



The Water Cooperative of Central Florida  
Wednesday, April 9, 2025  
Commencing at 2.00pm  
Toho Administration Building  
951 MLK Boulevard, Kissimmee, FL 34741

**The Water Cooperative of Central Florida (WCCF) Board of Supervisors will hold a regular Board meeting, commencing at 2 p.m. on Wednesday, April 9, 2025.**

**In addition to in-person attendance, members of the public may also ‘hear’ this meeting by telephone or virtually through the Internet. Public comments will only be accepted from in-person attendees.**

**Those who wish to address the Board and provide public comment must attend in-person. Anyone desiring to provide public comment on a matter not on the agenda must attend in person and submit a completed Hear the Audience Form.**

**Those interested in attending by phone can do so by dialing +1 872-256-3959,,636153316# (Phone conference ID: 636 153 316#).**

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The Water Cooperative of Central Florida  
**Wednesday, April 9, 2025 - Commencing 2.00PM**  
Toho Administration Building, 951 MLK Jr Blvd., Kissimmee FL 34741

# Meeting Agenda

**MEETING CALLED TO ORDER**

**MOMENT OF SILENCE / PLEDGE OF ALLEGIANCE**

**ROLL CALL / CONFIRMATION OF QUORUM**

**HEAR THE AUDIENCE**

**ITEMS REQUIRING BOARD ACTION:**

1. APPROVAL OF WATER COOPERATIVE MINUTES OF MARCH 5, 2025 (SMITH)
2. APPROVAL OF MASTER BOND RESOLUTION 2025-001-WC (HENDERSON)
3. APPROVAL OF REVOLVING LOAN CREDIT AGREEMENT - RESOLUTION NO. 2025-002-WC (HENDERSON)

**INFORMATIONAL ITEMS:**

4. CYPRESS LAKE ALTERNATIVE WATER SUPPLY PROJECT UPDATE (BEATTY)

**BOARD MEMBER ANNOUNCEMENTS**

**NEXT BOARD MEETING: MAY 7, JUNE 4, JULY 2 (MONTHLY SCHEDULED DATES)**

**MEETING ADJOURNED**

<b>WATER CO-OPERATIVE OF CENTRAL FLORIDA</b>	
<b>Meeting Date: April 9, 2025</b>	<b>Agenda Item No. 1</b>
<b>Attachments:</b> Minutes from March 5, 2025	
<b>Title: APPROVAL OF THE WCCF MEETING MINUTES OF MARCH 5, 2025</b>	
<b>Explanation:</b>  At every Board meeting, the meeting is recorded, and minutes are prepared from the recording of the proceedings. Attached are the minutes from the March 5, 2025 Board Meeting.	
<b>Costs:</b> None	
<b>Recommendation:</b> Seeking Board approval of the WCCF meeting minutes of March 5, 2025	
<b>Initials:</b> as	



## Minutes of March 5, 2025, Meeting of the Water Cooperative of Central Florida

**Board Members present:** Chair: Hector Lizasuain (Osceola County), Secretary: Commissioner Nicole Wilson (Orange County), Commissioner Michael Scott (Polk), Council Member Kolby Urban (St Cloud).

**Staff Present:** Toho Water Authority Executive Director Todd P. Swingle, Toho Water Cypress Lake Project Manager Deb Beatty, Board Counsel Silvia Alderman, Senior Engineer - Planning, Development and Engineering Pollen Jung, Executive Assistant Ali Smith.

**Absent:** Toho Water General Counsel, Anthony J. Cotter

Chairman Lizasuain opened the meeting at 2:03 pm. Roll call completed; quorum was confirmed.

Item	Item Name	Notes
	<b>Hear the Audience</b>	<b>No comment from the Audience, so closed.</b>
1.	Approval of WCCF Meeting Minutes of December 18, 2024 (Smith)	Motion to approve the Minutes made by Secretary Wilson. Motion seconded by Supervisor Scott. Motion passed 4-0.
2.	Approval of Reimbursement of Expenditures to date by Toho Water Authority on behalf of the Water Cooperative of Central Florida (Green)	CEO/Executive Director Swingle provided a brief outline of the request for reimbursement of expenditures, on behalf of the WCCF, by Toho.  Motion to Approve the Reimbursement of Expenditures was made by Secretary Wilson. The motion was seconded by Supervisor Scott. Motion passed 4-0.
3.	Approval to forgo Audit Requirement for Fiscal Year 2024 (Green)	CEO/Executive Director Swingle advised that we are below the thresholds for requiring this audit, so it was recommended the Board forgo this audit for 2024. Next year, it is likely that audit thresholds will be reached, and an audit will be undertaken. Motion to forgo the Audit Requirement for Fiscal Year 2024 was made by Secretary Wilson. Motion was seconded by Supervisor Urban. Motion passed 4-0.
4.	Approval of the Seventh Amendment to the Cypress Lake Alternative Water Supply Project Interlocal Agreement (Beatty)	Deb Beatty gave a brief project update and details of the Seventh Amendment. All Member Government Boards have already approved this Seventh Amendment.  The Seventh Amendment carries forward funding to continue the work on this project. Most pertinent work is anticipated to be complete by the end of the 2029 fiscal year.

		<p>Deb Beatty advised that she has been coordinating closely with our assigned agency grants administrator. She will continue to do so for future grants from 2025 applications. \$10.7M has been awarded so far. .</p> <p>Motion to approve the Seventh Amendment to the Cypress Lake Alternative Water Supply Project Interlocal Agreement made by Secretary Wilson. Motion was seconded by Commissioner Scott. Motion passed 4-0.</p>
5.	<p>Informational:</p> <p>Cypress Lake Alternative Water Supply Project Update (Beatty)</p>	<p>Toho Water Cypress Lake Project Manager Deb Beatty gave a presentation update on the Cypress Lake Alternative Water Supply Project, detailing current activities.</p> <p>Among other things, she reported that CEO Swingle has been in discussions to secure two additional well sites. 90% of design documents were anticipated for review in July 2025.</p> <p>4140 Lake Cypress Road is confirmed as the WTP address.</p> <p>A Letter of Credit is being sought to help secure WCCF as a bondable entity.</p>
	<p>Announcements:</p> <ul style="list-style-type: none"> <li>- Board Member</li> <li>- CEO Swingle</li> <li>- Legal Counsel</li> </ul>	<p>Kolby Urban completed a site visit, which was very interesting to see in person; Secretary Wilson would be attending next month.</p> <p>CEO Swingle mentioned that bond resolution items would be coming forward. These matters would be brought to the Board when received.</p>
	Next Board meeting	<p>Wednesday April 9, 2025.</p> <p>(May 7, June 4 future dates on monthly schedule)</p>
<p>There being no further business to come before the Board, Chairman Lizasuain adjourned the meeting at 2:35pm.</p>       <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;"> <hr style="width: 30%; margin: 0 auto;"/> <p>Hector Lizasuain, Chairman</p> </div> <div style="text-align: center;"> <hr style="width: 30%; margin: 0 auto;"/> <p>Nicole Wilson, Secretary</p> </div> </div>		

**Board Meeting Date:** 4/9/2025

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**Category:** New Business

**Agenda Item:** 2

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**Department:** Choose an item.

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**Attachments:**

A) Resolution 2025-001-WC

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**Title:**

**APPROVAL AND EXECUTION OF RESOLUTION NO. 2025-001-WC –  
WATER REVENUE BOND RESOLUTION FOR THE WATER COOPERATIVE OF  
CENTRAL FLORIDA**

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**Brief Summary:**

Staff is requesting approval of Resolution 2025-001-WC, a Master Bond Resolution that authorizes the issuance of water revenue bonds to finance the 2025 Project for the Water Cooperative of Central Florida (WCCF). This approval will enable the WCCF to secure the necessary financing to complete the Cypress Lake Water Treatment Plant project and future projects, addressing the future water supply needs of WCCF partners.

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**Cost:** The estimated cost of the Cypress Lake Water Treatment Plant project ranges from \$250 million to \$300 million. The WCCF partners are developing a financing plan to determine what portion of this amount will require financing.

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**Recommended Action:**

Staff requests the Board adopt Resolution 2025-001.

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**Owner:** R Henderson

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**Dept Review/Approval By:** A Cotter

**Background:**

The Water Cooperative of Central Florida (WCCF) was established by an interlocal agreement between the City of St. Cloud, Toho Water Authority, Orange County, and Polk County in 2011 to implement water projects with member and nonmember governments.

Staff requests the Board adopt Resolution 2025-001-WC to enable WCCF to finance strategic water projects deemed essential to its member and nonmember governments, starting with the Cypress Lake Water Treatment Plant project. The resolution contains provisions that outline financing for this and future projects. Below is a summary of the key points contained in the resolution.

**Key Points:****1. Authority and Definitions:**

- The resolution is adopted under specific Florida statutes and the Interlocal Agreement.
- It includes comprehensive definitions for terms used throughout the document.

**2. Findings and Authorization:**

- The Issuer will own, operate, and maintain the System upon completion of the 2025 Project.
- The necessity and benefits of the 2025 Project for public health and welfare are established.
- Authorization for the issuance of bonds to finance the project and related costs.

**3. Bond Issuance and Terms:**

- Bonds are authorized to finance the 2025 Project, with specific terms for issuance, description, form, and execution.
- Provisions for registration, redemption, and application of bond proceeds are detailed.

**4. Funds and Accounts:**

- The master financing agreement under which the Cooperative pledges its utility revenues as security for any debt obligations is secured by utility system revenues. Member contributions for the prepayment of a project will be held in a separate subaccount and not subject to the lien by bondholders.



- The funds and accounts under the Bond Resolution will replace in certain instances existing funds and accounts created under the Charter and CLAWS agreement in accordance with Section 9.01 of the Governance Agreement.
- Creation of various funds and accounts, including the Revenue Fund, Operation and Maintenance Fund, Debt Service Fund, Reserve Fund, Renewal and Replacement Fund, and Rebate Fund.
- Detailed instructions on the use and management of these funds.

**5. Covenants and Representations:**

- Require rates be set to cover: 100% of the cost of operation and maintenance, 115% of the debt service requirement of outstanding bonds and 100% of debt service reserve funding requirements.
- The Issuer's commitments regarding punctual payment, maintenance of the system, operating budget, rate covenant, and other operational aspects.
- Requirements for annual audits and financial reporting.

**6. Conditions for Issuance of Additional Bonds:**

- Conditions under which additional bonds can be issued, including financial tests and certifications.
- Provisions for Qualified Swaps and Separately Financed Projects.

**7. Events of Default and Remedies:**

- Definition of events of default and the remedies available to bondholders.
- Procedures for enforcement of remedies and appointment of a trustee.

**8. Defeasance and Release:**

- Conditions under which the resolution can be defeased and the bonds considered paid.

**9. Amendments and Modifications:**

- Procedures for amending the resolution, including the need for bondholder consent for material changes.

RESOLUTION NO. 2025-001-WC

WATER COOPERATIVE OF CENTRAL FLORIDA

WATER REVENUE BOND RESOLUTION

# WATER COOPERATIVE OF CENTRAL FLORIDA

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RESOLUTION NO. 2025-001-WC

A RESOLUTION OF THE WATER COOPERATIVE OF CENTRAL FLORIDA, PROVIDING FOR THE ISSUANCE OF ITS WATER REVENUE BONDS TO FINANCE APPROVED WATER PROJECTS, INCLUDING THE ISSUANCE OF WATER REVENUE BONDS, SERIES 2025 IN ONE OR MORE SERIES TO BE ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO BE OUTSTANDING AT ANY ONE TIME IN EXCESS OF \$5,000,000, AS TAX-EXEMPT AND/OR TAXABLE BONDS TO FINANCE THE COSTS OF THE CYPRESS LAKE WELLFIELD PROJECT AND PAY COSTS OF ISSUANCE OF THE SERIES 2025 NOTES; PROVIDING FOR THE ISSUANCE OF ADDITIONAL BONDS; PROVIDING FOR THE PAYMENT OF SUCH BONDS FROM CERTAIN REVENUES OF THE COOPERATIVE; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH, INCLUDING, BUT NOT LIMITED TO, AUTHORIZED INVESTMENTS, A RATE COVENANT AND COVENANTS REGARDING DEFAULTS AND REMEDIES; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE WATER COOPERATIVE OF CENTRAL FLORIDA, THAT:

**ARTICLE I  
AUTHORITY FOR THIS RESOLUTION**

*Section 1.01. Authority.* This Resolution is adopted pursuant to the Act, the Constitution of the State of Florida and other applicable provisions of law.

**ARTICLE II  
DEFINITIONS**

*Section 2.01. Definitions.* As used herein, unless the context otherwise requires:

"Act" means, collectively, Section 163.01 and Chapter 159, Florida Statutes, the Interlocal Agreement, the Constitution of the State and other applicable provisions of law.

"Additional Bonds" means additional obligations, including, without limitation, Commercial Paper Obligations and Designated Maturity Bonds, issued in compliance with the terms, conditions and limitations contained in Article XII hereof which will have an equal lien on the Pledged Revenues in the manner and to the extent herein provided, and rank equally in all other respects with the Series 2025 Notes initially issued hereunder (except with respect to amounts held in any separate account created in the Construction Fund pursuant to Section 7.01 hereof and with respect to amounts held in any separate account or accounts in the Reserve Fund, which amounts shall be held only for the benefit of the Holders of the Bonds for which such accounts were created)

and any Hedge Obligations under Qualified Swaps authorized to be incurred pursuant to this Resolution.

"Amortization Installment" means the funds deposited in the Debt Service Fund in a given Bond Year that are required for the payment at maturity or redemption of a portion of a series of Term Bonds, as established or provided for hereby or by supplemental resolution of the Issuer at or before the delivery of that series of Term Bonds.

"Annual Budget" means the budget, as amended and supplemented from time to time, prepared by the Issuer for each Fiscal Year in accordance with Section 11.04 and in accordance with the laws of the State of Florida.

"Approved Water Project" means a Water Project as provided for in one or more Implementation Agreements in accordance with and approved as provided for in the Interlocal Agreement.

"Authorized Depository" means any bank, trust company, national banking association, savings and loan association, savings bank or other banking association selected by the Issuer as a depository, which is authorized under Florida law to be a depository of municipal funds and which has qualified with all applicable state and federal requirements concerning the receipt of Issuer funds.

"BMA Municipal Index" means The Bond Market Association Municipal Swap Index as of the most recent date for which such index was published, or such other weekly, high-grade index comprised of seven-day, tax-exempt variable rate demand notes produced by Municipal Market Data, Inc., a Thompson Financial Services Company, or its successor, or as otherwise designated by The Bond Market Association or any successor thereto; *provided, however*, that, if such index is no longer produced by Municipal Market Data, Inc. or its successor, then "BMA Municipal Index" shall mean such other reasonably comparable index selected by the Issuer.

"Bond Counsel" means Holland & Knight LLP or such other counsel experienced in matters relating to the validity of, and the exclusion from gross income for federal income tax purposes of interest on, obligations of states and their political subdivisions.

"Bond Financed Portion" means the portion of the costs of a Project financed with proceeds of a Series of Bonds.

"Bond Insurer" means, with respect to any Series of Bonds, the issuer of a municipal bond insurance policy or Reserve Product insuring all or a portion of the payment, when due, of the principal of and interest on such Series of Bonds or satisfying all or a portion of the Reserve Requirement for such Bonds.

"Bond Obligation" means, as of the date of computation, the sum of: (i) the principal amount of all Current Interest Bonds then Outstanding and (ii) the Compounded Amount on any Capital Appreciation Bonds then Outstanding.

"Bond Proceeds Project Construction Subaccount" means any Bond Proceeds Subaccount established in the Construction Fund pursuant to Section 7.01 hereof.

"Bond Service Requirement" means, for a given Bond Year, the remainder after subtracting any accrued and capitalized interest for that year that has been set aside in the Revenue Fund or in a separate account or subaccount in the Construction Fund for that purpose, concurrently with the issuance of Bonds hereunder, from the sum of:

(a) The amount required to pay the interest coming due on Bonds during that Bond Year, including the accreted interest component of the Compounded Amount of Capital Appreciation Bonds maturing during that Bond Year,

(b) The amount required to pay the principal of Serial Bonds and the principal of Term Bonds maturing in that Bond Year that are not included in the Amortization Installments for such Term Bonds; and

(c) The Amortization Installments for all series of Term Bonds for that Bond Year.

Calculations of the Bond Service Requirement shall be based on the following assumptions:

(1) For purpose of the rate covenant contained in Section 11.05 of this Resolution, and for purposes of determining the Reserve Requirement pursuant to Sections 9.02 and 9.05 of this Resolution, the interest rate on Variable Rate Bonds for the Bond Year in which such calculation is made, or for any following Bond Year, as the case may be, shall be assumed to be one hundred ten percent (110%) of the average daily interest rate on such Variable Rate Bonds during the twelve months ending with the month preceding the date of calculation, or such shorter period that such Bonds shall have been Outstanding. If such Bonds have not been Outstanding on the date of calculation, the assumed interest rate shall be the rate calculated by the Issuer based on the nationally published index that, in the Issuer's reasonable judgment, will most closely track the expected interest rate on the Variable Rate Bonds.

(2) For purposes of determining the Maximum Bond Service Requirement or the Bond Service Requirement for the issuance of Additional Bonds pursuant to Section 12.02 of this Resolution, the interest rate on Variable Rate Bonds Outstanding on the date of calculation shall be the same as the interest rate used for the rate covenant as described in paragraph (1) of this definition, and the interest rate on Variable Rate Bonds proposed to be issued under the provisions of Section 12.02, if the proposed Variable Rate Bonds are Tax-Exempt Bonds, shall be deemed to be one hundred ten percent (110%) of the average of the BMA Municipal Index for the twelve months ending with the month preceding the date of calculation, and if the Variable Rate Bonds are Taxable Bonds, the interest rate on the date of calculation on U.S. Treasury obligations with comparable maturities, plus one-half of one percent (0.50%).

(3) With respect to Option Bonds, the optional tender or "put" date(s) and amount(s) shall be ignored and the stated maturity date(s) of such Option Bonds shall be used for the purposes of this calculation unless the Issuer has received notice of a tender or put from the applicable Bondholder.



(4) If the Issuer has entered into a Qualified Swap with respect to Outstanding Bonds, or proposes to enter into a Qualified Swap in connection with the issuance of Additional Bonds, notwithstanding clauses (1) and (2) above except as described below, so long as (i) the Qualified Swap is in effect or will become effective as of the date of calculation, (ii) the Qualified Swap Provider has not defaulted thereunder (including, without limitation, under a credit support annex or comparable agreement related thereto), and (iii) the Qualified Swap Provider or an entity guarantying its obligations under such Qualified Swap (A) maintains a rating on its unsecured and unenhanced senior long-term debt obligations in any of the highest three Rating Categories from any Rating Agency or (B) is posting collateral to, or for the benefit of, the Issuer pursuant to, and to the extent required under, a credit support annex or comparable collateral agreement with respect to such Qualified Swap, then interest payable on such Bonds may be consolidated with Hedge Receipts and Hedge Obligations under the Qualified Swap, such that the interest rate with respect to a principal amount of such Bonds equal to the notional amount specified in the Qualified Swap shall be assumed to be:

(A) if the Issuer's Hedge Obligations under the Qualified Swap are computed based upon a fixed rate of interest, the actual interest rate upon which the Issuer's Hedge Obligations are computed under such Qualified Swap, or

(B) if the Issuer's Hedge Obligations under the Qualified Swap are computed based upon a variable rate of interest, such Bonds shall be treated as Variable Rate Bonds for purposes of this definition and the interest thereon shall be the assumed rate of interest described in paragraph (1) or (2), as the case may be, of this definition;

plus, in the case of either (A) or (B),

(C) any interest rate differential or basis differential between the interest rate payable by the Qualified Swap Provider under the Qualified Swap and the interest rate payable by the Issuer on the related Bonds, as estimated by the Chief Financial Officer.

(5) For purposes of calculating the Bond Service Requirement with respect to Designated Maturity Bonds, the unamortized principal thereof coming due on the applicable maturity date, amortization installment or tender date of Option Bonds that the Issuer reasonably anticipates refinancing, as reflected in the Annual Budget and/or a certificate of the Chief Financial Officer, shall not be included, and in lieu thereof there shall be included in the Bond Service Requirement for the Bond Year in which such final maturity occurs and other Bond Years only the principal amount thereof the Issuer certifies that it reasonably anticipates to become due in each such Bond Year, taking into account any such anticipated refinancing of such Designated Maturity Bonds.

(6) For purposes of calculating the Bond Service Requirement with respect to Commercial Paper Obligations, only the interest component of such Commercial Paper Obligations and the principal component of the Commercial Paper Obligations that the Issuer reasonably expects to retire and not to pay with the proceeds of roll-over

Commercial Paper Obligations in such Bond Year (as reflected in the Annual Budget and/or a certificate of the Chief Financial Officer) shall be included in the calculation of the Bond Service Requirement. The interest rate on the Commercial Paper Obligations shall be computed in the same manner as the computation of interest on Variable Rate Bonds as described above.

(7) If two Series of Variable Rate Bonds, or one or more maturities within a Series, are issued simultaneously with inverse variable interest rates providing a composite fixed interest rate for such Bonds taken as a whole, such composite fixed rate shall be used in determining the Bond Service Requirement with respect to such Bonds.

In calculating Bond Service Requirement with respect to Subsidy Bonds, the amount of Subsidy Payments reasonably expected to be received on such Subsidy Bonds on each respective Payment Date shall be netted against the amount of interest payable on such Payment Date; provided, however, that if for any reason the Issuer is no longer entitled to, or will not, receive all or a portion of Subsidy Payments on any Outstanding Subsidy Bonds (other than as a result of non-recurring reduction due to an offset of an amount due or alleged to be due from the Issuer to the federal government or any agency, branch or bureau thereof), for purposes of this definition, the interest on such Subsidy Bonds shall be determined without regard to all or such portion of Subsidy Payments not expected to be received.

"Bond Year" means the annual period beginning on the first day of October of each year and ending on the last day of September of the following year; provided that when such term is used to describe the period during which deposits are to be made pursuant to Section 9.02 to amortize principal and interest on the Bonds maturing or becoming subject to redemption, or the Bond Service Requirement, the principal amount of, and interest on, Bonds maturing or becoming subject to redemption, and Hedge Obligations due for payment, on October 1 of any year shall be deemed to mature, become subject to redemption, or be due for payment on the last day of the preceding Bond Year.

"Bondholders," "Holders," "Owners," "holders" or "owners" means the registered owners (or their authorized representatives) of Bonds.

"Bonds" means the Series 2025 Notes originally authorized to be issued hereunder and any Additional Bonds.

"Book-Entry Bonds" means those Bonds to which the provision of Section 6.13 apply.

"Business Day" unless otherwise provided by a supplemental resolution with respect to a particular Series of Bonds, means a day on which banking business is transacted in the city or cities in which the Paying Agent (if an Authorized Depository) has its designated corporate trust offices, on which the New York Stock Exchange is open and on which the Issuer is open to transact business.

"Capital Appreciation Bonds" means Bonds that bear interest, compounded semiannually, that is payable only at maturity or upon redemption prior to maturity in amounts determined by reference to the Compounded Amounts, and which may be either Serial Bonds or

Term Bonds. In the case of Capital Appreciation Bonds that are convertible to Bonds with interest payable prior to maturity or prior to redemption of such Bonds, such Bonds shall be considered Capital Appreciation Bonds only during the period of time prior to such conversion.

"Chairman" means the Chairman or the Vice Chairman of the Governing Body.

"Chief Executive Officer" means the Executive Director of the Issuer or in the absence of an Executive Director any other person designated by the Issuer as its chief administrative officer.

"Chief Financial Officer" means the chief financial officer of the Issuer that is charged with administering the fiscal affairs of the Issuer as shall be designated by the Chief Executive Officer or the Governing Body.

"CLAWS Agreement" means the Cypress Lake Alternative Water Supply Agreement entered into originally by and among the Issuer, Orange County, Florida, and Reedy Creek Improvement District<sup>1</sup>, as amended and supplemented.

"Code" means the Internal Revenue Code of 1986, as amended, or any corresponding provisions of any future laws of the United States of America relating to federal income taxation, and except as otherwise provided herein or required by the context thereof, includes interpretations thereof contained or set forth in the applicable regulations of the Department of the Treasury (including applicable final regulations, temporary regulations and proposed regulations), the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings) and applicable court decisions.

"Commercial Paper Obligations" means all of the Bonds (which may be designated as notes or other obligations) of a Series or a proportionate maturity thereof with a maturity of less than 271 days so designated by the Issuer by a supplemental resolution prior to the issuance thereof.

"Composite Reserve Account" means the account in the Reserve Fund established pursuant to Section 9.01 of this Resolution.

"Composite Reserve Requirement" means an amount equal to the lesser of (i) the Maximum Bond Service Requirement calculated with respect to all Series of Bonds Outstanding hereunder that are secured by the Composite Reserve Account, (ii) 125% of the average Bond Service Requirement calculated with respect to all Series of Bonds Outstanding hereunder that are secured by the Composite Reserve Account, or (iii) 10% of the aggregate stated original principal amount of all Series of Bonds Outstanding hereunder that are secured by the Composite Reserve Account, *provided, however*, that in determining the aggregate stated original principal amount of Bonds Outstanding for the purposes of this clause (iii), the issue price of Bonds (net of pre-issuance accrued interest) shall be substituted for the original stated principal amount of those Bonds if such

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<sup>1</sup> Reedy Creek Improvement District withdrew on February 28, 2023 and its rights and obligations were reallocated pursuant to the CLAWS Agreement. Subsequent to its withdrawal, the Florida Legislature dissolved RCID then reestablished and renamed RCID the Central Florida Tourism Oversight District.

Bonds were sold at either an original issue discount or premium exceeding two percent (2%) of the stated redemption price at maturity, such amount to be calculated at the time of issuance of Bonds secured by the Composite Reserve Account and on the last day of each Bond Year.

"Compounded Amounts" means the principal amount of the Capital Appreciation Bonds plus the amount of interest that has accreted on such Bonds, compounded semiannually, to the date of calculation, determined by reference to accretion tables contained in each such Bond or an offering document or official statement with respect thereto. The Compounded Amounts for such Bonds as of any date not stated in such tables shall be calculated by adding to the Compounded Amount for such Bonds as of the date stated in such tables immediately preceding the date of computation a portion of the difference between the Compounded Amount for such preceding date and the Compounded Amount for such Bonds as of the date shown on such tables immediately succeeding the date of calculation, apportioned on the assumption that interest accretes during any period in equal daily amounts on the basis of a year of twelve 30-day months.

"Construction Fund" means the Construction Fund established pursuant to Section 7.01 hereof.

"Cooperative Facilities" has the meaning given in the Interlocal Agreement.

"Cost of Operation and Maintenance" means the current expenses, paid or accrued, of operation, maintenance and repair of the System and its facilities, as calculated in accordance with generally accepted accounting principles for governmental entities, consistently applied, and shall include, without limiting the generality of the foregoing, all costs (including administrative expenses) relating to the System, the purchase of water, and the purchase of water collection, distribution or treatment services (in each case to the extent the same may be treated as an operating cost under generally accepted accounting principles) and insurance premiums and charges for the accumulation of appropriate reserves for self-insurance, not annually recurrent but which are reasonably expected to be incurred on a periodic basis in accordance with generally accepted accounting principles, consistently applied, and payment of the Rebate Amount. The Cost of Operation and Maintenance shall not include (i) any charge or reserve for renewals and replacements, extraordinary repairs or any allowance for depreciation or amortization, (ii) the payment of any principal of, premium, if any, and interest on the Bonds and any other notes, bonds and similar obligations of the Issuer, (iii) payments made by the Issuer under leases that are capitalized in accordance with generally accepted accounting principles, and (iv) costs of issuance of Bonds paid with proceeds of such Bonds.

"Cost" or "Cost of the Projects," with respect to the 2025 Project and each Project subsequently authorized pursuant to subsequent resolutions of the Issuer, shall include all items of cost with respect to such Project permitted under the Act to be financed with proceeds of Bonds issued hereunder (including reimbursement to the Issuer or any member of the Issuer in connection with items previously incurred in anticipation of the issuance of the Bonds). Without intending to limit the foregoing, Cost of the Projects shall include, without limitation: (i) all direct costs of the Project described in the plans and specifications for such Project; (ii) all costs of planning, designing, acquiring, constructing, financing and placing such Projects in operation; (iii) all costs of issuance of Bonds, including the cost of bond insurance, any Reserve Product, any Credit Facility, any Liquidity Facility, bond counsel, underwriters and underwriters' counsel, special tax counsel, financial advisors, printing costs and Rating Agency fees, initial acceptance fees of paying

agents, registrars, trustees and depositaries, and any other costs of issuance of Bonds; (iv) the cost of any lands or interests therein and all of the properties deemed necessary or convenient for the maintenance and operation of the Projects; (v) all other engineering, legal and financial costs and expenses; (vi) all expenses for estimates of costs and of revenues; (vii) costs of obtaining governmental and regulatory permits, licenses, covenants and approvals; (viii) all fees of special advisors and consultants associated with one or more aspects of the Projects or the financing thereof; (ix) all costs relating to claims or judgments arising out of the construction of the System; (x) all federal, state and local taxes and payments in lieu of taxes required to be paid in connection with the acquisition and construction of the System; (xi) all amounts required to be paid by this Resolution or any supplemental resolution authorizing the issuance of Bonds into the Reserve Fund upon the issuance of any Series of Bonds; (xii) the payment of all principal, premium, if any, and interest when due, of any Bonds of any Series or other evidences of indebtedness issued to finance a portion of the cost of the Projects, whether at the maturity thereof or at the due date of interest or upon redemption thereof; (xiii) interest on Bonds of any Series prior to and during construction of any Project for which such Bonds were issued, and for such additional periods as the Issuer may reasonably determine to be necessary for the placing of such Projects in operation; (xiv) the reimbursement to the Issuer or any member of the Issuer of all such costs of any Project that have been advanced or expended by the Issuer or any member of the Issuer from their respective available funds before the delivery of a Series of Bonds issued to finance such costs; (xv) the principal, premium, if any, interest, and costs related thereto, payable with respect to any note or other obligation issued by the Issuer to pay any part of the Cost of the Project; (xvi) all amounts required to be rebated to the United States of America in order to preserve the exclusion from gross income for federal income tax purposes of interest on Tax-Exempt Bonds; (xvii) Costs (as defined in the Interlocal Agreement); and (xviii) such other costs and expenses which shall be necessary or incidental to the financing herein authorized and the construction and acquisition of the Projects and the placing of same in operation.

"Credit Facility" means a line of credit, letter of credit, bond insurance policy, guaranty or similar credit enhancement device or arrangement (including, without limitation, any reimbursement arrangement relating thereto) providing support for the payment of the principal of and interest on one or more Series of Bonds. A Credit Facility may also be a Liquidity Facility.

"Credit Facility Provider" means the issuer of a Credit Facility.

"Current Interest Bonds" means Bonds that bear interest which is payable periodically rather than solely at the maturity of the Bonds.

"Cypress Lake Wellfield" means the lower Floridan aquifer public supply wellfield to be located in central Osceola County and the various components thereof as set forth in the CLAWS Agreement to be owned and operated by the Issuer.

"Dated Date" means the date established by a resolution authorizing the issuance of a Series of Bonds.

"Debt Service Fund" means the Debt Service Fund established pursuant to Section 9.01 hereof.

"Defeasance Obligations" means:

- (1) Cash held by an Authorized Depository pursuant to Section 14.01 whose deposits are insured by the Federal Deposit Insurance Corporation,
- (2) Obligations of, or obligations guaranteed as to principal and interest by, the U.S. or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the U.S. including:
  - U.S. treasury obligations
  - All direct or fully guaranteed obligations
  - Farmers Home Administration
  - General Services Administration
  - Guaranteed Title XI financing
  - Government National Mortgage Association (GNMA)
  - State and Local Government Series
- (3) Obligations of Government – Sponsored Agencies that are not backed by the full faith and credit of the U.S. Government:
  - Federal Home Loan Mortgage Corp. (FHLMC) Debt obligations
  - Farm Credit System (formerly: Federal Land Banks, Federal Intermediate Credit Banks, and Banks for Cooperatives)
  - Federal Home Loan Banks (FHL Banks)
  - Federal National Mortgage Association (FNMA) Debt obligations
  - Financing Corp. (FICO) Debt obligations
  - Resolution Funding Corp. (REFCORP) Debt obligations
  - U.S. Agency for International Development (U.S. A.I.D.) Guaranteed notes
- (4) Investment Agreements

Any Defeasance Obligation must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the related debt (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date). U.S. A.I.D. securities must mature at least four business days before the appropriate payment date.

"Depository" means DTC as securities depository any Additional Bonds issued hereunder, until a successor depository is appointed pursuant to Section 6.13 and thereafter means the successor securities depository appointed pursuant to this Resolution.

"Designated Maturity Bonds" means all of the Bonds of a Series or a particular maturity thereof, so designated by the Issuer for which 20% or more of the principal payments of which are due in a single year and which also may be Option Bonds.

"DTC" means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as Depository for any subsequent Series of Bonds issued hereunder, as designated by supplemental resolution or any successor Depository for any Bonds.

"DTC Participant" means those broker dealers, banks and other financial institutions reflected on the books of DTC.

"Fiscal Year" means the period commencing on October 1 of each year and ending on the succeeding September 30, or such other consecutive 12-month period as may be hereafter designated as the fiscal year of the Issuer pursuant to general law.

"Governance Agreement" means the Interlocal Agreement Relating to the Governance of the Cypress Lake Alternative Water Supply Project by and among the Issuer, Tohopekaliga Water Authority, Orange County, Florida and Polk County, Florida.

"Governing Body" means the Board of Supervisors of the Issuer.

"Gross Revenues" means the Water Revenues, any income from the investment of funds to be deposited in the Revenue Fund or any of the accounts therein as herein provided and all Hedge Receipts received by the Issuer under a Qualified Swap, but shall not include (i) proceeds from the sale of any Bonds or other obligations of the Issuer and (ii) moneys received by the Issuer from federal, state or local governmental grants or stipends that by their terms are restricted from being used in the manner that Gross Revenues are to be applied hereunder. Notwithstanding anything in the foregoing to the contrary, "Gross Revenues" shall not include Subsidy Payments for any purposes of this Resolution. Gross Revenues shall not include revenues from any Separately Financed Project.

"Hedge Charges" means (i) amounts payable by the Issuer to a Qualified Swap Provider upon the execution, renewal, extension, modification or termination (whether optional or mandatory) of any Qualified Swap, including, without limitation, any settlement amount, (ii) any periodic fee payable by the Issuer to keep such Qualified Swap in effect, and (iii) any non-scheduled amounts required to be paid by the Issuer under the Qualified Swap.

"Hedge Obligations" means net payments, required to be made by the Issuer on a scheduled basis under a Qualified Swap, as a result of the fluctuation in a hedged interest rate or the value of any index relative to another interest rate or the value of another index, in each case multiplied by a specified notional amount; provided that Hedge Obligations shall not include Hedge Charges.

"Hedge Receipts" means net payments, received by the Issuer on a scheduled basis under a Qualified Swap, as a result of the fluctuation in a hedged interest rate or the value of any index relative to another interest rate or the value of another index, in each case multiplied by a specified notional amount; provided that for purposes of determining the Bond Service Requirement, and in making the calculations under Section 11.05 and Article XII, "Hedge Receipts" shall not include (i) amounts payable by the Qualified Swap Provider to the Issuer upon the execution, renewal, extension, modification or termination (whether optional or mandatory) of any Qualified Swap, including, without limitation, any settlement amount, (ii) any periodic fee payable by the Qualified Swap Provider to keep such Qualified Swap in effect, and (iii) any other non-scheduled amounts required to be paid by the Qualified Swap Provider under the Qualified Swap.

"Implementation Agreement" means, individually and collectively as the context may require, (a) the CLAWS Agreement for the construction and operation of the Cypress Lake Wellfield and the Governance Agreement, related thereto, and (b) any other implementation agreement entered into by the Issuer and one or more of its members after the date of this Resolution and designated by the Issuer in a supplemental resolution as an Implementation Agreement hereunder.

"Interlocal Agreement" means the Interlocal Agreement relating to the establishment of the Water Cooperative of Central Florida between The City of St. Cloud, Tohopekaliga Water Authority, Orange County, Florida and Polk County, Florida as filed in the public records of Orange County on September 30, 2011, Polk County, Florida on October 12, 2011 and Osceola County on November 4, 2011.

"Investment Agreements" means agreements or contracts with insurance companies or other financial institutions, or subsidiaries or affiliates thereof (hereinafter in this paragraph referred to as "Providers"), (a) whose outstanding unsecured senior indebtedness or claims-paying ability, as the case may be, shall be rated, or who shall have a "financial programs rating" or other equivalent rating, in one of the highest two Rating Categories by a Rating Agency, or (b) whose obligations under such agreements or contracts shall be unconditionally guaranteed by another insurance company or other financial institution, or subsidiary or affiliate thereof, whose outstanding unsecured senior indebtedness or claims-paying ability, as the case may be, shall be rated, or who shall have a "financial programs rating" or other equivalent rating, in the highest two Rating Categories by a Rating Agency, pursuant to which agreements or contracts the Provider shall be absolutely, unconditionally and irrevocably obligated to repay the moneys invested by the Issuer and interest thereon at a guaranteed rate, without any right of recoupment, counterclaim, set off or termination at the option of the Provider. The Provider may have the right to assign its obligations under any Investment Agreement to any other insurance company or other financial institution, or subsidiary or affiliate thereof; *provided, however*, that such assignee also shall be an insurance company or other financial institution, or subsidiary or affiliate thereof, satisfying the requirements set forth in either clause (a) or clause (b) of the preceding sentence.

"Issuer" means the Water Cooperative of Central Florida, a public agency and unit of special purpose government of the State of Florida created pursuant to Section 163.01(7)(g), Florida Statutes, and pursuant to the Interlocal Agreement.



"Liquidity Facility" means a line of credit, letter of credit, standby bond purchase agreement or similar enhancement device or arrangement creating a source to be drawn upon by the Issuer to pay the purchase price of one or more Series of Bonds upon a mandatory or optional tender for payment. A Liquidity Facility may also be a Credit Facility.

"Maximum Bond Service Requirement" means, as of any particular date of calculation, the largest Bond Service Requirement for any remaining Bond Year, except that with respect to any Bonds for which Amortization Installments have been established, the amount of principal scheduled to come due on the final maturity date with respect to such Bonds shall be reduced by the aggregate principal amount or Compounded Amounts, as the case may be, of such Bonds that are to be redeemed or paid from Amortization Installments to be made in prior Bond Years.

"Member" means each of the members of the Issuer identified as such in the Interlocal Agreement.

"Member Contribution Project Construction Subaccount" means any Member Contribution Project Construction Subaccount established in the Construction Fund pursuant to Section 7.01 hereof.

"Net Revenues" with respect to any Fiscal Year shall be the remainder of the Gross Revenues, after deducting the Cost of Operation and Maintenance for such Fiscal Year.

"No Adverse Effect Opinion" means an opinion of Bond Counsel that a particular event, plan of action or circumstance will not, in and of itself, cause interest on any Bonds issued hereunder to become includable in the gross income of the holders thereof for federal income tax purposes. A No Adverse Effect Opinion will not be required with respect to any Series of Bonds that were initially issued as Taxable Bonds.

"Operation and Maintenance Fund" means the fund of that name created by Section 9.01 hereof.

"Option Bonds" means Bonds for which by their terms are subject to tender by the Holder thereof for payment or purchase by or on behalf of the Issuer prior to the stated maturity thereof, or the maturities of which may be extended at the option of the Holder.

"Outstanding" or "Bonds outstanding" or "Outstanding Bonds" means all Bonds that have been issued pursuant to this Resolution except:

- (1) Bonds cancelled after purchase in the open market or because of payment at or redemption prior to maturity;

- (2) Bonds for the payment or redemption of which, pursuant to, and subject to the provisions of, Section 14.01 hereof, cash funds or Defeasance Obligations or any combination thereof shall have been theretofore irrevocably set aside in a special account with the Paying Agent or an Authorized Depository acting as an escrow agent (whether upon or prior to the maturity or redemption date of any such Bonds) in an amount which, together with earnings on such Defeasance Obligations, will be sufficient to pay the principal of and interest on such Bonds at maturity or the principal of, interest on and

premium, if any, upon their earlier redemption; provided that, if such Bonds are to be redeemed before the maturity thereof, irrevocable and unconditional notice of such redemption shall have been given according to the requirements of this Resolution or irrevocable instructions directing the timely publication of such notice and directing the payment of the principal of, premium, if any, and interest on all Bonds at such redemption dates shall have been given to the Paying Agent or such escrow agent; and

(3) Bonds which are deemed paid pursuant to Section 6.06 and Section 6.08 hereof or in lieu of which other Bonds have been issued under Section 6.05 hereof.

"Paying Agent" means the Issuer or any Authorized Depository designated by the Issuer to serve as a Paying Agent or place of payment for any one or more Series of Bonds issued hereunder that shall have agreed to arrange for the timely payment of the principal of, interest on and premium, if any, with respect to the Bonds to the registered owners thereof, from funds made available therefor by the Issuer, and any successors designated pursuant to this Resolution.

"Payment Date" means, as the context may require, (i) any date on which a payment of principal and/or interest on any Bonds Outstanding is due hereunder, including, without limitation, any date of redemption of Bonds, and (ii) any date on which a Hedge Obligation is due.

"Permitted Investments" means any obligations in which surplus municipal funds may be invested under the laws of the State that meet the Issuer's written investment policy.

