pay the costs of issuance of the Series 2023 Notes. The forms and terms of the Loan Agreement and Series 2023 Notes attached hereto are hereby approved, and the Authorized Signatories are authorized to execute and deliver the same, with such changes, insertions, omissions and filling of blanks, as may be approved by the Authorized Signatories, such approval to be conclusively evidenced by the execution thereof by any Authorized Signatory. An initial draw on the Series 2023 Notes is hereby authorized to be applied to pay the amount of outstanding principal of and interest on the Polk Regional Water Cooperative Revenue Note (Phase 1 Project), Series 2017, as amended and restated on May 16, 2022 (the "Series 2017 Note"), and issued pursuant to the Amended and Restated Loan Agreement dated May 16, 2022 between the Issuer and the Purchaser (the "Loan Agreement"). The Series 2017 Note and the Loan Agreement will be terminated upon the application of the initial draw.

B. 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 Purchaser and the Holders of the Series 2023 Notes, and the Series 2023 Notes 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. All applicable covenants contained in the Bond Resolution shall be fully applicable to the Series 2023 Notes as if originally issued thereunder.

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

D. The Series 2023 Notes 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 Series 2023 Notes.

E. The Series 2023 Notes shall be issued as fully registered notes in a principal amount outstanding at any time not to exceed the Loan Amount. Principal of the Series 2023 Notes shall be payable to the Purchaser in accordance with the Loan Agreement.

F. If the date for the payment of principal of or interest on the Series 2023 Notes 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.

G. The Series 2023 Notes shall be subject to redemption as set forth in the Loan Agreement and the Series 2023 Notes. Notwithstanding anything in the Bond Resolution to the contrary, notice of redemption shall be given as provided in the Loan Agreement.

H. The Series 2023 Notes shall be and have all the qualities and incidents of negotiable instruments under the laws of the State of Florida, and the Purchaser, in accepting the Series 2023 Notes, shall be conclusively deemed to have agreed that the Series 2023 Notes shall be and have all of the qualities and incidents of negotiable instruments under the laws of the State of Florida.

I. The Loan Agreement shall be a Full Draw LOC under the Bond Resolution and the Series 2023 Notes shall be Designated Maturity Bonds.

J. Subject to full satisfaction of the conditions set forth in this Section 5, the Issuer hereby authorizes a delegated negotiated sale of the Series 2023 Notes to the Purchaser in accordance with the terms of the Loan Agreement, each of the Loan Agreement and the Series 2023 Notes attached thereto to be substantially in the form attached hereto as Exhibit "A," with such changes, amendments, modifications, omissions and additions thereto as shall be approved by the Chairman and the Secretary or such other Authorized Signatory in accordance with the provisions of this Section 5 and upon delivery of a disclosure statement(s) and truth-in-bonding statement meeting the requirements of Section 218.385, Florida Statutes, the execution thereof being deemed conclusive evidence of the approval of such changes and the full and complete satisfaction of the conditions set forth in this Section 5.

K. The provisions of the Loan Agreement when executed and delivered by the parties thereto, shall be incorporated by reference herein so long as the Series 2023 Notes shall remain outstanding.

Section 6. Loan Agreement and Bond Not to be General Obligation or Indebtedness of the Issuer. Neither the Loan Agreement nor the Series 2023 Notes shall be deemed to constitute a general debt or obligation or a pledge of the faith and credit of the Issuer, the

members of the Issuer, the State of Florida, or any political subdivision thereof within the meaning of any constitutional, legislative or charter provision or limitation, and no Holder of the Series 2023 Notes shall ever have the right, directly or indirectly, to require or compel the exercise of the ad valorem taxing power of the members 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 the payment of the principal of and interest on the Series 2023 Notes or under the Loan Agreement or for the payment of any other amounts provided for in the Bond Resolution or the Loan Agreement. The Issuer has no taxing power. Neither the Loan Agreement nor the Series 2023 Notes shall constitute a lien upon any property of or in the Issuer or its members, but shall constitute a lien only upon the Pledged Revenues in the manner provided in the Bond Resolution.

Section 7. Severability. If any one or more of the covenants, agreements or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of the Bond Resolution, this Resolution, the Loan Agreement and the Series 2023 Notes.

Section 8. Applicable Provisions of Law. This Resolution shall be governed by and construed in accordance with the laws of the State of Florida.

Section 9. Authorizations. The Authorized Signatories are hereby authorized to execute and deliver on behalf of the Issuer the Loan Documents as provided hereby and the Secretary is hereby authorized to attest any such signatures on any such documents and to affix the Issuer's seal thereto to the extent required by such documents. 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 on behalf of the Issuer as they shall deem necessary or desirable in connection with the completion of the Loan and the carrying out of the intention of this Resolution, including, without limitation, filing of all tax reporting requirements and paying costs related hereto.

Section 10. Controlling Law; Member of the Board of Issuer Not Liable. 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 Series 2023 Notes or other documents contemplated hereby shall be liable personally on the Loan Agreement, the Series 2023 Notes 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 11. Authority as Paying Agent and Registrar. The Issuer is hereby designated paying agent and registrar for the Series 2023 Notes.

Section 12. Repealer. All resolutions or parts thereof in conflict herewith are hereby repealed.

Section 13. Effective Date. This Resolution shall take effect immediately upon its adoption.

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Passed and duly adopted by the Board of Directors of the Polk Regional Water Cooperative on the 18th day of January, 2023.

POLK REGIONAL WATER COOPERATIVE

By: _____
Chairman

ATTESTED:

By: _____
Secretary

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