"Pledged Revenues" means the Gross Revenues and, until applied in accordance with the provisions of this Resolution, all other amounts, including investments thereof, held in the funds and accounts established hereunder, except (i) funds held in the Rebate Fund, (ii) funds held in (x) an account in the Reserve Fund or (y) any account in the Construction Fund, in each case of (x) and (y) for a specific Series of Bonds, which will be held solely for the Series of Bonds for which such account was created and (iii) funds held in a Member Contribution Project Construction Subaccount.

"2025 Project" means Projects as defined in the Governance Agreement, the costs of which are to be funded in whole or in part with proceeds from the Series 2025 Notes.

"2025 Project Construction Account" means the account by that name established within the Construction Fund pursuant to Section 7.01 of this Resolution.

"2025 Notes Proceeds Project Construction Subaccount" means the subaccount by that name established within the 2025 Project Construction Account in the Construction Fund pursuant to Section 7.01 of this Resolution.

"2025 Member Contribution Project Construction Subaccount" means the subaccount by that name established within the 2025 Project Construction Account in the Construction Fund pursuant to Section 7.01 of this Resolution.

"Projects" means Water Projects, including the 2025 Project and any refunding of the obligations issued or incurred for such projects and interests in water systems or facilities that will be utilized by the Issuer in connection with the operation of the System.

"Qualified Independent Consultant" means any one or more qualified and recognized independent consultants having favorable reputations, skill and experience with respect to the acts and duties required of a Qualified Independent Consultant by a particular section or one or more sections hereof, as shall from time to time be retained by the Issuer for the purposes hereof.

"Qualified Swap" an agreement such as an interest rate exchange agreement, an interest rate swap agreement, a forward rate agreement, a put option contract, a call option contract, an interest rate cap, an interest rate floor, an interest rate collar or any other financial product approved by the Issuer and which is used by the Issuer as a hedging device with respect to its obligation to pay debt service on any of the Bonds, entered into between the Issuer and a Qualified Swap Provider; provided that such arrangement shall be specifically designated in a certificate of the Chief Financial Officer as a "Qualified Swap" for purposes of this Resolution; and provided further that, at the time of entering into such Qualified Swap, the Issuer shall have obtained written evidence that the Qualified Swap Provider satisfies the requirements for a Qualified Swap Provider set forth in the definition of such term in this Article II.

"Qualified Swap Provider" means a financial institution whose senior unsecured and unenhanced long-term debt obligations, or whose payment obligations under a Qualified Swap are guaranteed by an entity whose senior unsecured and unenhanced long-term debt obligations, are rated by any Rating Agency in the highest two Rating Categories on the date the Qualified Swap is entered into.

"Rating Agency" means any nationally recognized securities rating agency.

"Rating Category" means one of the generic rating categories of any Rating Agency without regard to any refinement or gradation of such category by numerical modifier or otherwise.

"Rebate Amount" means the excess of the amount earned on all nonpurpose investments (as defined in Section 148(f)(6) of the Code) over the amount that would have been earned if such nonpurpose investments were invested at a rate equal to the yield on the applicable Series of Bonds, plus any income attributable to such excess, but shall not include any amount exempted by Section 148 thereof.

"Rebate Fund" means the fund of that name created by Section 9.01 hereof.

"Rebate Year" means a one year period (or shorter period from the date of first issuance of Bonds hereunder) that ends at the close of business on September 30 of each calendar year.

"Record Date" means the date specified as such in Section 6.02(d) hereof.

"Registrar" means the Issuer or any agent (including the Paying Agent) designated from time to time by the Issuer, by resolution, to maintain the registration books for the Bonds issued hereunder or to perform other duties with respect to registering the transfer of Bonds.

"Renewal and Replacement Fund" means the fund of that name created by Section 9.01 hereof.

"Reserve Fund" means the fund by that name established pursuant to Section 9.01 of this Resolution.

"Reserve Product" means bond insurance, a surety bond or a letter of credit or other credit facility issued by a Reserve Product Provider used in lieu of a cash deposit in the Reserve Fund and meeting the terms and conditions of Section 9.02(a)(3) of this Resolution.

"Reserve Product Provider" means a reputable and nationally recognized bond insurance provider or a bank or other financial institution providing a Reserve Product, whose bond insurance policies insuring, or whose letters of credit, surety bonds or other credit facilities securing, the payment, when due, of the principal of and interest on bond issues by public entities results in such issues (as of the delivery date of the Reserve Product) being rated in one of the three highest Rating Categories by any Rating Agency.

"Reserve Requirement" means, with respect to the Composite Reserve Account, the Composite Reserve Requirement, and, with respect to each Series of Bonds issued hereunder that is not secured by the Composite Reserve Account, the amount of money, if any, or available amount of Reserve Product, if any, or any combination thereof, required by subsequent resolution adopted or enacted prior to the issuance of such Series of Bonds to be deposited in the separate account in the Reserve Fund with respect to such Series of Bonds pursuant to Section 9.02 hereof, if the reserve established with respect to such Series of Bonds is available for use only with respect to such Series of Bonds.

"Revenue Fund" means the fund established by that name pursuant to Section 9.01 of this Resolution.

"Secretary" means the Secretary or Assistant Secretary of the Issuer or such other officer designated to serve as Secretary in the absence of such elected or appointed Secretary.

"Separately Financed Project" has the meaning provided in Section 12.04 hereof.

"Serial Bonds" means all Bonds of a Series other than Term Bonds.

"Series" means any portion of the Bonds of an issue authenticated and delivered in a single transaction, payable from an identical source of revenue and identified pursuant to the supplemental resolution authorizing such Bonds as a separate Series of Bonds, regardless of variations in maturity, interest rate, Amortization Installments or other provisions, and any Bonds thereafter authenticated and delivered in lieu of or in substitution of a series of Bonds issued pursuant to this Resolution.

"Series 2025 Notes" means collectively, the Series 2025A Notes and the Series 2025B Notes.

"Series 2025A Notes" means the Issuer's Revolving Revenue Note, Series 2025A authorized to be issued hereunder.

"Series 2025B Notes" means the Revolving Revenue Note, Series 2025B (Federally Taxable) authorized to be issued hereunder.

"State" means the State of Florida.

"Subordinate Debt" means any bond, note or other indebtedness or obligation authorized by resolution of the Issuer and designated in such resolution as constituting "Subordinate Debt" hereunder, which shall be payable from, and secured by a lien upon, Pledged Revenues subject and subordinate to Bonds issued, and payment obligations (including, without limitation, Hedge Obligations) incurred, hereunder; provided that Hedge Charges shall constitute Subordinate Debt unless otherwise designated in a supplemental resolution.

"Subsidy Bonds" shall mean any Bonds for which the Issuer receives direct Subsidy Payments in an amount equal to all or a portion of the interest paid on such Bonds.

"Subsidy Payments" shall mean payments received by the Issuer or a Paying Agent on behalf of the Issuer from the United States Treasury or the Internal Revenue Service or any other agency, branch or bureau of the federal government or the State of Florida to subsidize the interest payable by the Issuer on Subsidy Bonds.

"System" means the Water System. Notwithstanding the foregoing, the System shall not include Separately Financed Projects.

"Taxable Bonds" means Bonds that are not Tax-Exempt Bonds.

"Tax-Exempt Bonds" mean Bonds, the interest on which is intended at the time of issuance thereof to be excluded from the gross income of the holders thereof for federal income tax purposes.

"Term Bonds" means Bonds of a Series for which Amortization Installments are established or provided for, and such other Bonds of a Series so designated by supplemental resolution of the Issuer adopted on or before the date of delivery of such Bonds.

"Trustee" has the meaning provided in Section 13.02.

"Variable Rate Bonds" means Bonds issued with a variable, adjustable, convertible or other similar interest rate, which rate cannot be ascertained and determined at the time of issuance for the entire term of such Bonds.

"Water Project" has the meaning given in the Interlocal Agreement.

"Water Revenues" means all rates, fees, charges, income, rents, receipts and earnings derived by the Issuer from or attributable to the ownership, operation, leasing or use of the Water System, or any part thereof, including, without limitation, the proceeds of any insurance covering business interruption loss related to the Water System and capacity reservation fees or fees collected from customers or future customers of the Water System to recover the cost of fixed and non-variable carrying costs of capacity in the Water System reserved by such customers and payable to the Issuer in accordance with an Implementation Agreement; provided, however, Water Revenues excludes any Member contribution to a Member Contribution Project Construction Subaccount.

"Water System" means, collectively, the Cooperative Facilities and such other potable and non-potable water facilities owned by the Cooperative in accordance with the terms of the Interlocal Agreement, together with all land and interests therein, plants, buildings, machinery, franchises, pipes, fixtures, equipment, contract rights and all property, real or personal, tangible or intangible, now or hereafter owned by the Issuer in connection therewith and any joint venture or ownership or other interest in any water plant or facility or any right to use capacity or receive the output or services of any water plant or facility.

*Section 2.02. Singular/Plural.* Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms, corporations or other entities including governments or governmental bodies. Words importing the masculine gender shall include every other gender.

### **ARTICLE III FINDINGS**

*Section 3.01. Findings.* It is hereby ascertained, determined and declared that:

(a) The Issuer upon the completion of the 2025 Project will own, operate and maintain the System and derive Water Revenues therefrom.

(b) The Issuer deems it necessary, desirable and in the best interests of the health, safety and welfare of the Issuer and the inhabitants of the members of the Issuer that the System be constructed.

(c) The Issuer is authorized under the Act to issue Bonds and to use the proceeds thereof to pay, or to reimburse the Issuer or any member of the Issuer for, the Cost of the Projects, including the 2025 Project, and to fund one or more accounts in the Reserve Fund with proceeds of the Bonds or Reserve Products as provided in Sections 9.01 and 9.05 if and to the extent authorized by the applicable supplemental resolution, and it is necessary and in the best interests of the Issuer and its inhabitants to provide for the issuance of the Series 2025 Notes to finance (i) the Costs of the 2025 Project and (ii) the costs of issuance of the Series 2025 Notes.

(d) The Water Revenues are not currently pledged to the payment of any outstanding debt.

(e) The 2025 Project is an "Approved Water Project" under the Interlocal Agreement.

(f) The principal of, interest on and premium, if any, with respect to the Bonds and all required debt service, reserve and other payments with respect thereto shall be payable solely from moneys deposited in the Revenue Fund and in the manner and to the extent herein provided, from moneys deposited in the Water Project subaccounts pursuant to this Resolution, which the Issuer has full authority to irrevocably pledge. The members of the Issuer and to the extent applicable, the Issuer, shall never be required to levy ad valorem taxes on any property to pay the principal of, interest on or any premium with respect to the Bonds or to make any of the required debt service, reserve or other payments required herein, and the Bonds shall not constitute

a lien on any property owned by or situated within the limits of the Issuer except the Pledged Revenues as expressly provided herein.

(g) The estimated Gross Revenues to be derived in each year hereafter from the operation of the System, after payment of the Cost of Operation and Maintenance, that are legally available for such purpose will be sufficient to pay all of the principal of and interest on the Bonds to be issued hereunder, as the same become due and to make all debt service, reserve and other payments in connection with the Bonds required by this Resolution.

#### **ARTICLE IV AUTHORIZATION OF CONSTRUCTION AND ACQUISITION OF PROJECTS; COST OF PROJECTS**

*Section 4.01. Authorization of 2025 Project.* The Issuer has authorized the 2025 Project and such approval is hereby ratified and confirmed. Projects in addition to the 2025 Project to be financed with proceeds of Bonds shall be defined and described by subsequent resolutions of the Issuer, the description of which Projects may also be modified as provided in the resolution authorizing the Bonds financing such Projects.

*Section 4.02. Cost of Projects.* Proceeds received from the sale of the Series 2025 Notes are hereby authorized to be used to fund a portion of the costs of the 2025 Project, or to reimburse the Issuer or any member of the Issuer for costs previously incurred by the Issuer or advanced by a member of the Issuer for the 2025 Project, as applicable, all as described in the supplemental resolution authorizing the issuance of the Series 2025 Notes.

#### **ARTICLE V RESOLUTION TO CONSTITUTE CONTRACT**

*Section 5.01. Resolution to Constitute Contract.* In consideration of the acceptance of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Issuer and the Bondholders. The covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders and all Bonds shall be of equal rank and without preference, priority or distinction over any other thereof, except as expressly provided herein.

#### **ARTICLE VI AUTHORIZATION, DESCRIPTION, FORM AND TERMS OF BONDS**

*Section 6.01. Authority for Issuance of Bonds.* Subject and pursuant to the provisions hereof, Bonds to be known as "Water Cooperative of Central Florida Water Revenue Bonds" are hereby authorized to be issued for the purpose of financing the Cost of the Projects, with other or different descriptive words intended to delineate the purpose for the issuance of the Bonds. Subject and pursuant to the provisions hereof, the Series 2025 Notes to be known as "Water Cooperative of Central Florida Revolving Revenue Note, Series 2025A" and Water Cooperative of Central Florida Revolving Revenue Note, Series 2025B (Federally Taxable) are hereby authorized to be issued for the purpose of financing a portion of the costs of the 2025 Project and paying the

cost of issuance thereof. The Series 2025 Notes will be issued in two Series. The Series 2025A Note shall be issued as Tax-Exempt Bonds and the Series 2025B Note shall be issued as Taxable Bonds, amounts shall be advanced under the Series of Series 2025 Notes depending on the use of the proceeds therefore as shall be set forth in a supplemental resolution and loan agreement approved thereby, in a principal amount of not to be Outstanding at any one time in excess of \$5,000,000, a final maturity date of not to exceed ten (10) years and shall bear interest at a variable rate as shall be provided in a supplemental resolution which shall not exceed the maximum rate permitted by law and such interest shall be payable on a monthly basis. The Series 2025 Notes shall be initially issued in the form of a separate single authenticated fully registered certificate for each Series registered in the name of the registered Owner and shall not be Book-Entry Bonds.

*Section 6.02. Description of Bonds.*

(a) The Bonds authorized hereunder may be issued in one or more Series that may be delivered from time to time. The Bonds may be issued as Tax-Exempt Bonds, as Taxable Bonds, as fixed rate bonds, as Variable Rate Bonds, as Capital Appreciation Bonds, as Current Interest Bonds, as Designated Maturity Bonds and/or as Commercial Paper Obligations.

(b) The Issuer shall by supplemental resolution authorize such Series and shall specify, either hereby or by such supplemental resolution, or shall provide in a supplemental resolution for the specification of, the following:

(1) the authorized principal amount of such Series;

(2) the Projects to be financed with the proceeds thereof;

(3) the date and terms of maturity or maturities of the Bonds of such Series, whether such Bonds are Tax-Exempt Bonds, Taxable Bonds, Variable Rate Bonds, fixed rate Bonds, Capital Appreciation Bonds, Current Interest Bonds, Designated Maturity Bonds and/or Commercial Paper Obligations, or the payment of the Bonds on the demand of the holder, provided that each maturity date shall be October 1 (or, in the event of semiannual maturities of principal, April 1 and October 1) unless otherwise expressly provided by subsequent resolution;

(4) the interest rate or rates of the Bonds of such series, which may include variable, dual, adjustable, convertible or other rates, original issue discounts, compound interest, Capital Appreciation Bonds and zero interest rate bonds, *provided* that the average net interest cost rate on each such Series shall never exceed for such Series the maximum interest rate permitted by law in effect at the time such Series are issued, and *provided* further that in the event original issue discount, zero interest rate, Capital Appreciation Bonds or similar Bonds are issued, only the original principal amount of such Bonds shall be deemed issued on the date of issuance for the purposes of the maximum amount of Bonds authorized hereunder or under a supplemental resolution;

(5) the denominations, numbering, lettering and series designation of such Series of Bonds, provided that the Bonds shall be in the denominations of \$5,000 or any integral multiple thereof, or in the case of Capital Appreciation Bonds, \$5,000 amount



due at maturity, or any integral multiple thereof, or any other denomination designated by subsequent resolution;

(6) the Paying Agent and place or places of payment of such Bonds;

(7) the redemption prices for such Series of Bonds and any terms of redemption or any formula for accretion upon redemption not inconsistent with the provisions of this Resolution which may include mandatory redemption at the election of the holder or registered owner thereof;

(8) the amount and date of each Amortization Installment, if any, for such Series of Bonds, provided that each Amortization Installment shall fall due on April 1 or October 1, or both, of a Bond Year, unless otherwise expressly provided by subsequent resolution;

(9) the use of proceeds of such Series of Bonds, including deposits required to be made into the Construction Fund and the Reserve Fund; and

(10) the Reserve Requirement, if any, and any other terms or provisions applicable to the Series of Bonds, not inconsistent with the provisions of this Resolution or the Act.

The supplemental resolution shall designate whether or not such Series of Bonds shall be secured by the Composite Reserve Account; provided, however, if no Reserve Requirement shall be specified with respect to a Series of Bonds in any subsequent resolution there shall be no Reserve Requirement for such Series of Bonds and the Series of Bonds shall not be secured by the Reserve Fund or any subaccount therein. All of the foregoing may be added by supplemental resolution or resolutions adopted at any time and from time to time prior to the issuance of such Series of Bonds. Unless otherwise so provided, each Bond shall bear interest from the later of the Dated Date or the most recent interest payment date to which interest has been paid, until payment of the principal sum or until provision for the payment thereof on or after the maturity or redemption date has been duly provided for and, unless otherwise so provided, interest on the Bonds shall be calculated on the basis of a 360-day year consisting of twelve thirty-day months.

(c) Unless coupon bonds, the interest on which is excluded from gross income for federal income tax purposes, may be issued under Section 103 of the Code, or any successor to such Code section, or unless such Bonds are intended to be Taxable Bonds, all Bonds hereunder shall be in registered form, in substantially the form set forth in Exhibit "A" hereto or the form attached to the applicable supplemental resolution; shall be numbered from one upward per Series, preceded by the letter "R" (unless issued as coupon bonds to the extent permitted herein), and may contain such other designations as the Issuer may specify by supplemental resolution; and shall be payable in lawful money of the United States of America. In the case of Current Interest Bonds, interest thereon shall be payable by mail to the Holder thereof, provided, however, that (i) so long as the ownership of such Bonds is maintained in a Book-Entry-Only System by a securities depository, such payment shall be made by automatic funds transfer ("wire") to such securities depository or its nominee; and (ii) if such Bonds are not maintained in a Book-Entry-Only System by a securities depository, upon written request of the registered owner of \$1,000,000 or more in

principal amount of Bonds delivered 15 days prior to an interest Payment Date, interest may be paid when due by wire in immediately available funds to the bank account number of a bank within the continental United States designated in writing by such bondholder to the Paying Agent, on a form acceptable to it. Any such written election may state that it will apply to all subsequent payments due with respect to the Bonds held by such registered owner until a subsequent written notice is filed.

(d) Unless otherwise provided by subsequent resolution authorizing a Series of Bonds, interest will be paid to the Holders of Bonds as their addresses may appear on the registration books of the Issuer at the close of business on the fifteenth day, whether or not a Business Day, of the month next preceding the interest Payment Date (the "Record Date"), irrespective of any transfer or exchange of a Bond subsequent to such Record Date and prior to the next succeeding interest payment date, unless the Issuer shall be in default in payment of interest due on such interest payment date. Unless otherwise provided by subsequent resolution authorizing a Series of Bonds, in the event of any such default, such defaulted interest shall be payable to the persons in whose names the Bonds are registered at the close of business on a special record date (which date shall also be the date for the payment of such defaulted interest) as established by notice by deposit in the U.S. mail, postage prepaid, by the Issuer to the Holders of the Bonds not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business on the fifth day, whether or not a Business Day, preceding the date of mailing. Principal of Current Interest Bonds and principal of and any accreted interest on Capital Appreciation Bonds, shall be payable at maturity or earlier redemption thereof upon presentation and surrender of such Bonds at the designated office of the Registrar by check or draft unless otherwise provided by subsequent resolution.

(e) To the extent the Issuer under then applicable law may issue any Series of Bonds in coupon form, the interest on which, in the opinion of Bond Counsel, is excluded from gross income for federal tax purposes, or to the extent such Bonds are to be issued as Taxable Bonds, the Issuer may amend this Resolution, including the form of the Bonds, without consent of the Holders to authorize and provide for the issuance and payment of such coupon Bonds.

(f) If any date for payment of the principal of, premium, if any, or interest on any Bond is not a Business Day, then, unless otherwise provided by subsequent resolution with respect to a series of Bonds, 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 form of Bonds may provide that the Holder of any such Bond may demand that the Issuer purchase such Bond by payment of principal and interest within a stated period after delivering notice to a designated agent for the Issuer and providing a copy of the notice with the tender of the Bond to such agent. The designated agent for the Issuer, in accordance with the terms of a remarketing or replacement agreement, may provide for the resale or redelivery of the Bonds on behalf of the Issuer at a price provided for in the agreement. If the Bonds shall not be resold or redelivered within a stated period, the agent for the Issuer may be authorized to draw upon a previously executed Credit Facility or Liquidity Facility between the Issuer and one or more banks or other financial or lending institutions permitting the Issuer to borrow funds to pay for the purchase of Bonds to which such Credit Facility or Liquidity Facility shall pertain. The

particular form or forms of such demand provisions, the period or periods for payment of principal and interest after delivery of notice, the appointment of the agent for the Issuer, the terms and provisions of the remarketing or replacement agreement, and the terms and provisions of the Credit Facility or Liquidity Facility shall be as designated by a supplemental resolution of the Issuer pertaining to each Series of Bonds to which such terms and provisions are applicable, prior to the sale and delivery thereof.

*Section 6.03. Execution of Bonds.* The Bonds shall be executed in the name of the Issuer by the Chairman or other member of the Governing Body so delegated, the seal of the Issuer may be imprinted, reproduced or lithographed on the Bonds and attested to and countersigned by the Secretary. The signatures of the Chairman and the Secretary on the Bonds may be by facsimile, but one such officer shall sign his manual signature on the Bonds unless the Issuer appoints an authenticating agent, registrar, transfer agent or trustee who shall be authorized and directed to cause one of its duly authorized officers to manually execute the Bonds. If any officer whose signature appears on the Bonds ceases to hold office before the delivery of the Bonds, his signature shall nevertheless be valid and sufficient for all purposes. In addition, any Bond may bear the signature of, or may be signed by, such persons as at the actual time of execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond or the date of delivery thereof such persons may not have been such officers.

*Section 6.04. Registration.*

(a) The Issuer shall establish a system of registration with respect to any Series or all Series of Bonds issued hereunder and may issue thereunder certificated registered public obligations (represented by instruments) or uncertificated registered public obligations (not represented by instruments) commonly known as book-entry obligations (which shall be subject to the provisions of Section 6.13), combinations thereof, or such other obligations as may then be permitted by law. The Issuer shall appoint such Registrars, transfer agents, depositories or other agents as may be necessary to cause the registration, registration of transfer and reissuance of the Bonds within a commercially reasonable time according to the then-current industry standards and to cause the timely payment of interest, principal and premium, if any, payable with respect to the Bonds. Registration and registration of transfer of the Bonds shall be subject to the terms set forth below and those set forth in the forms of the Bonds referred to in Section 6.10 hereof. Any such system may be effective for any Series then Outstanding or to be subsequently issued, provided that if the Issuer adopts a system for the issuance of uncertificated registered public obligations, it may permit thereunder the conversion, at the option of a holder of any Bond then Outstanding, of a certificated registered public obligation to an uncertificated registered public obligation, and the reconversion of the same. A list of the names and addresses of the Holders of the Bonds shall be maintained at all times by the Registrar and shall be made available to any Bondholder requesting same during normal business hours.

(b) The registration of the Bonds may be transferred upon the registration books therefor upon delivery to the Registrar, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Registrar, duly executed by the Holder of such Bonds or by his attorney-in-fact or legal representative, containing written instructions as to the details of transfer of such Bonds, along with the social security number or federal employer identification number of such transferee. In all cases of a transfer of the Bonds, the Registrar shall at the earliest practical time in accordance with the provisions of this Resolution

enter the transfer of ownership in the registration books for the Bonds and (unless uncertificated registration shall be requested and the Issuer has a registration system that will accommodate uncertificated registration) shall deliver in the name of the new transferee or transferees a new fully registered Bond or Bonds of the same maturity and of authorized denomination or denominations for the same aggregate principal amount and payable from the same sources of funds. Unless otherwise provided by supplemental resolution with respect to any Series of Bonds issued hereunder, neither the Issuer nor the Registrar shall be required to register the transfer of any Bond during the period commencing on the fifteenth day of the month next preceding an interest payment date on the Bonds and ending on such interest payment date, or, in the case of any proposed redemption of Bonds, after such Bonds or any portion thereof have been selected for redemption. The Registrar or the Issuer may charge the registered owners of such Bonds for the registration of every such transfer of such Bonds an amount sufficient to reimburse it for any tax, fee or any other governmental charge required to be paid, except for any such governmental charge imposed by the Issuer, with respect to the registration of such transfer, and may require that such amounts be paid before any such new Bonds shall be delivered.

(c) The registered owner of any Bond shall be deemed and regarded as the absolute owner of such Bond for all purposes of this Resolution. Payment of or on account of the debt service on any Bond shall be made only to or upon the order of that registered owner or such registered owner's attorney-in-fact duly authorized in writing in the manner permitted by law, and neither the Issuer nor the Paying Agent shall be affected by notice to the contrary. All payments made as described in the Resolution shall be valid and effective to satisfy and discharge the liability upon that Bond, including without limitation, the interest on that Bond, to the extent of the amount or amounts so paid.

*Section 6.05. Bonds Mutilated, Destroyed, Stolen or Lost.* If any Bond is mutilated, destroyed, stolen or lost, the Issuer or its agent may, in its discretion (i) deliver a duplicate replacement Bond, or (ii) pay a Bond that has matured or is about to mature. A mutilated Bond shall be surrendered to and cancelled by the Secretary of the Issuer or its duly authorized agent. The Bondholder must furnish the Issuer or its agent proof of ownership of any destroyed, stolen or lost Bond; post satisfactory indemnity; comply with any reasonable conditions the Issuer or its agent may prescribe; and pay the Issuer's or its agent's reasonable expenses.

Any such duplicate Bond shall constitute an original contractual obligation on the part of the Issuer whether or not the destroyed, stolen, or lost Bond be at any time found by anyone, and such duplicate Bond shall be entitled to equal and proportionate benefits and rights as to lien on, and source of and security for payment from, the funds pledged to the payment of the Bond so mutilated, destroyed, stolen or lost.

*Section 6.06. Provisions for Redemption.* Each Series of Bonds shall be subject to redemption prior to the maturity thereof at the option of the Issuer at such times and in such manner as shall be established by subsequent resolutions of the Issuer adopted with respect to any Series of Bonds on or before the time of delivery of those Bonds. Except as otherwise provided by subsequent resolution with respect to a Series of Bonds, notice of redemption shall be given by publication in THE BOND BUYER or a financial journal published and of general circulation in the city of New York, New York, not more than sixty and not less than thirty days prior to the redemption date, and by the deposit in the U.S. mails of a copy of said redemption notice, postage prepaid, at least thirty and not more than sixty days before the redemption date to all Holders of the

Bonds or portions of Bonds to be redeemed at their addresses as they appear on the registration books to be maintained in accordance with the provisions hereof; *provided, however*, that if all Bonds to be redeemed shall be in registered form, notice by mailing as prescribed above shall be sufficient and no newspaper publication of such redemption notice shall be required and in lieu of mailing notice may be given electronically in accordance with the procedures of the book-entry system in effect when such notice is given. Failure to give any such notice to a registered owner of a Bond, or any defect therein, shall not affect the validity of the proceedings for redemption of any Bond or portion thereof with respect to which no failure or defect occurred.

Each notice shall set forth the date fixed for redemption for each Bond being redeemed, the redemption price to be paid, the date of publication, if any, of a notice of redemption, the name and address of the Registrar and, if less than all of the Bonds then outstanding shall be called for redemption, the distinctive numbers and letters, including CUSIP numbers, if any, of such Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Bond is to be redeemed in part only, the notice of redemption which relates to such Bond shall also state that on or after the redemption date, upon surrender of such Bond, new Bond or Bonds in a principal amount equal to the unredeemed portion of such Bond will be issued.

Any notice delivered as provided in this section shall be conclusively presumed to have been duly given, whether or not the owner of such Bond receives such notice. Notwithstanding the foregoing, the notice provisions with respect to a Series of Bonds may be modified as set forth in a Supplemental Resolution applicable to such Series of Bonds.

Notwithstanding the foregoing or any other provision hereof, notice of optional redemption pursuant to this Section 6.06 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 if expressly set forth in such notice.

*Section 6.07. Effect of Notice of Redemption.* Except as set forth in the last paragraph of Section 6.06, notice having been given in the manner and under the conditions herein above provided, the Bonds or portions of Bonds so called for redemption shall, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such Bonds or portions of Bonds on such date. On the date so designated for redemption, moneys for payment of the redemption price being held in separate accounts by the Paying Agents in trust for the Holders of the Bonds or portions thereof to be redeemed, and any conditions to such redemption having been satisfied, all as provided in this Resolution, interest on the Bonds or portions of Bonds so called for redemption shall cease to accrue, such Bonds and portions of Bonds shall cease to be entitled to any lien, benefit or security under this Resolution, and the Holders of such Bonds or portions of Bonds shall have no right in respect thereof except to receive payment of the redemption price thereof and, to the extent provided in Section 6.08 of this Article, to receive Bonds for any unredeemed portions of the Bonds.

*Section 6.08. Redemption of Portion of Registered Bonds.* In case part but not all of an outstanding fully registered Bond shall be selected for redemption, the registered owners thereof shall present and surrender such Bond to the Issuer or its designated Paying Agent for payment of the principal amount thereof so called for redemption, and the Issuer shall execute and deliver to or upon the order of such registered owner, without charge therefor, for the unredeemed

balance of the principal amount of the Bond so surrendered, a Bond or Bonds fully registered as to principal and interest.

*Section 6.09. Bonds Called for Redemption not Deemed Outstanding.* Bonds or portions of Bonds that have been duly called for redemption under the provisions of this Article VI, with respect to which any conditions to such redemption have been satisfied and with respect to which amounts sufficient to pay the principal of, premium, if any, and interest to the date fixed for redemption shall be delivered to and held in separate accounts by an escrow agent, any Authorized Depository or any Paying Agent in trust for the registered owners thereof, as provided in this Resolution, and as to which any conditions to such redemption have been satisfied, shall not be deemed to be outstanding under the provisions of this Resolution and shall cease to be entitled to any lien, benefit or security under this Resolution, except to receive the payment of the redemption price on or after the designated date of redemption from moneys deposited with or held by the escrow agent, Authorized Depository or Paying Agent, as the case may be, for such redemption of the Bonds and, to the extent provided in Section 6.08 of this Article, to receive Bonds for any unredeemed portions of the Bonds.

*Section 6.10. Form of Bonds.* The text of the Current Interest Bonds, the form of assignment for such Bond and the form of certificate of authentication, if any, provisions for compound, zero and dual interest rate Bonds (if other than Capital Appreciation Bonds), and the certificate of validation, if any, shall be in substantially the form set forth in Exhibit "A" attached hereto or the form attached to the applicable supplemental resolution, with such omissions, insertions and variations as may be necessary or desirable and authorized or permitted by this Resolution or by any subsequent resolution adopted prior to the issuance thereof, including, without limitation, such changes as may be required for the issuance of Taxable Bonds, uncertificated public obligations or coupon Bonds to the extent herein authorized and for the execution of the Bonds by an authenticating agent,

The text of the Capital Appreciation Bonds shall be in such form as may be set forth in the subsequent resolution adopted by the Issuer authorizing such Series of Bonds.

*Section 6.11. Application of Bond Proceeds.* Except as otherwise provided hereby, the proceeds, including accrued interest and premium, if any, received from the sale of the Bonds of any Series shall be applied by the Issuer simultaneously with the delivery of such Bonds in accordance with the provisions of a supplemental resolution of the Issuer in conformity with this Resolution to be adopted at or before the delivery of such Series of Bonds.

*Section 6.12. Temporary Bonds.* Pending the preparation of definitive Bonds, the Issuer may execute and deliver temporary Bonds. Temporary Bonds shall be issuable as registered Bonds without coupons, of any authorized denomination, and substantially in the form of the definitive Bonds but with such omissions, insertions, and variations as may be appropriate for temporary Bonds, all as may be determined by the Issuer. Temporary Bonds may contain such reference to any provisions of this Resolution as may be appropriate. Every temporary Bond shall be executed and authenticated upon the same conditions and in substantially the same manner, and with like effect, as the definitive Bonds. As promptly as practicable, the Issuer shall execute and shall furnish definitive Bonds and thereupon temporary Bonds may be surrendered in exchange for definitive Bonds without charge at the designated office of the Registrar, and the Registrar shall authenticate and deliver in exchange for such temporary Bonds a like aggregate principal amount

of definitive Bonds of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Resolution as definitive Bonds.

*Section 6.13. Book-Entry Bonds.*

(a) The supplemental resolution applicable to each subsequent Series of Bonds shall specify whether such Bonds are to be issued as Book-Entry Bonds. Upon initial issuance, the ownership of Book-Entry Bonds shall be registered in the registration books of the Issuer kept by the Registrar in the name of Cede & Co., as nominee of DTC. The Issuer, the Registrar and the Paying Agent may treat DTC (or its nominee) as the sole and exclusive Holder of such Bonds registered in its name for the purposes of payment of the principal, redemption price of or interest on such Bonds; any notice permitted or required to be given to Bondholders under this Resolution, registering the transfer of Bonds, obtaining any consent or other action to be taken by Holders of such Bonds and for all other purposes whatsoever; and neither the Issuer, the Registrar nor the Paying Agent shall be affected by any notice to the contrary. Neither the Registrar, the Paying Agent nor the Issuer shall have any responsibility or obligation to any DTC Participant, any Person claiming a beneficial ownership interest in such Bonds under or through DTC or any DTC Participant, or any other Person which is not shown on the registration books of the Registrar as being a Holder, with respect to the accuracy of any records maintained by DTC or any DTC Participant; the payment of DTC or any DTC Participant of any amount in respect of the principal, Amortization Installments or redemption price of or interest on such Bonds; any notice which is permitted or required to be given to Bondholders under this Resolution or any other documents; the selection by DTC or any DTC Participant of any Person to receive payment in the event of a partial redemption of such Bonds; or any consent given or other action taken by DTC as Bondholder. The Registrar shall pay all principal of, and premium, if any, and interest on such Bonds only to or "upon the order of" DTC (as that term is used in the Uniform Commercial Code as adopted in Florida), and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to the principal of, and premium, if any, and interest on such Bonds to the extent of the sum or sums so paid. Except as otherwise provided in subsection (c) below, no Person other than DTC shall receive an authenticated Bond certificate evidencing the obligation of the Issuer to make payments of principal of, Amortization Installments and premium, if any, and interest pursuant to this Resolution. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this Resolution with respect to transfers of Bonds, the word "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

(b) Payment of interest for any Bond registered in the name of Cede & Co. shall be made by wire transfer of same day funds to the account of Cede & Co. on the interest Payment Date for such Bonds at the address indicated for Cede & Co. in the registration books of the Issuer kept by the Registrar.

(c) In the event the Issuer determines that it is in the best interest of the beneficial owners that they be able to obtain Bond certificates, the Issuer may notify DTC and the Registrar, whereupon DTC will notify the DTC Participants, of the availability through DTC of Bond certificates. In such event, the Issuer shall prepare and shall execute and the Registrar shall authenticate, transfer and exchange Bond certificates as requested by DTC in appropriate amounts within the guidelines set forth in this Resolution. DTC may determine to discontinue providing its services with respect to such Bonds at any time by giving written notice to the Issuer and the

Registrar and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the Issuer and the Registrar shall be obligated to deliver Bond certificates as described herein. In the event Bond certificates are issued, the provisions of this Resolution shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of, premium, if any, and interest on such certificates. Whenever DTC requests the Issuer and the Registrar to do so, the Issuer will direct the Registrar to cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing such Bonds to any DTC Participant having Bonds credited to its DTC account; or (ii) to arrange for another securities depository to maintain custody of certificates evidencing such Bonds.

(d) NEITHER THE ISSUER NOR THE REGISTRAR WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO THE DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (2) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT, AMORTIZATION INSTALLMENT FOR, REDEMPTION PRICE OF OR INTEREST ON SUCH BONDS; (3) THE DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE GIVEN TO BONDHOLDERS; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF SUCH BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY CEDE & CO. AS THE NOMINEE OF DTC, AS REGISTERED OWNER.

SO LONG AS CEDE & CO IS THE REGISTERED OWNER OF SUCH BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS OR REGISTERED HOLDERS OF SUCH BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF SUCH BONDS.

## **ARTICLE VII CONSTRUCTION FUND**

*Section 7.01. Construction Fund.* The "Water Revenue Bonds Construction Fund" (the "Construction Fund") is hereby created and established. There shall be paid into the Construction Fund the proceeds of the Bonds, which, together with investment earnings thereon, are designated by supplemental resolution or certificate of the Issuer to pay the Cost of the Projects to be funded hereunder and moneys deposited by the Members into a Member Contribution Project Construction Subaccount as described herein.

(a) The Issuer shall establish a separate account in the Construction Fund for the Project or Projects to be financed by each Series of Bonds issued hereunder. Each such account in the Construction Fund shall be kept separate and apart from all other funds and accounts of the Issuer, and the funds on deposit therein shall be withdrawn, used and applied by the Issuer solely for the payment of the Costs of such Project or Projects and purposes incidental thereto as hereinabove described and set forth in Section 4.02. Within each such account the Issuer may establish a Bond Proceeds Project Construction Subaccount and a Member Contribution Project Construction Subaccount. The proceeds of the Bonds shall be deposited in the Bond Proceeds



Project Construction Subaccount to pay the Costs of the Projects to be funded thereunder. A Member may make a contribution to the Costs of Projects of its allocable Cost of a Project and such contribution shall be deposited in the Member Contribution Project Construction Subaccount to pay the Costs of the Projects to be funded thereunder. Capitalized interest, if any, deposited to an account in a Bond Proceeds Project Construction Subaccount in the Construction Fund and any income therefrom shall be transferred, to the extent necessary, to the Debt Service Fund to pay interest on the related Series of Bonds. Any moneys on deposit in an account in the Construction Fund to pay capitalized interest not needed to pay interest pursuant to the preceding sentence or deposited to pay costs of issuance and not necessary for such purpose may be used in the same manner as other funds on deposit in that account or subaccount in the Construction Fund. All such moneys shall be and constitute trust funds for such purposes, and shall be delivered to and held by the Chief Financial Officer (or his designated Authorized Depository) who shall act as trustee of such funds for the purposes of this Resolution. There is hereby created a lien upon such funds in favor of the Holders of the Series of Bonds to which such account is related until applied as herein provided.

The "2025 Project Construction Account" is hereby created within the Construction Fund and within such account two subaccounts: the "2025 Notes Proceeds Project Construction Subaccount" into which the Issuer shall deposit proceeds of the Series 2025 Notes as provided by subsequent resolution of the Issuer and the "2025 Member Contribution Project Construction Subaccount" into which the Issuer shall deposit any contribution of a Member to the 2025 Project.

(b) Any funds on deposit in the Construction Fund that, in the opinion of the Issuer, are not immediately necessary for expenditure, as hereinabove provided, shall be held and may be invested, in the manner provided by law, in Permitted Investments pursuant to Section 10.02 below. All income derived from investments of funds in an account or sub-account in the Construction Fund shall be deposited in such account to which such investment income is attributable.

(c) Any liquidated damages or settlement payments received by the Issuer as a result of the breach by any contractor, subcontractor or supplier working or supplying goods for the Projects, of any representation, warranty or performance guaranty, and all insurance and condemnation proceeds received with respect to damages to or the taking of the Projects during construction (i) shall be deposited and applied (A) to the completion of the Projects, or, (B) if the Chief Executive Officer shall certify that the failure to complete a Project or the modification of a Project or the acquisition or construction of a different Project will not materially adversely affect the Issuer's ability to comply with the rate covenant set forth in Section 11.05 and upon receipt of a No Adverse Effect Opinion, the abandonment of a Project, the modification of a Project or the acquisition or construction of a different Project, or (ii) shall be deposited into the appropriate account or accounts in accordance with the allocable portion of the total amount of the Project financed with moneys from that account in the Construction Fund such that (A) with respect to any amounts in a Bond Proceeds Project Construction Subaccount, such amounts shall be deposited in the Revenue Fund for the redemption of Bonds, as shall be determined by the Issuer and (B) with respect to any amounts in the Member Contribution Project Construction Subaccount, the allocable portion, based on the total amount of the Project financed thereby, shall be returned to the Member(s) based on their allocable contributions and subject to the provisions of the Interlocal Agreement and Implementation Agreement.

(d) The Issuer covenants to commence the acquisition and construction of each Project authorized hereunder, promptly upon the delivery of the Series of Bonds issued to pay the Cost thereof, and to thereafter work with due diligence to complete each such Project. If funds for any Project are to come from other sources (for example, from state or federal grants and loans), the Issuer shall take all legally available actions to insure the receipt of such funds and shall cause such funds to be set aside in a separate fund or account and used for the purposes herein provided.

(e) Except as otherwise provided with respect to any account in the Construction Fund in the supplemental resolution approving the issuance of a Series of Bonds, upon completion of each Project, or upon the abandonment or deferral thereof, any amounts then remaining in the corresponding Bond Proceeds Project Construction Subaccount in the Construction Fund and not reserved by the Issuer for the payment of any remaining part of the cost of construction and acquisition thereof or for the payment of the cost of another Project, shall be used to redeem Bonds in the manner described in Section 9.03(c) below, or upon receipt of a No Adverse Effect Opinion, (i) shall be deposited into the Revenue Fund and used to pay principal and interest next coming due on the Bonds, or (ii) if needed, shall be deposited in the Reserve Fund, or (iii) shall be paid to the Issuer to be used for any lawful purpose. Notwithstanding the foregoing, amounts remaining in a Member Contribution Project Construction Subaccount and not reserved by the Issuer for the payment of any remaining part of the cost of construction and acquisition of a Project shall be returned to the Member(s) based on their allocable contributions and subject to the provisions of the Interlocal Agreement and Implementation Agreement. For the purposes of this Section 7.01, "deferral" of a Project shall refer to situations where the Issuer shall not have formally taken action to abandon or cancel a Project, but shall have determined not to currently proceed with such Project and not to finance such Project with funds then held in the Construction Fund.

(f) Upon the occurrence of an event of default hereunder, the moneys in an account in the Bond Proceeds Project Construction Subaccount of the Construction Fund related to a Series of Bonds may be applied to the payment of such Bonds.

## **ARTICLE VIII SOURCE OF PAYMENT OF BONDS; SPECIAL OBLIGATIONS OF THE ISSUER**

*Section 8.01.* Bonds and Qualified Swaps Not to be General Indebtedness of the Issuer. Neither the Bonds nor any Hedge Obligations or other amounts payable under Qualified Swaps shall be or constitute general obligations or indebtedness of the Issuer within the meaning of the Constitution of the State of Florida, but shall be payable solely from and secured by a lien upon and a pledge of the Pledged Revenues, in the manner and to the extent herein provided. No Bondholder or Qualified Swap Provider shall ever have the right to compel the exercise of the ad valorem taxing power of the members of the Issuer, to the extent applicable, the Issuer or taxation in any form on any real or personal property to pay the principal of, premium, if any, and interest on the Bonds or any amounts due under a Qualified Swap, nor shall any Bondholder or Qualified Swap Provider be entitled to payment of such principal, premium and interest or Hedge Obligations or Hedge Charges from any other funds of the Issuer other than the Pledged Revenues, all in the manner and to the extent herein provided. Neither the Bondholders nor the Qualified Swap Providers shall have a lien upon the System or the Projects.

*Section 8.02. Pledge of Revenues.* The payment of the principal of, premium, if any, and interest on the Bonds and the payment of Hedge Obligations shall be secured forthwith equally and ratably by an irrevocable, valid and binding lien on and security interest in the Pledged Revenues, including, without limitation, moneys deposited into the funds and accounts created by this Resolution (other than moneys in the Rebate Fund), and all earnings thereon, all in the manner and to the extent provided herein, prior and superior to all other liens or encumbrances on the Pledged Revenues and, as provided herein, the Issuer does hereby irrevocably pledge, in the manner and to the extent provided herein, the Pledged Revenues, all to the payment of the principal of, premium, if any, and interest on the Bonds, the payment of Hedge Obligations. The Pledged Revenues shall immediately be subject to the lien and pledge of this Resolution without any physical delivery hereof or further act. Notwithstanding the foregoing, however, Hedge Obligations shall not be secured by funds on deposit in the Reserve Fund and nothing herein provided shall be deemed to grant or create a lien on any account in the Reserve Fund or the Construction Fund created only with respect to a particular Series of Bonds in favor of the owners of Bonds of any other Series. In addition, nothing herein shall be deemed to grant or create a lien on any funds, including investments and investment earnings in the Rebate Fund.

## **ARTICLE IX CREATION AND USE OF FUNDS AND ACCOUNTS; DISPOSITION OF REVENUES**

*Section 9.01. Creation of Funds and Accounts.* There are hereby created and established the following funds and accounts to be known as: the "Revenue Fund" (the "Revenue Fund"), the "Operation and Maintenance Fund" (the "Operation and Maintenance Fund"), the "Debt Service Fund" (the "Debt Service Fund"), the "Reserve Fund" (the "Reserve Fund"), with the Composite Reserve Account therein and a separate account therein for a Series of Bonds issued hereunder that is not secured by the Composite Reserve Account to the extent provided by subsequent resolution enacted or adopted prior to the issuance of such Series of Bonds, the "Renewal and Replacement Fund" (the "Renewal and Replacement Fund"), and the "Rebate Fund" (the "Rebate Fund"). Such funds and accounts shall constitute trust funds for the purposes herein provided, shall be delivered to and held by the Chief Financial Officer (or an Authorized Depository designated by the Chief Financial Officer), in each case who shall act as trustee of such funds for the purposes hereof, shall (except for the Rebate Fund) be subject to a lien and charge in favor of the Holders of the Bonds and Qualified Swap Providers in the manner and to the extent provided herein, and shall, except as expressly permitted hereby, at all times be kept separate and distinct from all other funds of the Issuer and used only as herein provided. Notwithstanding anything in the foregoing to the contrary, such funds and accounts may be maintained as accounts or subaccounts of a utility or water and sewer fund of the Issuer for purposes of its accounting records, but shall be maintained and shall be traceable as designated herein.

The Issuer covenants and agrees that subsequent to the delivery of the first Bonds issued hereunder, it shall not deposit Gross Revenues into a general fund account created pursuant to Section 2.08(J) of the Interlocal Agreement. Notwithstanding anything in the Interlocal Agreement or Governance Agreement to the contrary, the requirements of this Resolution with respect to the creation and maintenance of funds and accounts herein shall control.

*Section 9.02. Disposition of Revenues.* Commencing on the day following the delivery of the first Bonds issued hereunder, except as otherwise provided herein, all Gross Revenues shall be deposited by the Issuer into the Revenue Fund promptly upon receipt.

(a) **DISPOSITION OF REVENUES.** Funds in the Revenue Fund shall be applied in each month, commencing with the month immediately following the delivery of the first Bonds issued hereunder, only in the following order and priority:

(1) First, by deposit in the Operation and Maintenance Fund for the payment of the Cost of Operation and Maintenance.

(2) Then, by deposit into the Debt Service Fund an amount which, will equal (i) one-sixth of the interest maturing on the Bonds on the next interest payment date, with respect to Bonds that bear interest payable semiannually and one-sixth of the amount of Hedge Obligations payable semiannually on Qualified Swaps, (ii) the amount of interest next maturing on Bonds that bear interest payable monthly, (iii) the amount of Hedge Obligations payable monthly on Qualified Swaps, (iv) the amount of interest accruing in such month on Bonds that bear interest on other than a monthly or semiannual basis (other than Bonds that bear interest only payable upon maturity or redemption), (v) the amount of Hedge Obligations accruing in such month on Qualified Swaps for which Hedge Obligations are payable other than semiannually or monthly, (vi) one-twelfth of all principal, and with respect to Bonds that pay interest only upon maturity or redemption, principal and accreted interest, maturing or becoming payable during the current Bond Year on the various Series of Serial Bonds that mature annually, (vii) one-sixth of all principal, and with respect to Bonds that pay interest only upon maturity or redemption, principal and accreted interest, maturing or becoming payable on the next maturity date in such Bond Year on the various Series of Serial Bonds that mature semiannually, (viii) one-sixth of the Amortization Installments and unamortized principal balances of Term Bonds with respect to the Bonds that are payable semiannually, and (ix) one-twelfth of the Amortization Installments and unamortized principal balances of Term Bonds coming due during the then-current Bond Year with respect to the Bonds that are payable annually, until there are sufficient funds then on deposit equal to the sum of the interest, principal and redemption payments due on the Bonds on the next interest, principal, maturity and redemption dates in such Bond Year and to timely pay Hedge Obligations coming due.

Deposits required pursuant to the foregoing shall be increased or decreased each month to the extent required to pay interest, principal and redemption premiums and Hedge Obligations next becoming due and payable, after making allowance for any accrued and capitalized interest, and to make up any deficiency or loss that may otherwise arise in such fund or account. Additionally, if Variable Rate Bonds or variable rate Hedge Obligations are outstanding on the fifteenth day of such month, unless the Issuer shall establish a different procedure for the payment or deposit of monthly interest on Variable Rate Bonds, the Issuer shall deposit into the Debt Service Fund in lieu of the monthly interest deposit or the one-sixth semiannual interest deposit described above, the interest actually accruing on such Bonds or Hedge Obligations for such month (plus any deficiencies in interest deposits for the preceding month), assuming the interest rate thereon on the fifteenth day of such month will continue through the end of such month. On or before each interest payment date and each payment date for Hedge Obligations, the Issuer

shall make up any deficiencies in such interest deposit, based on the actual interest accruing through such date, from and to the extent of the funds remaining on deposit in the Revenue Fund.

(3) Then, by deposit pro rata (such pro ration to be done on the basis of the amount of the Reserve Requirement for each applicable account in the Reserve Fund) into the Composite Reserve Account and the other special reserve accounts in the Reserve Fund created for separate Series of Bonds, such amounts that, after taking into account other concurrent deposits made in such accounts pursuant to the provisions of this Resolution, and other funds or Reserve Products then on deposit therein or credited to such accounts, if any, will be sufficient to make the funds on deposit therein and Reserve Products credited thereto equal to the Reserve Requirement for each such account.

Notwithstanding anything herein to the contrary, the Issuer may satisfy the Reserve Requirement for any account in the Reserve Fund, in whole or in part with a Reserve Product in lieu of a cash funded deposit. Such Reserve Product must provide for payment of deficiencies (up to the policy limits of such Reserve Product) on any interest or principal payment date (provided adequate notice is given) on which a deficiency exists (or is expected to exist) in moneys held hereunder for a payment with respect to Bonds secured by the applicable account in the Reserve Fund, which cannot be cured by funds in any other account held pursuant to this Resolution and available for such purpose. Each such Reserve Product shall name as the beneficiary thereof, the Paying Agent or an Authorized Depository who has agreed to serve as trustee for the benefit of such Bondholders.

If a disbursement is made from a Reserve Product as provided pursuant hereto, the Issuer shall be obligated to reinstate the maximum limits of such Reserve Product promptly following such disbursement or to replace such Reserve Product by depositing into the applicable account in the Reserve Fund pursuant to this Section 9.02(a)(3), from the first available Net Revenues, funds in the maximum amount originally payable under such Reserve Product, plus amounts necessary to reimburse the Reserve Product Provider for previous disbursements made pursuant to such Reserve Product, or a combination of such alternatives, and for purposes of this clause (a)(3), amounts necessary to satisfy such reimbursement obligation and other obligations of the Issuer to such a Reserve Product Provider shall be deemed required deposits into the applicable Reserve Fund account, but shall be used by the Issuer to satisfy its obligations to the Reserve Product Provider.

Notwithstanding the foregoing, if one or more accounts in the Reserve Fund have been funded with cash or Permitted Investments and no event of default shall have occurred and be continuing hereunder, the Issuer may, at any time in its discretion, substitute a Reserve Product meeting the requirements of this Resolution for the cash and Permitted Investments in any such account, and the Issuer may then withdraw such cash and Permitted Investments from such account and apply them to any lawful purpose that, in the opinion of Bond Counsel, will not result in the interest on the Bonds for which such account in the Reserve Fund was held which are Tax-Exempt Bonds to be includable in the gross income of the Holders thereof for federal income tax purposes.

(4) Then, by deposit into the Renewal and Replacement Fund in an amount equal to the sum of: (a) one-twelfth (1/12th) of the difference between the amount on deposit in such Fund and the Renewal and Replacement Fund Requirement, and (b) one-twelfth (1/12) of any unrestored withdrawal therefrom made to cure deficiencies in the amount on deposit in the Debt Service Fund and the Reserve Fund as provided in Section 9.06 herein.

(5) Then, by payment of all amounts related to any Subordinate Debt required to be paid by the terms of the resolution or other instrument authorizing such Subordinate Debt and the unpaid fees, costs and expenses of any Reserve Product Provider or issuer of a Liquidity Facility or Credit Facility.

(6) Then, by payment of all Rebate Amounts determined to be due and owing pursuant to the Code as provided in Section 10.03 below.

(7) Then, for any lawful purposes of the Issuer related to the System, including refunds or credits to the members of the Issuer pursuant to the terms of the Interlocal Agreement and applicable Implementation Agreement.

(b) ADDITIONAL PAYMENTS. The Issuer shall not be required to make any further payments into the Debt Service Fund or the Reserve Fund when (i) the aggregate amount of moneys in the Debt Service Fund and the Revenue Fund set aside specifically to pay debt service on the Bonds and the Hedge Obligations, and (ii) with respect to the Bonds only, the moneys in the Reserve Fund set aside specifically to pay debt service on the Bonds are, in the aggregate, at least equal to (A) the aggregate principal amount of Bonds issued and Outstanding pursuant to this Resolution and not theretofore defeased pursuant to Section 14.01 below, plus the amount of interest then due or thereafter to become due on said Bonds and (B) the amount of Hedge Obligations then due or thereafter to become due under Qualified Swaps.

*Section 9.03. Use of Moneys in the Debt Service Fund.*

(a) Moneys on deposit in the Debt Service Fund shall be used solely for the payment of principal of, interest on and any premium required with respect to the Bonds and for the payment of Hedge Obligations then due on Qualified Swaps.

(b) On or before the maturity date of each Bond, the due date of each Amortization Installment, installment of interest on Bonds and payment of a Hedge Obligation, the Issuer shall transfer from the Debt Service Fund to the Paying Agents and to each Qualified Swap Provider sufficient moneys to pay all principal of, premium, if any, and interest due and payable with respect to such Bonds and the Hedge Obligations due and payable on any Qualified Swap. Interest accruing with respect to any fully registered Bond shall be paid by check or draft of the Paying Agent to the registered owner thereof unless the registered owner has elected to receive payments by wire transfer as permitted in this Resolution and the series resolution.

(c) Moneys deposited in the Debt Service Fund for the redemption of Bonds shall be applied with reasonable diligence to the retirement of Bonds issued under the provisions of this Resolution and then Outstanding in the following order:

(1) The Issuer may first endeavor to purchase outstanding Term Bonds of each Series redeemable from Amortization Installments, and pro rata (based on the principal amount of the Amortization Installments due in such Bond Year for each such Series of Term Bonds) among all such Bonds if more than one Series of such Term Bonds are outstanding, or if no such Term Bonds are outstanding, Serial Bonds, whether or not such Bonds shall then be subject to redemption, but only to the extent moneys are available therefor, at the most advantageous price obtainable, such price not to exceed the principal of such Bonds plus accrued interest, or the Compounded Amount, as the case may be, but no such purchase shall be made by the Issuer within a period of thirty days next preceding any interest payment date on which such Bonds are subject to call for redemption under the provisions of this Resolution;

(2) Then, to the extent moneys remain on deposit in the Debt Service Fund that are specifically set aside or that have been otherwise set aside or transferred specifically for the redemption of Bonds, the Issuer shall call for redemption on each interest payment date on which Bonds are subject to redemption, with or without premium, from such moneys, such amount of Term Bonds subject to the Amortization Installments for such Bond Year that have not been purchased pursuant to clause (a) above; and

(3) Then, to the extent moneys remain on deposit in the Debt Service Fund that are specifically set aside therein or that have been otherwise set aside or transferred pursuant to this Resolution specifically for the purpose of redeeming Bonds, the Issuer shall first call any remaining Term Bonds then subject to redemption and then Serial Bonds then subject to redemption, in such order and by such selection method as the Issuer, in its discretion, may determine, from such funds as will exhaust the money then held for the redemption of such Bonds as nearly as may be possible.

If Term Bonds are purchased or redeemed pursuant to this section in excess of the Amortization Installments for such Bond Year, such excess principal amount of such Term Bonds so purchased or redeemed shall be credited against subsequent Amortization Installments for Bonds in such Series in such Bond Year or Years as the Issuer may determine and as may be reflected in the Issuer's permanent accounting records. Such election shall be included in the annual audited reports of Issuer referred to in Section 11.07 below.

(d) Notwithstanding anything in Section 9.02(a)(2) or this Section 9.03 to the contrary, if principal, interest or premium payments have been made on behalf of the Issuer by a Bond Insurer or the issuer of a Liquidity Facility or Credit Facility or other entity insuring, guarantying or providing for the payment of Bonds or any Series thereof, moneys on deposit in the Debt Service Fund and allocable to such Bonds shall be paid to such Bond Insurer or issuer of the Liquidity Facility or Credit Facility having theretofore made a corresponding payment on the Bonds.

*Section 9.04. Use of Moneys in Operation and Maintenance Fund.* Moneys on deposit in the Operation and Maintenance Fund shall be used to pay the Cost of Operation and Maintenance.

*Section 9.05. Use of Moneys in the Reserve Fund; Funding of Accounts in Reserve Fund.*

(a) Except as otherwise expressly provided in this Section 9.05, funds on deposit in an account in the Reserve Fund (including, without limitation, the Composite Reserve Account) may be used only for the purpose of curing deficiencies in the amounts available for such purposes in the Debt Service Fund related to the Series of Bonds with respect to which such account in the Reserve Fund was created and for no other purpose. If funds on deposit in an account in the Reserve Fund exceed, in the aggregate, the applicable Reserve Requirement for such account, such excess shall be paid into the Revenue Fund. Any proceeds received from a Reserve Product shall be applied immediately to cure deficiencies in the moneys or investments set aside and available in the Revenue Fund to pay debt service with respect to all Series of Bonds secured by the Composite Reserve Account, or the special account in the Reserve Fund to which such Reserve Product was credited, as the case may be, and for no other purpose.

(b) The Series 2025 Notes shall not be secured by the Composite Reserve Account or the Reserve Fund or any subaccount therein.

(c) At the time of issuance of any Series of Additional Bonds, the Issuer shall, by resolution, indicate whether such Series is to be secured by the Composite Reserve Account or by a special account in the Reserve Fund. If such Series of Additional Bonds is to be secured by the Composite Reserve Account, such resolution shall provide that the amounts on deposit in the Composite Reserve Account shall be increased to the Composite Reserve Requirement. If such Additional Bonds are to be secured by another account in the Reserve Fund, such resolution shall set forth the Reserve Requirement with respect thereto.

Notwithstanding anything in the foregoing to the contrary, to the extent that such Series of Additional Bonds are being issued to refund Outstanding Bonds secured by the Composite Reserve Account and the Composite Reserve Account has been funded or partially funded with respect to the Outstanding Bonds to be refunded, the amount theretofore funded allocable to the Bonds being refunded by such Series of Additional Bonds shall be credited against the amount required by this Section 9.05(c) to be deposited to the Composite Reserve Account.

(d) If cash has been deposited in an account in the Reserve Fund, all such cash shall be used (or Permitted Investments purchased with such cash and held in such account shall be liquidated and the proceeds applied as required) prior to any disbursement made under any Reserve Product relating to Bonds secured by such account. If more than one Reserve Product relates to Bonds secured by an account in the Reserve Fund, then disbursements under such Reserve Products shall be made on a pro rata basis (calculated by reference to the maximum amounts available thereunder) after applying all available cash in such account in the Reserve Fund.

(e) Moneys in the Reserve Fund shall not be available to pay Hedge Obligations.

*Section 9.06. Use of Moneys in the Renewal and Replacement Fund.* The funds in the Renewal and Replacement Fund shall be used only (i) at any time for the purpose of curing deficiencies in the amount in the Debt Service Fund or in the Reserve Fund, or both or (ii) when no such deficiencies exist, as needed for the purpose of paying the cost of the replacement of capital assets of the System, including land, or any unusual or extraordinary maintenance or repairs which the Chief Executive Officer of the Issuer shall certify are necessary for the System. The Issuer does



not expect to pay any debt service on the Bonds from the Renewal and Replacement Fund, nor does it expect that moneys in the Renewal and Replacement Fund will be available for such purpose.

*Section 9.07. Use of Moneys in the Rebate Fund.* Moneys in the Rebate Fund shall be applied only to the Rebate Amount except as otherwise provided in Section 10.03 hereof.

*Section 9.08. Paying Agents.* The Issuer shall transfer, from the various funds and accounts established in this Article IX, to one or more Paying Agents as shall be designated by resolution hereafter and from time to time adopted or enacted by the Issuer, on the date preceding each interest, principal and redemption date, an amount sufficient to pay when due the principal of, interest on and premium, if any, with respect to the Bonds.

No resignation or removal of a Paying Agent appointed hereunder shall be effective until such time as a successor has been appointed by the Issuer and has accepted the duties as Paying Agent hereunder.

## **ARTICLE X DEPOSITARIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS**

*Section 10.01. Deposits Constitute Trust Funds.* All funds or other property which at any time may be owned or held in the possession of or deposited with the Issuer in the funds and accounts created under the provisions of this Resolution shall be held in trust and applied only in accordance with the provisions of this Resolution and shall not be subject to lien or attachment by any general creditor of the Issuer.

All funds or other property which at any time may be owned or held in the possession of or deposited with the Issuer pursuant to this Resolution shall be continuously secured, for the benefit of the Issuer and (except in the case of the Rebate Fund) the Bondholders, either (a) by lodging with an Authorized Depository, as custodian, with collateral security consisting of obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America having a market value (exclusive of accrued interest) not less than the amount of such deposit, or (b) in such other manner as permitted hereunder and as may then be required or permitted by applicable state or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds, including, without limitation, the provisions of Chapter 280, Florida Statutes, as from time to time amended.

All moneys deposited with each Authorized Depository shall be credited to the particular fund or account to which such moneys belong. Notwithstanding anything herein to the contrary, for purposes of investment and to the extent permitted by applicable law, amounts on deposit in any fund or account may be commingled, as provided in Section 10.04 below, provided adequate care is taken to account for such amounts as provided in the preceding sentence.

*Section 10.02. Investment of Moneys.* Moneys held for the credit of each of the funds and accounts created hereby shall be invested and reinvested by the Issuer in Permitted Investments, either directly or through broker-dealer deposit agreements or a combination thereof. Such investments or reinvestments shall mature not later than the respective dates, as estimated by

the Issuer, that the moneys held for the credit of said funds or accounts will be needed for the purposes of such funds or accounts, but in no event shall any of the investments of funds in an account in the Reserve Fund have a term to maturity exceeding the final maturity date of the Series of Bonds secured by such account.

Obligations so purchased as an investment of moneys in any such fund or account shall be deemed at all times to be a part of such fund or account, and shall at all times, for the purposes of this Resolution, be valued annually as of the last day of each Fiscal Year at the market value thereof on the date of valuation, as determined by the Issuer, exclusive of accrued interest.

Except as otherwise provided herein, all income and profits derived from the investment of money in the Construction Fund shall be retained in the Construction Fund and used for the purposes specified for such Fund. All income and profits derived from the investment of moneys in an account in the Reserve Fund shall be retained therein until the amount in such account equals the applicable Reserve Requirement, and thereafter, shall be applied as provided by Section 9.05 hereof. Except as otherwise provided above, all income and profits derived from the investment of moneys in all other accounts or funds created hereby shall be deposited upon receipt in the Revenue Fund.

*Section 10.03. Tax Covenants.* It is the intention of the Issuer and all parties under its control that the interest on the Bonds issued hereunder that are Tax-Exempt Bonds be and remain excluded from gross income for federal income tax purposes and to this end the Issuer hereby represents to and covenants with each of the Holders of the Bonds issued hereunder that are Tax-Exempt Bonds that it will comply with the requirements applicable to it contained in Section 103 and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Code to the extent necessary to preserve the exclusion of interest on the Bonds issued hereunder that are Tax-Exempt Bonds from gross income for federal income tax purposes. Specifically, without intending to limit in any way the generality of the foregoing, the Issuer covenants and agrees:

(a) to make or cause to be made all necessary determinations and calculations of the Rebate Amount required to be paid to the United States of America pursuant to Section 148(f) of the Code;

(b) to set aside in the Rebate Fund or elsewhere sufficient moneys from the Gross Revenues or other legally available funds of the Issuer, to timely pay the Rebate Amount to the United States of America;

(c) to pay the Rebate Amount to the United States of America at the times and to the extent required pursuant to Section 148(f) of the Code;

(d) to maintain and retain all records pertaining to the Rebate Amount with respect to the Bonds that are Tax-Exempt Bonds issued hereunder and required payments of the Rebate Amount with respect to the Bonds that are Tax-Exempt Bonds for at least six years after the final maturity of the Bonds that are Tax-Exempt Bonds or such other period as shall be necessary to comply with the Code;

(e) to refrain from taking any action that would cause any Bonds or any Series or portion thereof issued hereunder, other than Taxable Bonds and bonds issued with the intent

that they shall constitute "private activity bonds" under Section 141(a) of the Code, to be classified as "private activity bonds" under Section 141(a) of the Code; and

(f) to refrain from taking any action that would cause the Bonds that are Tax-Exempt Bonds issued hereunder to become arbitrage bonds under Section 148 of the Code.

The Issuer understands that the foregoing covenants impose continuing obligations of the Issuer that will exist as long as the requirements of Section 103 and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Code are applicable to the Bonds.

Notwithstanding any other provision of this Resolution, including, in particular Section 14.01 hereof, the obligation of the Issuer to pay the Rebate Amount to the United States of America and to comply with the other requirements of this Section 10.03 shall survive the defeasance or payment in full of the Bonds that are Tax-Exempt Bonds.

*Section 10.04. Rebate Fund.* The Issuer covenants and agrees that it shall maintain and retain all records pertaining to and shall be responsible for making or having made all determinations and calculations of the Rebate Amount for each Series of Bonds issued hereunder that are Tax-Exempt Bonds for each Rebate Year within twenty-five (25) days after the end of such Rebate Year and within twenty-five (25) days after the final maturity of each such Series of Bonds. On or before the expiration of each such period, the Issuer shall deposit into the Rebate Fund from investment earnings on moneys deposited in the other funds and accounts created hereunder, or from any other legally available funds of the Issuer, an amount equal to the Rebate Amount for such Rebate Year. The Issuer shall use such moneys deposited in the Rebate Fund only for the payment of the Rebate Amount to the United States as required by Section 10.03 hereof, which payments shall, unless otherwise permitted or required by applicable law, be made in installments, commencing not more than thirty (30) days after the end of the fifth Rebate Year and with subsequent payments to be made not later than five (5) years after the preceding payment was due, except that the final payment shall be made within sixty (60) days after the final maturity of the last obligation of the Series of Bonds issued hereunder that are Tax-Exempt Bonds. In complying with the foregoing, the Issuer may rely upon any instructions or opinions from Bond Counsel.

If any amount shall remain in the Rebate Fund after payment in full of all Bonds issued hereunder that are Tax-Exempt Bonds and after payment in full of the Rebate Amount to the United States in accordance with the terms hereof, such amounts shall be available to the Issuer for any lawful purpose.

The Rebate Fund shall be held separate and apart from all other funds and accounts of the Issuer, shall not be impressed with a lien in favor of the Bondholders and the moneys therein shall be available for use only as herein provided.

Notwithstanding any other provision of this Resolution, including in particular Section 14.01 hereof, the obligation to pay over the Rebate Amount to the United States and to comply with all other requirements of Section 10.03 and this Section 10.04 shall survive the defeasance or payment in full of the Bonds.

The Issuer shall apply any funds in the Rebate Fund for a purpose other than the payment of the Rebate Amount only upon receipt of a No Adverse Effect Opinion from Bond Counsel.

*Section 10.05. Separate Accounts.* The moneys required to be accounted for in each of the funds and accounts established under this resolution may be deposited in a single bank account, and funds allocated to the various funds and accounts established herein may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the moneys on deposit therein and such investments for the various purposes of such funds and accounts as herein provided.

The designation and establishment of the various funds and accounts in and by this Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues for certain purposes and to establish certain priorities for application of such revenues as herein provided.

## **ARTICLE XI GENERAL COVENANTS OF THE ISSUER**

*Section 11.01. Representations of the Issuer.* The Issuer makes the following representations on which the Bondholders are hereby entitled to rely:

(a) Adoption of this Resolution and the compliance by the Issuer with the requirements hereof will not conflict with or result in a breach of or a default under any resolution, agreement or instrument to which the Issuer is now a party.

(b) The Issuer is duly authorized and empowered to operate the System under the laws, rulings, regulations and ordinances of the United States, the State and the departments, agencies and political subdivisions thereof.

(c) As of the date of issuance of the Series 2025 Note, there will exist no event of default, as defined in Section 13.01 hereof, or any condition or event which would constitute, or with the passage of time or the giving of notice, or both, would constitute an event of default hereunder.

(d) There are no pending, or to the knowledge of the Issuer, threatened actions or proceedings against the Issuer before any court of the State or any federal court in the State or any administrative agency which are likely in any case or in the aggregate to materially adversely affect the financial condition or operations of the Issuer or its obligations under this Resolution, nor is the Issuer aware of any facts or circumstances that would give rise to any such actions or proceedings.

*Section 11.02. Punctual Payment.* The Issuer covenants and agrees with the Bondholders that it will punctually pay or cause to be paid the principal of, premium, if any, and interest on the Bonds and that it will be unconditionally and irrevocably obligated, so long as any of the Bonds are Outstanding and unpaid, to take all lawful action necessary or required during each Fiscal Year so long as any of the Bonds are Outstanding and unpaid, to pay from the funds pledged

hereunder, in accordance with the provisions hereof (i) all Reserve Fund deposits provided herein for such year, (ii) the Bond Service Requirement that shall become due on the Bonds in such Bond Year, and (iii) all other payments required by this Resolution, and that the funds pledged hereunder shall not, in the aggregate, be reduced so as to be insufficient to provide adequate revenues for such purposes. Such covenant and agreement of the Issuer shall be cumulative and shall continue until such funds in amounts sufficient to make all payments required hereunder have been actually paid as herein provided.

*Section 11.03. Maintenance of System.* The Issuer will maintain the System and all parts thereof in good condition and will operate the same in an efficient and economical manner, making such expenditures for such equipment, maintenance and repairs and for renewals and replacements thereof as may be proper for its economical operation and maintenance.

If the System is not in good condition, then to the extent funds in the Issuer's operating reserve fund are available for such purpose, the Issuer shall promptly make or cause to be made such repairs as shall be necessary to place it in good condition.

*Section 11.04. Operating Budget.* Before the first day of each Fiscal Year the Governing Body shall prepare, approve and adopt in the manner prescribed by law, a detailed budget of the Gross Revenues, the Bond Service Requirement (including anticipated amortization of Designated Maturity Bonds and Commercial Paper Obligations) and the Cost of Operation and Maintenance for the next succeeding Fiscal Year. Copies of its Annual Budgets and all authorizations for increases in the Cost of Operation and Maintenance shall be available for inspection at the offices of the Issuer.

*Section 11.05. Rate Covenant.* Commencing the first full Fiscal Year following the year in which the Cypress Lake Wellfield is placed in service, the Issuer covenants with the Bondholders to fix, establish, revise from time to time whenever necessary, maintain and collect rates, fees and other charges for the use of the products, services and facilities of the System that will always provide Gross Revenues in each Bond Year (excluding for purposes of this Section 11.05 all Hedge Receipts) such that the amount of Gross Revenues to be received in such Bond Year shall not be less than the sum of one hundred percent (100%) of the Cost of Operation and Maintenance for such Bond Year, plus one hundred fifteen percent (115%) of the Bond Service Requirement for such Bond Year, plus one hundred percent (100%) of the amounts required to be deposited in such Bond Year into the Reserve Fund (including the various accounts therein).

For purposes of the foregoing, the Bond Service Requirement for any Bond Year may be reduced by amounts actually deposited into the Revenue Fund at the beginning of such Bond Year that are not needed to pay Hedge Obligations or debt service then due on the Bonds and that are specifically earmarked to pay debt service on Outstanding Bonds and Hedge Obligations next coming due.

Notwithstanding the foregoing, failure of the Issuer to comply with the foregoing provisions of this Section 11.05 shall not constitute an event of default hereunder if funds are otherwise available to pay all amounts due under this Resolution and the Issuer promptly engages the services of a Qualified Independent Consultant to perform a rate study recommending the rate levels necessary to comply with the foregoing provisions of this Section 11.05 in the next succeeding Bond Year. Such study must be completed within ninety (90) days after the Issuer

becomes aware of its non-compliance with this section and the Issuer shall adopt the recommendations of such study within thirty (30) days after the completion of the study.

Such rates, fees or other charges shall not be so reduced so as to be insufficient to provide adequate Net Revenues for the purposes provided therefor by this Resolution.

*Section 11.06. Books and Records.* The Issuer shall keep separately identifiable financial books, records, accounts and data concerning the operation of the System and the receipt and disbursement of Gross Revenues.

*Section 11.07. Reports and Annual Audits.* The Issuer shall require that an annual audit of its accounts and records be completed after the end of each Fiscal Year by an independent certified public accountant of recognized standing. Such audit shall be conducted in accordance with generally accepted auditing standards as applied to governments.

*Section 11.08. No Mortgage or Sale of System.*

(a) The Issuer shall not mortgage, pledge or otherwise encumber the physical assets of the System.

(b) The Issuer may sell, lease or dispose of, for fair market value, any properties, parts or portions of the System if a Qualified Independent Consultant shall certify that (i) such properties, parts or portions of the System are not necessary for the continued operation and functioning of the System and (ii) the sale, lease or disposal of such properties, portions or parts of the System will not adversely affect the Gross Revenues to be derived from the System to such an extent that the Issuer will fail to comply with the covenants of this Resolution, including, without limitation, the covenants of Section 11.05 hereof; *provided, however*, that the Issuer shall have, and hereby expressly reserves, the right to sell, lease or otherwise dispose of any of the properties, parts or portions of the System having a fair market value not in excess of ten percent (10%) of the value of the fixed assets of the System according to the most recent available annual audit at the time of such disposition that the Issuer shall determine, as evidenced by a certificate of the Chief Executive Officer, to be no longer necessary, useful or beneficial for the continued operation of the System.

Notwithstanding anything in the foregoing to the contrary, the Issuer shall have, and hereby expressly reserves, the right to sell, lease, or otherwise dispose of, for fair and reasonable consideration, any land or interests in land comprising a portion or part of the System which is no longer necessary or useful in the operation of the System, or the sale or leasing of an interest in land which will not interfere with the operation of the System in any material respect, all as certified in writing by the Chief Executive Officer.

(c) The Issuer will not sell any portion of the System or enter into any leasing of the components thereof, in each case to the extent such portion or components were financed with proceeds of Bonds issued hereunder, without first (i) making a good faith determination, as certified by the Chief Executive Officer, that such sale or leasing will not materially adversely affect the Issuer's ability to comply with the rate covenant set forth in Section 11.05 and (ii) with respect to leases, obtaining a No Adverse Effect Opinion. In addition, proceeds received from the sale or disposition of the System or any portion thereof shall not be deemed Gross Revenues and

may be used and applied by the Issuer in any manner for which a No Adverse Effect Opinion may be obtained. Proceeds received from the leasing of the System or any portion thereof shall be included in Gross Revenues for all purposes of this Resolution.

*Section 11.09. Insurance and Condemnation Awards.* The Issuer will, to the extent economically feasible, carry adequate fire, windstorm and explosion insurance on the components of the System that are subject to loss through fire, windstorm or explosion; adequate public liability insurance; other insurance of the kinds and amounts normally carried in the operation of similar facilities and properties in Florida. The Issuer may, upon appropriate authorization by its Governing Body, self-insure against such risks on a sound actuarial basis. Any such insurance shall be carried for the benefit of the Issuer. All proceeds received from property damage or destruction insurance and all proceeds received from the condemnation of the System or any part thereof are hereby pledged by the Issuer as security for the Bonds and shall be deposited at the option of the Issuer but subject to the limitations hereinafter described either (i) into the Issuer's operating reserve fund, in which case such proceeds shall be held in the Issuer's operating reserve fund and used to remedy the loss, damage or taking for which such proceeds are received, either by repairing the damaged property or replacing the destroyed or taken property, as soon as practicable after the receipt of such proceeds, or (ii) into the Revenue Fund for the purpose of purchasing or redeeming Bonds according to the provisions set forth in Section 9.03(c) above.

Proceeds received from such insurance proceeds and condemnation awards shall not be deemed Gross Revenues.

*Section 11.10. Mandatory Cut Off.* Upon the failure of any user to pay for services rendered by the System, at such times as are set forth in the Implementation Agreement, the Issuer shall, to the extent permitted by applicable law and in accordance with the applicable Implementation Agreement, shut off the connection of such user and shall not furnish him or permit him to receive further service from the System, as the case may be, until all obligations owed by him to the Issuer on account of such services shall have been paid in full, *provided* that the Issuer may in its discretion continue services if there is in mediation a good faith dispute or if the suspension of services would compromise the health, safety, and welfare of end users of the utility. This covenant shall not, however, prevent the Issuer from causing the System connection to be shut off sooner.

*Section 11.11. Qualified Independent Consultant.* The Issuer will retain Qualified Independent Consultants from time to time as necessary to comply with the requirements of this Resolution.

*Section 11.12. Enforcement of Charges.* The Issuer shall promptly bill for water consumed in accordance with the terms of the applicable Implementation Agreement or agreements related thereto. The Issuer shall compel the prompt payment of rates, fees and charges imposed in connection with the System, and to that end will vigorously enforce all of the provisions of each applicable Implementation Agreement and any other agreement it may enter into for the supply of water from the System.

*Section 11.13. Amendments to Interlocal Agreement and Implementation Agreement.* The Issuer agrees that it will not make any amendment to the Implementation Agreement or the Interlocal Agreement which will materially adversely affect the security of the

Holders of the Bonds, except as otherwise provided in Section 11.14 hereof and the respective agreements. The Issuer agrees to enforce the provisions of the Interlocal Agreement and the applicable Implementation Agreement in order to protect the rights and security of the Bondholders.

*Section 11.14. Amendments to Implementation Agreement; Release or Assignment of Implementation Agreement.* The Implementation Agreement may be amended by the parties thereto without the consent of any Bondholders, Bond Insurer or Credit Facility Provider if such amendment will not materially adversely affect the security for the Bonds. Except as provided in Section 11.15, if such amendment to an Implementation Agreement materially adversely affects the security for the Bonds, including, modifications to the table of water allotments and associated costs of a Project set forth in the applicable Implementation Agreement, the Implementation Agreement may be amended (x) upon consent of the Credit Facility Providers and a majority of Holders of Bonds not secured by a Credit Facility consent to such amendments, or (y)(i) upon consent of the Credit Facility Providers, if any and (ii) a report of a Qualified Independent Consultant setting forth for the next succeeding Fiscal Year following the effective date of the proposed amendment to the Implementation Agreement (a) estimates of Gross Revenues to be received by the Issuer from the System; (b) estimates of Cost of Operation and Maintenance, for such Fiscal Year; (c) the Maximum Bond Service Requirement; and (d) that Net Revenues will be sufficient to pay 115% of the Maximum Bond Service Requirement.

*Section 11.15. Modifications to Member Water Allotments and Member Water Cost Proportionate Shares.* Modifications to the water allotments and associated costs under an Implementation Agreement may be modified as provided for in the Implementation Agreement without the necessity of approval by a holders of a majority of the Bond Obligation so long as the modification results from (a) the acquisition of excess water capacity by one or more existing project participants; or (b) expansion of a Project and the resulting allocation of additional capacity among one or more participants under an Implementation Agreement, or (c) the reallocation of water capacity upon to the addition, withdrawal or substitution of project participants pursuant to the terms of an Implementation Agreement, or (d) reallocations of water allotments and associated costs on an annual basis made in accordance with the Implementation Agreement.

*Section 11.16. Assignments, Substitutions and Withdrawals.* Assignments, substitutions and withdrawals of members of the Issuer under the Interlocal Agreement shall not require consent of the holders of the Bond Obligations so long as the requirements of Section 11.14 or Section 11.15 are satisfied to the extent that any assignment, substitution or withdrawal would affect the table of water allotments and associated costs of a Project set forth in the applicable Implementation Agreement of a Project for which Bonds are Outstanding.



**ARTICLE XII**  
**CONDITIONS TO THE ISSUANCE OF EACH**  
**SERIES OF BONDS AND ADDITIONAL BONDS;**  
**QUALIFIED SWAPS**

*Section 12.01. Issuance of Obligations.* The Issuer will not issue or incur any obligations payable from the Gross Revenues, or both, or voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge having priority to or being on a parity with the lien of any Bonds issued pursuant to this Resolution, upon the Gross Revenues or both, except under the conditions and in the manner provided herein. Any obligations issued by the Issuer other than in accordance with this Article XII and payable from the Gross Revenues or both, shall contain an express statement that such obligations are junior and subordinate in all respects to the Bonds as to the lien on, and source of and security for payment from, the Gross Revenues.

*Section 12.02. Issuance of Additional Bonds.* No Additional Bonds, payable on a parity with the Bonds then Outstanding pursuant to this Resolution, shall be issued except upon the conditions and in the manner herein provided. The Issuer may issue one or more Series of Additional Bonds for any one or more of the following purposes: (i) financing the Cost of a Project, or the completion thereof, or (ii) refunding any or all Outstanding Bonds or of any Subordinate Debt of the Issuer. Compliance with this Section 12.02 shall not be required in connection with the first series of Bonds issued hereunder or if such Additional Bonds shall be the only Bonds to be Outstanding hereunder after the issuance thereof.

No such Additional Bonds shall be issued unless the following conditions are complied with:

(A) The Issuer shall certify that it is current in all deposits into the various funds, accounts and subaccounts established hereby and all payments theretofore required to have been deposited or made by it under the provisions of this Resolution have been deposited or made and it has complied with the covenants and agreements of this Resolution.

(B) There shall have been filed with the Issuer (1) to the extent applicable, a certificate of the Chief Executive Officer or Chief Financial Officer demonstrating that the requirements of Section 11.05 were met in the last complete Fiscal Year for which the audited financial statements of the Issuer are available; and (2) a report of the Qualified Independent Consultant setting forth for each of the three Fiscal Years following the Fiscal Year in which the Chief Executive Officer estimates the completion of the Project to be financed by such Additional Bonds (a) estimates of Gross Revenues to be received by the Issuer from the System including the Project to be financed with the Additional Bonds; (b) estimates of Cost of Operation and Maintenance, for such Fiscal Years; (c) the Maximum Bond Service Requirement including the Additional Bonds then proposed to be issued; and (d) that Net Revenues will be sufficient to pay 115% of the Maximum Bond Service Requirement including the Additional Bonds then proposed to be issued in each such Fiscal Year, and 100% of any amounts required by the terms hereof to be deposited in the Reserve Fund, if applicable or with the issuer of any Reserve Product.

(y) a certificate of the Chief Executive Officer demonstrating that (i) during any twelve (12) consecutive months designated by the Issuer within the twenty-four (24)

months immediately preceding the date of delivery of such Additional Bonds with respect to which such statement is made or (ii) for the most recently completed fiscal year for which audited financial statements are available, the Net Revenues equal at least 115% of the Maximum Bond Service Requirement on all Bonds to be Outstanding as of the date of such issuance including the Additional Bonds then proposed, and 100% of any amounts required by the terms hereof to be deposited in the Reserve Fund or with the issuer of any Reserve Product.

(C) With respect to Additional Bonds that are issued to complete a Project, the Chief Executive Officer or Chief Financial Officer shall have filed with the Issuer certificate demonstrating that the proceeds of such Additional Bonds to be issued (net of issuance costs and any discounts) will be not more than 10% of the original Cost of such Project for the completion of which such Additional Bonds are then being issued. If the Chief Executive Officer files such certificate with the Issuer, the conditions of Section 12.02(B) hereof shall not apply to the issuance of such Additional Bonds. If Additional Bonds are issued to complete a Project and the proceeds of such Additional Bonds (net of issuance costs and any discounts) are greater than 10% of the original cost of such Project, the Issuer may issue such Bonds provided the conditions of Section 12.02(B) hereof are satisfied.

(D) Additional Bonds shall be deemed to have been issued pursuant to this Resolution the same as the Outstanding Bonds, and all of the other covenants and other provisions of this Resolution (except as to details of such Additional Bonds inconsistent therewith) shall be for the equal benefit, protection and security of the Holders of all Bonds issued pursuant to this Resolution.

(E) In the event any Additional Bonds are issued for the purpose of refunding any Bonds then Outstanding, the conditions of Sections 12.02(B) hereof shall not apply, provided that the issuance of such Additional Bonds shall not result in an increase in Maximum Bond Service Requirement. The conditions of Section 12.02(B) hereof shall apply to Additional Bonds issued to refund Subordinate Debt and to Additional Bonds issued for refunding purposes which cannot meet the conditions of this paragraph.

(F) For all purposes under this Resolution, upon the effective date of a line of credit (whether structured as a draw down loan or a revolving line of credit) the Issuer may assume either (1) that the full amount available thereunder has been drawn on such date of issuance and thereafter, no additional indebtedness shall be deemed to arise when any funding occurs under any such indebtedness (a "Full Draw LOC") or (2) alternatively, may assume that the amount of each draw may be treated as a separate Bond issue under this Resolution on each date on which a draw is made under such line of credit (a "Partial Draw LOC"). The principal shall be amortized in accordance with the terms thereof; provided, however, if the Issuer executes a (x) Full Draw LOC and designates it as a Designated Maturity Bond, the entire amount may be assumed drawn on the effective date on the date of the first draw thereunder and the repayment schedule shall be assumed to be as described in the definition of Bond Service Requirement, or (y) Partial Draw LOC and designates it as a Designated Maturity Bond, only the amount drawn on any particular date shall be taken into account and the repayment schedule shall be assumed to be as described in the definition of Bond Service Requirement, taking into account the current amount to be draw and all previous amounts drawn and outstanding thereunder.

*Section 12.03. Qualified Swaps.*

(a) The Issuer may, to the extent permitted pursuant to law, enter into one or more Qualified Swaps concurrently with the issuance of Additional Bonds hereunder, provided that the financial tests described in Section 12.02 are complied with after applying the assumptions and provisions relating to Qualified Swaps set forth in the definition of Bond Service Requirement, applied as of the date such Qualified Swap is entered into.

(b) In addition, the Issuer may, to the extent permitted pursuant to law and upon receipt of a No Adverse Effect Opinion, enter into one or more Qualified Swaps with respect to Bonds previously issued and Outstanding hereunder.

(c) Unless otherwise agreed by a Qualified Swap Provider, Hedge Obligations under any Qualified Swap shall be on parity with payments on the Bonds for purposes of the Revenue Fund, all in the manner and to the extent specified in Section 9.02. Hedge Charges under any Qualified Swap shall only be paid from the Revenue Fund, all in the manner and to the extent specified in Section 9.02. Neither Hedge Obligations nor Hedge Charges under any Qualified Swap shall be secured by funds on deposit in the Reserve Fund or funds on deposit in the Construction Fund.

*Section 12.04. Separately Financed Projects.* Nothing in this Resolution shall prevent the Issuer from authorizing and issuing bonds, notes, or other obligations or evidences of indebtedness, for any project authorized by the Act, or from financing or otherwise providing for any such project from other available funds (each such project being referred to herein as a "Separately Financed Project"), if the debt service on such bonds, notes, or other obligations or evidences of indebtedness, and the Issuer's share of any operating expenses related to such Separately Financed Project, are payable solely from the revenues or other income derived from the ownership or operation of such Separately Financed Project, from other available funds of the Issuer not constituting part of the Pledged Revenues or from other funds withdrawn by the Issuer from the Revenue Fund pursuant to Section 9.02(a)(8) hereof.

**ARTICLE XIII  
EVENTS OF DEFAULT; REMEDIES**

*Section 13.01. Events of Default.* Each of the following events is hereby declared an "event of default," that is to say if:

(a) payment of principal of any Bond shall not be made by the Issuer when the same shall become due and payable, either at maturity (whether by acceleration or otherwise) or on required payment dates by proceedings for redemption or otherwise; or

(b) payment of any installment of interest shall not be made by the Issuer when the same shall become due and payable; or

(c) the Issuer shall for any reason be rendered incapable of fulfilling its obligations hereunder to the extent that the payment of or security for the Bonds would be materially adversely affected, and such conditions shall continue unremedied for a period of thirty (30) days after the Issuer becomes aware of such conditions; or

(d) an order or decree shall be entered, with the consent or acquiescence of the Issuer, appointing a receiver or receivers of the Issuer, the System, the Gross Revenues, or any part thereof or the filing of a petition by the Issuer for relief under federal bankruptcy laws or any other applicable law or statute of the United States of America or the State of Florida, which shall not be dismissed, vacated or discharged within thirty (30) days after the filing thereof; or

(e) any proceedings shall be instituted, with the consent or acquiescence of the Issuer, for the purpose of effecting a composition between the Issuer and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statutes now or hereafter enacted, if the claims of such creditors are under any circumstances payable from the Gross Revenues; or

(f) the Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Resolution on the part of the Issuer to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by the registered owners of not less than twenty-five percent (25%) of the Bond Obligation.

Notwithstanding the foregoing, with respect to the events described in clauses (a) or (b), when determining whether a payment default has occurred with respect to any Series of Bonds, no effect shall be given to payments made under a Credit Facility in place with respect to such Series of Bonds. Notwithstanding the foregoing, with respect to the events described in clause (f), the Issuer shall not be deemed in default hereunder (i) if such default can be cured within ninety (90) and if the Issuer in good faith institutes appropriate curative action and diligently pursues such action until the default has been corrected, or (ii) if the performance by the Issuer is prevented or delayed at any time by an act or the neglect of any contractor who is retained with due diligence by the Issuer or by the unavailability of labor, strikes, lockouts, fire, unusual delay in transportation, unavoidable casualties, war, hostilities, acts of God or other causes beyond the Issuer's control and arising without its fault or negligence, including the existence of any law, order, proclamation, regulation or ordinance of any government (excluding the Issuer), provided the Issuer shall use its best efforts to remedy the delay.

Notwithstanding anything in this Section 13.01 to the contrary, the occurrence of any default under a Qualified Swap, including without limitation failure on the part of the Issuer to make payments of Hedge Charges or Hedge Obligations, shall not be construed as or deemed to constitute an "event of default" hereunder; rather, such occurrence shall be remedied pursuant to such Qualified Swap and applicable legal and equitable principles taking into account the parity status as to lien on Pledged Revenues which the Qualified Swap Provider enjoys as to payments of Hedge Charges or Hedge Obligations only, relative to that of the Bondholders and their rights to payments hereunder.

*Section 13.02. Enforcement of Remedies.* Upon the happening and continuance of any event of default specified in Section 13.01 above, then and in every such case the owners of not less than twenty-five percent (25%) of the Bond Obligation may appoint any state bank, national bank, trust company or national banking association qualified to transact business in Florida and having a combined capital, surplus and undivided profits of at least \$50,000,000, to serve as trustee for the benefit of the holders of all Bonds then Outstanding (the "Trustee"). Notice of such

appointment, together with evidence of the requisite signatures of the holders of twenty-five percent (25%) of the Bond Obligation and the trust instrument under which the Trustee shall have agreed to serve shall be filed with the Issuer and the Trustee and notice of such appointment shall be published in a financial journal of general circulation in the City of New York, New York. After the appointment of the first Trustee hereunder, no additional Trustees may be appointed; however, the holders of a majority of the Bond Obligation may remove the Trustee initially appointed and appoint a successor and subsequent successors at any time, but no such removal, and no resignation, of such Trustee shall be effective until a successor has been appointed and has accepted the duties of Trustee hereunder. If the default for which the Trustee was appointed is cured or waived pursuant to this Article, the appointment of the Trustee shall terminate as to such default.

After a Trustee has been appointed pursuant to the foregoing, the Trustee may proceed, and upon the written request of holders of twenty-five percent (25%) of the Bond Obligation shall proceed, subject to the provisions of Section 13.03 of this Resolution, to protect and enforce the rights of the Bondholders under the laws of the State, including the Act, and under this Resolution, by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board, body or officer having jurisdiction, either for the specific performance of any covenant or agreement contained herein or in aid of execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, all as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy against the Issuer under this Resolution the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining, due from the Issuer for principal, interest or otherwise under any provisions of this Resolution or of such Bonds and unpaid, with interest on overdue payments of principal and, to the extent permitted by law, on interest at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondholders, and to recover and enforce any judgment or decree against the Issuer, but solely as provided herein and in such Bonds, for any portion of such amounts remaining unpaid and interest, costs and expenses as above provided, and to collect (but solely from moneys in the Revenue Fund specifically set aside for that purpose, the Reserve Fund and any other moneys available for such purpose) in any manner provided by law, the moneys adjudged or decreed to be payable. Notwithstanding the foregoing, however, nothing herein shall permit an acceleration of the Bonds.

*Section 13.03. Effect of Discontinuing Proceedings.* In case any proceeding taken by the Trustee or any Bondholder on account of any default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or such Bondholder, then and in every such case the Issuer, the Trustee and Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

*Section 13.04. Directions to Trustee as to Remedial Proceedings.* Anything in this Resolution to the contrary notwithstanding, the holders of a majority of the Bond Obligation shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law

or the provisions of this Resolution, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

*Section 13.05. Restrictions on Actions by Individual Bondholders.* No Bondholder shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust hereunder or for any other remedy hereunder unless such Bondholder previously shall have given to the Trustee written notice of the event of default on account of which such suit, action or proceeding is to be taken, and unless the holders of not less than twenty-five percent (25%) of the Bond Obligation shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit or proceeding in its or their name, and unless also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, including the reasonable fees of its attorneys (including fees on appeal), and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Resolution or for any other remedy hereunder. It is understood and intended that no one or more owners of the Bonds hereby secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Resolution, or to enforce any right hereunder, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Bondholders, and that any individual rights of action or any other right given to one or more of such owners by law are restricted by this Resolution to the rights and remedies herein provided.

Nothing contained herein, however, shall affect or impair the right of any Bondholder, individually, to enforce the payment of the principal of and interest on his Bond or Bonds at and after the maturity thereof, at the time, place, from the source and in the manner provided in this Resolution and to enforce covenants approved by a supplemental resolution pursuant to which a Series of Bonds has been issued.

*Section 13.06. Appointment of a Receiver.* Upon the happening and continuance of an event of default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondholders under this Resolution, the Trustee shall be entitled, as a matter of right, without regard to the solvency of the Issuer, to the appointment of a receiver receivers of the System, pending such proceedings, with such powers as the court making such appointments shall confer whether or not the Gross Revenues and other funds pledged hereunder shall be deemed sufficient ultimately to satisfy the Bonds outstanding hereunder.

*Section 13.07. Rights of Bond Insurer.*

(a) Each Bond Insurer, if any, shall receive from Issuer and the Trustee (i) copies of all notices required to be delivered to the Bondholders and (ii) notice of any event of default.

(b) The Bond Insurers shall, in accordance with the provisions of Section 15.03, be entitled to control and direct the enforcement of all remedies and rights to the extent granted to

the holders of the Bonds insured by them hereunder, and shall also have the right to waive events of default on behalf of such holders; provided that no such Bond Insurer that is in insolvent or in default with respect to its obligations under the Credit Facility shall be entitled to exercise any such right.

#### **ARTICLE XIV DEFEASANCE AND RELEASE OF RESOLUTION**

*Section 14.01. Defeasance and Release of Resolution.* If, at any time after the date of issuance of any Series of the Bonds, (a) all Bonds secured hereby or any Bonds within a Series or any maturity of any Bonds shall have become due and payable in accordance with their terms or otherwise as provided in this Resolution, or shall have been duly called for redemption, or the Issuer gives the Paying Agent irrevocable instructions directing the payment of the principal of, premium, if any, and interest on such Bonds or maturities thereof at maturity or at any earlier redemption date scheduled by the Issuer, or any combination thereof, and (b) the whole amount of the principal, premium, if any, and the interest so due and payable upon all of such Bonds or maturities thereof then Outstanding, at maturity or upon redemption, shall be paid, or sufficient moneys shall be held by the Paying Agent or other Authorized Depository acting as an escrow agent in irrevocable trust for the benefit of such Bondholders (whether or not in any accounts created hereby) which, as verified by a report of an independent certified public accountant or firm of certified public accountants, when invested in Defeasance Obligations maturing not later than the maturity or redemption dates of such principal, premium, if any, and interest will, together with the income realized on such investments, be sufficient to pay all such principal, premium, if any, and interest on said Bonds or maturities thereof at the maturity thereof or the date upon which such Bonds or maturities thereof are to be called for redemption prior to maturity, *then* and in that case the right, title and interest of such Bondholders hereunder and the pledge of and lien on the Gross Revenues and all other pledges and liens created hereby or pursuant hereto, with respect to such Bondholders, shall thereupon cease and become void, and such Bonds or maturities thereof shall no longer be deemed Outstanding for purposes of this Resolution, and if such conditions have been satisfied with respect to all Bonds issued hereunder and then Outstanding, and all Hedge Obligations and Hedge Charges due or to become due under the Qualified Swaps, all balances remaining in any other funds or accounts created by this Resolution other than moneys held for redemption or payment of Bonds and to pay all other sums payable by the Issuer hereunder, shall be distributed to the Issuer for any lawful purpose; otherwise this Resolution shall be, continue and remain in full force and effect.

For purposes of this Section 14.01, the amount of interest to accrue on Variable Rate Bonds to maturity or redemption shall be determined by assuming interest thereon will accrue at the maximum rate of interest such Variable Rate Bonds may bear pursuant to the resolution authorizing the issuance thereof, or the maximum rate permitted by law if such authorizing resolution provides no maximum rate of interest.

Notwithstanding anything herein to the contrary, in the event that the principal and/or interest on Bonds shall have been paid to the Holders of such Bonds by a Bond Insurer, such Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, and the assignment and pledge of the security hereunder and all covenants, agreements and other obligations of the Issuer to the Holders shall continue to exist and shall run to the benefit of the Bond Insurer and the Bond Insurer shall be subrogated to the rights of such Holders.

Notwithstanding any other provision of this Resolution, including in particular this Section 14.01, the obligation to pay over the Rebate Amount to the United States and to comply with all other requirements of Section 10.03 shall survive the defeasance or payment in full of the Bonds.

Notwithstanding any other provision of this Resolution, the supplemental resolution providing for the issuance of a Series of Bonds may limit the ability to defease such Series of Bonds.

## **ARTICLE XV MODIFICATION OR AMENDMENT**

*Section 15.01. Modification or Amendment.* This Resolution may be modified and amended and all appropriate blanks appearing herein may be completed by the Issuer from time to time prior to the issuance of the first Series of Bonds hereunder. Thereafter, no modification or amendment of this Resolution, or of any resolution amendatory hereof, materially adverse to the interests of the Bondholders may be made without the consent in writing of the Holders of not less than a majority of the Bond Obligation, but no modification or amendment shall permit a change (a) in the maturity of any of the Bonds or a reduction in the rate of interest thereon, (b) in the amount of the principal obligation of any Bond, or (c) that would reduce such percentage of holders of the Bond Obligation, required above, for such modifications or amendments, without the consent of all of the Bondholders. For the purpose of Bondholders' voting rights or consents, the Bonds owned by or held for the account of the Issuer, directly or indirectly, shall not be counted. Notwithstanding the foregoing, the Issuer may, from time to time and at any time without the consent of the Bondholders, enter into such amendatory resolutions (which amendatory resolutions shall thereafter form a part hereof):

(a) To cure any ambiguity, inconsistency or formal defect or omission in this Resolution or in any supplemental resolution, or

(b) To grant to or confer upon the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders, or

(c) To provide for the sale, authentication and delivery of Additional Bonds or refunding Bonds and the disposition of the proceeds from the sale thereof, in the manner and to the extent authorized by Article XII above, or

(d) To modify, amend or supplement this Resolution or any resolution supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of any of the states of the United States of America, and, if the Issuer so determines, to add to this Resolution or any resolution supplemental hereto such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute, or

(e) To provide for the issuance of coupon Bonds or certificated or uncertificated registered public obligations as contemplated in Section 6.02 hereof, or



(f) To provide for changes suggested by a Rating Agency as necessary to secure the highest rating on the Bonds, or

(g) To subject to the terms of this Resolution any additional funds, securities or properties, or

(h) To make any other change or modification of the terms hereof which, in the reasonable judgment of the Issuer is not materially prejudicial to the rights or interests of the holders of the Bonds hereunder.

*Section 15.02. Amendatory Resolutions With Bondholders' Consent.* Subject to the terms and provisions contained in this section, and not otherwise, the Holders of not less than a majority of the Bond Obligation shall have the right from time to time, anything contained in this Resolution to the contrary notwithstanding, to consent to and approve the adoption of such amendatory resolution or resolutions as shall be deemed necessary or desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution or in any supplemental resolution; *provided, however,* that nothing in this section shall permit, or be construed as permitting, without the consent of the Holders of all Bonds Outstanding, (a) an extension of the maturity of the principal of or the interest on any Bonds, or (b) a reduction in the principal amount of, or the premium or the rate of interest on, any Bonds, or (c) the creation of a lien upon or a pledge of any of the funds or accounts established under or pursuant to this Resolution other than a lien and pledge (i) created by this Resolution or (ii) that is made expressly subordinate to the Issuer's obligations hereunder, or (d) a preference or priority of any Bond or Bonds over any other Bond other Bonds, or (e) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental resolution. Nothing in this section, however, shall be construed as making necessary the approval by Bondholders of the adoption of any supplemental resolution as authorized in Section 15.01.

If the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such amendatory resolution shall have consented to and approved its adoption, no Owner of any Bond, any Insurer, or any Reserve Provider of a Reserve Product shall have any right to object to the adoption of such supplemental resolution, or to object to any of its terms and provisions, or in any manner to question the propriety of its adoption, or enjoin or restrain the Issuer from adopting the same or from taking any action pursuant to its provisions. Bondholder approval need not be given at one time, and approvals may be prospective in nature and aggregated over a period of time. Once a Bondholder has given approval to an amendment (either current or prospective), such approval shall be irrevocable and binding on all subsequent holders of such Bonds.

Upon the adoption of any amendatory resolution pursuant to the provisions of this section, this Resolution shall be modified and amended in accordance with such supplemental resolution, and the respective rights, duties and obligations under this Resolution of the Issuer and all Owners of Bonds then Outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Resolution as so modified and amended.

Bondholders shall be deemed to have provided consent pursuant to this Section 15.02 if the offering document for such Bonds expressly describes the supplemental resolution and the amendments to this Resolution contained therein and states by virtue of the Bondholders'

purchase of such Bonds the Bondholders are deemed to have notice of, and consented to, such supplemental resolution and amendments.

Notwithstanding any other provision of this Section 15.02, to the extent permitted by law, at the time of issuance of remarketing of Bonds under this Resolution, a broker, dealer or municipal securities dealer, serving as underwriter or remarketing agent for such Bonds, or as agent for or in lieu of Holders of the series Bonds, may provide consent to amendments to this Resolution pursuant to this Section 15.02.

*Section 15.03. Rights of Bond Insurer or Credit Facility Provider.* In the event that a Credit Facility is in full force and effect as to a Series of Bonds and the Bond Insurer is not insolvent and no default under the Credit Facility exists on the part of the Bond Insurer or Credit Facility Provider, the Bond Insurer or Credit Facility Provider, in place of the Holder of such Bonds, shall have the power and authority to give any consents and exercise any and all other rights that the Owners of such Bonds would otherwise have the power and authority to make, give or exercise, including, but not limited to, the exercise of remedies provided in Article XIII, and the giving of consents to amendatory resolutions when required by Section 15.02 (exclusive of those matters referred to in the proviso to the first sentence of Section 15.02), and such consent shall be deemed to constitute the consent of the Holders of all of those Bonds which are secured by such Credit Facility.

*Section 15.04. Supplemental or Amendatory Resolutions Part of Resolution.* Any supplemental or amendatory resolution adopted in accordance with the provisions of this Resolution shall thereafter form a part of this Resolution, and all of the terms and conditions contained in any such amendatory or supplemental resolution shall be part of the terms and conditions of this Resolution for any and all purposes. Express reference to any supplemental or amendatory resolution may be made in the text of any Bonds issued after its adoption, if deemed necessary or desirable by the Issuer.

*Section 15.05. Notice of Amendatory Resolutions.* The Issuer shall give to the Rating Agencies then maintaining a rating on any Outstanding Bonds, if any, notice of the adoption of any amendatory resolution, which notice shall include the form of or copy of such amendatory resolution.

## **ARTICLE XVI REGISTRAR AND PAYING AGENT**

*Section 16.01. Notice by Registrar and Paying Agent if Default Occurs.* The Registrar and Paying Agent shall not be required to take notice or be deemed to have notice of any default under this Resolution except failure by the Issuer to cause to be made any of the payments to the Registrar and Paying Agent required to be made by this Resolution unless the Registrar and Paying Agent shall be specifically notified in writing of such default by the Issuer or by the Holders of at least twenty-five percent (25%) in aggregate principal amount of all Bonds then Outstanding, and all notices or other instruments required by this Resolution to be delivered to the Registrar and Paying Agent must, in order to be effective, be delivered at a corporate trust office of the Registrar and Paying Agent, and in the absence of such notice so delivered, the Registrar and Paying Agent may conclusively assume there is no default except as aforesaid.

If a default occurs of which the Registrar and Paying Agent is by this Section 16.01 required to take notice or if notice of default be given as provided in the preceding paragraph, then the Registrar and Paying Agent shall give written notice thereof by mail to the Issuer, each provider of a Credit Facility any Reserve Product and the registered owners of all Bonds then Outstanding.

*Section 16.02. Registrar and Paying Agent; Appointment and Acceptance of Duties; Removal.*

(a) Unless otherwise designated by subsequent resolution, the Chief Financial Officer shall select and designate a Registrar and Paying Agent for and in respect of each Series of Bonds, which shall enter into a registrar and paying agent agreement with the Issuer in which it shall signify its acceptance of its obligations under this Resolution.

(b) The Issuer may appoint one or more additional Paying Agents for each Series of Bonds which may include the Registrar. Any such Paying Agent shall be a commercial bank or trust company organized under the laws of the United States of America or one of the States thereof. Each Paying Agent other than the Registrar and Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Resolution by executing and delivering to the Issuer and the Registrar and Paying Agent a written acceptance of this Resolution.

The Issuer may remove any Paying Agent or the Registrar and Paying Agent and any successors thereto, and may appoint a successor or successors thereto; provided that the Registrar and Paying Agent or any other such Paying Agent designated by the Issuer shall continue to function as such until the designation of a successor. The Registrar and Paying Agent and each other Paying Agent is hereby authorized to pay or redeem Bonds from money on deposit in the respective funds and accounts hereunder when duly presented to it for payment or redemption.

## **ARTICLE XVII MISCELLANEOUS PROVISIONS**

*Section 17.01. Limitation of Rights.* With the exception of rights in this Resolution expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Bonds is intended or shall be construed to give to any person or company other than the parties hereto, the Registrar and Paying Agent, each Qualified Swap Provider, each provider of a Credit Facility, each provider of a Reserve Product and the Holders of the Bonds, any legal or equitable right, remedy or claim under or in respect to this Resolution or any covenants, conditions and provisions in this Resolution contained; this Resolution and all of the covenants, conditions and provisions of this Resolution being intended to be and being for the sole and exclusive benefit of the parties hereto, the Registrar and Paying Agent, each provider of a Credit Facility, each Qualified Swap Provider, each provider of a Reserve Product and the Holders of the Bonds as in this Resolution provided.

Each provider of a Credit Facility is an express third party beneficiary of this Resolution and is entitled to enforce this Resolution as if it were a party hereto to the extent provided in this Resolution.

*Section 17.02. Unclaimed Moneys.* Any moneys deposited the Registrar and Paying Agent by the Issuer in accordance with the terms and covenants of this Resolution, in order

to redeem or pay any Bond in accordance with the provisions of this Resolution, and remaining unclaimed by the registered owner of the Bond for four (4) years after the date fixed for redemption or of maturity, as the case may be, shall, if the Issuer is not at the time to the actual knowledge of the Registrar and Paying Agent in default with respect to any of the terms and conditions of this Resolution, be repaid by the Registrar and Paying Agent to the Issuer upon its written request therefor; and thereafter the registered owner of the Bond shall be entitled to look only to the Issuer for payment of such amount, *provided, however*, that the Registrar and Paying Agent, before being required to make any such repayment, shall, at the expense of the Issuer, mail to the registered owner of such Bond at its address, as the same shall last appear on the records of the Registrar and Paying Agent, a notice to the effect that said moneys have not been so applied and that after the date named in said notice any unclaimed balance of said moneys then remaining shall be returned to the Issuer. If the Issuer makes arrangements satisfactory to the Registrar and Paying Agent to indemnify the Registrar and Paying Agent for any costs which it may incur due to the unavailability of moneys due to such investment, such moneys may be invested in accordance with Section 10.02. Investment income on any such unclaimed moneys received by the Registrar and Paying Agent shall be deposited as provided in Section 10.02 until the final maturity or redemption date of the Bonds. Any such income generated after such date shall be deemed to be unclaimed moneys of the type referred to in the first sentence of this section and shall be disposed of in accordance with such sentence. The Issuer must covenant and agree, as a condition to its receiving such funds, to indemnify and save the Registrar and Paying Agent harmless from any and all loss, costs, liability and expense suffered or incurred by the Registrar and Paying Agent by reason of having returned any such moneys to the Issuer as in this Resolution provided.

*Section 17.03. Action Required on Non-Business Day.* Notwithstanding anything to the contrary in this Resolution, in the event that any payment, action or notice required by this Resolution is required or scheduled for a day which is not a Business Day, except as otherwise provided in this Resolution or in a supplemental resolution with respect to a Series of Bonds, such payment, action or notice shall take place on the next succeeding Business Day with the same effect as if made on the required or scheduled date, and no event of default shall exist solely because of the failure to make such payment, take such action or give such notice on such required or scheduled date.

*Section 17.04. 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 this Resolution or of the Bonds issued hereunder, which remaining covenants, agreements and provisions shall remain in full force and effect.

*Section 17.05. No Third-Party Beneficiaries.* Except as herein otherwise expressly provided, nothing in this Resolution expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the parties hereto and the owners and holders of the Bonds issued under and secured by this Resolution, any right, remedy or claim, legal or equitable, under or by reason of this Resolution or any provision hereof this Resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the parties hereto and the owners and holders from time to time of the Bonds issued hereunder.

*Section 17.06. Controlling Law; Members of Governing Body Not Liable.* All covenants, stipulations, obligations and agreements of the Issuer contained in this Resolution 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, officer or employee of the Issuer or the Governing Body of the Issuer in his or her individual capacity, and neither the members or officers of the Governing Body of the Issuer nor any official executing the Bonds shall be liable personally on the Bonds or this Resolution or shall be subject to any personal liability or accountability by reason of the issuance or the execution by the Issuer or such members thereof.

*Section 17.07. Prohibition Against Indebtedness and Ad Valorem Taxation.* This resolution shall not constitute the general indebtedness of any member of the Issuer, the State, or any municipality or county within the meaning of any constitutional, statutory, or charter provision limiting the amount and nature of indebtedness that may be occurred by a member of the Issuer. Neither the Issuer nor any holder of the Bond Obligation shall have any right, power or authority to require a member of the Issuer to exercise that member's ad valorem taxing power, if any, or to compel that member to pay from any source other than the operation and maintenance account established as part of that member's utility enterprise fund.

*Section 17.08. Repeal of Inconsistent Resolutions.* All resolutions in conflict with the express terms hereof are hereby repealed.

*Section 17.09. Effective Date.* This Resolution shall take effect immediately upon its passage in the manner provided by law.

Passed and duly adopted by the Water Cooperative of Central Florida on the 9th day of April, 2025.

WATER COOPERATIVE OF CENTRAL  
FLORIDA

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

ATTESTED:

By: \_\_\_\_\_  
Secretary

EXHIBIT "A"

(Form of Current Interest Bond)

REGISTERED  
No. R- \_\_\_\_\_

REGISTERED  
\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF FLORIDA  
WATER COOPERATIVE OF CENTRAL FLORIDA  
WATER REVENUE BOND,  
SERIES \_\_\_\_\_

Interest Rate:

Maturity Date:

Dated Date:

CUSIP NO.

%

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

The Water Cooperative of Central Florida (hereinafter called the "Issuer"), for value received, hereby promises to pay to the Registered Owner identified above, or to registered assigns or legal representatives, but solely from the revenues hereinafter mentioned, on the Maturity Date identified above (or earlier as hereinafter provided), the Principal Amount identified above, upon presentation and surrender hereof at the designated office of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, or its successors, as Registrar and Paying Agent (the "Registrar" and "Paying Agent"), and to pay, solely from such special revenues, interest on the Principal Amount from the Dated Date, or from the most recent interest payment date to which interest has been paid, at the Interest Rate per annum identified above, until payment of the Principal Amount, or until provision for the payment thereof has been duly provided for, such interest being payable semiannually on the first day of April and the first day of October of each year, commencing on \_\_\_\_\_ 1, \_\_\_\_\_. Interest will be calculated on the basis of a [360-day year consisting of twelve 30-day months] and will be paid by check or draft mailed to the Registered Owner hereof at his address as it appears on the registration books of the Issuer maintained by the Registrar at the close of business on the fifteenth day (whether or not a Business Day) of the month next preceding the interest payment date (the "Record Date"), irrespective of any transfer or exchange of this Bond subsequent to the Record Date and prior to such interest payment date, unless the Issuer shall be in default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the person in whose name such Bond is registered at the close of business on a special record date (which date shall also be the date for the payment of such defaulted interest) as established by notice by deposit in the U.S. mails, postage prepaid, by the Issuer to the Registered Owners of Bonds not less than fifteen days preceding such special record date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business on the fifth day (whether or not a Business Day) preceding the date of mailing.

This Bond and the interest hereon is payable solely from and secured by a lien upon and pledge of certain revenues derived by the Issuer from the operation of the System (as defined in the hereinafter described Resolution), pursuant to the terms and subject to the conditions described in Resolution No. 2025-001-WC, adopted by the Issuer on April 9, 2025, as supplemented (the "Resolution"), and certain other funds and investment earnings thereon, all in the manner and to the extent provided in the Resolution and as more particularly described below. Reference is hereby made to the Resolution for the provisions, among others, relating to the terms, lien and security of the Bonds, the custody and application of the proceeds of the Bonds, the rights and remedies of the Registered Owners of the Bonds, the extent of and limitations on the Issuer's rights, duties and obligations, and the provisions permitting the issuance or incurrence of additional parity indebtedness (including Additional Bonds and Hedge Obligations arising under Qualified Swaps), to all of which provisions the Registered Owner hereof for himself and his successors in interest assents by acceptance of this Bond. All terms used herein in capitalized form, unless otherwise defined herein, shall have the meanings ascribed thereto in the Resolution.

This Bond is a limited obligation of the Issuer payable solely from revenues of the Issuer or the portion thereof expressly pledged thereto. Neither the State nor any county, any municipality or other district or authority, including the parties to the Interlocal Agreement or Implementation Agreements, shall be obligated to pay the same or the interest thereon. Neither the full faith and credit nor the taxing power of the State or of any political subdivision thereof is pledged to the principal of or the interest on this Bond. The issuance of this Bond shall not directly or indirectly or contingently obligate the State, any county, any municipality, or any district or authority to levy or to pledge any form of taxation whatever therefor or to make appropriation for its payment.

It is further agreed between the Issuer and the Registered Owner of this Bond that this Bond and the indebtedness evidenced hereby shall not constitute a lien upon the System, 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 Resolution. Neither the members of the governing body of the Issuer nor any person executing the Bonds shall be liable personally on the Bonds by reason of their issuance.

This Bond is one of an authorized issue of Bonds in the aggregate principal amount of \$ \_\_\_\_\_, of like tenor and effect, except as to number, maturity (unless all Bonds mature on the same date) and interest rate, issued to finance the cost of the acquisition, construction and equipping of additions, extensions and improvements to the System, pursuant to the authority of and in full compliance with Section 163.01, Florida Statutes, the Interlocal Agreement (as defined in the Resolution), the Constitution of the State and other applicable provisions of law. This Bond is also subject to the terms and conditions of the Resolution.

The Bonds of this issue are subject to redemption prior to their maturity [Insert Term Bond amortization provisions]. The Bonds of this issue shall be further subject to redemption prior to their maturity at the option of the Issuer [Insert optional redemption provisions].

Notice of such redemption shall be given in the manner required by the Resolution.

The registration of this Bond may be transferred upon the registration books upon delivery to the designated office of the Registrar accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Registrar, duly executed by the owner of this Bond or by his attorney-in-fact or legal representative, containing written instructions as to the details of transfer of this Bond, along with the social security number or federal employer identification number of such transferee. In all cases of a transfer of a Bond, the Registrar shall at the earliest practical time in accordance with the provisions of the Resolution enter the transfer of ownership in the registration books and (unless uncertificated registration shall be requested and the Issuer has a registration system that will accommodate uncertificated registration) shall deliver in the name of the new transferee or transferees a new fully registered Bond or Bonds of the same maturity and of authorized denomination or denominations, for the same aggregate principal amount and payable from the same source of funds. Neither the Issuer nor the Registrar shall be required to register the transfer of any Bond during the period commencing on the fifteenth day of the month immediately preceding an interest payment date on the Bonds and ending on such interest payment date, or, in the case of any proposed redemption of Bonds, after such Bonds or any portion thereof have been selected for redemption. The Issuer and the Registrar may charge the owner of such Bond for the registration of every such transfer of a Bond an amount sufficient to reimburse them for any tax, fee or any other governmental charge required (other than by the Issuer) to be paid with respect to the registration of such transfer, and may require that such amounts be paid before any such new Bond shall be delivered.

If the date for payment of the principal of, premium, if any, or interest on this Bond is not 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.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable hereto, and that the issuance of the Bonds of this Series does not violate any constitutional or statutory limitation or provision.

#### [PROVISION FOR VARIABLE RATE BONDS]

The form of the Current Interest Bonds may be modified as appropriate by supplemental resolution to provide for a variable interest rate calculated as provided by supplemental resolution pertaining to each Series of Bonds, provided that in no event shall the interest rate calculated in accordance with such formula or any accreted interest exceed the maximum rate permitted by law.

#### [PROVISION FOR DEMAND BONDS]

The form of the Current Interest Bonds may be modified as appropriate by supplemental resolution of the Issuer for each series of Bonds prior to the sale thereof, to provide that the holder of any such Bond may demand from the Issuer payment of principal and interest on his Bond within a specified number of calendar days after delivering notice to a remarketing or



other agent for the Issuer and providing a copy of the notice and tendering the Bonds to a named tender or other agent for the Issuer.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication endorsed hereon shall have been signed by the Registrar.

IN WITNESS WHEREOF, the Water Cooperative of Central Florida, has issued this Bond and has caused the same to be signed by the Chairman of the Board of Supervisors and attested to and countersigned by its Secretary, either manually or with their facsimile signatures, and its corporate seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, all as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

WATER COOPERATIVE OF CENTRAL  
FLORIDA

(SEAL)

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

ATTESTED AND COUNTERSIGNED:

By \_\_\_\_\_  
Secretary

[Optional]

#### CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds designated in and executed under the provisions of the within mentioned Resolution.

[Name of Registrar]

By \_\_\_\_\_  
Authorized Officer

Date of Authentication:

[Form of Abbreviations]

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to the applicable laws or regulations.

TEN COM - as tenants in common  
TEN ENT - as tenants by the entireties  
JT TEN - as joint tenants with the right of survivorship and not as tenants in common

UNIFORM GIFT MIN ACT - \_\_\_\_\_ Custodian \_\_\_\_\_  
(Cust) (Minor)

under Uniform Gifts to Minors Act \_\_\_\_\_  
(State)

Additional abbreviations may also be used  
though not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned \_\_\_\_\_  
(the "Transferor") hereby sells, assigns and transfers unto \_\_\_\_\_ (the  
"Transferee")

(PLEASE INSERT SOCIAL SECURITY OR OTHER  
IDENTIFYING NUMBER OF TRANSFeree)

(Please print or typewrite name and address of Transferee)

the within bond and all rights thereunder, and does hereby irrevocably constitute and appoint  
\_\_\_\_\_ as attorney to register the transfer of the within bond on the books kept for  
registration and registration of transfer thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
Registered Owner

\_\_\_\_\_  
NOTICE: Signature(s) must be guaranteed  
by an eligible guarantor institution which  
is a member of a recognized signature  
guaranty program, i.e., Securities  
Transfer Agents Medallion Program  
(STAMP), Stock Exchanges Medallion  
Program (SEMP) or New York Stock  
Exchange Medallion Signature Program  
(MSP), a member firm of the New York  
Stock Exchange or a commercial bank or  
a trust company.

\_\_\_\_\_  
NOTICE: No transfer will be registered  
and no new Bond will be issued in the name  
or names of the Transferee(s), unless the  
signature(s) to this assignment correspond(s)  
with the name or names as it/they appear(s)  
upon the face of the within Bond in every  
particular, without alteration or enlargement  
or any change whatever and the Social  
Security or Federal Employer Identification  
Number of the Transferee(s) is/are supplied

**Board Meeting Date:** 4/9/2025

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**Category:** New Business

**Agenda Item:** 3

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**Department:** Choose an item.

---

**Attachments:**

- A) Resolution 2025-002-WC
  - B) Line of credit agreement
- 

**Title:**

**AWARD OF ITN-2025-001**

**APPROVAL AND EXECUTION OF RESOLUTION NO. 2025-002-WC – A SUPPLEMENTAL RESOLUTION APPROVING A \$5,000,000 REVOLVING LOAN WITH TRUIST BANK AND ITS AFFILIATE TRUIST COMMERCIAL EQUITY, INC.**

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**Brief Summary:**

Competitive bids were received for Invitation to Negotiate (ITN) 2025-001 on February 27, 2025, from two interested financial institutions: South State Bank and Truist Bank and its affiliate Truist Commercial Equity, Inc.. The selection committee met and voted to recommend awarding ITN-2025-001 to Truist Bank and its affiliate Truist Commercial Equity, Inc. Staff is requesting the Board adopt a resolution authorizing the financing and awarding the revolving loan to Truist Bank and its affiliate Truist Commercial Equity, Inc. and seeking bond validation.

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**Cost:** The WCCF reimburses the Lender for reasonable legal fees (up to \$7,000), plus an Unused Commitment Fee, financial advisor fees and bond counsel fees.

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**Recommended Action:**

Staff requests award of ITN-2025-001 and the approval and execution of Resolution No. 2025-002-WC – A supplemental resolution approving a \$5,000,000 revolving loan with Truist Bank and its affiliate Truist Commercial Equity, Inc. and authorizing the bond validation.

---

**Owner:** R Henderson

**Dept Review/Approval By:** A Cotter

**Background:**

The Water Cooperative of Central Florida (WCCF) initiated a process to develop steps for future financing. The initial steps include adopting a master bond resolution, initiating a loan, and undergoing a bond validation process through the courts. The first two steps are accomplished through adopting Resolution 2025-001-WC, a Master Bond Resolution that authorizes the issuance of water revenue bonds to finance the 2025 Project for the WCCF, and Resolution 2025-002-WC, a supplemental resolution approving a \$5,000,000 revolving loan with Truist Bank and its affiliate Truist Commercial Equity, Inc.. Below is a summary of the revolving loan terms and fees contained in the agreement.

**Interest Rates:**

1. **Series 2025A Tax-Exempt Note to be held by Truist Commercial Equity, Inc.:**
  - **Tax-Exempt Rate:** SIFMA Index Rate + 0.35%.
  - **Adjustment for Taxability:** If interest becomes taxable, the rate changes to Term SOFR + 1.00%.
2. **Series 2025B Taxable Note to be held by Truist Bank:**
  - **Taxable Rate:** Term SOFR + 1.00%.

**Fees and Charges:**

1. **Unused Commitment Fee:**
  - If the average Loan Amount is less than 60% of the Maximum Commitment Amount, a fee of 0.20% per annum is charged on the difference.
  - This fee is payable quarterly.
2. **Additional Costs:**
  - If laws or regulations increase the Lender's costs, the WCCF must compensate the Lender.
3. **Reimbursement of Expenses:**
  - The WCCF reimburses the Lender for reasonable legal fees (up to \$7,000), out-of-pocket expenses, and internal charges related to waivers, consents, amendments, defaults, and enforcement proceedings.
4. **Prepayment:**
  - The Cooperative can prepay the loan, in whole or in part, without penalty, with at least two Business Days' notice.

**REVOLVING CREDIT AGREEMENT**

**by and among**

**WATER COOPERATIVE OF CENTRAL FLORIDA,**

**TRUIST BANK**

**and**

**TRUIST COMMERCIAL EQUITY, INC.**

**AND**

**TRUIST BANK, AS AGENT**

**AS OF**

\_\_\_\_\_, 2025

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**LIST OF EXHIBITS:**

Exhibit A-1 – Form of Series 2025A Tax-Exempt Note

Exhibit A-2 – Form of Series 2025B Taxable Note

Exhibit B-1 – Form of Notice of Revolving Borrowing under Series 2025A Tax-Exempt Note

Exhibit B-2 – Form of Notice of Revolving Borrowing under Series 2025B Taxable Note

## **REVOLVING CREDIT AGREEMENT**

This **REVOLVING CREDIT AGREEMENT** (the "*Agreement*") is made and entered into as of \_\_\_\_\_, 2025, by and among **Water Cooperative of Central Florida**, a public agency and unit of special purpose government of the State of Florida (the "*Cooperative*"), **Truist Bank** and its successors and permitted assigns (the "*Bank*"), **Truist Commercial Equity, Inc.**, and its successors and permitted assigns ("*TRUCE*," together with the Bank, the "*Lender*") and **Truist Bank**, as agent (the "*Agent*").

Subject to the satisfaction of the special conditions precedent set forth in Article II below, the parties hereto, intending to be legally bound hereby and in consideration of the mutual covenants hereinafter contained, DO HEREBY AGREE as follows:

### **W I T N E S S E T H:**

**WHEREAS**, the Cooperative was created as a separate legal entity pursuant to Section 163.01(7)(g), Florida Statutes, pursuant to an Interlocal Agreement Relating to the Establishment of the Water Cooperative of Central Florida dated August 30, 2011 (the "*Interlocal Agreement*") among the City of St. Cloud, Florida, the Tohopekalliga Water Authority, Orange County, Florida and Polk County, Florida (collectively, the "*Members*"); and

**WHEREAS**, the Board of Supervisors of the Cooperative (the "*Board*") duly adopted Resolution No. 2025-\_\_ on \_\_\_\_\_, 2025 (the "*Resolution*"), as supplemented by Resolution No. 2025-\_\_ adopted by the Board on \_\_\_\_\_, 2025 (the "*Supplemental Resolution*" and collectively with the Resolution, the "*Bond Resolution*"), is authorized to borrow money, and more particularly issue the Notes described below for financing the 2025 Project; and

**WHEREAS**, the Cooperative has requested the Lender, and the Lender has agreed, to advance funds under the terms of this Agreement to provide funds to the Cooperative from time to time to make Advances hereunder to finance the 2025 Project, under and pursuant to the terms of this Agreement and (i) the Cooperative's Revolving Revenue Note, Series 2025A (the "*Series 2025A Tax-Exempt Note*") and (ii) its Revolving Revenue Note, Series 2025B (Federally Taxable) (the "*Series 2025B Taxable Note*" and together with the Series 2025A Tax-Exempt Note, the "*Notes*"), all on the terms and conditions set forth herein, provided that the aggregate principal amount outstanding at any one time under the Notes shall never exceed the Maximum Commitment Amount, as hereinafter defined; and

**WHEREAS**, the Agent is acting as agent for the Lender for the purpose of coordinating the relationship hereunder between the Cooperative and the Lender. The parties agree, notwithstanding anything herein to the contrary, that the Cooperative may treat the Agent for all purposes of this Agreement as having the full power and authority to speak for and act on behalf of and bind each Lender, and that all payments and notices to Lender, and all waivers granted and other actions taken by Agent on behalf of the Lenders or either of them, shall be binding on such Lenders regardless of any notice the Cooperative may receive to the contrary.

## ARTICLE I DEFINITION OF TERMS

Section 1.01 Definitions. The words and terms used in capitalized form in this Agreement shall have the meanings as set forth in the recitals above and the following words and terms as used in this Agreement shall have the following meanings and to the extent not defined herein shall have such meanings as given in the Bond Resolution:

"Act" means, collectively, Section 163.01, Florida Statutes, the Interlocal Agreement, the Constitution of the State, the Bond Resolution, and other applicable provisions of law.

"Additional Bonds" shall have the meaning ascribed to that term under Bond Resolution.

"Advance" means a lending of money by the Lender to the Cooperative under the Revolving Commitment in accordance with Section 5.05 hereof.

"Agreement" means this Revolving Credit Agreement and any and all modifications, alterations, amendments and supplements hereto made in accordance with the provisions hereof.

"Alternative Benchmark Rate" means (i) with respect to the Series 2025A Tax-Exempt Note Term SOFR and (ii) with respect to the Series 2025B Taxable Note, a rate of interest per annum equal to the Prime Rate minus two and 5/10 percent (2.5%) which shall adjust daily with changes in Lender's Prime Rate.

"Applicable Law" means all applicable provisions of all constitutions, statutes (including the Act), rules, regulations and orders of all State or federal governmental bodies, all Governmental Approvals and all orders, judgments and decrees of all courts and arbitrators.

"Availability Period" means the period from the date the conditions precedent set forth in Article II have been satisfied to but not including the Final Maturity Date.

"Available Commitment Amount" shall mean the difference between the Maximum Commitment Amount and the Loan Amount.

"Benchmark" means initially with respect to the Series 2025A Tax-Exempt Note the SIFMA Index Rate and with respect to the Series 2025B Taxable Note Term SOFR and thereafter the then-current Successor Rate.

"Bonds" shall have the meaning ascribed to that term under the Bond Resolution.

"Business Day" means any day other than (i) a Saturday or Sunday, (ii) any day on which banks in the City of New York or Osceola County, Florida are authorized or required by law or other governmental action to close and (iii) any day on which the New York Stock Exchange is closed.

"Calculation Agent" means (i) so long as the Bank and/or TRUCE holds Series 2025A Tax-Exempt Note or the Series 2025B Taxable Note, the Agent (ii) in all other cases, such other bank, financial institution or financial advisor firm, designated from time to time by the Cooperative.

"Code" means the Internal Revenue Code of 1986, as amended, and any applicable corresponding provisions of any future laws of the United States of America relating to federal income taxation, and

except as otherwise provided herein or required by the context thereof, includes interpretations thereof contained or set forth in the applicable regulations of the Department of the Treasury (including applicable final regulations and temporary regulations), the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings) and applicable court decisions.

"Conforming Changes" means, with respect to any Successor Rate, any technical, administrative or operational changes (including changes to the definitions such as "Business Day," "Interest Period," timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions and other technical, administrative or operational matters and with respect to the Series 2025A Tax-Exempt Note, an adjustment factor to adjust such replacement index to an equivalent tax-exempt rate (assuming that a Determination of Taxability has not occurred)) that Agent decides may be appropriate to reflect the adoption and implementation of such Successor Rate and to permit the administration thereof by the Agent in a manner Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Notes.

"Costs of the 2025 Project" Costs of the Projects, including all items of cost with respect to such Projects permitted under the Act to be financed with proceeds of the Notes hereunder (including reimbursement to the Cooperative or any member of the Cooperative in connection with items previously incurred in anticipation of the issuance of the Notes).

"Counsel" means an attorney at law or firm of attorneys at law (who may be of counsel to, including an employee of, the Cooperative).

"Default" means any of the events specified in Section 10.01 hereof which with the passage of time or giving of notice or both would constitute an Event of Default.

"Default Rate" means the lesser of 18% per annum and the Maximum Lawful Rate.

"Determination of Taxability" means the occurrence after the date hereof of a final decree or judgment of any Federal court or a final action of the Internal Revenue Service determining that, solely as a result of actions or inactions of the Cooperative, interest paid or payable on the Series 2025A Tax-Exempt Note is or was includable in the gross income of the holder for Federal income tax purposes (a "Taxable Event"); provided, however, that no such decree, judgment, or action will be considered final for this purpose unless the Cooperative has been given written notice and, if it is so desired and is legally allowed, the Cooperative has been afforded the opportunity to contest the same, either directly or in the name of the holder, the Lender or the holder of the Series 2025A Tax-Exempt Note, and until the conclusion of all appellate reviews, if sought. For avoidance of doubt and without limiting the foregoing, a Taxable Event does not include, and is not triggered by, a change in law, rule or regulation that causes the interest on the Series 2025A Tax-Exempt Note to be included in holder's gross income for federal income tax purposes.

"Event of Default" means an Event of Default specified in Section 10.01 of this Agreement.

"Federal Funds Rate" means, for any day, the rate *per annum* (rounded upwards, if necessary, to the next 1/100 of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with member banks of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the next succeeding Business Day or, if such rate is not so published for any Business Day, the Federal Funds Rate for such day shall be the average (rounded upwards, if necessary, to the next 1/100

of 1%) of the quotations for such day on such transactions received by the Agent from three Federal funds brokers of recognized standing selected by the Agent.

"Final Maturity Date" means \_\_\_\_\_, 2027.

"Fiscal Year" means the period commencing on October 1 of each year and ending on the succeeding September 30, or such other period of twelve consecutive months as may hereafter be designated as the fiscal year of the Cooperative by general law.

"GAAP" means generally accepted accounting and financial reporting principles applied in the United States on a consistent basis to government units as established by the Governmental Accounting Standards Board, and which are consistently applied for all applicable periods so as to present fairly the financial condition, results of operations and cash flow of the Cooperative.

"Governmental Approval" means an authorization, permit, consent, approval, license or exemption from, registration or filing with, or report to, any governmental or regulatory unit.

"Implementation Agreement" shall have the meaning given to such term in the Bond Resolution.

"Indebtedness" as of any date of determination means (i) all indebtedness for borrowed money or for the deferred purchase price of property or services and (ii) all direct or indirect guaranties to assure the credit of another against loss, including without limitation agreements (x) to pay or purchase debts of another or to advance or supply funds for the payment or purchase of such debts, or (y) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling another to make payment of such debts; provided, however, that the term "Indebtedness" shall not include (A) vehicle and equipment leases and other indebtedness or guaranties owing to trade creditors in the ordinary course of business regardless of the treatment for accounting purposes, or (B) any debt or other obligation that, by the terms of an indenture of trust or other written agreement governing such debt or obligation, (i) is not required to be paid from any revenues, fees or income derived from any source other than revenues, fees or income derived solely from the operation of property, plant or equipment specifically identified in such indenture or written agreement, or (ii) is expressly without recourse to the Cooperative and for which the Cooperative has no personal pecuniary liability, or (iii) is payable solely from a revenue source other than Pledged Revenues.

"Interest Payment Date" means the first day of each month, commencing \_\_\_\_\_ 1, 20\_\_ and the Final Maturity Date.

"Interest Period" means the period commencing on the date of the Note and with each successive Interest Period commencing on the first day of each month; provided that (i) if any Interest Period would commence on a day other than a Business Day, the then current Interest Period shall be extended and the Interest Period shall commence on the next succeeding Business Day, (ii) no Interest Period shall extend beyond the earlier of termination of the Loan whether by maturity or acceleration and (iii) the initial Interest Period may commence on the initial funding or booking date and result in a shorter or longer initial Interest Period.

"Interest Rate" means except as otherwise provided herein, means (i) with respect to the Series 2025A Tax-Exempt Note, the Tax-Exempt Applicable Rate and (ii) with respect to the Series 2025B Taxable Note, the Taxable Applicable Rate, and in each case subject to adjustment as provided herein.

"Interest Rate Determination Day" means (i) with respect to Term SOFR, that date which is two U.S. Government Securities Business Days prior to the first day of the Interest Period and (ii) with respect to the SIFMA Index Rate, the dates set forth in the definition of SIFMA Index Rate.

"Lender Obligations" means all amounts payable to the Lender by the Cooperative under the terms of this Agreement and the Notes and any Qualified Swap related to the interest rate of the Notes with the Lender as a counterparty, other than principal and interest on the Notes.

"Lien" as applied to the Property of any Person, means (in each case, whether the same is consensual or nonconsensual or arises by contract, operation of law, legal process or otherwise): (a) any mortgage, lien, pledge, attachment, charge, conditional sale or other title retention agreement, or other security interest or encumbrance of any kind in respect of any Property of such Person, or upon the income or profits therefrom; and (b) any arrangement, express or implied, under which any Property of such Person is transferred, sequestered or otherwise identified for the purpose of Indebtedness or performance of any other obligation in priority to the payment of the general, unsecured creditors of such Person.

"Loan" means the revolving loan by the Lender to the Cooperative contemplated hereby.

"Loan Amount" means the then current outstanding aggregate principal amount of the Notes issued hereunder; provided, that the aggregate principal amount outstanding under the Notes shall not in the aggregate at any one time exceed the Maximum Commitment Amount.

"Material Adverse Effect" means, (a)(i) with respect to any Person, a material adverse effect upon such Person's business, assets, liabilities, financial condition, results of operations or business prospects and (ii) with respect to a group of Persons as a whole, a material adverse effect upon such Persons' businesses, assets, liabilities, financial conditions, results of operations or business prospects taken as a whole and (b) with respect to any agreement or obligation, a material adverse effect upon the binding nature, validity or enforceability of such agreement or obligation.

"Maximum Commitment Amount" shall mean initially \$5,000,000, as such amount may be reduced or increased as provided herein. The Maximum Commitment Amount set forth above reflects the aggregate commitment of the Lender with respect to Advances to be made hereunder; it being understood that, under the revolving nature of this Agreement, repayments of the principal component of Advances will replenish amounts that can be drawn and redrawn hereunder, up to the Maximum Commitment Amount, in any combination of Advances under the Series 2025A Tax-Exempt Note and Series 2025B Taxable Note.

"Maximum Lawful Rate" means the maximum legal rate of interest under Applicable Law and applicable to the Cooperative's obligations to pay interest to the Lender with respect to amounts due to the Lender hereunder.

"Note Counsel" means Counsel retained by the Cooperative that is of nationally recognized experience in matters relating to the validity of, and the exclusion from gross income for federal income tax purposes of interest on, obligations of states and their political subdivisions.

"Note Documents" means, at any time, each of the following as in effect or as outstanding, as the case may be, at such time: (i) the Note, (ii) this Agreement, and (iii) the Bond Resolution.

"Noteholders" or "holders" of the Notes shall mean, collectively, the Lender or such other registered owner or owners to which the Notes may be assigned pursuant to Section 11.06 hereof.

"Notes" means, collectively, the Cooperative's Series 2025A Tax-Exempt Note and the Series 2025B Taxable Note. The term "Note" shall refer to either the Series 2025A Tax-Exempt Note or the Series 2025B Taxable Note (or both) as the context may require.

"Notice Address" means,

As to the Cooperative:	Water Cooperative of Central Florida c/o Tohopekaliga Water Authority 951 Martin Luther King Blvd. Kissimmee, FL 34741 Email address: tswingle@tohowater.com Attn: Executive Director Telephone: 407-944-5131
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As to the Lender (the same Address applies for the Bank, the Agent and TRUCE):	Truist Bank or Truist Commercial Equity, Inc. 333 S. Garland Ave. FL 17 Orlando, FL 32801 Email address: clayton.thompson@truist.com Attn: Clayton Thompson, Vice President/Authorized Agent Telephone: 501-690-1562
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or to such other address (or e-mail address for electronic communications) as either party may have specified in writing to the other using the procedures specified in Section 11.05 hereof.

"Notice of Revolving Borrowing" shall have the meaning set forth in Section 5.05 hereof.

"Original Purchaser" means, with respect to the Series 2025A Tax Exempt-Note, Truist Commercial Equity, Inc., and with respect to the Series 2025B Taxable Note, Truist Bank.

"Person" means an individual, corporation, partnership, trust or unincorporated organization, or a government or any agency or political subdivision thereof.

"Pledged Revenues" shall have the meaning given in the Bond Resolution.

"Prime Rate" means the per annum rate which Truist Bank announces from time to time to be its prime rate, as in effect from time to time. The prime rate is a reference or benchmark rate, is purely discretionary and does not necessarily represent the lowest or best rate charged to borrowing customers. Truist Bank may make commercial loans or other loans at rates of interest at, above or below the prime rate. Each change in the prime rate shall be effective from and including the date such change is announced as being effective.

"Principal Office" means, with respect to the Lender, the office of the Lender specified in the Notice Address, or such other office as the Lender may designate to the Cooperative in writing.

"2025 Project" shall have the meaning given in to such term in the Bond Resolution.

"Projects" shall have the meaning given to such term in the Bond Resolution.

"Property" means any interest in any kind of property or assets, whether real, personal or mixed, or tangible or intangible.

"Qualified Swap" shall have the meaning ascribed to that term under Bond Resolution.

"Rebate Amount" means the excess of the future value, as of a computation date, of all receipts on nonpurpose investments (as defined in Section 1.148-1(b) of the Income Tax Regulations) over the future value, as of that date, of all payments on nonpurpose investments, all as provided by regulations under the Code implementing Section 148 thereof.

"Relevant Governmental Body" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

"Relevant Governmental Body Recommended Rate" means, in respect of any relevant day, the rate (inclusive of any spreads or adjustments which may be positive or negative) recommended as the replacement for the Benchmark by the Relevant Governmental Body (which rate may be produced by the Federal Reserve Bank of New York or another administrator).

"Required Lenders" has the meaning set forth in Section 11.01.

"Revolving Commitment" means the obligation of the Lender to make Advances to the Cooperative in an aggregate principal amount at any time outstanding of not exceeding the Maximum Commitment Amount.

"Series 2025A Noteholder" shall mean TRUCE or such other registered owner to which the Series 2025A Tax-Exempt Note may be assigned pursuant to Section 11.06 hereof.

"Series 2025A Project" means those portions of the Project financed with Advances under the Series 2025A Tax-Exempt Note.

"Series 2025B Noteholder" shall mean the Bank or such other registered owner to which the Series 2025B Taxable Note may be assigned pursuant to Section 11.06 hereof.

"Series 2025B Project" means those portions of the Project financed with Advances under the Series 2025B Taxable Note.

"Series 2025A Tax-Exempt Note" means the Revolving Revenue Note, Series 2025A.

"Series 2025B Taxable Note" means the Revolving Revenue Note, Series 2025B (Federally Taxable).

"SIFMA Index Rate" means, for any day, the rate per annum determined on the basis of the seven-day high-grade market index comprised of tax-exempt variable rate demand obligations, as produced by or under the sponsorship of the Securities Industry and Financial Markets Association ("SIFMA") (or any successor organization) as the SIFMA Municipal Swap index and published the immediately preceding Wednesday (or the next business day which is not a SIFMA-recommended market holiday, if Wednesday is a SIFMA-recommended market holiday) as quoted by Bloomberg Finance L.P., or any



quoting service or commonly available source utilized by the Agent. For purposes of clarity, the SIFMA Index Rate shall be effective on each Thursday through the following Wednesday. If the SIFMA Index Rate determined as above would be less than zero percent (0%), then it shall be deemed to be zero percent (0%). The rate of interest charged shall be adjusted based on changes in the SIFMA Index Rate without notice to the Cooperative.

"State" means the State of Florida.

"Supplemental Resolution" means the Resolution of the Cooperative authorizing the execution and delivery of this Agreement and the Notes as adopted by the Board on \_\_\_\_\_, 2025.

"System" shall have the meaning ascribed to that term under Bond Resolution.

"Tax-Exempt Applicable Rate" shall mean with respect to the Series 2025A Tax-Exempt Note: (i) the Tax-Exempt Loan Rate, (ii) upon a Determination of Taxability, the Taxable Loan Rate.

"Tax-Exempt Loan Rate" shall mean the sum of (i) the SIFMA Index Rate plus (ii) thirty-five (35) basis points (0.35%).

"Taxable Applicable Rate" shall mean with respect to the Series 2025B Taxable Note the Taxable Loan Rate.

"Taxable Loan Rate" shall mean the sum of (i) Term SOFR plus (ii) one (1) point (1.00%).

"Term SOFR" means the Term SOFR reference rate for a one month tenor as administered by the Term SOFR Administrator and quoted by Bloomberg Finance L.P., or any quoting service or commonly available source utilized by Lender on the Interest Rate Determination Day; provided that if as of 5:00 p.m. (New York time) on the Interest Rate Determination Day, Term SOFR for such tenor has not been published by the Term SOFR Administrator, then, subject to Section 5.09, the rate used will be Term SOFR for such tenor as published by the Term SOFR Administrator for the immediately preceding U.S. Government Securities Business Day on which such rate was published on the Term SOFR Administrator's website so long as such immediately preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Interest Rate Determination Day; and further provided if Term SOFR would be less than zero percent (0%), then it shall be deemed to be zero percent (0%).

"Term SOFR Administrator" means CME Group Benchmark Administration Limited or a successor administrator of the Term SOFR selected by Lender in its sole discretion.

"U.S. Government Securities Business Day" means any day except for (i) a Saturday, (ii) a Sunday, or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

Section 1.02 Titles and Headings. The titles and headings of the articles and sections of this Agreement have been inserted for convenience of reference only and are not to be considered a part hereof, shall not in any way modify or restrict any of the terms and provisions hereof, and shall not be considered or given any effect in construing this Agreement or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.03 Accounting Matters. Unless otherwise defined herein or in the Note Documents, all accounting terms used herein and in the Note Documents are used with the meanings ascribed to such terms in accordance with GAAP.

Section 1.04 Use of Phrases. "Herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to this Agreement as an entirety and not solely to the particular portion thereof in which any such word is used. The definitions set forth in Section 1.01 hereof include both singular and plural. Whenever used herein, any pronoun shall be deemed to include both singular and plural and to cover all genders.

Section 1.05 Computation of Time Periods. In this Agreement, except as otherwise expressly provided herein, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding."

## **ARTICLE II**

### **SPECIAL CONDITIONS PRECEDENT TO EFFECTIVENESS; LENDER ACKNOWLEDGEMENT**

Section 2.01 Conditions Precedent. Notwithstanding anything herein to the contrary, the representations, warranties and covenants of each party contained herein shall not become effective or enforceable until the following conditions precedent are satisfied:

- (a) The Board has approved the adoption of the Supplemental Resolution; and
- (b) The Lender has reasonably determined that the conditions precedent to the initial Advance as set forth in Section 6.01 and 6.02 have been satisfied; and
- (c) Each party shall have received from the other party any closing documents they may otherwise reasonably require as shall be evidenced by the acceptance of the Note by the Lender.

## **ARTICLE III**

### **REPRESENTATIONS OF COOPERATIVE**

To induce the Lender to enter into this Agreement and make the Loan hereunder, the Cooperative hereby represents and warrants to the Lender that:

Section 3.01 Organization, Powers, Etc. The Cooperative is an interlocal agency established under the Act, is duly organized and validly existing under the constitution and the laws of the State. The Cooperative has the power to borrow the amounts provided for in this Agreement, to execute and deliver the Note Documents, to secure the Notes in the manner contemplated hereby, and to perform and observe all the terms and conditions of the Bond Resolution and the Note Documents on its part to be performed and observed. The Cooperative may lawfully issue the Notes in order to finance and refinance the Costs of the 2025 Project, including, without limitation, capitalized interest on the Loan during the period until completion of the 2025 Project.

Section 3.02 Authorization; Absence of Conflicts, Etc. The Cooperative has full legal right, power, and authority to adopt the Supplemental Resolution and to execute and deliver this Agreement, to issue, execute and deliver the Notes to the Lender, and to carry out and consummate all other transactions contemplated hereby and by the other Note Documents (as it applies to the 2025 Project and the Loan),

and the Cooperative has complied and will comply with all provisions of applicable law in all material matters relating to such transactions. The Cooperative, pursuant to the Bond Resolution, has duly authorized the borrowing of the amount provided for in this Agreement, the execution and delivery of this Agreement, and the making and delivery of the Notes to the Lender, and to that end the Cooperative warrants that it will take all action and will do all things which it is authorized by law to take and to do in order to fulfill all covenants on its part to be performed and to provide for and to assure payment of the Notes. The Cooperative has duly adopted the Bond Resolution and authorized the execution, delivery, and performance of the Notes and this Agreement and the taking of any and all other such action as may be required on the part of the Cooperative to carry out, give effect to and consummate the transactions contemplated by the Note Documents (as it applies to the 2025 Project and the Loan) and the Bond Resolution. This Agreement and the Notes have been duly authorized, executed, issued and delivered to the Lender and constitute legal, valid and binding obligations of the Cooperative enforceable in accordance with their respective terms and the terms of the Bond Resolution, and are entitled to the benefits and security of the Bond Resolution and this Agreement. All approvals, consents, and orders of and filings with any governmental authority or agency which would constitute a condition precedent to the execution and delivery of this Agreement and the issuance of the Notes or the execution and delivery of or the performance by the Cooperative of its obligations under the Note Documents and the Bond Resolution have been obtained or made and any consents, approvals, and orders to be received or filings so made are in full force and effect.

Section 3.03 Binding Obligation. This Agreement has been duly executed and delivered by the duly authorized officers of the Cooperative and is, and each of the Note Documents to which the Cooperative is a party, when executed and delivered will be, a legal, valid and binding obligation of the Cooperative enforceable against the Cooperative in accordance with its respective terms, except to the extent, if any, that the enforceability thereof may be limited by (i) the effect of any applicable bankruptcy, insolvency, reorganization, moratorium, debt adjustment or other similar law or enactment now or hereafter enacted by the State or Federal government affecting the enforcement of creditors' rights generally, (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and (iii) the special provisions set forth in Article II.

Section 3.04 Governmental Approvals. All Governmental Approvals necessary for the Cooperative to enter into this Agreement and the Note Documents to which it is a party and to perform its obligations hereunder and thereunder have been obtained and remain in full force and effect and are subject to no further administrative or judicial review, and no other Governmental Approval is necessary for the due execution, delivery and performance by the Cooperative of this Agreement or such Note Documents.

Section 3.05 Compliance with Applicable Law. The Cooperative is in compliance with all Applicable Law, including all Governmental Approvals, except for non-compliance that, singly or in the aggregate, have not had and will not have a Material Adverse Effect on the binding nature, validity or enforceability of, or the authority or ability of the Cooperative to perform its obligations under, the Note Documents to which it is a party or this Agreement.

Section 3.06 Financial Statements. The Cooperative has furnished to the Lender copies of audited financial statements of the Cooperative for the most recent Fiscal Year. Such financial statements present fairly, in accordance with GAAP, the financial position of the Cooperative at their respective dates and their respective revenues and expenses and changes in fund balances for the periods covered thereby. Except as disclosed or reflected in such statements, as at the date of the Cooperative's most recent audited balance sheet, the Cooperative had no liabilities, contingent or otherwise, and there were

no unrealized or anticipated losses of the Cooperative, that individually or in the aggregate have had or may have a Material Adverse Effect on the Cooperative or its ability to perform its obligations pursuant to this Agreement and the Note Documents to which it is a party. No change in the financial condition of the Cooperative has occurred that might, in the reasonable judgment of the Cooperative, have a Material Adverse Effect on the Cooperative's ability to perform its obligations to the Lender pursuant to this Agreement or any of the Note Documents to which it is a party.

Section 3.07 Absence of Litigation. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, arbitrator, governmental or other board, body or official, pending or, to the best knowledge of the Cooperative, threatened against or affecting the Cooperative, or questioning the validity of any proceeding taken or to be taken by the Cooperative in connection with the execution, delivery and performance by the Cooperative of the Note Documents to which it is a party, or this Agreement or seeking to prohibit, restrain or enjoin the execution, delivery or performance by the Cooperative of any of the foregoing, nor, to the best knowledge of the Cooperative, is there any basis therefor, wherein an unfavorable decision, ruling or finding (i) would adversely affect the validity or enforceability of, or the authority or ability of the Cooperative to perform its obligations under, the Note Documents to which it is a party or this Agreement, (ii) would have a Material Adverse Effect on the Cooperative's financial condition or fund reserves or (iii) would adversely affect the validity of the Act or any provision thereof material to the transactions contemplated by this Agreement or any of the Note Documents.

Section 3.08 Absence of Defaults. The Cooperative is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which the Cooperative is a party or any judgments, decrees or orders, except for defaults that, singly or in the aggregate, have not had and will not have a Material Adverse Effect on the Cooperative's ability to perform its obligations pursuant to this Agreement or any of the Note Documents to which it is a party.

Section 3.09 Accuracy and Completeness of Information. All copies of agreements furnished to the Lender by or on behalf of the Cooperative in connection with the negotiation, preparation or execution of this Agreement or the Note Documents are true, correct and complete and include, in each instance, all amendments, supplements and modifications thereto, and all written statements made to the Lender by or on behalf of the Cooperative in connection with the approval by the Lender of the extension of credit contemplated hereby are true and correct in all material respects.

Section 3.10 Lien in Favor of the Lender. The obligations of the Cooperative to the Lender hereunder and under the Notes are secured by a valid lien on the Pledged Revenues in favor of the Lender pursuant and subject to the Bond Resolution. The lien on the Pledged Revenues in favor of the Lender shall be for the equal and proportionate benefit and security of the Notes, the Outstanding Bonds and the Additional Bonds permitted hereunder, all of which shall be of equal rank without preference, priority or distinction, as to lien or otherwise. No filing of any financing statement or other recordation is required under Applicable Law to create, preserve and protect such lien against other creditors of the Cooperative.

Section 3.11 No Sovereign Immunity. The defense of sovereign immunity is not available to the Cooperative in any proceeding by the Lender to enforce any of the obligations of the Cooperative under this Agreement or any Note Document, and, in that regard, the Cooperative agrees, to the extent permitted by law, not to assert the defense of sovereign immunity in any such proceeding, except to the extent that any such proceeding seeks enforcement based on a tort or similar claim and in such case such defense is available only to the extent set forth under Florida Statutes, Section 768.28(1).

Section 3.12 Interlocal Agreement. The Interlocal Agreement has been properly filed with the Clerk of the Circuit Court of Polk County, Florida, Osceola County, Florida and Orange County, Florida in accordance with Section 163.01, Florida Statutes.

## **ARTICLE IV THE NOTES**

Section 4.01 Issuance of the Notes. The Cooperative has authorized the issuance of the Series 2025A Tax-Exempt Note and the Series 2025B Taxable Note in the collective aggregate principal amount, not to exceed at any one time the Maximum Commitment Amount to evidence Advances made hereunder.

Section 4.02 Registration and Exchange of Notes. The Series 2025A Tax-Exempt Note and the Series 2025B Taxable Note shall initially be owned by the respective Original Purchasers. The ownership of the Notes may only be transferred, other than transfers to successors of the Lender, and the Cooperative will register the transfer of ownership of such Note, only upon compliance with the requirements of Section 11.06 hereof and upon written request of the Lender to the Cooperative specifying the name, address and taxpayer identification number of the qualifying transferee, and the Cooperative will keep and maintain at all times a record setting forth the identification of the owner of the Notes. The Notes may only be sold, assigned or otherwise transferred to an affiliate of the Lender, an "accredited investor," as defined in Rule 501(A)(1), (2) or (3) under Regulation D of the Securities Act of 1933. The Person in whose name the Notes shall be registered shall be deemed and regarded the absolute owner thereof for all purposes, and payment of principal and interest on such Notes shall be made only to or upon the written order of such Person. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Notes to the extent of the sum or sums so paid. No such transfer shall relieve the Noteholders of their commitment to make Advances in accordance with the terms hereof.

Section 4.03 Notes Mutilated, Destroyed, Stolen or Lost. In case a Note shall become mutilated, or be destroyed, stolen or lost, the Cooperative shall issue and deliver a new Note, in exchange and in substitution for such mutilated Note, or in lieu of and in substitution for such Note destroyed, stolen or lost and upon the Lender furnishing the Cooperative proof of ownership thereof and an affidavit of lost or stolen instrument to the Cooperative and paying such expenses as the Cooperative may reasonably incur in connection therewith.

Section 4.04 Payment of Principal and Interest. The Cooperative promises that it will promptly pay the principal of and interest on the Notes, at the place, on the dates and in the manner provided therein according to the true intent and meaning hereof and of the Notes and the Bond Resolution, provided that the Cooperative may be compelled to pay the principal of and interest on with respect to the Notes solely from the Pledged Revenues, and nothing in the Notes, this Agreement or the Supplemental Resolution shall be construed as pledging any other funds or assets of the Cooperative to such payment or as authorizing such payment to be made from any other source.

Section 4.05 Pledge. The Notes shall be Additional Bonds under the Bond Resolution, and the Cooperative has under the Bond Resolution pledged the Pledged Revenues as security for the repayment of Bonds, including the Notes. The Cooperative promises that it will promptly pay the principal of and interest on the Loan at the place, on the dates and in the manner provided in the Notes and this Agreement according to the true intent and meaning hereof and thereof, provided that the principal of and interest on the Loan is payable solely from the Pledged Revenues, and nothing in the Notes or this Agreement shall be construed as pledging any other funds or assets to such payment or as authorizing such payment to be

made from any other source. The Notes are special obligations of the Cooperative secured solely by the Pledged Revenues and are payable from the Pledged Revenues as provided in this Agreement and the Bond Resolution. The Notes will not constitute a general debt, liability or obligation of the Cooperative or its members or the State of Florida or any political subdivision thereof within the meaning of any constitutional or statutory limitation. Neither the faith and credit nor the taxing power of the members Cooperative, the State of Florida or any political subdivision thereof is pledged to the payment of the principal of or interest on the Notes and the Noteholder shall never have the right to compel any exercise of any ad valorem taxing power of the State of Florida or any political subdivision thereof, directly or indirectly to enforce such payment. The Cooperative has no taxing power. The Notes shall not constitute a lien upon any property of the Cooperative except upon the Pledged Revenues.

Section 4.06 Application of Provisions of Bond Resolution. The Notes shall for all purposes be considered Additional Bonds issued under the authority of Section 12.02 of the Bond Resolution and shall be entitled to all the protection and security provided in and by the Bond Resolution for Additional Bonds, and the Notes shall be in all respects entitled to the same security, rights and privileges enjoyed by the Additional Bonds except as otherwise provided herein. The debt service on the Notes shall be payable on a parity with the Outstanding Bonds and any other Additional Bonds hereafter issued. The terms and provisions of the Bond Resolution as supplemented hereby shall remain in full force and effect and be applicable with respect to the Notes. This Agreement shall be a Full Draw LOC under the Bond Resolution, the Notes shall be Designated Maturity Bonds and, for purposes of calculating the Bond Service Requirement shall be assumed to amortize of up to a thirty year period as of such testing date. The Lender agrees that the Cooperative shall not be required to comply with Section 12.02 of the Bond Resolution in connection with additional State Revolving Fund loans or loans with the United States Environmental Protection Agency under the Water Infrastructure Financing Act at any time issued to finance the 2025 Project.

Section 4.07 2025 Construction Accounts. Pursuant to Section 7.01 of the Resolution, there is hereby created and established accounts to be held by the Cooperative to be designated the "Taxable 2025 Project Construction Account" (the "Taxable 2025 Construction Account") and the "Tax-Exempt 2025 Project Construction Account" (the "Tax-Exempt 2025 Construction Account") and together with the Taxable 2025 Construction Account, each a "2025 Construction Account" and collectively the "2025 Construction Accounts") within the Construction Fund (as defined in the Resolution). The 2025 Construction Accounts shall be kept separate and apart from all other funds and accounts of the Cooperative and the moneys on deposit therein shall be withdrawn, used and applied by the Cooperative solely for the payment of Costs of the 2025 Project. Proceeds of the Series 2025B Taxable Note shall be deposited into the Taxable 2025 Construction Account and proceeds of the Series 2025A Tax-Exempt Note shall be deposited into the Tax-Exempt 2025 Construction Account.

Any funds on deposit in the 2025 Construction Accounts that, in the opinion of the Cooperative, are not immediately necessary for expenditure, as herein provided, may be invested and reinvested in Permitted Investments pursuant to Section 10.02 of the Resolution. All income derived from investment of funds in a 2025 Construction Account shall be deposited into the respective 2025 Construction Account and shall be used to pay Costs of the 2025 Project or as permitted in the following paragraph.

Upon completion of the 2025 Project, any amounts then remaining in the Taxable 2025 Construction Account and not reserved by the Cooperative for the payment of any remaining parts of the Costs of the 2025 Project may be deposited into the Revenue Fund and used to pay debt service on the Notes or to redeem the Notes in the manner that the Notes are permitted to be redeemed under the terms of the Resolution or may be used for any other lawful purpose, and any amounts then remaining

in the Tax-Exempt 2025 Construction Account and not reserved by the Cooperative for the payment of any remaining parts of the Costs of the 2025 Project may be deposited into the Revenue Fund and used to pay debt service on the Series 2025A Tax-Exempt Note or to redeem the Series 2025A Tax-Exempt Note in the manner that the Series 2025A Tax-Exempt Note is permitted to be redeemed under the terms of the Resolution or may be used for any other lawful purpose.

Section 4.08 Limited Liability of Officers of the Cooperative. Neither the Lender nor any Noteholder shall look to any present or future officer, agent, member or employee of the Cooperative for damages suffered by the Lender or such Noteholder as a result of the failure of the Cooperative, while acting in good faith, to perform any covenant, undertaking or obligation under this Agreement, the Notes or any instrument pertaining to the issuance, sale and delivery of the Notes, nor as a result of the incorrectness of any representation made by the Cooperative or any officer, agent, member or employee thereof in good faith, in any such instrument. In acting under this Agreement, or in refraining from acting under this Agreement, the Cooperative, its officers, agents, members and employees may conclusively rely on advice of counsel. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future employee, member, officer or agent of the Cooperative in his individual capacity, and neither the members of the Board or agents or employees of the Cooperative nor any official executing this or the Notes shall be subject to any personal liability or accountability by reason hereof.

Section 4.09 Tax Representations, Warranties and Covenants of the Cooperative. It is the intention of the Cooperative that the interest on the Series 2025A Tax-Exempt Note be and remain excluded from gross income for federal income tax purposes and to this end the Cooperative hereby represents to and covenants with the Noteholder that it will comply with the requirements applicable to it contained in Section 103 and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Code to the extent necessary to preserve the exclusion of interest on the Series 2025A Tax-Exempt Note issued hereunder from gross income for federal income tax purposes. Specifically, without intending to limit in any way the generality of the foregoing, the Cooperative covenants and agrees:

- (1) to the extent required by the Code, to make or cause to be made all necessary determinations and calculations of the Rebate Amount and required payments of the Rebate Amount;
- (2) to set aside sufficient moneys of the Cooperative to timely pay the Rebate Amount to the United States of America;
- (3) to pay, at the time and to the extent required under the Code, the Rebate Amount to the United States of America from legally available funds;
- (4) to maintain and retain all records pertaining to the Rebate Amount with respect to the Series 2025A Tax-Exempt Note and required payments of the Rebate Amount with respect to the Series 2025A Tax-Exempt Note for at least six years after the Final Maturity Date or such other period as shall be necessary to comply with the Code;
- (5) to refrain from taking any action that would cause the Series 2025A Tax-Exempt Note to become an arbitrage bond under Section 148 of the Code.

The Cooperative understands that the foregoing covenants impose continuing obligations on the Cooperative that will exist as long as the requirements of Section 103 and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Code are applicable to the Series 2025A Tax-Exempt Note.

Notwithstanding any other provision of the Bond Resolution, the obligation of the Cooperative to pay the Rebate Amount to the United States of America and to comply with the other requirements of this Section 4.09 shall survive the defeasance or payment in full of the Series 2025A Tax-Exempt Note.

## **ARTICLE V FUNDING THE LOAN**

Section 5.01 The Loan. Subject to the terms and conditions set forth herein, the Lender agrees to make Advances to the Cooperative, from time to time during the Availability Period, in an aggregate principal amount outstanding at any time that will not result in the sum of the composite principal amount of Advances then outstanding under such Notes to exceed in the aggregate the Maximum Commitment Amount, to provide funds to finance and refinance the Costs of any Project for which proceeds of the Notes may be applied in accordance with the terms hereof. During the Availability Period, the Cooperative shall be entitled to borrow, prepay and reborrow in accordance with the terms and conditions of this Agreement; provided, that the Cooperative may not request an Advance should there exist at such time an Event of Default. The Cooperative's obligation to pay the principal of, and interest on, the Advance shall be evidenced by the records of the Lender and by the Notes. The entries made in such records and/or on the respective schedules annexed to the Notes shall be *prima facie* evidence of the existence and amounts of the obligations of the Cooperative therein recorded; provided, that the failure or delay of the Lender in maintaining or making entries into any such record or on such schedule or any error therein shall not in any manner affect the obligation of the Cooperative to repay the Loan Amount (both principal and unpaid accrued interest) in accordance with the terms of this Agreement.

Section 5.02 Description and Payment Terms of the Notes. To evidence the obligation of the Cooperative to repay the Advances, the Cooperative shall make and deliver to the Lender the Notes in the forms attached hereto as Exhibit "A-1" and "A-2," respectively. Interest on the principal amount of all Advances shall accrue at the Tax-Exempt Applicable Rate with respect to the Series 2025A Tax-Exempt Note, and the Taxable Applicable Rate with respect to the Series 2025B Taxable Note, in each case from and including the date such Advances are made to but excluding the date of any repayment thereof, with such interest payable monthly in arrears on each Interest Payment Date.

At any time that the Loan Amount exceeds the Maximum Commitment Amount, due to a reduction in the Maximum Commitment Amount or otherwise, the Cooperative shall promptly repay to the Lender principal in such amount that the Loan Amount will no longer exceed the Maximum Commitment Amount. The outstanding principal amount of all Advances shall be due and payable (together with accrued and unpaid interest thereon) on the Final Maturity Date.

Section 5.03 Termination of Commitment. Unless previously terminated or extended by mutual agreement of the Lender and the Cooperative, the Revolving Commitment shall terminate on the Final Maturity Date.

### Section 5.04 Interest Rate.

(a) Except as otherwise adjusted as described below, the Series 2025A Tax-Exempt Note shall bear interest at the Tax-Exempt Applicable Rate and the Series 2025B Taxable Note shall bear interest at the Taxable Applicable Rate, which on the date of the original delivery of the Notes to the Lender shall be the Tax-Exempt Loan Rate with respect to the Series 2025A Tax-Exempt Note and the Taxable Loan Rate with respect to the Series 2025B Taxable Note.



So long as the Default Rate shall not be in effect, the Calculation Agent shall determine the Interest Rate on each Interest Rate Determination Day, and such rate shall become effective on the first day of the immediately succeeding Interest Period. Such Interest Rate shall be in effect to and including the last day of the related Interest Period. All Advances evidenced by the Note shall bear interest at the same Interest Rate. In the event an Advance is advanced on a date other than a Interest Rate Determination Day and no Advances are currently outstanding hereunder, the Calculation Agent shall determine Interest Rate based upon the Interest Rate in effect two (2) U.S. Government Securities Business Days immediately preceding the date of such Advance.

The determination of the Tax-Exempt Applicable Rate and the Taxable Applicable Rate (absent manifest error) shall be conclusive and binding upon the Cooperative. If for any reason the Lender shall fail to establish the Tax-Exempt Loan Rate or the Taxable Loan Rate, the Notes shall bear interest at the Tax-Exempt Applicable Rate or the Taxable Applicable Rate, as applicable, last in effect for such Note.

(b) In the event of a Determination of Taxability, the Interest Rate on the Series 2025A Tax-Exempt Note shall be adjusted to the Taxable Loan Rate effective on the next succeeding Interest Payment Date. In addition, promptly following a Determination of Taxability, the Cooperative agrees to pay to the Series 2025A Noteholder, subject to such Determination of Taxability the Additional Amount. "Additional Amount" means (i) the difference between (a) interest on the Series 2025A Tax-Exempt Note at a rate per annum equal to the Taxable Loan Rate, for the period commencing on the date on which the interest on the Series 2025A Tax-Exempt Note ceases to be excludable from gross income for federal income tax purposes and for which the Internal Revenue Service is able to assess a deficiency and ending on the earlier of the date the Series 2025A Tax-Exempt Note ceased to be outstanding or the date the Series 2025A Tax-Exempt Note began to bear interest at the Taxable Loan Rate (the "Taxable Period"), and (b) the aggregate amount of interest paid on the Series 2025A Tax-Exempt Note for the Taxable Period under the provisions of this Agreement and the Series 2025A Tax-Exempt Note without considering the Determination of Taxability, plus (ii) an amount equal to any interest, penalties on overdue interest and additions to tax (as referred to in Subchapter A of Chapter 68 of the Code) owed by the Series 2025A Noteholder as a result of the occurrence of a Determination of Taxability.

(c) The Lender shall, except as provided in Section 5.04(a) hereof with respect to the periodic calculation of the Tax-Exempt Loan Rate and the Taxable Loan Rate, promptly notify the Cooperative in writing of any adjustments to the Interest Rates. Such adjustments shall become effective as of the effective date of the event causing such adjustment. Adjustments may be retroactive, to the extent expressly provided herein. The Lender shall certify to the Cooperative in writing the additional amount, if any, due to the Lender as a result of an adjustment in the Interest Rates pursuant hereto.

(d) If the Series 2025A Noteholder or the Series 2025B Noteholder is any person or entity other than either of the Original Purchasers, in no event shall the adjustments contemplated in this Section 5.04 with respect to the Series 2025A Tax-Exempt Note exceed the amounts that otherwise would have applied had the respective Original Purchaser been the Series 2025A Noteholder and the Cooperative shall not be obliged to pay any fees, costs, expenses or other Lender Obligations, including, without limitation, taxes and the like under this Agreement, in amounts greater than it would have been obligated to pay the Original Purchaser, had no such transfer or assignment occurred.

(e) The Cooperative agrees to pay to the Lender interest on any and all amounts required to be paid under this Agreement (excluding interest on interest) from and after the due date thereof until payment in full at the Default Rate.

(f) Notwithstanding any other provision of this Agreement to the contrary, if the rate of interest payable on the Notes or any Lender Obligation hereunder shall exceed the Maximum Lawful Rate for any period for which interest is payable, then interest only at the Maximum Lawful Rate shall be due and payable with respect to such interest period (interest at the rate equal to the difference between (A) the rate of interest otherwise payable in accordance with the terms hereof but for the limitation provided for in this Section 5.04(f), and (B) the Maximum Lawful Rate being referred to herein as the "Excess Interest"), and notwithstanding any subsequent reduction in the Interest Rate that otherwise would be applicable but for the limitation provided for in this Section 5.04(f), the Lender Obligations shall continue to bear interest, from and after the date on which any Excess Interest is accrued, at the Maximum Lawful Rate until Excess Interest is fully paid to the applicable Lender or Lenders.

Section 5.05 Requisitions for Advances; Other Conditions.

(a) The Cooperative shall give the Lender written notice of each Advance substantially in the form of Exhibit "B-1" for an Advance with respect to the Series 2025A Tax-Exempt Note and substantially in the form of Exhibit "B-2" for an Advance with respect to the Series 2025B Taxable Note (each such written notice a "Notice of Revolving Borrowing") prior to 12 noon and each Notice of Revolving Borrowing shall be irrevocable and shall specify: (i) the principal amount of the Advance, and (ii) the proposed date of such Advance (which shall be a Business Day and shall be no earlier than two Business Days following the date that the request for such Advance shall be deemed received by the Lender hereunder) and whether such Advance shall be made under the Series 2025A Tax-Exempt Note or Series 2025B Taxable Note.

Any Notice of Revolving Borrowing received by the Lender after 12:00 noon shall be deemed received on the next Business Day. The aggregate principal amount of each Advance shall be not less than \$100,000 (in any combination of either or both Notes) or in such lesser amounts equal to the Available Commitment Amount and not more than one (1) Advance may be made per calendar month; provided, however, the funding of an Advance made by the Lender that does not comply with the foregoing shall be deemed to be a waiver of such conditions.

Promptly following the receipt of a Notice of Revolving Borrowing in accordance herewith, the Lender will make available the amount of such Advance to be made hereunder on the requested date of such Advance (which shall be a Business Day and shall be no earlier than two Business Days following the date that the request for such Advance shall be deemed received by the Lender hereunder), by wire transfer (or other electronic means) to the Cooperative in immediately available funds by 4:00 p.m.

(b) No Advance shall be requested by the Cooperative or honored by the Lenders upon an Event of Default or a default that with the passage of time or giving of notice, or both, would be an Event of Default.

(c) Notwithstanding anything to the contrary herein, upon the closing of the Loan on the date hereof, an initial Advance may be made pursuant to a closing memorandum executed by the Chair or the Secretary or other authorized officer of the Cooperative, indicating the amount of the Advance requested and whether the Advance shall be funded under the Series 2025A Tax-Exempt Note or the Series 2025B Taxable Note.

Section 5.06 Right of Prepayment. The Cooperative shall have the right at any time and from time to time to prepay the Loan Amount, in whole or in part, without premium or penalty, by giving written notice (or telephonic notice promptly confirmed in writing) to the Lender not less than two (2)

Business Days prior to any such prepayment. Each such notice shall be irrevocable and shall specify the proposed date of such prepayment and the principal amount or portion thereof to be prepaid. Such amount shall be due and payable on the date designated in such notice, together with accrued interest to such date on the amount so prepaid. Each partial prepayment of the Loan Amount shall not be less than \$100,000 (in any combination of either or both Notes) and increments of \$1 in excess thereof or, if less, the principal balance of the Notes then outstanding.

Section 5.07 Computation of Interest and Fees; Application of Payments.

(a) All computations of interest and fees hereunder shall be made on the basis of a year of 360 days for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or fees are payable (to the extent computed on the basis of days elapsed).

(b) All payments made on the Notes shall be applied first to interest accrued to the date of payment and next to the unpaid principal balance; provided, however, that after an Event of Default, payments shall be applied in accordance with Section 10.02 hereof.

Section 5.08 Unused Commitment Fees. If the average Loan Amount outstanding during the preceding quarter within each Fiscal Year is less than 60% of the Maximum Commitment Amount, the Cooperative agrees to pay the Lender, allocated between the Noteholders if the Series 2025A Tax-Exempt Note and the Series 2025B Taxable Note are held by different parties as permitted under Section 11.06, pro rata based on the then outstanding principal amount of each Note, an unused commitment fee in the amount of twenty (20) basis points (0.20%) per annum on the difference between the average Loan Amount (based on the Loan Amount each day) during the preceding fiscal quarter and such Maximum Commitment Amount. The unused commitment fee shall be due and payable quarterly in arrears on each April 1, July 1, October 1 and January 1, commencing July 1, 2025.

Section 5.09 Effect of Benchmark Transition Event.

(a) In the event Lender determines in its sole discretion that (i) there is a public announcement by the administrator of a Benchmark or a Relevant Governmental Body that such Benchmark will cease or has ceased to be published; (ii) a public announcement is made by the administrator of a Benchmark or any Relevant Governmental Body that the Benchmark is no longer representative; or (iii) a Relevant Governmental Body has determined that Lender may no longer utilize the Benchmark for purposes of setting Interest Rates (each a "Benchmark Transition Event"); Lender will have no obligation to make, fund or maintain a loan based on the Benchmark and on a date and time determined by Lender, without any further action or consent of by Cooperative or amendment to this Agreement or the Notes, the first available alternative set forth in the order below that can be determined by Lender shall replace the Benchmark ("Successor Rate");

(x) Relevant Governmental Body Recommended Rate; or

(y) Alternative Benchmark Rate.

(b) In connection with the implementation of a Successor Rate, Lender will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary in this Agreement or Notes, any amendments implementing such Successor Rate or Conforming Changes will become effective without any further action or consent of Cooperative. Notwithstanding anything else herein, if at any time any Successor Rate as so determined would otherwise be less than zero percent

(0%), the Successor Rate will be deemed to be zero percent (0%) for the purposes of this Agreement and the Notes. For avoidance of doubt, following the implementation of the Successor Rate, in determining the applicable Interest Rate any margin or credit spread to the index under the Note shall be added to the Successor Rate and any provisions for a minimum rate shall apply.

(c) Lender will notify (in one or more notices) Cooperative of the implementation of any Successor Rate. Any determination or decision that may be made by Lender pursuant to this Section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in Lender's sole discretion and without consent from Cooperative.

(d) In the event Lender determines in its sole discretion that Lender cannot make, fund, or maintain a loan based upon the Benchmark due to illegality or the inability to ascertain or determine said rate on the basis provided for herein ("Unavailability Period") and a Benchmark Transition Event has not occurred, then at the election of Lender the Benchmark shall convert to the Alternative Benchmark Rate for purposes of calculating the Interest Rate on the then outstanding principal balance and for interest accruing on any fundings or advances requested by Cooperative and, thereafter, the Interest Rate on the Note shall adjust simultaneously with any fluctuation in the Alternative Benchmark Rate. In the event Lender determines that the circumstances giving rise the Unavailability Period have ended, at such time as determined by Lender the Benchmark will revert to the prior Benchmark (provided a Benchmark Transition Event has not occurred). Lender shall provide notice, which may be after the implementation of the Alternative Benchmark Rate as contemplated hereunder, to Cooperative of any Benchmark change that is made pursuant to this Section. For avoidance of doubt, following the implementation of the Successor Rate, in determining the applicable Interest Rate any margin or credit spread to the index under the Note shall be added to the Successor Rate and any provisions for a minimum rate shall apply.

In the event that any applicable law or regulation, guideline or order or the interpretation or administration thereof by any governmental or regulatory authority charged with the interpretation or administration thereof (whether or not having the force of law) (i) shall change the basis of taxation of payments to Lender of any amounts payable by the Cooperative hereunder (other than taxes imposed on the overall net income of Lender) or (ii) shall impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by Lender, or (iii) shall impose any other condition with respect to the Note, and the result of any of the foregoing is to increase the cost to Lender of making or maintaining the loan evidenced by the Note or to reduce any amount receivable by Lender under the loan evidenced by the Note, and Lender determines that such increased costs or reduction in amount receivable was attributable to the use of the current Benchmark, then the Cooperative shall from time to time, upon demand by Lender, pay to Lender additional amounts sufficient to compensate Lender for such increased costs ("Additional Costs"). A detailed statement as to the amount of such Additional Costs, prepared in good faith and submitted to the Cooperative by Lender, shall be conclusive and binding in the absence of manifest error.

## **ARTICLE VI**

### **CONDITIONS OF LENDING**

Section 6.01 Conditions Precedent to Making the Initial Advance. The Lender's obligation to enter into this Agreement and to make the initial Advance as set forth in Section 5.01 hereof is subject to the conditions precedent that, on or prior to the date of the delivery of the Notes to the Lender, the Lender

shall receive the following documents, each dated the date of delivery of the Notes to the Lender, in form and substance satisfactory to it:

- (a) a fully executed counterpart original of this Agreement, duly executed by the Cooperative;
- (b) the original Notes;
- (c) certified copies of the Resolution and the Supplemental Resolution, and certified copies of all other documents evidencing any other official action of the Cooperative taken with respect thereto as each is then in full force and effect;
- (d) customary closing certificates executed by appropriate officers of the Cooperative respecting its organization, the incumbency of its officers, the execution and delivery of the Notes and the other Note Documents to which it is a party, the compliance with all conditions precedent to the issuance of the Notes and the consummation of the transactions contemplated by this Agreement and the Note Documents, and such other matters as the Lender may reasonably require;
- (e) certified copies of all Governmental Approvals, if any, necessary for the Cooperative to execute, deliver and perform its obligations under this Agreement and the Note Documents;
- (f) a favorable opinion of Counsel to the Cooperative, which shall be addressed to the Lender and shall be in form and substance satisfactory to the Lender, concerning such matters as the Lender may reasonably request, including, but not limited to, opining (i) as to the due organization and valid existence of the Cooperative, the due authorization, execution and delivery of this Agreement and the Notes and the enforceability thereof; and (ii) to the effect that all consents and approvals required with respect to the Projects or components thereof to be financed or refinanced with the proceeds of the Notes have been obtained, and if not obtained, are expected to be obtained;
- (g) a certificate of an appropriate officer of the Cooperative to the effect that all conditions precedent contained in this Section 6.01 and Section 6.02 hereof have been fulfilled by the Cooperative;
- (h) An opinion of Note Counsel, either addressed to the Lender or in the form of a reliance opinion to the Lender, to the effect that (i) under existing law, the Notes, when issued in accordance with this Agreement, will be valid and legally binding special obligations of the Cooperative, payable solely from and secured by the Pledged Revenues, all in accordance with the terms of the Agreement, and (ii) if the initial advances is made under the Series 2025A Tax-Exempt Note, that the interest on the Series 2025A Tax-Exempt Note is excludable from gross income for federal income tax purposes;
- (i) such other documents, certificates, instruments, opinions, including reliance letters, approvals (and, if requested by the Lender, certified duplicates of executed copies thereof) or filings with respect to the Note Documents and this Agreement, in each case as the Lender or its Counsel may reasonably request.

Section 6.02 Additional Conditions Precedent. The Lender's obligation to make the initial Advance as set forth in Section 5.01 hereof shall be additionally subject to the conditions precedent that the following statements shall be true and correct on the date of the delivery of the Notes to the Lender,

and the Lender shall receive a certificate signed by the chief financial officer and another authorized officer of the Cooperative, dated the date of the delivery of the Notes to the Lender, to the effect that:

(a) the representations and warranties of the Cooperative set forth herein and the other Note Documents are true and correct in all material respects on and as of the date of delivery of the Notes as though made on and as of the date of delivery of the Notes (unless given as of a specific date); and

(b) as of the date of delivery of the Notes, no Default or Event of Default has occurred and is continuing, or would result directly or indirectly from the Lender's making of the Loan.

## **ARTICLE VII**

### **AFFIRMATIVE COVENANTS OF THE COOPERATIVE**

From the date of delivery of the Notes to the Lender and until the termination of this Agreement and payment in full of all amounts payable hereunder and under the Note Documents, the Cooperative hereby covenants and agrees that:

Section 7.01 Compliance with Note Documents. The Cooperative will observe and perform fully and faithfully all of its obligations under this Agreement and the Note Documents to which it is a party (whether or not any such Note Document expires in accordance with its terms).

Section 7.02 Compliance with Applicable Laws. The Cooperative will comply in all material respects with any and all Applicable Laws material to the System, the Note Documents to which it is a party and this Agreement.

Section 7.03 Accounting and Reports. The Cooperative will maintain its present customary system of accounting in accordance with GAAP and will furnish to the Lender:

(a) within 270 days after the end of each Fiscal Year, audited financial statements for such Fiscal Year;

(b) within 30 days of its adoption, the Cooperative's annual budget for the next succeeding Fiscal Year; and

(c) promptly, from time to time, such other information regarding the operations, financial condition and property of the Cooperative as the Lender may reasonably request.

Section 7.04 Maintenance of Books and Records. The Cooperative will maintain complete and accurate books and records pertaining to the Cooperative and all receipts and disbursements with respect thereto in accordance with GAAP.

Section 7.05 Notice of Defaults. The Cooperative shall within five (5) Business Days after it acquires knowledge thereof, notify the Agent in writing at its notice address provided in Section 1.01 hereof (a) upon the happening, occurrence, or existence of any Event of Default, and (b) any event or condition which with the passage of time or giving of notice, or both, would constitute an Event of Default, and shall provide the Lenders, with such written notice, a detailed statement by a responsible officer of the Cooperative of all relevant facts and the action being taken or proposed to be taken by the Cooperative with respect thereto. Regardless of the date of receipt of such notice by the Lenders, such date shall not in any way modify the date of occurrence of the actual Event of Default.

Section 7.06 Visits and Inspections. The Cooperative will permit representatives of the Lender, from time to time as often as may be reasonably requested, subject to Applicable Law and during regular business hours, to (i) visit and inspect the facilities of the Cooperative, (ii) inspect the books and records of the Cooperative related to the facilities and make copies and extracts of such books and records that relate to the Cooperative's performance under this Agreement and any Note Documents to which it is a party, and (iii) discuss the affairs, finances and accounts of the Cooperative with, and to be advised as to the same by, its officials, all in connection with the performance by the Cooperative of its obligations hereunder and under the Note Documents.

Section 7.07 Preservation of Lien. The Cooperative shall take all necessary action to maintain and preserve the Lien on the Pledged Revenues, to secure the Notes and the Lender Obligations.

Section 7.08 Use of Proceeds. The Cooperative covenants that the proceeds from the Notes will be used only to pay the costs of the 2025 Project, including those paid with proceeds of the Series 2023 Notes pursuant to the Loan Agreement.

Section 7.09 Further Assurances. The Cooperative will, at any and all times, insofar as it may be authorized so to do by Applicable Law, pass, make, do, execute, acknowledge and deliver every and all such further resolutions, acts, deeds, conveyances, assignments, recordings, filings, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, revenues and other funds pledged or assigned to the payment of the Notes (including the interest thereon) and payment of its obligations hereunder and under the Note Documents.

## **ARTICLE VIII NEGATIVE COVENANTS OF THE COOPERATIVE**

From the date of delivery of the Notes to the Lender and until the termination of this Agreement and payment in full of all amounts payable hereunder and under the Note Documents, the Cooperative hereby covenants and agrees that:

Section 8.01 Amendments to Related Documents. The Cooperative shall not alter or amend the Bond Resolution, the Implementation Agreement or the Interlocal Agreement, which would materially adversely affect the payment obligations hereunder, rights or remedies of the Lender or impair the authority thereby or hereby given with respect to the issuance and payment of the Notes, without prior written approval of the Lender. Nothing contained herein shall, however, impair or restrict the Cooperative's right to amend the Interlocal Agreement or the Implementation Agreement in accordance with the Bond Resolution.

Section 8.02 Disposition of Assets. The Cooperative shall not dispose of any of its assets other than in accordance with the Bond Resolution.

Section 8.03 No Pledge or Impairment; Additional Bonds. Except in accordance with the Bond Resolution or as set forth in Section 4.06 hereof, the Cooperative will not pledge or permit a lien to occur on any Pledged Revenues to any other indebtedness of the Cooperative or issue any indebtedness payable from Pledged Revenues without the express written consent of the Lender.

## **ARTICLE IX FURTHER AFFIRMATIVE COVENANTS OF THE COOPERATIVE**

Section 9.01 Base Rate Charge. The Cooperative agrees to assess all amounts due from the members of the Cooperative under the Interlocal Agreement and Implementation Agreements required to be paid thereunder in order to collect sufficient Revenues to pay the Outstanding Bonds.

Section 9.02 Covenant to Perform Undertakings. The Cooperative covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Agreement, in the Notes executed and delivered hereunder and in all proceedings of the Cooperative pertaining thereto. The Cooperative represents, warrants and covenants that it is duly authorized under the Constitution and laws of the State of Florida, including particularly and without limitation the Act, to issue the Notes authorized hereby and to enter into this Agreement, to pledge the Pledged Revenues in the manner and to the extent herein set forth; that all action on its part for the issuance of the Notes initially issued hereunder and the execution and delivery of this Agreement has been duly and effectively taken; and that such Notes in the hand of the holder and owner thereof are and will be valid and enforceable limited obligations of the Cooperative according to the tenor and import thereof.

Section 9.03 Covenant to Perform Further Acts. The Cooperative covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such loan agreements supplemental hereto and such further acts, instruments and transfers as the Lender may reasonably require for the better pledging unto the Lender of all and singular the Pledged Revenues pledged hereby to the payment of the principal of and interest, on the Notes.

Section 9.04 Other Senior and Parity Indebtedness. Except for additional State Revolving Fund loans or loans with the United States Environmental Protection Agency under the Water Infrastructure Financing Act, outstanding in the aggregate amount of not to exceed the Maximum Commitment Amount at any time issued to finance the 2025 Project, the Cooperative will not issue any Additional Bonds payable from Pledged Revenues without the express written consent of the Lender, which consent will not be unreasonably withheld.

## **ARTICLE X EVENTS OF DEFAULT**

Section 10.01 General. An "Event of Default" shall be deemed to have occurred under this Agreement if:

(a) An Event of Default under the Bond Resolution shall continue following the expiration of any applicable grace periods provided therein; or

(b) (i) The failure by the Cooperative to perform or observe any term, covenant or agreement contained in this Agreement not specifically in paragraphs (a) above, if such failure shall continue for a period of the earlier of thirty (30) calendar days after (x) the date the Cooperative was to give notice to the Lender in accordance with Section 7.05 hereof or (y) the date of written notice thereof by the Lender to the Cooperative; provided, that the Cooperative shall not be in default hereunder with respect to defaults that can, with time, be cured, if the Cooperative shall proceed with due diligence to remedy such default, but in no event shall such period be extended for a period longer than sixty (60) days; or

(c) The Cooperative shall default in the performance of or compliance with any covenant contained herein, other than a covenant that is dealt with in any other subsection of this Section 5.01, which default or non-compliance shall continue and not be cured within thirty (30) days after the



earlier of (i) written notice thereof to the Cooperative by the Lender or (ii) actual knowledge of such breach by a responsible officer of the Cooperative, or such longer period as may be reasonably necessary to cure such default, as long as the Cooperative initiates curative action within such 30-day period and diligently prosecutes such action until the cure has been achieved, but not to exceed 90 days;

Section 10.02 Effect of Event of Default. Upon the occurrence of an Event of Default, the Lender may, in its sole discretion, but shall not be obligated to, exercise all or any of its rights and remedies as it may otherwise have under Applicable Law or under this Agreement, or any Note Document or otherwise, by such suits, actions, or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for specific performance of any covenant or agreement contained in this Agreement or any Note Document, or in aid or execution of any power granted herein or therein or for the enforcement of any proper legal or equitable remedy. Remedies shall not include a right of acceleration of the Notes unless such right shall have been granted to any other lender secured by the Pledged Revenues.

All payments made on the Notes, after an Event of Default, shall be first applied to accrued interest, then to any reasonable costs or expenses, including reasonable legal fees and expenses that the Lender may have incurred in protecting or exercising the Lender's rights under the Note Documents and the balance thereof shall apply to the principal sum due. From and after any Event of Default hereunder and so long as such Event of Default remains uncured, interest shall accrue on principal then outstanding under the Notes at the Default Rate. Upon an Event of Default, and so long as such Event of Default remains uncured, the Lender may, upon written notice to the Cooperative, reduce the Maximum Commitment Amount to the Loan Amount.

## **ARTICLE XI MISCELLANEOUS**

Section 11.01 Waivers, Amendments. Any provision of this Agreement or the Notes may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by the Cooperative and the Lender. Agent may consent on behalf of Lender for all amendments and waivers, except that the written consent of all Lenders or affected Lender (the "Required Lenders") shall be required to (i) extend or increase the Maximum Commitment Amount, or (ii) extend the date scheduled for payment of any principal (excluding any mandatory prepayment), interest or fees, or (iii) reduce the principal amount of the Loan, the rate of interest thereunder or fees payable in respect thereof, or (iv) reduce the percentage required for "Required Lenders." No course of dealing between the Cooperative and the Lender, nor any delay in exercising any rights hereunder, shall operate as a waiver of any rights of the Lender hereunder. Unless otherwise specified in such waiver or consent, a waiver or consent given hereunder shall be effective only in the specific instance and for the specific purpose for which given.

Section 11.02 Survival of Representations and Warranties. All statements of or on behalf of the Cooperative contained in any Note Document or in any certificate, financial statement or other instrument delivered by or on behalf of the Cooperative pursuant to or in connection with this Agreement (including but not limited to any such statement made in or in connection with any amendment hereto or thereto) shall constitute representations and warranties of the Cooperative made under this Agreement. All representations and warranties of the Cooperative made under this Agreement shall survive the execution and delivery of this Agreement, regardless of any investigation made by the Lender or on their behalf.

#### Section 11.03 Costs, Expenses and Taxes; Reimbursement.

(a) The Cooperative shall pay within thirty days of demand (i) the reasonable fees and disbursements of counsel to the Lender in an amount not exceeding \$7,000, (ii) all reasonable out-of-pocket expenses and internal charges of the Lender (including fees and disbursements of counsel to the Lender) incurred in connection with any waiver or consent under any Note Document or any amendment of any Note Document or any Default or alleged Default hereunder and (iii) if there is an Event of Default, all reasonable out-of-pocket expenses and internal charges incurred by the Lender in connection with such Event of Default and collection and other enforcement proceedings resulting therefrom. To the extent permitted by law, the Cooperative shall pay any and all transfer taxes, documentary taxes, assessments or charges made by any governmental authority by reason of the execution and delivery of this Agreement or the Notes.

(b) In addition to any other amounts payable by the Cooperative under this Agreement, the Cooperative hereby agrees, to the extent permitted by law, to reimburse the Lender, promptly upon demand, in respect of all claims, demands, liabilities, damages, losses, reasonable costs, reasonable charges and reasonable expenses (including reasonable attorneys' fees) that the Lender may incur or be subject to as a consequence of (i) the making of the Loan, (ii) any breach by the Cooperative or any official of the Cooperative of any warranty, covenant, term or condition in, or the occurrence of any default under, this Agreement or any Note Document, including all reasonable fees or expenses resulting from the settlement or defense of any claims or liabilities arising as a result of any such breach or default, (iii) involvement in any legal suit, proceeding or action as to which the Lender is involved as a consequence of its making of the loan, their execution of this Agreement or any other event or transaction contemplated by any of the foregoing; provided that the Lender shall not be entitled to reimbursement under this Section to the extent that claims, demands, liabilities, damages, losses, costs, charges and expenses to be reimbursed are the result of the gross negligence or willful misconduct of the Lender. Nothing in this Section is intended to limit the Cooperative's obligations contained in the Agreement.

Section 11.04 Right of Setoff; Other Collateral. Except as otherwise provided herein, the Lender waives any and all current or future common law or statutory liens, security interests, rights of setoff and rights of recoupment to such special purpose accounts and such special purpose deposits therein, and all proceeds (as defined in Chapter 679, Florida Statutes) derived therefrom.

Section 11.05 Notices. All notices, requests, demands and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given when received if personally delivered; when transmitted if transmitted by telecopy, electronic telephone line facsimile transmission, e-mail or other similar electronic or digital transmission method (provided customary evidence of receipt is obtained); the day after it is sent, if sent by overnight common carrier service; and five days after it is sent, if mailed, certified mail, return receipt requested, postage prepaid; provided, however, that, notwithstanding anything to the contrary contained herein, no communication to the Lender shall be effective until the Lender has actually received such communication. In each case notice shall be sent to the Notice Address.

Section 11.06 Continuing Obligation; Assignment. This Agreement is a continuing obligation of the Cooperative and shall, until the Final Maturity Date, (a) be binding upon the Cooperative and its successors and assigns, and (b) inure to the benefit of and be enforceable by the Lender and its successors, and permitted transferees and assigns. The Lender may assign or transfer the Notes and its rights and obligations hereunder to another financial institution. Each Note may be assigned to a separate qualified

financial institution, potentially resulting in two Lenders hereunder, but each note may only be assigned in whole and not in part. The Cooperative shall not assign its rights hereunder without the express written consent of the Lender.

As a condition precedent to Lender's proposed transfer of the Notes to separate qualified institutions, one of the assignee institutions must agree to assume the role of "Agent" and "Lender" hereunder under terms reasonably satisfactory to the Cooperative so that the Cooperative is obligated to make payments to, and to interact solely with, that entity as Lender for all purposes of this Agreement, such terms to be contained in an amendment to this Agreement as executed by the Cooperative and each such institution, in form and substance satisfactory to the Cooperative, pursuant to which, among other things, such designated institution shall effectively assume the role of Lender and Agent pursuant to the terms thereof.

Section 11.07 Patriot Act Notice. Each Lender hereby notifies Cooperative that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 signed into law October 26, 2001) (the "Patriot Act"), each Lender may be required to obtain, verify and record information that identifies the Cooperative, which information includes the name and address of the Cooperative and other information that will allow the Lender to identify the Cooperative in accordance with the Patriot Act.

Section 11.08 Satisfaction Requirement. If any agreement, certificate or other writing, or any action taken or to be taken, is by the terms of this Agreement required to be satisfactory to the Lender, the determination of such satisfaction shall be made by the Lender in its reasonable judgment exercised in good faith.

Section 11.09 Applicable Law; Venue. This Agreement and the Notes shall be construed pursuant to and governed by the Act and the substantive laws of the State. Unless applicable law provides otherwise, in the event of any legal proceeding arising out of or related to this Agreement or the Notes, the Cooperative consents to the jurisdiction and venue of any court located in the State.

Section 11.10 Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

Section 11.11 Severability. Any provision of this Agreement that is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction and the remaining portion of such provision and all other remaining provisions will be construed to render them enforceable to the fullest extent.

Section 11.12 Business Days. If any payment under this Agreement shall be specified to be made upon a day which is not a Business Day, it shall be made on the next succeeding day which is a Business Day and payment on such day shall have the same force and effect as if made on the nominal date of payment.

Section 11.13 Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 11.14 Satisfaction Requirement. If any agreement, certificate or other writing, or any action taken or to be taken, is by the terms of this Agreement required to be satisfactory to the Lender, the determination of such satisfaction shall be made by such Lender in the reasonable judgment of such entity or entities exercised in good faith.

Section 11.15 Term of Agreement. Except as otherwise specified in this Agreement, this Agreement and all representations, warranties, covenants and agreements contained herein or made in writing by the Cooperative in connection herewith shall be in full force and effect from the date hereof and shall continue in effect until as long as the Notes is outstanding or any amounts are due and owing hereunder or under the Notes to the Lender.

Section 11.16 No Third Party Beneficiaries. It is the intent and agreement of the parties hereto that this Agreement is solely for the benefit of the parties hereto and no person not a party hereto shall have any rights or privileges hereunder.

Section 11.17 No Advisory or Fiduciary Relationship. In connection with all aspects of each transaction contemplated hereunder (including in connection with any amendment, waiver or other modification hereof or of any other documents related hereto), the Cooperative acknowledges and agrees, that: (a) (i) it has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, (ii) it is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and any other loan documents, (iii) each Lender is not acting as a municipal advisor or financial advisor to the Cooperative and (iv) neither Lender has a fiduciary duty pursuant to Section 15B of the Securities Exchange Act to the Cooperative with respect to the transactions contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Lender has provided other services or is currently providing other services to the Cooperative on other matters); (b) (i) each Lender is and has been acting solely as a principal in an arm's length commercial lending transaction and has not been, is not, and will not be acting as an advisor, agent or fiduciary, for the Cooperative, or any other person and (ii) neither Lender has any obligation to the Cooperative, with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Note Documents; (c) notwithstanding anything herein to the contrary, it is the intention of the Cooperative and each Lender that the loan documents represent a commercial loan transaction not involving the issuance and sale of a municipal security, and that any bond, note or other debt instrument that may be delivered to a Lender is delivered solely to evidence the repayment obligations of the Cooperative under the loan document; and (d) each Lender may be engaged in a broad range of transactions that involve interests that differ from those of the Cooperative, and neither Lender has any obligation to disclose any of such interests to the Cooperative. To the fullest extent permitted by law, the Cooperative hereby waives and releases any claims that it may have against each Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated hereby. If the Cooperative would like a municipal advisor in this transaction that has legal fiduciary duties to the Cooperative, the Cooperative is free to engage a municipal advisor to serve in that capacity. The transactions contemplated herein and the Notes are delivered, pursuant to and in reliance upon the bank exemption and/or the institutional buyer exemption provided under the municipal advisor rules of the Securities and Exchange Commission, Rule 15Ba1-1 et seq, to the extent that such rules apply to the transactions contemplated hereunder.

Section 11.18 Entire Agreement. Except as otherwise expressly provided, this Agreement and the Notes embody the entire agreement and understanding between the parties hereto and supersede all prior agreements and understandings relating to the subject matter hereof.

Section 11.19 Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE NOTES AND ANY DOCUMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HERewith, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES TO ENTER INTO THIS AGREEMENT.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective between them as of the date of first set forth above.

(SEAL)

WATER COOPERATIVE OF CENTRAL  
FLORIDA

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Chair

Attested and Countersigned:

\_\_\_\_\_  
\_\_\_\_\_, Secretary/Treasurer

TRUIST BANK, as Bank

By: \_\_\_\_\_  
Name: Clayton Thompson  
Title: Vice President

TRUIST COMMERCIAL EQUITY, INC.

By: \_\_\_\_\_  
Name: Clayton Thompson  
Title: Authorized Agent

TRUIST BANK, as Agent

By: \_\_\_\_\_  
Name: Clayton Thompson  
Title: Vice President

*[Signature Page to Revolving Credit Agreement]*

EXHIBIT "A-1"

FORM OF SERIES 2025A NOTE

THIS NOTE IS SUBJECT TO TRANSFER RESTRICTIONS, MORE FULLY DESCRIBED IN THE LOAN AGREEMENT REFERRED TO HEREIN, AND MAY NOT BE TRANSFERRED EXCEPT TO AN ACCREDITED INVESTOR WITHIN THE MEANING OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933.

**WATER COOPERATIVE OF CENTRAL FLORIDA**

**REVOLVING REVENUE NOTE, SERIES 2025A**

WATER COOPERATIVE OF CENTRAL FLORIDA (the "Cooperative"), for value received, promises to pay, but solely from the sources described below to the extent provided herein and in the hereinafter described Loan Agreement, to the order of Truist Commercial Equity, Inc., a Delaware general business corporation (together with any other registered owner of this Note, hereinafter, "Lender"), at its Principal Office or any other office or at such place Lender may in writing designate, on the Final Maturity Date, as defined in the Revolving Credit Agreement dated as of \_\_\_\_\_, 2025, between the Cooperative and Lender (as such agreement may be amended, supplemented or otherwise modified from time to time, collectively the "Loan Agreement"), the lesser of the principal sum of \$5,000,000 and the aggregate unpaid principal amount of all revolving loans made by the Lender to the Cooperative pursuant to the Loan Agreement and represented by this Note (and excluding all Advances under its Revolving Revenue Note, Series 2025B (Federally Taxable) (the "Series 2025B Taxable Note")) and not theretofore repaid, and any modifications, renewals, extensions or replacements thereof, without offset in lawful money of the United States of America in immediately available funds, and to pay interest from the date hereof on the principal amount thereof from time to time outstanding, in like funds, at said office, at the rate or rates per annum and payable on such dates as provided in the Loan Agreement. In the event of a conflict between any term or condition contained in this Note and in the Loan Agreement, such term or condition of the Loan Agreement shall control.

All computations of interest and fees hereunder shall be made on the basis of a year of 360 days for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or fees are payable (to the extent computed on the basis of days elapsed). This Note is issued pursuant to Resolution No. 2025-\_\_ on \_\_\_\_\_, 2025 (the "Resolution"), as supplemented by Resolution No. 2025-\_\_ adopted by the Board on \_\_\_\_\_, 2025 (the "Supplemental Resolution") and collectively with the Resolution, the "Bond Resolution") and in conjunction with the Loan Agreement is subject to all the terms and conditions of the Loan Agreement. All terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto, or as referenced, in the Loan Agreement.

This Note is payable solely from the Pledged Revenues to the extent provided in the Loan Agreement and subject to the pledge of the Pledged Revenues as more specifically provided in the Bond Resolution and the Loan Agreement. Notwithstanding any other provision of this Note, the Cooperative is not and shall not be liable for the payment of the principal of and interest on this Note or otherwise monetarily liable in connection herewith from any property other than as

provided in the Loan Agreement and the Bond Resolution. The lien on and pledge of the Pledged Revenues, provided for the benefit of the Lender shall be on a parity with the lien on and pledge of Pledged Revenues, in favor of the Series 2025B Taxable Note, the Outstanding Bonds, and any Additional Bonds.

THIS NOTE IS A LIMITED OBLIGATION OF THE COOPERATIVE PAYABLE SOLEY FROM THE REVENUES OF THE COOPERATIVE. NOTWITHSTANDING THE FOREGOING, HOWEVER, OR ANYTHING ELSE IN THIS NOTE OR THE LOAN AGREEMENT TO THE CONTRARY, NEITHER THIS NOTE NOR THE LOAN AGREEMENT SHALL CREATE, BE OR CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE COOPERATIVE OR A DEBT, LIABILITY OR OBLIGATION OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF OR A PLEDGE OF THE FAITH AND CREDIT OF THE COOPERATIVE OR ITS MEMBERS, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER THE COOPERATIVE OR ITS MEMBERS, THE STATE, NOR ANY POLITICAL SUBDIVISION THEREOF SHALL BE DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION WHATSOEVER FOR THE PAYMENT OF ANY OBLIGATIONS HEREUNDER OR UNDER THE LOAN AGREEMENT OR TO MAKE ANY APPROPRIATION THEREFROM FOR ANY SUCH PAYMENTS. THE OBLIGATIONS OF THE COOPERATIVE HEREUNDER SHALL NOT BE PAYABLE FROM OR CONSTITUTE A LIEN OR CHARGE ON ANY FUNDS OF THE COOPERATIVE OTHER THAN THE PLEDGED REVENUES IN THE MANNER AND TO THE EXTENT PROVIDED HEREIN AND IN THE LOAN AGREEMENT.

Neither the State nor any county, any municipality or other district or authority, including the parties to the Interlocal Agreement or Implementation Agreements, shall be obligated to pay the same or the interest on this Note. Neither the full faith and credit nor the taxing power of the State or of any political subdivision thereof is pledged to the of the principal of or the interest on this Note. The issuance of this Note shall not directly or indirectly or contingently obligate the State, any county, any municipality, or any district or authority to levy or to pledge any form of taxation whatever therefor or to make appropriation for its payment.

The Cooperative promises to pay interest, on demand, on any overdue principal from their due dates at a rate or rates provided in the Loan Agreement.

All borrowings evidenced by this Note and all payments and prepayments of the principal hereof and the date thereof shall be endorsed by the holder hereof or the Lender on the schedule attached hereto and made a part hereof or on a continuation thereof which shall be attached hereto and made a part hereof, or otherwise recorded by such holder or the Lender in its internal records; provided, that the failure of the holder hereof or the Lender to make such a notation or any error in such notation shall not affect the obligations of the Cooperative to make the payments of principal and interest in accordance with the terms of this Note and the Loan Agreement.

This Note is issued in connection with, and is entitled to the benefits of, the Loan Agreement which, among other things, contains provisions for prepayment of the principal hereof prior to the maturity hereof and for the amendment or waiver of certain provisions of the Loan Agreement, all upon the terms and conditions therein specified. THIS NOTE SHALL BE



CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF FLORIDA AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

Prior to the Final Maturity Date, principal amounts repaid hereunder may be re-advanced so long as the total principal amount of this Note outstanding, together with the outstanding principal amount of the Series 2025B Taxable Note, taking into account all combined Advances which have not been repaid, does not exceed the Maximum Commitment Amount.

The Cooperative to the extent permitted by law hereby waives presentment, demand, protest and notice of dishonor.

All terms, conditions and provisions of the Loan Agreement are by this reference thereto incorporated herein as a part of this Note.

This Note may be exchanged or transferred but only as provided in the Loan Agreement.

THE COOPERATIVE AND THE LENDER HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY, AND IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE RIGHT EITHER OF THEM MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION, WHETHER IN CONTRACT OR TORT, AT LAW OR IN EQUITY, BASED HEREON OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE AND ANY OTHER DOCUMENT OR INSTRUMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION WITH THIS NOTE, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY HERETO. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDER TO ENTER INTO OR ACCEPT THIS NOTE. FURTHER, THE COOPERATIVE HEREBY CERTIFIES THAT NO REPRESENTATIVE OR AGENT OF THE LENDER, NOR THE LENDER'S COUNSEL, HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE LENDER WOULD NOT, IN THE EVENT OF SUCH LITIGATION, SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL PROVISION.

The Lender hereby notifies Cooperative that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 signed into law October 26, 2001), the Lender may be required to obtain, verify and record information that identifies the Cooperative, which information includes the name and address of the Cooperative and other information that will allow the Lender to identify the Cooperative in accordance with the Act. All amounts received by the Lender shall be applied to expenses, late fees and interest before principal or in any other order as determined by the Lender, in its sole discretion, as permitted by law. Any provision of this Note which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Note. No amendment, modification, termination or waiver of any provision of this Note, nor consent to any departure by the Cooperative from any term of this Note, shall in any event be effective unless it complies fully with the requirements of such amendment, modification, termination or waiver as set forth in the Loan Agreement, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

It is hereby certified, recited and declared that all acts, conditions and prerequisites required to exist, happen and be performed precedent to and in the execution, delivery and the issuance of this Note do exist, have happened and have been performed in due time, form and manner as

required by law, and that the issuance of this Note is in full compliance with and does not exceed or violate any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Cooperative has caused this Note to be executed in its name as of the date hereinafter set forth.

The date of this Note is \_\_\_\_\_, 2025.

WATER COOPERATIVE OF CENTRAL  
FLORIDA

(SEAL)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title:      Chair

Attested and Countersigned

\_\_\_\_\_  
\_\_\_\_\_, Secretary/Treasurer

EXHIBIT "A-2"

FORM OF SERIES 2025B NOTE

THIS NOTE IS SUBJECT TO TRANSFER RESTRICTIONS, MORE FULLY DESCRIBED IN THE LOAN AGREEMENT REFERRED TO HEREIN, AND MAY NOT BE TRANSFERRED EXCEPT TO AN ACCREDITED INVESTOR WITHIN THE MEANING OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933.

**WATER COOPERATIVE OF CENTRAL FLORIDA**

**REVOLVING REVENUE NOTE, SERIES 2025B (FEDERALLY TAXABLE)**

WATER COOPERATIVE OF CENTRAL FLORIDA (the "Cooperative"), for value received, promises to pay, but solely from the sources described below to the extent provided herein and in the hereinafter described Loan Agreement, to the order of Truist Bank, a North Carolina banking corporation or its registered assigns (together with any other registered owner of this Note, hereinafter, the "Lender"), at its Principal Office or any other office or at such place as the Lender may in writing designate, on the Final Maturity Date, as defined in the Revolving Credit Agreement dated as of \_\_\_\_\_, 2025, among the Cooperative and the Lender (as such agreement may be amended, supplemented or otherwise modified from time to time, collectively the "Loan Agreement"), the lesser of the principal sum of \$5,000,000 and the aggregate unpaid principal amount of all revolving loans made by the Lender to the Cooperative pursuant to the Loan Agreement and represented by this Note (and excluding all Advances under its Revolving Revenue Note, Series 2025A (the "Series 2025A Tax-Exempt Note")) and not theretofore repaid, and any modifications, renewals, extensions or replacements thereof, without offset in lawful money of the United States of America in immediately available funds, and to pay interest from the date hereof on the principal amount thereof from time to time outstanding, in like funds, at said office, at the rate or rates per annum and payable on such dates as provided in the Loan Agreement. In the event of a conflict between any term or condition contained in this Note and in the Loan Agreement, such term or condition of the Loan Agreement shall control.

All computations of interest and fees hereunder shall be made on the basis of a year of 360 days for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or fees are payable (to the extent computed on the basis of days elapsed). This Note is issued pursuant to Resolution No. 2025-\_\_ on \_\_\_\_\_, 2025 (the "Resolution"), as supplemented by Resolution No. 2025-\_\_ adopted by the Board on \_\_\_\_\_, 2025 (the "Supplemental Resolution" and collectively with the Resolution, the "Bond Resolution") and in conjunction with the Loan Agreement is subject to all the terms and conditions of the Loan Agreement. All terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto, or as referenced, in the Loan Agreement.

This Note is payable solely from the Pledged Revenues to the extent provided in the Loan Agreement and subject to the pledge of the Pledged Revenues as more specifically provided in the Bond Resolution and the Loan Agreement. Notwithstanding any other provision of this Note, the Cooperative is not and shall not be liable for the payment of the principal of and interest on this Note or otherwise monetarily liable in connection herewith from any property other than as

provided in the Loan Agreement and the Bond Resolution. The lien on and pledge of the Pledged Revenues, provided for the benefit of the Lender shall be on a parity with the lien on and pledge of Pledged Revenues, in favor of the Series 2025A Tax-Exempt Note, the Outstanding Bonds, and any Additional Bonds.

THIS NOTE IS A LIMITED OBLIGATION OF THE COOPERATIVE PAYABLE SOLEY FROM THE REVENUES OF THE COOPERATIVE. NOTWITHSTANDING THE FOREGOING, HOWEVER, OR ANYTHING ELSE IN THIS NOTE OR THE LOAN AGREEMENT TO THE CONTRARY, NEITHER THIS NOTE NOR THE LOAN AGREEMENT SHALL CREATE, BE OR CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE COOPERATIVE OR A DEBT, LIABILITY OR OBLIGATION OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF OR A PLEDGE OF THE FAITH AND CREDIT OF THE COOPERATIVE OR ITS MEMBERS, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER THE COOPERATIVE OR ITS MEMBERS, THE STATE, NOR ANY POLITICAL SUBDIVISION THEREOF SHALL BE DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION WHATSOEVER FOR THE PAYMENT OF ANY OBLIGATIONS HEREUNDER OR UNDER THE LOAN AGREEMENT OR TO MAKE ANY APPROPRIATION THEREFROM FOR ANY SUCH PAYMENTS. THE OBLIGATIONS OF THE COOPERATIVE HEREUNDER SHALL NOT BE PAYABLE FROM OR CONSTITUTE A LIEN OR CHARGE ON ANY FUNDS OF THE COOPERATIVE OTHER THAN THE PLEDGED REVENUES IN THE MANNER AND TO THE EXTENT PROVIDED HEREIN AND IN THE LOAN AGREEMENT.

Neither the State nor any county, any municipality or other district or authority, including the parties to the Interlocal Agreement or Implementation Agreements, shall be obligated to pay the same or the interest on this Note. Neither the full faith and credit nor the taxing power of the State or of any political subdivision thereof is pledged to the of the principal of or the interest on this Note. The issuance of this Note shall not directly or indirectly or contingently obligate the State, any county, any municipality, or any district or authority to levy or to pledge any form of taxation whatever therefor or to make appropriation for its payment.

The Cooperative promises to pay interest, on demand, on any overdue principal from their due dates at a rate or rates provided in the Loan Agreement.

All borrowings evidenced by this Note and all payments and prepayments of the principal hereof and the date thereof shall be endorsed by the Lender on the schedule attached hereto and made a part hereof or on a continuation thereof which shall be attached hereto and made a part hereof, or otherwise recorded by the Lender in its internal records; provided, that the failure of the Lender to make such a notation or any error in such notation shall not affect the obligations of the Cooperative to make the payments of principal and interest in accordance with the terms of this Note and the Loan Agreement.

This Note is issued in connection with, and is entitled to the benefits of, the Loan Agreement which, among other things, contains provisions for prepayment of the principal hereof prior to the maturity hereof and for the amendment or waiver of certain provisions of the Loan Agreement, all upon the terms and conditions therein specified. THIS NOTE SHALL BE

CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF FLORIDA AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

Prior to the Final Maturity Date, principal amounts repaid hereunder may be re-advanced so long as the total principal amount of this Note outstanding, together with the outstanding principal amount of the Series 2025A Tax-Exempt Note, taking into account all combined Advances which have not been repaid, does not exceed the Maximum Commitment Amount.

The Cooperative to the extent permitted by law hereby waives presentment, demand, protest and notice of dishonor.

All terms, conditions and provisions of the Loan Agreement are by this reference thereto incorporated herein as a part of this Note.

This Note may be exchanged or transferred but only as provided in the Loan Agreement.

THE COOPERATIVE AND THE LENDER HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY, AND IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE RIGHT EITHER OF THEM MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION, WHETHER IN CONTRACT OR TORT, AT LAW OR IN EQUITY, BASED HEREON OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE AND ANY OTHER DOCUMENT OR INSTRUMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION WITH THIS NOTE, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY HERETO. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDER TO ENTER INTO OR ACCEPT THIS NOTE. FURTHER, THE COOPERATIVE HEREBY CERTIFIES THAT NO REPRESENTATIVE OR AGENT OF THE LENDER, NOR THE LENDER'S COUNSEL, HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE LENDER WOULD NOT, IN THE EVENT OF SUCH LITIGATION, SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL PROVISION.

The Lender hereby notifies Cooperative that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 signed into law October 26, 2001), the Lender may be required to obtain, verify and record information that identifies the Cooperative, which information includes the name and address of the Cooperative and other information that will allow the Lender to identify the Cooperative in accordance with the Act. All amounts received by the Lender shall be applied to expenses, late fees and interest before principal or in any other order as determined by the Lender, in its sole discretion, as permitted by law. Any provision of this Note which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Note. No amendment, modification, termination or waiver of any provision of this Note, nor consent to any departure by the Cooperative from any term of this Note, shall in any event be effective unless it complies fully with the requirements of such amendment, modification, termination or waiver as set forth in the Loan Agreement, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

It is hereby certified, recited and declared that all acts, conditions and prerequisites required to exist, happen and be performed precedent to and in the execution, delivery and the issuance of this Note do exist, have happened and have been performed in due time, form and manner as

required by law, and that the issuance of this Note is in full compliance with and does not exceed or violate any constitutional or statutory limitation.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Cooperative has caused this Note to be executed in its name as of the date hereinafter set forth.

The date of this Note is \_\_\_\_\_, 2025.

WATER COOPERATIVE OF CENTRAL  
FLORIDA

(SEAL)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title:      Chair

Attested and Countersigned

\_\_\_\_\_  
\_\_\_\_\_, Secretary/Treasurer



EXHIBIT "B-1"

NOTICE OF REVOLVING BORROWING UNDER  
SERIES 2025A TAX-EXEMPT NOTE

Pursuant to the Revolving Credit Agreement dated as of \_\_\_\_\_, 2025, as amended, supplemented, restated, replaced, or otherwise modified from time to time (the "Agreement"; capitalized terms used but not defined herein shall have the meanings assigned in the Agreement); this represents the undersigned's request for an Advance under the Agreement as follows:

Proposed Date of Advance: \_\_\_\_\_

\_\_\_\_\_ Aggregate Amount of Advance to be Drawn Down under the Series 2025A Tax-Exempt Note; provided, however, the aggregate amount of all advances under the Series 2025A Tax-Exempt Note shall not exceed \$\_\_\_\_\_ except upon delivery of a new Note Counsel Opinion.

The proceeds of the Advance are to be wired to the following account:

\_\_\_\_\_ Tax-Exempt 2025 Construction Account

The proceeds of the Advance are to be used for financing a portion of the Costs of the 2025 Project.

This Notice is given in order to induce TRUCE to make the Advance. We understand that TRUCE is relying on the truth and accuracy of the statements made in this Notice.

1. All of the representations and warranties of the undersigned contained in the Agreement or in any of the other Note Documents are true, correct, and complete on and as of the date of this Notice of Revolving Borrowing, with the same effect as though the representations and warranties had been made on and as of such date.

2. No Event of Default, nor any event which, upon notice or lapse of time or both, would constitute an Event of Default, has occurred and is continuing, or would result from the borrowing.

3. After giving effect to the Advance hereby requested and any other Advances requested on the date hereof under the Series 2025B Taxable Note, the aggregate amount of Advances requested and outstanding under the Agreement will not exceed the Maximum Commitment Amount as of the proposed date of the Advance hereby requested.

4. To the undersigned's knowledge, it has no setoffs or defenses under the Agreement or Notes. The Agreement, the Note, and all other Note Documents are valid, binding, and enforceable in accordance with their terms.

5. The facts, estimates, circumstances and representations set forth or made (as the case may be) in the Certificate as to Tax, Arbitrage and Other Matters as to the Series 2025A Tax-

Exempt Note delivered in connection with the initial issuance of the Series 2025A Tax-Exempt Note, as supplemented by any amendatory certificate delivered to Note Counsel on the date hereof, continue to exist and are hereby reaffirmed on the date hereof.

6. The Cooperative has approved the transaction with respect to which these instructions are given in accordance with the procedure set forth in the Agreement and the Supplemental Resolution.

7. The Cooperative has previously delivered to the Lender, addressed to the Lender and upon which opinion the Lender may rely, an opinion of an attorney to the Cooperative and/or Note Counsel as to those matters required under Sections 6.01(f) and (h) of the Agreement and the Cooperative confirms that it has not received notification from Cooperative's Counsel and/or Note Counsel of a withdrawal of such opinion (unless a replacement opinion has been obtained).

8. All other conditions precedent to the Advance as set forth in the Agreement have been satisfied.

Dated: \_\_\_\_\_

WATER COOPERATIVE OF CENTRAL  
FLORIDA

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT "B-2"

NOTICE OF REVOLVING BORROWING UNDER

SERIES 2025B TAXABLE NOTE

Pursuant to the Revolving Credit Agreement dated as of \_\_\_\_\_, 2025, as amended, supplemented, restated, replaced, or otherwise modified from time to time (the "Agreement"; capitalized terms used but not defined herein shall have the meanings assigned in the Agreement); this represents the undersigned's request for an Advance under the Agreement as follows:

Proposed Date of Advance: \_\_\_\_\_

\$\_\_\_\_\_ Aggregate Amount of Advance to be Drawn Down under Series 2025B Taxable Note.

The proceeds of the Advance are to be wired to the following account:

\_\_\_\_\_

The proceeds of the Advance are to be used for the following project or group of projects:

\_\_\_\_\_

This Notice is given in order to induce the Bank to make the Advance. We understand that the Bank is relying on the truth and accuracy of the statements made in this Notice.

1. All of the representations and warranties of the undersigned contained in the Agreement or in any of the other Note Documents are true, correct, and complete on and as of the date of this Notice of Revolving Borrowing, with the same effect as though the representations and warranties had been made on and as of such date.

2. No Event of Default, nor any event which, upon notice or lapse of time or both, would constitute an Event of Default, has occurred and is continuing, or would result from the borrowing.

3. After giving effect to the Advance hereby requested and any other Advances requested on the date hereof under the Series 2025A Tax-Exempt Note, the aggregate amount of Advances requested and outstanding under the Agreement will not exceed the Maximum Commitment Amount as of the proposed date of the Advance hereby requested.

4. To the undersigned's knowledge, it has no setoffs or defenses under the Agreement or Notes. The Agreement, the Note, and all other Note Documents are valid, binding, and enforceable in accordance with their terms.

5. The Cooperative has approved the transaction with respect to which these instructions are given in accordance with the procedure set forth in the Agreement and the Supplemental Resolution.

6. The Cooperative has notified Note Counsel of the proposed Advance requested above.

7. The Cooperative has previously delivered to the Lender, addressed to the Lender and upon which opinion the Lender may rely, an opinion of an attorney to the Cooperative and/or Note Counsel as to those matters required under Sections 6.01(f) and (h) of the Agreement and the Cooperative confirms that it has not received notification from Cooperative's Counsel and/or Note Counsel of a withdrawal of such opinion (unless a replacement opinion has been obtained).

8. All other conditions precedent to the Advance as set forth in the Agreement have been satisfied.

Dated: \_\_\_\_\_

WATER COOPERATIVE OF CENTRAL  
FLORIDA

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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## **RESOLUTION NO. 2025-002-WC**

**A RESOLUTION OF THE WATER COOPERATIVE OF CENTRAL FLORIDA APPROVING A REVOLVING LOAN IN THE PRINCIPAL AMOUNT AT ANY ONE TIME NOT EXCEEDING \$5,000,000 AND PROVIDING FOR THE ISSUANCE OF ITS REVOLVING REVENUE NOTE, SERIES 2025A AND REVOLVING REVENUE NOTE, SERIES 2025B (FEDERALLY TAXABLE) TO EVIDENCE SUCH LOAN TO FINANCE THE COSTS OF THE PROJECTS AND PAY COSTS OF ISSUANCE; APPROVING THE FORM OF A REVOLVING CREDIT AGREEMENT, REVOLVING REVENUE NOTE, SERIES 2025A AND REVOLVING REVENUE NOTE, SERIES 2025B (FEDERALLY TAXABLE) TO BE ISSUED THEREUNDER; AUTHORIZING THE AWARD OF THE SALE OF SAID NOTES ON A NEGOTIATED BASIS TO TRUIST COMMERCIAL EQUITY, INC. AND TRUIST BANK, AS APPLICABLE; PROVIDING OTHER DETAILS WITH RESPECT THERETO; AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, the Board of Supervisors (the "Board") of the Water Cooperative of Central Florida (the "Issuer") was established pursuant to an Interlocal Agreement effective as of October 1, 2011 (the "Interlocal Agreement") between the City of St. Cloud, Florida, Orange County, Florida, Polk County, Florida and the Tohopekaliga Water Authority (each a "Member"); and

WHEREAS, the Issuer adopted Water Revenue Bond Resolution adopted on the date hereof (the "Bond Resolution"); and

WHEREAS, the Issuer is authorized under the Act and the Bond Resolution to issue its Series 2025 Notes to finance a portion of the costs of development, acquisition and construction of the Projects, including the 2025 Project (as defined in the Revolving Credit Agreement) and to pay issuance costs; and

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE WATER COOPERATIVE OF CENTRAL FLORIDA, AS FOLLOWS:**

**SECTION 1. AUTHORITY FOR THIS RESOLUTION.** This Resolution is adopted pursuant to Section 163.01, Florida Statutes, Chapter 159, Florida Statutes, the Interlocal Agreement, the Constitution of the State and other applicable provisions of law (collectively, the "Act") and the Bond Resolution.

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

A. The Issuer was established as separate legal entity, public agency and unit of special purpose local government pursuant to Section 163.01(7)(g), 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 2025 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 Southeastern Investment Securities, Inc., 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 2025 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 2025 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 2025 Notes and enter into the hereinafter described Revolving Credit Agreement through a competitive sale and it is in the best interest of the Issuer to accept the terms of the Loan from the Lender 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 Revolving Credit Agreement and as determined by the Authorized Signatory executing the Revolving Credit Agreement on behalf of the Issuer in accordance with the terms hereof;

F. Prior to the sale of the Series 2025 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 2025 Notes to be issued pursuant to this Resolution and the Bond Resolution. No further disclosure is required by the Issuer.

G. The Series 2025A 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 2025B 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 2025 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 Revolving Credit Agreement, the Series 2025 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 2025 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 Revolving Credit 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 the Water Revenue Bond Resolution adopted by the Board on the date hereof.

"Business Day" means a day other than (i) a Saturday, Sunday, legal holiday or day on which banking institutions in Osceola 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.

"Lender" means, collectively, Truist Bank and Truist Commercial Equity, Inc., together with their respective successors and assigns.

"Loan" means the loan to the Issuer by the Lender as documented herein and in the Revolving Credit Agreement, and as evidenced by the Series 2025 Notes.

"Revolving Credit Agreement" means the Revolving Credit Agreement between the Issuer and the Lender related to the Series 2025 Notes, the form of which is attached hereto as Exhibit A.

"Loan Amount" means a principal amount outstanding at any time not to exceed \$5,000,000.

"Series 2025 Notes" means, collectively, the Series 2025A Note and the Series 2025B Note.

"Series 2025A Note" means the Issuer's Revolving Revenue Note, Series 2025A.

"Series 2025B Note" means Issuer's Revolving Revenue Note, Series 2025B (Federally Taxable).

#### **SECTION 4. AUTHORIZATION OF SERIES 2025 NOTES AND 2025 PROJECT.**

The Issuer hereby authorizes the issuance of the Series 2025 Notes and hereby authorizes the use of proceeds of the Series 2025 Notes to pay costs of the Projects and pay all or a portion of the costs of issuance of the Series 2025 Notes, all as more particularly described in the Revolving Credit Agreement. The Issuer hereby ratifies and affirms all actions previously taken in furtherance of the undertaking of the financing of the Projects and obtaining the Loan. The 2025 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. REVOLVING CREDIT AGREEMENT AND SERIES 2025 NOTES.**

The Issuer is authorized to execute the Revolving Credit Agreement with the Lender in substantially the form attached hereto as Exhibit "A" and to issue and deliver to the Lender the Series 2025 Notes, substantially in the forms attached to the Revolving Credit Agreement, and to apply the proceeds of advances made thereunder to finance the Projects (including through reimbursement) and to pay the costs of issuance of the Series 2025 Notes. The forms and terms of the Revolving Credit Agreement and Series 2025 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.

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 Series 2025 Notes, and the Series 2025 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 2025 Notes as if originally issued thereunder.

The Authorized Signatories may authorize the modification of the name or series designation of the Series 2025 Notes, as deemed appropriate, the approval of such modification to be evidenced by the execution and delivery of the Series 2025 Notes showing such modification.

The Series 2025 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 2025 Notes.

The Series 2025 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 2025 Notes shall be payable to the Lender in accordance with the Revolving Credit Agreement.

If the date for the payment of principal of or interest on the Series 2025 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.

The Series 2025 Notes shall be subject to redemption as set forth in the Revolving Credit Agreement and the Series 2025 Notes. Notwithstanding anything in the Bond Resolution to the contrary, notice of redemption shall be given as provided in the Revolving Credit Agreement.

The Series 2025 Notes shall be and have all the qualities and incidents of negotiable instruments under the laws of the State of Florida, and the Lender, in accepting the Series 2025 Notes, shall be conclusively deemed to have agreed that the Series 2025 Notes shall be and have all of the qualities and incidents of negotiable instruments under the laws of the State of Florida.

The Revolving Credit Agreement shall be a Full Draw LOC under the Bond Resolution and the Series 2025 Notes shall be Designated Maturity Bonds.

Subject to full satisfaction of the conditions set forth in this Section 5, the Issuer hereby authorizes a delegated negotiated sale of the Series 2025 Notes to the Lender in accordance with the terms of the Revolving Credit Agreement, each of the Revolving Credit Agreement and the Series 2025 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.

The provisions of the Revolving Credit Agreement when executed and delivered by the parties thereto, shall be incorporated by reference herein so long as the Series 2025 Notes shall remain outstanding.

**SECTION 6. REVOLVING CREDIT AGREEMENT AND BOND NOT TO BE GENERAL OBLIGATION OR INDEBTEDNESS OF THE ISSUER.** Neither the Revolving Credit Agreement nor the Series 2025 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 2025 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 2025 Notes or under the Revolving Credit Agreement or for the payment of any other amounts provided for in the Bond Resolution or the Revolving Credit Agreement. The Issuer has no taxing power. Neither the Revolving Credit Agreement nor the Series 2025 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. AUTHORIZATIONS.** The Authorized Signatories are hereby authorized to execute and deliver on behalf of the Issuer the Revolving Credit Agreement and the Series 2025 Notes 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 and the Bond Resolution, including, without limitation, filing of all tax reporting requirements and paying costs related hereto.

**SECTION 8. VALIDATION AUTHORIZED.** The General Counsel of the Issuer and Holland & Knight LLP, Bond Counsel, are hereby authorized to pursue validation of the Series 2025 Notes to be issued pursuant to the Bond Resolution, pursuant to the provisions of Chapter 75, Florida Statutes.

**SECTION 9. 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 Revolving Credit Agreement, the Series 2025 Notes or other documents contemplated hereby shall be liable personally on the Revolving Credit Agreement, the Series 2025 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 10. ISSUER AS PAYING AGENT AND REGISTRAR.** The Issuer is hereby designated paying agent and registrar for the Series 2025 Notes.

**SECTION 11. 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 12. SEVERABILITY.** If any one or more provisions of this Resolution, the Revolving Credit Agreement, or the Series 2025 Notes 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 Series 2025 Notes or the Revolving Credit Agreement, but this Resolution, the Revolving Credit Agreement and the Series 2025 Notes shall be construed and enforced as if such illegal or invalid provision had not been contained therein.

**SECTION 13. EFFECTIVE DATE.** This Resolution shall take effect immediately upon its adoption.

*[Signatures on Following Page]*

APPROVED AND ADOPTED by the Water Cooperative of Central Florida this 9th day of April, 2025.

ATTEST

WATER COOPERATIVE OF CENTRAL  
FLORIDA  
BOARD OF SUPERVISORS

By: \_\_\_\_\_  
Secretary

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

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

Dated: April 9, 2025

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EXHIBIT "A"

FORM OF REVOLVING CREDIT AGREEMENT

**REVOLVING CREDIT AGREEMENT**

**by and among**

**WATER COOPERATIVE OF CENTRAL FLORIDA,**

**TRUIST BANK**

**and**

**TRUIST COMMERCIAL EQUITY, INC.**

**AND**

**TRUIST BANK, AS AGENT**

**AS OF**

\_\_\_\_\_, 2025

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Exhibit B-1 – Form of Notice of Revolving Borrowing under Series 2025A Tax-Exempt Note

Exhibit B-2 – Form of Notice of Revolving Borrowing under Series 2025B Taxable Note

## **REVOLVING CREDIT AGREEMENT**

This **REVOLVING CREDIT AGREEMENT** (the "*Agreement*") is made and entered into as of \_\_\_\_\_, 2025, by and among **Water Cooperative of Central Florida**, a public agency and unit of special purpose government of the State of Florida (the "*Cooperative*"), **Truist Bank** and its successors and permitted assigns (the "*Bank*"), **Truist Commercial Equity, Inc.**, and its successors and permitted assigns ("*TRUCE*," together with the Bank, the "*Lender*") and **Truist Bank**, as agent (the "*Agent*").

Subject to the satisfaction of the special conditions precedent set forth in Article II below, the parties hereto, intending to be legally bound hereby and in consideration of the mutual covenants hereinafter contained, DO HEREBY AGREE as follows:

### **W I T N E S S E T H:**

**WHEREAS**, the Cooperative was created as a separate legal entity pursuant to Section 163.01(7)(g), Florida Statutes, pursuant to an Interlocal Agreement Relating to the Establishment of the Water Cooperative of Central Florida dated August 30, 2011 (the "*Interlocal Agreement*") among the City of St. Cloud, Florida, the Tohopekalliga Water Authority, Orange County, Florida and Polk County, Florida (collectively, the "*Members*"); and

**WHEREAS**, the Board of Supervisors of the Cooperative (the "*Board*") duly adopted Resolution No. 2025-001-WC on April 9, 2025 (the "*Resolution*"), as supplemented by Resolution No. 2025-002-WC adopted by the Board on April 9, 2025 (the "*Supplemental Resolution*" and collectively with the Resolution, the "*Bond Resolution*"), is authorized to borrow money, and more particularly issue the Notes described below for financing the 2025 Project; and

**WHEREAS**, the Cooperative has requested the Lender, and the Lender has agreed, to advance funds under the terms of this Agreement to provide funds to the Cooperative from time to time to make Advances hereunder to finance the 2025 Project, under and pursuant to the terms of this Agreement and (i) the Cooperative's Revolving Revenue Note, Series 2025A (the "*Series 2025A Tax-Exempt Note*") and (ii) its Revolving Revenue Note, Series 2025B (Federally Taxable) (the "*Series 2025B Taxable Note*" and together with the Series 2025A Tax-Exempt Note, the "*Notes*"), all on the terms and conditions set forth herein, provided that the aggregate principal amount outstanding at any one time under the Notes shall never exceed the Maximum Commitment Amount, as hereinafter defined; and

**WHEREAS**, the Agent is acting as agent for the Lender for the purpose of coordinating the relationship hereunder between the Cooperative and the Lender. The parties agree, notwithstanding anything herein to the contrary, that the Cooperative may treat the Agent for all purposes of this Agreement as having the full power and authority to speak for and act on behalf of and bind each Lender, and that all payments and notices to Lender, and all waivers granted and other actions taken by Agent on behalf of the Lenders or either of them, shall be binding on such Lenders regardless of any notice the Cooperative may receive to the contrary.

## ARTICLE I DEFINITION OF TERMS

Section 1.01 Definitions. The words and terms used in capitalized form in this Agreement shall have the meanings as set forth in the recitals above and the following words and terms as used in this Agreement shall have the following meanings and to the extent not defined herein shall have such meanings as given in the Bond Resolution:

"Act" means, collectively, Section 163.01, Florida Statutes, the Interlocal Agreement, the Constitution of the State, the Bond Resolution, and other applicable provisions of law.

"Additional Bonds" shall have the meaning ascribed to that term under Bond Resolution.

"Advance" means a lending of money by the Lender to the Cooperative under the Revolving Commitment in accordance with Section 5.05 hereof.

"Agreement" means this Revolving Credit Agreement and any and all modifications, alterations, amendments and supplements hereto made in accordance with the provisions hereof.

"Alternative Benchmark Rate" means (i) with respect to the Series 2025A Tax-Exempt Note Term SOFR and (ii) with respect to the Series 2025B Taxable Note, a rate of interest per annum equal to the Prime Rate minus two and 5/10 percent (2.5%) which shall adjust daily with changes in Lender's Prime Rate.

"Applicable Law" means all applicable provisions of all constitutions, statutes (including the Act), rules, regulations and orders of all State or federal governmental bodies, all Governmental Approvals and all orders, judgments and decrees of all courts and arbitrators.

"Availability Period" means the period from the date the conditions precedent set forth in Article II have been satisfied to but not including the Final Maturity Date.

"Available Commitment Amount" shall mean the difference between the Maximum Commitment Amount and the Loan Amount.

"Benchmark" means initially with respect to the Series 2025A Tax-Exempt Note the SIFMA Index Rate and with respect to the Series 2025B Taxable Note Term SOFR and thereafter the then-current Successor Rate.

"Bonds" shall have the meaning ascribed to that term under the Bond Resolution.

"Business Day" means any day other than (i) a Saturday or Sunday, (ii) any day on which banks in the City of New York or Osceola County, Florida are authorized or required by law or other governmental action to close and (iii) any day on which the New York Stock Exchange is closed.

"Calculation Agent" means (i) so long as the Bank and/or TRUCE holds Series 2025A Tax-Exempt Note or the Series 2025B Taxable Note, the Agent (ii) in all other cases, such other bank, financial institution or financial advisor firm, designated from time to time by the Cooperative.

"Code" means the Internal Revenue Code of 1986, as amended, and any applicable corresponding provisions of any future laws of the United States of America relating to federal income taxation, and

except as otherwise provided herein or required by the context thereof, includes interpretations thereof contained or set forth in the applicable regulations of the Department of the Treasury (including applicable final regulations and temporary regulations), the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings) and applicable court decisions.

"Conforming Changes" means, with respect to any Successor Rate, any technical, administrative or operational changes (including changes to the definitions such as "Business Day," "Interest Period," timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions and other technical, administrative or operational matters and with respect to the Series 2025A Tax-Exempt Note, an adjustment factor to adjust such replacement index to an equivalent tax-exempt rate (assuming that a Determination of Taxability has not occurred)) that Agent decides may be appropriate to reflect the adoption and implementation of such Successor Rate and to permit the administration thereof by the Agent in a manner Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Notes.

"Costs of the 2025 Project" Costs of the Projects, including all items of cost with respect to such Projects permitted under the Act to be financed with proceeds of the Notes hereunder (including reimbursement to the Cooperative or any member of the Cooperative in connection with items previously incurred in anticipation of the issuance of the Notes).

"Counsel" means an attorney at law or firm of attorneys at law (who may be of counsel to, including an employee of, the Cooperative).

"Default" means any of the events specified in Section 10.01 hereof which with the passage of time or giving of notice or both would constitute an Event of Default.

"Default Rate" means the lesser of 18% per annum and the Maximum Lawful Rate.

"Determination of Taxability" means the occurrence after the date hereof of a final decree or judgment of any Federal court or a final action of the Internal Revenue Service determining that, solely as a result of actions or inactions of the Cooperative, interest paid or payable on the Series 2025A Tax-Exempt Note is or was includable in the gross income of the holder for Federal income tax purposes (a "Taxable Event"); provided, however, that no such decree, judgment, or action will be considered final for this purpose unless the Cooperative has been given written notice and, if it is so desired and is legally allowed, the Cooperative has been afforded the opportunity to contest the same, either directly or in the name of the holder, the Lender or the holder of the Series 2025A Tax-Exempt Note, and until the conclusion of all appellate reviews, if sought. For avoidance of doubt and without limiting the foregoing, a Taxable Event does not include, and is not triggered by, a change in law, rule or regulation that causes the interest on the Series 2025A Tax-Exempt Note to be included in holder's gross income for federal income tax purposes.

"Event of Default" means an Event of Default specified in Section 10.01 of this Agreement.

"Federal Funds Rate" means, for any day, the rate *per annum* (rounded upwards, if necessary, to the next 1/100 of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with member banks of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the next succeeding Business Day or, if such rate is not so published for any Business Day, the Federal Funds Rate for such day shall be the average (rounded upwards, if necessary, to the next 1/100

of 1%) of the quotations for such day on such transactions received by the Agent from three Federal funds brokers of recognized standing selected by the Agent.

"Final Maturity Date" means \_\_\_\_\_, 2027.

"Fiscal Year" means the period commencing on October 1 of each year and ending on the succeeding September 30, or such other period of twelve consecutive months as may hereafter be designated as the fiscal year of the Cooperative by general law.

"GAAP" means generally accepted accounting and financial reporting principles applied in the United States on a consistent basis to government units as established by the Governmental Accounting Standards Board, and which are consistently applied for all applicable periods so as to present fairly the financial condition, results of operations and cash flow of the Cooperative.

"Governmental Approval" means an authorization, permit, consent, approval, license or exemption from, registration or filing with, or report to, any governmental or regulatory unit.

"Implementation Agreement" shall have the meaning given to such term in the Bond Resolution.

"Indebtedness" as of any date of determination means (i) all indebtedness for borrowed money or for the deferred purchase price of property or services and (ii) all direct or indirect guaranties to assure the credit of another against loss, including without limitation agreements (x) to pay or purchase debts of another or to advance or supply funds for the payment or purchase of such debts, or (y) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling another to make payment of such debts; provided, however, that the term "Indebtedness" shall not include (A) vehicle and equipment leases and other indebtedness or guaranties owing to trade creditors in the ordinary course of business regardless of the treatment for accounting purposes, or (B) any debt or other obligation that, by the terms of an indenture of trust or other written agreement governing such debt or obligation, (i) is not required to be paid from any revenues, fees or income derived from any source other than revenues, fees or income derived solely from the operation of property, plant or equipment specifically identified in such indenture or written agreement, or (ii) is expressly without recourse to the Cooperative and for which the Cooperative has no personal pecuniary liability, or (iii) is payable solely from a revenue source other than Pledged Revenues.

"Interest Payment Date" means the first day of each month, commencing \_\_\_\_\_ 1, 20\_\_ and the Final Maturity Date.

"Interest Period" means the period commencing on the date of the Note and with each successive Interest Period commencing on the first day of each month; provided that (i) if any Interest Period would commence on a day other than a Business Day, the then current Interest Period shall be extended and the Interest Period shall commence on the next succeeding Business Day, (ii) no Interest Period shall extend beyond the earlier of termination of the Loan whether by maturity or acceleration and (iii) the initial Interest Period may commence on the initial funding or booking date and result in a shorter or longer initial Interest Period.

"Interest Rate" means except as otherwise provided herein, means (i) with respect to the Series 2025A Tax-Exempt Note, the Tax-Exempt Applicable Rate and (ii) with respect to the Series 2025B Taxable Note, the Taxable Applicable Rate, and in each case subject to adjustment as provided herein.

"Interest Rate Determination Day" means (i) with respect to Term SOFR, that date which is two U.S. Government Securities Business Days prior to the first day of the Interest Period and (ii) with respect to the SIFMA Index Rate, the dates set forth in the definition of SIFMA Index Rate.

"Lender Obligations" means all amounts payable to the Lender by the Cooperative under the terms of this Agreement and the Notes and any Qualified Swap related to the interest rate of the Notes with the Lender as a counterparty, other than principal and interest on the Notes.

"Lien" as applied to the Property of any Person, means (in each case, whether the same is consensual or nonconsensual or arises by contract, operation of law, legal process or otherwise): (a) any mortgage, lien, pledge, attachment, charge, conditional sale or other title retention agreement, or other security interest or encumbrance of any kind in respect of any Property of such Person, or upon the income or profits therefrom; and (b) any arrangement, express or implied, under which any Property of such Person is transferred, sequestered or otherwise identified for the purpose of Indebtedness or performance of any other obligation in priority to the payment of the general, unsecured creditors of such Person.

"Loan" means the revolving loan by the Lender to the Cooperative contemplated hereby.

"Loan Amount" means the then current outstanding aggregate principal amount of the Notes issued hereunder; provided, that the aggregate principal amount outstanding under the Notes shall not in the aggregate at any one time exceed the Maximum Commitment Amount.

"Material Adverse Effect" means, (a)(i) with respect to any Person, a material adverse effect upon such Person's business, assets, liabilities, financial condition, results of operations or business prospects and (ii) with respect to a group of Persons as a whole, a material adverse effect upon such Persons' businesses, assets, liabilities, financial conditions, results of operations or business prospects taken as a whole and (b) with respect to any agreement or obligation, a material adverse effect upon the binding nature, validity or enforceability of such agreement or obligation.

"Maximum Commitment Amount" shall mean initially \$5,000,000, as such amount may be reduced or increased as provided herein. The Maximum Commitment Amount set forth above reflects the aggregate commitment of the Lender with respect to Advances to be made hereunder; it being understood that, under the revolving nature of this Agreement, repayments of the principal component of Advances will replenish amounts that can be drawn and redrawn hereunder, up to the Maximum Commitment Amount, in any combination of Advances under the Series 2025A Tax-Exempt Note and Series 2025B Taxable Note.

"Maximum Lawful Rate" means the maximum legal rate of interest under Applicable Law and applicable to the Cooperative's obligations to pay interest to the Lender with respect to amounts due to the Lender hereunder.

"Note Counsel" means Counsel retained by the Cooperative that is of nationally recognized experience in matters relating to the validity of, and the exclusion from gross income for federal income tax purposes of interest on, obligations of states and their political subdivisions.

"Note Documents" means, at any time, each of the following as in effect or as outstanding, as the case may be, at such time: (i) the Note, (ii) this Agreement, and (iii) the Bond Resolution.

"Noteholders" or "holders" of the Notes shall mean, collectively, the Lender or such other registered owner or owners to which the Notes may be assigned pursuant to Section 11.06 hereof.

"Notes" means, collectively, the Cooperative's Series 2025A Tax-Exempt Note and the Series 2025B Taxable Note. The term "Note" shall refer to either the Series 2025A Tax-Exempt Note or the Series 2025B Taxable Note (or both) as the context may require.

"Notice Address" means,

As to the Cooperative:	Water Cooperative of Central Florida c/o Tohopekaliga Water Authority 951 Martin Luther King Blvd. Kissimmee, FL 34741 Email address: tswingle@tohowater.com Attn: Executive Director Telephone: 407-944-5131
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As to the Lender (the same Address applies for the Bank, the Agent and TRUCE):	Truist Bank or Truist Commercial Equity, Inc. 333 S. Garland Ave. FL 17 Orlando, FL 32801 Email address: clayton.thompson@truist.com Attn: Clayton Thompson, Vice President/Authorized Agent Telephone: 501-690-1562
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or to such other address (or e-mail address for electronic communications) as either party may have specified in writing to the other using the procedures specified in Section 11.05 hereof.

"Notice of Revolving Borrowing" shall have the meaning set forth in Section 5.05 hereof.

"Original Purchaser" means, with respect to the Series 2025A Tax Exempt-Note, Truist Commercial Equity, Inc., and with respect to the Series 2025B Taxable Note, Truist Bank.

"Person" means an individual, corporation, partnership, trust or unincorporated organization, or a government or any agency or political subdivision thereof.

"Pledged Revenues" shall have the meaning given in the Bond Resolution.

"Prime Rate" means the per annum rate which Truist Bank announces from time to time to be its prime rate, as in effect from time to time. The prime rate is a reference or benchmark rate, is purely discretionary and does not necessarily represent the lowest or best rate charged to borrowing customers. Truist Bank may make commercial loans or other loans at rates of interest at, above or below the prime rate. Each change in the prime rate shall be effective from and including the date such change is announced as being effective.

"Principal Office" means, with respect to the Lender, the office of the Lender specified in the Notice Address, or such other office as the Lender may designate to the Cooperative in writing.

"2025 Project" shall have the meaning given in to such term in the Bond Resolution.

"Projects" shall have the meaning given to such term in the Bond Resolution.

"Property" means any interest in any kind of property or assets, whether real, personal or mixed, or tangible or intangible.

"Qualified Swap" shall have the meaning ascribed to that term under Bond Resolution.

"Rebate Amount" means the excess of the future value, as of a computation date, of all receipts on nonpurpose investments (as defined in Section 1.148-1(b) of the Income Tax Regulations) over the future value, as of that date, of all payments on nonpurpose investments, all as provided by regulations under the Code implementing Section 148 thereof.

"Relevant Governmental Body" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

"Relevant Governmental Body Recommended Rate" means, in respect of any relevant day, the rate (inclusive of any spreads or adjustments which may be positive or negative) recommended as the replacement for the Benchmark by the Relevant Governmental Body (which rate may be produced by the Federal Reserve Bank of New York or another administrator).

"Required Lenders" has the meaning set forth in Section 11.01.

"Revolving Commitment" means the obligation of the Lender to make Advances to the Cooperative in an aggregate principal amount at any time outstanding of not exceeding the Maximum Commitment Amount.

"Series 2025A Noteholder" shall mean TRUCE or such other registered owner to which the Series 2025A Tax-Exempt Note may be assigned pursuant to Section 11.06 hereof.

"Series 2025A Project" means those portions of the Project financed with Advances under the Series 2025A Tax-Exempt Note.

"Series 2025B Noteholder" shall mean the Bank or such other registered owner to which the Series 2025B Taxable Note may be assigned pursuant to Section 11.06 hereof.

"Series 2025B Project" means those portions of the Project financed with Advances under the Series 2025B Taxable Note.

"Series 2025A Tax-Exempt Note" means the Revolving Revenue Note, Series 2025A.

"Series 2025B Taxable Note" means the Revolving Revenue Note, Series 2025B (Federally Taxable).

"SIFMA Index Rate" means, for any day, the rate per annum determined on the basis of the seven-day high-grade market index comprised of tax-exempt variable rate demand obligations, as produced by or under the sponsorship of the Securities Industry and Financial Markets Association ("SIFMA") (or any successor organization) as the SIFMA Municipal Swap index and published the immediately preceding Wednesday (or the next business day which is not a SIFMA-recommended market holiday, if Wednesday is a SIFMA-recommended market holiday) as quoted by Bloomberg Finance L.P., or any



quoting service or commonly available source utilized by the Agent. For purposes of clarity, the SIFMA Index Rate shall be effective on each Thursday through the following Wednesday. If the SIFMA Index Rate determined as above would be less than zero percent (0%), then it shall be deemed to be zero percent (0%). The rate of interest charged shall be adjusted based on changes in the SIFMA Index Rate without notice to the Cooperative.

"State" means the State of Florida.

"Supplemental Resolution" means the Resolution of the Cooperative authorizing the execution and delivery of this Agreement and the Notes as adopted by the Board on April 9, 2025.

"System" shall have the meaning ascribed to that term under Bond Resolution.

"Tax-Exempt Applicable Rate" shall mean with respect to the Series 2025A Tax-Exempt Note: (i) the Tax-Exempt Loan Rate, (ii) upon a Determination of Taxability, the Taxable Loan Rate.

"Tax-Exempt Loan Rate" shall mean the sum of (i) the SIFMA Index Rate plus (ii) thirty-five (35) basis points (0.35%).

"Taxable Applicable Rate" shall mean with respect to the Series 2025B Taxable Note the Taxable Loan Rate.

"Taxable Loan Rate" shall mean the sum of (i) Term SOFR plus (ii) one (1) point (1.00%).

"Term SOFR" means the Term SOFR reference rate for a one month tenor as administered by the Term SOFR Administrator and quoted by Bloomberg Finance L.P., or any quoting service or commonly available source utilized by Lender on the Interest Rate Determination Day; provided that if as of 5:00 p.m. (New York time) on the Interest Rate Determination Day, Term SOFR for such tenor has not been published by the Term SOFR Administrator, then, subject to Section 5.09, the rate used will be Term SOFR for such tenor as published by the Term SOFR Administrator for the immediately preceding U.S. Government Securities Business Day on which such rate was published on the Term SOFR Administrator's website so long as such immediately preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Interest Rate Determination Day; and further provided if Term SOFR would be less than zero percent (0%), then it shall be deemed to be zero percent (0%).

"Term SOFR Administrator" means CME Group Benchmark Administration Limited or a successor administrator of the Term SOFR selected by Lender in its sole discretion.

"U.S. Government Securities Business Day" means any day except for (i) a Saturday, (ii) a Sunday, or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

Section 1.02 Titles and Headings. The titles and headings of the articles and sections of this Agreement have been inserted for convenience of reference only and are not to be considered a part hereof, shall not in any way modify or restrict any of the terms and provisions hereof, and shall not be considered or given any effect in construing this Agreement or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.03 Accounting Matters. Unless otherwise defined herein or in the Note Documents, all accounting terms used herein and in the Note Documents are used with the meanings ascribed to such terms in accordance with GAAP.

Section 1.04 Use of Phrases. "Herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to this Agreement as an entirety and not solely to the particular portion thereof in which any such word is used. The definitions set forth in Section 1.01 hereof include both singular and plural. Whenever used herein, any pronoun shall be deemed to include both singular and plural and to cover all genders.

Section 1.05 Computation of Time Periods. In this Agreement, except as otherwise expressly provided herein, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding."

## **ARTICLE II**

### **SPECIAL CONDITIONS PRECEDENT TO EFFECTIVENESS; LENDER ACKNOWLEDGEMENT**

Section 2.01 Conditions Precedent. Notwithstanding anything herein to the contrary, the representations, warranties and covenants of each party contained herein shall not become effective or enforceable until the following conditions precedent are satisfied:

- (a) The Board has approved the adoption of the Supplemental Resolution; and
- (b) The Lender has reasonably determined that the conditions precedent to the initial Advance as set forth in Section 6.01 and 6.02 have been satisfied; and
- (c) Each party shall have received from the other party any closing documents they may otherwise reasonably require as shall be evidenced by the acceptance of the Note by the Lender.

## **ARTICLE III**

### **REPRESENTATIONS OF COOPERATIVE**

To induce the Lender to enter into this Agreement and make the Loan hereunder, the Cooperative hereby represents and warrants to the Lender that:

Section 3.01 Organization, Powers, Etc. The Cooperative is an interlocal agency established under the Act, is duly organized and validly existing under the constitution and the laws of the State. The Cooperative has the power to borrow the amounts provided for in this Agreement, to execute and deliver the Note Documents, to secure the Notes in the manner contemplated hereby, and to perform and observe all the terms and conditions of the Bond Resolution and the Note Documents on its part to be performed and observed. The Cooperative may lawfully issue the Notes in order to finance and refinance the Costs of the 2025 Project, including, without limitation, capitalized interest on the Loan during the period until completion of the 2025 Project.

Section 3.02 Authorization; Absence of Conflicts, Etc. The Cooperative has full legal right, power, and authority to adopt the Supplemental Resolution and to execute and deliver this Agreement, to issue, execute and deliver the Notes to the Lender, and to carry out and consummate all other transactions contemplated hereby and by the other Note Documents (as it applies to the 2025 Project and the Loan),

and the Cooperative has complied and will comply with all provisions of applicable law in all material matters relating to such transactions. The Cooperative, pursuant to the Bond Resolution, has duly authorized the borrowing of the amount provided for in this Agreement, the execution and delivery of this Agreement, and the making and delivery of the Notes to the Lender, and to that end the Cooperative warrants that it will take all action and will do all things which it is authorized by law to take and to do in order to fulfill all covenants on its part to be performed and to provide for and to assure payment of the Notes. The Cooperative has duly adopted the Bond Resolution and authorized the execution, delivery, and performance of the Notes and this Agreement and the taking of any and all other such action as may be required on the part of the Cooperative to carry out, give effect to and consummate the transactions contemplated by the Note Documents (as it applies to the 2025 Project and the Loan) and the Bond Resolution. This Agreement and the Notes have been duly authorized, executed, issued and delivered to the Lender and constitute legal, valid and binding obligations of the Cooperative enforceable in accordance with their respective terms and the terms of the Bond Resolution, and are entitled to the benefits and security of the Bond Resolution and this Agreement. All approvals, consents, and orders of and filings with any governmental authority or agency which would constitute a condition precedent to the execution and delivery of this Agreement and the issuance of the Notes or the execution and delivery of or the performance by the Cooperative of its obligations under the Note Documents and the Bond Resolution have been obtained or made and any consents, approvals, and orders to be received or filings so made are in full force and effect.

Section 3.03 Binding Obligation. This Agreement has been duly executed and delivered by the duly authorized officers of the Cooperative and is, and each of the Note Documents to which the Cooperative is a party, when executed and delivered will be, a legal, valid and binding obligation of the Cooperative enforceable against the Cooperative in accordance with its respective terms, except to the extent, if any, that the enforceability thereof may be limited by (i) the effect of any applicable bankruptcy, insolvency, reorganization, moratorium, debt adjustment or other similar law or enactment now or hereafter enacted by the State or Federal government affecting the enforcement of creditors' rights generally, (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and (iii) the special provisions set forth in Article II.

Section 3.04 Governmental Approvals. All Governmental Approvals necessary for the Cooperative to enter into this Agreement and the Note Documents to which it is a party and to perform its obligations hereunder and thereunder have been obtained and remain in full force and effect and are subject to no further administrative or judicial review, and no other Governmental Approval is necessary for the due execution, delivery and performance by the Cooperative of this Agreement or such Note Documents.

Section 3.05 Compliance with Applicable Law. The Cooperative is in compliance with all Applicable Law, including all Governmental Approvals, except for non-compliance that, singly or in the aggregate, have not had and will not have a Material Adverse Effect on the binding nature, validity or enforceability of, or the authority or ability of the Cooperative to perform its obligations under, the Note Documents to which it is a party or this Agreement.

Section 3.06 Financial Statements. The Cooperative has furnished to the Lender copies of audited financial statements of the Cooperative for the most recent Fiscal Year. Such financial statements present fairly, in accordance with GAAP, the financial position of the Cooperative at their respective dates and their respective revenues and expenses and changes in fund balances for the periods covered thereby. Except as disclosed or reflected in such statements, as at the date of the Cooperative's most recent audited balance sheet, the Cooperative had no liabilities, contingent or otherwise, and there were

no unrealized or anticipated losses of the Cooperative, that individually or in the aggregate have had or may have a Material Adverse Effect on the Cooperative or its ability to perform its obligations pursuant to this Agreement and the Note Documents to which it is a party. No change in the financial condition of the Cooperative has occurred that might, in the reasonable judgment of the Cooperative, have a Material Adverse Effect on the Cooperative's ability to perform its obligations to the Lender pursuant to this Agreement or any of the Note Documents to which it is a party.

Section 3.07 Absence of Litigation. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, arbitrator, governmental or other board, body or official, pending or, to the best knowledge of the Cooperative, threatened against or affecting the Cooperative, or questioning the validity of any proceeding taken or to be taken by the Cooperative in connection with the execution, delivery and performance by the Cooperative of the Note Documents to which it is a party, or this Agreement or seeking to prohibit, restrain or enjoin the execution, delivery or performance by the Cooperative of any of the foregoing, nor, to the best knowledge of the Cooperative, is there any basis therefor, wherein an unfavorable decision, ruling or finding (i) would adversely affect the validity or enforceability of, or the authority or ability of the Cooperative to perform its obligations under, the Note Documents to which it is a party or this Agreement, (ii) would have a Material Adverse Effect on the Cooperative's financial condition or fund reserves or (iii) would adversely affect the validity of the Act or any provision thereof material to the transactions contemplated by this Agreement or any of the Note Documents.

Section 3.08 Absence of Defaults. The Cooperative is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which the Cooperative is a party or any judgments, decrees or orders, except for defaults that, singly or in the aggregate, have not had and will not have a Material Adverse Effect on the Cooperative's ability to perform its obligations pursuant to this Agreement or any of the Note Documents to which it is a party.

Section 3.09 Accuracy and Completeness of Information. All copies of agreements furnished to the Lender by or on behalf of the Cooperative in connection with the negotiation, preparation or execution of this Agreement or the Note Documents are true, correct and complete and include, in each instance, all amendments, supplements and modifications thereto, and all written statements made to the Lender by or on behalf of the Cooperative in connection with the approval by the Lender of the extension of credit contemplated hereby are true and correct in all material respects.

Section 3.10 Lien in Favor of the Lender. The obligations of the Cooperative to the Lender hereunder and under the Notes are secured by a valid lien on the Pledged Revenues in favor of the Lender pursuant and subject to the Bond Resolution. The lien on the Pledged Revenues in favor of the Lender shall be for the equal and proportionate benefit and security of the Notes, the Outstanding Bonds and the Additional Bonds permitted hereunder, all of which shall be of equal rank without preference, priority or distinction, as to lien or otherwise. No filing of any financing statement or other recordation is required under Applicable Law to create, preserve and protect such lien against other creditors of the Cooperative.

Section 3.11 No Sovereign Immunity. The defense of sovereign immunity is not available to the Cooperative in any proceeding by the Lender to enforce any of the obligations of the Cooperative under this Agreement or any Note Document, and, in that regard, the Cooperative agrees, to the extent permitted by law, not to assert the defense of sovereign immunity in any such proceeding, except to the extent that any such proceeding seeks enforcement based on a tort or similar claim and in such case such defense is available only to the extent set forth under Florida Statutes, Section 768.28(1).

Section 3.12 Interlocal Agreement. The Interlocal Agreement has been properly filed with the Clerk of the Circuit Court of Polk County, Florida, Osceola County, Florida and Orange County, Florida in accordance with Section 163.01, Florida Statutes.

## **ARTICLE IV THE NOTES**

Section 4.01 Issuance of the Notes. The Cooperative has authorized the issuance of the Series 2025A Tax-Exempt Note and the Series 2025B Taxable Note in the collective aggregate principal amount, not to exceed at any one time the Maximum Commitment Amount to evidence Advances made hereunder.

Section 4.02 Registration and Exchange of Notes. The Series 2025A Tax-Exempt Note and the Series 2025B Taxable Note shall initially be owned by the respective Original Purchasers. The ownership of the Notes may only be transferred, other than transfers to successors of the Lender, and the Cooperative will register the transfer of ownership of such Note, only upon compliance with the requirements of Section 11.06 hereof and upon written request of the Lender to the Cooperative specifying the name, address and taxpayer identification number of the qualifying transferee, and the Cooperative will keep and maintain at all times a record setting forth the identification of the owner of the Notes. The Notes may only be sold, assigned or otherwise transferred to an affiliate of the Lender, an "accredited investor," as defined in Rule 501(A)(1), (2) or (3) under Regulation D of the Securities Act of 1933. The Person in whose name the Notes shall be registered shall be deemed and regarded the absolute owner thereof for all purposes, and payment of principal and interest on such Notes shall be made only to or upon the written order of such Person. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Notes to the extent of the sum or sums so paid. No such transfer shall relieve the Noteholders of their commitment to make Advances in accordance with the terms hereof.

Section 4.03 Notes Mutilated, Destroyed, Stolen or Lost. In case a Note shall become mutilated, or be destroyed, stolen or lost, the Cooperative shall issue and deliver a new Note, in exchange and in substitution for such mutilated Note, or in lieu of and in substitution for such Note destroyed, stolen or lost and upon the Lender furnishing the Cooperative proof of ownership thereof and an affidavit of lost or stolen instrument to the Cooperative and paying such expenses as the Cooperative may reasonably incur in connection therewith.

Section 4.04 Payment of Principal and Interest. The Cooperative promises that it will promptly pay the principal of and interest on the Notes, at the place, on the dates and in the manner provided therein according to the true intent and meaning hereof and of the Notes and the Bond Resolution, provided that the Cooperative may be compelled to pay the principal of and interest on with respect to the Notes solely from the Pledged Revenues, and nothing in the Notes, this Agreement or the Supplemental Resolution shall be construed as pledging any other funds or assets of the Cooperative to such payment or as authorizing such payment to be made from any other source.

Section 4.05 Pledge. The Notes shall be Additional Bonds under the Bond Resolution, and the Cooperative has under the Bond Resolution pledged the Pledged Revenues as security for the repayment of Bonds, including the Notes. The Cooperative promises that it will promptly pay the principal of and interest on the Loan at the place, on the dates and in the manner provided in the Notes and this Agreement according to the true intent and meaning hereof and thereof, provided that the principal of and interest on the Loan is payable solely from the Pledged Revenues, and nothing in the Notes or this Agreement shall be construed as pledging any other funds or assets to such payment or as authorizing such payment to be

made from any other source. The Notes are special obligations of the Cooperative secured solely by the Pledged Revenues and are payable from the Pledged Revenues as provided in this Agreement and the Bond Resolution. The Notes will not constitute a general debt, liability or obligation of the Cooperative or its members or the State of Florida or any political subdivision thereof within the meaning of any constitutional or statutory limitation. Neither the faith and credit nor the taxing power of the members Cooperative, the State of Florida or any political subdivision thereof is pledged to the payment of the principal of or interest on the Notes and the Noteholder shall never have the right to compel any exercise of any ad valorem taxing power of the State of Florida or any political subdivision thereof, directly or indirectly to enforce such payment. The Cooperative has no taxing power. The Notes shall not constitute a lien upon any property of the Cooperative except upon the Pledged Revenues.

Section 4.06 Application of Provisions of Bond Resolution. The Notes shall for all purposes be considered Additional Bonds issued under the authority of Section 12.02 of the Bond Resolution and shall be entitled to all the protection and security provided in and by the Bond Resolution for Additional Bonds, and the Notes shall be in all respects entitled to the same security, rights and privileges enjoyed by the Additional Bonds except as otherwise provided herein. The debt service on the Notes shall be payable on a parity with the Outstanding Bonds and any other Additional Bonds hereafter issued. The terms and provisions of the Bond Resolution as supplemented hereby shall remain in full force and effect and be applicable with respect to the Notes. This Agreement shall be a Full Draw LOC under the Bond Resolution, the Notes shall be Designated Maturity Bonds and, for purposes of calculating the Bond Service Requirement shall be assumed to amortize of up to a thirty year period as of such testing date. The Lender agrees that the Cooperative shall not be required to comply with Section 12.02 of the Bond Resolution in connection with additional State Revolving Fund loans or loans with the United States Environmental Protection Agency under the Water Infrastructure Financing Act at any time issued to finance the 2025 Project.

Section 4.07 2025 Construction Accounts. Pursuant to Section 7.01 of the Resolution, there is hereby created and established accounts to be held by the Cooperative to be designated the "Taxable 2025 Project Construction Account" (the "Taxable 2025 Construction Account") and the "Tax-Exempt 2025 Project Construction Account" (the "Tax-Exempt 2025 Construction Account") and together with the Taxable 2025 Construction Account, each a "2025 Construction Account" and collectively the "2025 Construction Accounts") within the Construction Fund (as defined in the Resolution). The 2025 Construction Accounts shall be kept separate and apart from all other funds and accounts of the Cooperative and the moneys on deposit therein shall be withdrawn, used and applied by the Cooperative solely for the payment of Costs of the 2025 Project. Proceeds of the Series 2025B Taxable Note shall be deposited into the Taxable 2025 Construction Account and proceeds of the Series 2025A Tax-Exempt Note shall be deposited into the Tax-Exempt 2025 Construction Account.

Any funds on deposit in the 2025 Construction Accounts that, in the opinion of the Cooperative, are not immediately necessary for expenditure, as herein provided, may be invested and reinvested in Permitted Investments pursuant to Section 10.02 of the Resolution. All income derived from investment of funds in a 2025 Construction Account shall be deposited into the respective 2025 Construction Account and shall be used to pay Costs of the 2025 Project or as permitted in the following paragraph.

Upon completion of the 2025 Project, any amounts then remaining in the Taxable 2025 Construction Account and not reserved by the Cooperative for the payment of any remaining parts of the Costs of the 2025 Project may be deposited into the Revenue Fund and used to pay debt service on the Notes or to redeem the Notes in the manner that the Notes are permitted to be redeemed under the terms of the Resolution or may be used for any other lawful purpose, and any amounts then remaining

in the Tax-Exempt 2025 Construction Account and not reserved by the Cooperative for the payment of any remaining parts of the Costs of the 2025 Project may be deposited into the Revenue Fund and used to pay debt service on the Series 2025A Tax-Exempt Note or to redeem the Series 2025A Tax-Exempt Note in the manner that the Series 2025A Tax-Exempt Note is permitted to be redeemed under the terms of the Resolution or may be used for any other lawful purpose.

Section 4.08 Limited Liability of Officers of the Cooperative. Neither the Lender nor any Noteholder shall look to any present or future officer, agent, member or employee of the Cooperative for damages suffered by the Lender or such Noteholder as a result of the failure of the Cooperative, while acting in good faith, to perform any covenant, undertaking or obligation under this Agreement, the Notes or any instrument pertaining to the issuance, sale and delivery of the Notes, nor as a result of the incorrectness of any representation made by the Cooperative or any officer, agent, member or employee thereof in good faith, in any such instrument. In acting under this Agreement, or in refraining from acting under this Agreement, the Cooperative, its officers, agents, members and employees may conclusively rely on advice of counsel. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future employee, member, officer or agent of the Cooperative in his individual capacity, and neither the members of the Board or agents or employees of the Cooperative nor any official executing this or the Notes shall be subject to any personal liability or accountability by reason hereof.

Section 4.09 Tax Representations, Warranties and Covenants of the Cooperative. It is the intention of the Cooperative that the interest on the Series 2025A Tax-Exempt Note be and remain excluded from gross income for federal income tax purposes and to this end the Cooperative hereby represents to and covenants with the Noteholder that it will comply with the requirements applicable to it contained in Section 103 and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Code to the extent necessary to preserve the exclusion of interest on the Series 2025A Tax-Exempt Note issued hereunder from gross income for federal income tax purposes. Specifically, without intending to limit in any way the generality of the foregoing, the Cooperative covenants and agrees:

- (1) to the extent required by the Code, to make or cause to be made all necessary determinations and calculations of the Rebate Amount and required payments of the Rebate Amount;
- (2) to set aside sufficient moneys of the Cooperative to timely pay the Rebate Amount to the United States of America;
- (3) to pay, at the time and to the extent required under the Code, the Rebate Amount to the United States of America from legally available funds;
- (4) to maintain and retain all records pertaining to the Rebate Amount with respect to the Series 2025A Tax-Exempt Note and required payments of the Rebate Amount with respect to the Series 2025A Tax-Exempt Note for at least six years after the Final Maturity Date or such other period as shall be necessary to comply with the Code;
- (5) to refrain from taking any action that would cause the Series 2025A Tax-Exempt Note to become an arbitrage bond under Section 148 of the Code.

The Cooperative understands that the foregoing covenants impose continuing obligations on the Cooperative that will exist as long as the requirements of Section 103 and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Code are applicable to the Series 2025A Tax-Exempt Note.

Notwithstanding any other provision of the Bond Resolution, the obligation of the Cooperative to pay the Rebate Amount to the United States of America and to comply with the other requirements of this Section 4.09 shall survive the defeasance or payment in full of the Series 2025A Tax-Exempt Note.

## **ARTICLE V FUNDING THE LOAN**

Section 5.01 The Loan. Subject to the terms and conditions set forth herein, the Lender agrees to make Advances to the Cooperative, from time to time during the Availability Period, in an aggregate principal amount outstanding at any time that will not result in the sum of the composite principal amount of Advances then outstanding under such Notes to exceed in the aggregate the Maximum Commitment Amount, to provide funds to finance and refinance the Costs of any Project for which proceeds of the Notes may be applied in accordance with the terms hereof. During the Availability Period, the Cooperative shall be entitled to borrow, prepay and reborrow in accordance with the terms and conditions of this Agreement; provided, that the Cooperative may not request an Advance should there exist at such time an Event of Default. The Cooperative's obligation to pay the principal of, and interest on, the Advance shall be evidenced by the records of the Lender and by the Notes. The entries made in such records and/or on the respective schedules annexed to the Notes shall be *prima facie* evidence of the existence and amounts of the obligations of the Cooperative therein recorded; provided, that the failure or delay of the Lender in maintaining or making entries into any such record or on such schedule or any error therein shall not in any manner affect the obligation of the Cooperative to repay the Loan Amount (both principal and unpaid accrued interest) in accordance with the terms of this Agreement.

Section 5.02 Description and Payment Terms of the Notes. To evidence the obligation of the Cooperative to repay the Advances, the Cooperative shall make and deliver to the Lender the Notes in the forms attached hereto as Exhibit "A-1" and "A-2," respectively. Interest on the principal amount of all Advances shall accrue at the Tax-Exempt Applicable Rate with respect to the Series 2025A Tax-Exempt Note, and the Taxable Applicable Rate with respect to the Series 2025B Taxable Note, in each case from and including the date such Advances are made to but excluding the date of any repayment thereof, with such interest payable monthly in arrears on each Interest Payment Date.

At any time that the Loan Amount exceeds the Maximum Commitment Amount, due to a reduction in the Maximum Commitment Amount or otherwise, the Cooperative shall promptly repay to the Lender principal in such amount that the Loan Amount will no longer exceed the Maximum Commitment Amount. The outstanding principal amount of all Advances shall be due and payable (together with accrued and unpaid interest thereon) on the Final Maturity Date.

Section 5.03 Termination of Commitment. Unless previously terminated or extended by mutual agreement of the Lender and the Cooperative, the Revolving Commitment shall terminate on the Final Maturity Date.

### Section 5.04 Interest Rate.

(a) Except as otherwise adjusted as described below, the Series 2025A Tax-Exempt Note shall bear interest at the Tax-Exempt Applicable Rate and the Series 2025B Taxable Note shall bear interest at the Taxable Applicable Rate, which on the date of the original delivery of the Notes to the Lender shall be the Tax-Exempt Loan Rate with respect to the Series 2025A Tax-Exempt Note and the Taxable Loan Rate with respect to the Series 2025B Taxable Note.



So long as the Default Rate shall not be in effect, the Calculation Agent shall determine the Interest Rate on each Interest Rate Determination Day, and such rate shall become effective on the first day of the immediately succeeding Interest Period. Such Interest Rate shall be in effect to and including the last day of the related Interest Period. All Advances evidenced by the Note shall bear interest at the same Interest Rate. In the event an Advance is advanced on a date other than a Interest Rate Determination Day and no Advances are currently outstanding hereunder, the Calculation Agent shall determine Interest Rate based upon the Interest Rate in effect two (2) U.S. Government Securities Business Days immediately preceding the date of such Advance.

The determination of the Tax-Exempt Applicable Rate and the Taxable Applicable Rate (absent manifest error) shall be conclusive and binding upon the Cooperative. If for any reason the Lender shall fail to establish the Tax-Exempt Loan Rate or the Taxable Loan Rate, the Notes shall bear interest at the Tax-Exempt Applicable Rate or the Taxable Applicable Rate, as applicable, last in effect for such Note.

(b) In the event of a Determination of Taxability, the Interest Rate on the Series 2025A Tax-Exempt Note shall be adjusted to the Taxable Loan Rate effective on the next succeeding Interest Payment Date. In addition, promptly following a Determination of Taxability, the Cooperative agrees to pay to the Series 2025A Noteholder, subject to such Determination of Taxability the Additional Amount. "Additional Amount" means (i) the difference between (a) interest on the Series 2025A Tax-Exempt Note at a rate per annum equal to the Taxable Loan Rate, for the period commencing on the date on which the interest on the Series 2025A Tax-Exempt Note ceases to be excludable from gross income for federal income tax purposes and for which the Internal Revenue Service is able to assess a deficiency and ending on the earlier of the date the Series 2025A Tax-Exempt Note ceased to be outstanding or the date the Series 2025A Tax-Exempt Note began to bear interest at the Taxable Loan Rate (the "Taxable Period"), and (b) the aggregate amount of interest paid on the Series 2025A Tax-Exempt Note for the Taxable Period under the provisions of this Agreement and the Series 2025A Tax-Exempt Note without considering the Determination of Taxability, plus (ii) an amount equal to any interest, penalties on overdue interest and additions to tax (as referred to in Subchapter A of Chapter 68 of the Code) owed by the Series 2025A Noteholder as a result of the occurrence of a Determination of Taxability.

(c) The Lender shall, except as provided in Section 5.04(a) hereof with respect to the periodic calculation of the Tax-Exempt Loan Rate and the Taxable Loan Rate, promptly notify the Cooperative in writing of any adjustments to the Interest Rates. Such adjustments shall become effective as of the effective date of the event causing such adjustment. Adjustments may be retroactive, to the extent expressly provided herein. The Lender shall certify to the Cooperative in writing the additional amount, if any, due to the Lender as a result of an adjustment in the Interest Rates pursuant hereto.

(d) If the Series 2025A Noteholder or the Series 2025B Noteholder is any person or entity other than either of the Original Purchasers, in no event shall the adjustments contemplated in this Section 5.04 with respect to the Series 2025A Tax-Exempt Note exceed the amounts that otherwise would have applied had the respective Original Purchaser been the Series 2025A Noteholder and the Cooperative shall not be obliged to pay any fees, costs, expenses or other Lender Obligations, including, without limitation, taxes and the like under this Agreement, in amounts greater than it would have been obligated to pay the Original Purchaser, had no such transfer or assignment occurred.

(e) The Cooperative agrees to pay to the Lender interest on any and all amounts required to be paid under this Agreement (excluding interest on interest) from and after the due date thereof until payment in full at the Default Rate.

(f) Notwithstanding any other provision of this Agreement to the contrary, if the rate of interest payable on the Notes or any Lender Obligation hereunder shall exceed the Maximum Lawful Rate for any period for which interest is payable, then interest only at the Maximum Lawful Rate shall be due and payable with respect to such interest period (interest at the rate equal to the difference between (A) the rate of interest otherwise payable in accordance with the terms hereof but for the limitation provided for in this Section 5.04(f), and (B) the Maximum Lawful Rate being referred to herein as the "Excess Interest"), and notwithstanding any subsequent reduction in the Interest Rate that otherwise would be applicable but for the limitation provided for in this Section 5.04(f), the Lender Obligations shall continue to bear interest, from and after the date on which any Excess Interest is accrued, at the Maximum Lawful Rate until Excess Interest is fully paid to the applicable Lender or Lenders.

Section 5.05 Requisitions for Advances; Other Conditions.

(a) The Cooperative shall give the Lender written notice of each Advance substantially in the form of Exhibit "B-1" for an Advance with respect to the Series 2025A Tax-Exempt Note and substantially in the form of Exhibit "B-2" for an Advance with respect to the Series 2025B Taxable Note (each such written notice a "Notice of Revolving Borrowing") prior to 12 noon and each Notice of Revolving Borrowing shall be irrevocable and shall specify: (i) the principal amount of the Advance, and (ii) the proposed date of such Advance (which shall be a Business Day and shall be no earlier than two Business Days following the date that the request for such Advance shall be deemed received by the Lender hereunder) and whether such Advance shall be made under the Series 2025A Tax-Exempt Note or Series 2025B Taxable Note.

Any Notice of Revolving Borrowing received by the Lender after 12:00 noon shall be deemed received on the next Business Day. The aggregate principal amount of each Advance shall be not less than \$100,000 (in any combination of either or both Notes) or in such lesser amounts equal to the Available Commitment Amount and not more than one (1) Advance may be made per calendar month; provided, however, the funding of an Advance made by the Lender that does not comply with the foregoing shall be deemed to be a waiver of such conditions.

Promptly following the receipt of a Notice of Revolving Borrowing in accordance herewith, the Lender will make available the amount of such Advance to be made hereunder on the requested date of such Advance (which shall be a Business Day and shall be no earlier than two Business Days following the date that the request for such Advance shall be deemed received by the Lender hereunder), by wire transfer (or other electronic means) to the Cooperative in immediately available funds by 4:00 p.m.

(b) No Advance shall be requested by the Cooperative or honored by the Lenders upon an Event of Default or a default that with the passage of time or giving of notice, or both, would be an Event of Default.

(c) Notwithstanding anything to the contrary herein, upon the closing of the Loan on the date hereof, an initial Advance may be made pursuant to a closing memorandum executed by the Chair or the Secretary or other authorized officer of the Cooperative, indicating the amount of the Advance requested and whether the Advance shall be funded under the Series 2025A Tax-Exempt Note or the Series 2025B Taxable Note.

Section 5.06 Right of Prepayment. The Cooperative shall have the right at any time and from time to time to prepay the Loan Amount, in whole or in part, without premium or penalty, by giving written notice (or telephonic notice promptly confirmed in writing) to the Lender not less than two (2)

Business Days prior to any such prepayment. Each such notice shall be irrevocable and shall specify the proposed date of such prepayment and the principal amount or portion thereof to be prepaid. Such amount shall be due and payable on the date designated in such notice, together with accrued interest to such date on the amount so prepaid. Each partial prepayment of the Loan Amount shall not be less than \$100,000 (in any combination of either or both Notes) and increments of \$1 in excess thereof or, if less, the principal balance of the Notes then outstanding.

Section 5.07 Computation of Interest and Fees; Application of Payments.

(a) All computations of interest and fees hereunder shall be made on the basis of a year of 360 days for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or fees are payable (to the extent computed on the basis of days elapsed).

(b) All payments made on the Notes shall be applied first to interest accrued to the date of payment and next to the unpaid principal balance; provided, however, that after an Event of Default, payments shall be applied in accordance with Section 10.02 hereof.

Section 5.08 Unused Commitment Fees. If the average Loan Amount outstanding during the preceding quarter within each Fiscal Year is less than 60% of the Maximum Commitment Amount, the Cooperative agrees to pay the Lender, allocated between the Noteholders if the Series 2025A Tax-Exempt Note and the Series 2025B Taxable Note are held by different parties as permitted under Section 11.06, pro rata based on the then outstanding principal amount of each Note, an unused commitment fee in the amount of twenty (20) basis points (0.20%) per annum on the difference between the average Loan Amount (based on the Loan Amount each day) during the preceding fiscal quarter and such Maximum Commitment Amount. The unused commitment fee shall be due and payable quarterly in arrears on each April 1, July 1, October 1 and January 1, commencing July 1, 2025.

Section 5.09 Effect of Benchmark Transition Event.

(a) In the event Lender determines in its sole discretion that (i) there is a public announcement by the administrator of a Benchmark or a Relevant Governmental Body that such Benchmark will cease or has ceased to be published; (ii) a public announcement is made by the administrator of a Benchmark or any Relevant Governmental Body that the Benchmark is no longer representative; or (iii) a Relevant Governmental Body has determined that Lender may no longer utilize the Benchmark for purposes of setting Interest Rates (each a "Benchmark Transition Event"); Lender will have no obligation to make, fund or maintain a loan based on the Benchmark and on a date and time determined by Lender, without any further action or consent of by Cooperative or amendment to this Agreement or the Notes, the first available alternative set forth in the order below that can be determined by Lender shall replace the Benchmark ("Successor Rate");

(x) Relevant Governmental Body Recommended Rate; or

(y) Alternative Benchmark Rate.

(b) In connection with the implementation of a Successor Rate, Lender will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary in this Agreement or Notes, any amendments implementing such Successor Rate or Conforming Changes will become effective without any further action or consent of Cooperative. Notwithstanding anything else herein, if at any time any Successor Rate as so determined would otherwise be less than zero percent

(0%), the Successor Rate will be deemed to be zero percent (0%) for the purposes of this Agreement and the Notes. For avoidance of doubt, following the implementation of the Successor Rate, in determining the applicable Interest Rate any margin or credit spread to the index under the Note shall be added to the Successor Rate and any provisions for a minimum rate shall apply.

(c) Lender will notify (in one or more notices) Cooperative of the implementation of any Successor Rate. Any determination or decision that may be made by Lender pursuant to this Section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in Lender's sole discretion and without consent from Cooperative.

(d) In the event Lender determines in its sole discretion that Lender cannot make, fund, or maintain a loan based upon the Benchmark due to illegality or the inability to ascertain or determine said rate on the basis provided for herein ("Unavailability Period") and a Benchmark Transition Event has not occurred, then at the election of Lender the Benchmark shall convert to the Alternative Benchmark Rate for purposes of calculating the Interest Rate on the then outstanding principal balance and for interest accruing on any fundings or advances requested by Cooperative and, thereafter, the Interest Rate on the Note shall adjust simultaneously with any fluctuation in the Alternative Benchmark Rate. In the event Lender determines that the circumstances giving rise the Unavailability Period have ended, at such time as determined by Lender the Benchmark will revert to the prior Benchmark (provided a Benchmark Transition Event has not occurred). Lender shall provide notice, which may be after the implementation of the Alternative Benchmark Rate as contemplated hereunder, to Cooperative of any Benchmark change that is made pursuant to this Section. For avoidance of doubt, following the implementation of the Successor Rate, in determining the applicable Interest Rate any margin or credit spread to the index under the Note shall be added to the Successor Rate and any provisions for a minimum rate shall apply.

In the event that any applicable law or regulation, guideline or order or the interpretation or administration thereof by any governmental or regulatory authority charged with the interpretation or administration thereof (whether or not having the force of law) (i) shall change the basis of taxation of payments to Lender of any amounts payable by the Cooperative hereunder (other than taxes imposed on the overall net income of Lender) or (ii) shall impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by Lender, or (iii) shall impose any other condition with respect to the Note, and the result of any of the foregoing is to increase the cost to Lender of making or maintaining the loan evidenced by the Note or to reduce any amount receivable by Lender under the loan evidenced by the Note, and Lender determines that such increased costs or reduction in amount receivable was attributable to the use of the current Benchmark, then the Cooperative shall from time to time, upon demand by Lender, pay to Lender additional amounts sufficient to compensate Lender for such increased costs ("Additional Costs"). A detailed statement as to the amount of such Additional Costs, prepared in good faith and submitted to the Cooperative by Lender, shall be conclusive and binding in the absence of manifest error.

## **ARTICLE VI CONDITIONS OF LENDING**

Section 6.01 Conditions Precedent to Making the Initial Advance. The Lender's obligation to enter into this Agreement and to make the initial Advance as set forth in Section 5.01 hereof is subject to the conditions precedent that, on or prior to the date of the delivery of the Notes to the Lender, the Lender

shall receive the following documents, each dated the date of delivery of the Notes to the Lender, in form and substance satisfactory to it:

- (a) a fully executed counterpart original of this Agreement, duly executed by the Cooperative;
- (b) the original Notes;
- (c) certified copies of the Resolution and the Supplemental Resolution, and certified copies of all other documents evidencing any other official action of the Cooperative taken with respect thereto as each is then in full force and effect;
- (d) customary closing certificates executed by appropriate officers of the Cooperative respecting its organization, the incumbency of its officers, the execution and delivery of the Notes and the other Note Documents to which it is a party, the compliance with all conditions precedent to the issuance of the Notes and the consummation of the transactions contemplated by this Agreement and the Note Documents, and such other matters as the Lender may reasonably require;
- (e) certified copies of all Governmental Approvals, if any, necessary for the Cooperative to execute, deliver and perform its obligations under this Agreement and the Note Documents;
- (f) a favorable opinion of Counsel to the Cooperative, which shall be addressed to the Lender and shall be in form and substance satisfactory to the Lender, concerning such matters as the Lender may reasonably request, including, but not limited to, opining (i) as to the due organization and valid existence of the Cooperative, the due authorization, execution and delivery of this Agreement and the Notes and the enforceability thereof; and (ii) to the effect that all consents and approvals required with respect to the Projects or components thereof to be financed or refinanced with the proceeds of the Notes have been obtained, and if not obtained, are expected to be obtained;
- (g) a certificate of an appropriate officer of the Cooperative to the effect that all conditions precedent contained in this Section 6.01 and Section 6.02 hereof have been fulfilled by the Cooperative;
- (h) An opinion of Note Counsel, either addressed to the Lender or in the form of a reliance opinion to the Lender, to the effect that (i) under existing law, the Notes, when issued in accordance with this Agreement, will be valid and legally binding special obligations of the Cooperative, payable solely from and secured by the Pledged Revenues, all in accordance with the terms of the Agreement, and (ii) if the initial advances is made under the Series 2025A Tax-Exempt Note, that the interest on the Series 2025A Tax-Exempt Note is excludable from gross income for federal income tax purposes;
- (i) such other documents, certificates, instruments, opinions, including reliance letters, approvals (and, if requested by the Lender, certified duplicates of executed copies thereof) or filings with respect to the Note Documents and this Agreement, in each case as the Lender or its Counsel may reasonably request.

Section 6.02 Additional Conditions Precedent. The Lender's obligation to make the initial Advance as set forth in Section 5.01 hereof shall be additionally subject to the conditions precedent that the following statements shall be true and correct on the date of the delivery of the Notes to the Lender,

and the Lender shall receive a certificate signed by the chief financial officer and another authorized officer of the Cooperative, dated the date of the delivery of the Notes to the Lender, to the effect that:

(a) the representations and warranties of the Cooperative set forth herein and the other Note Documents are true and correct in all material respects on and as of the date of delivery of the Notes as though made on and as of the date of delivery of the Notes (unless given as of a specific date); and

(b) as of the date of delivery of the Notes, no Default or Event of Default has occurred and is continuing, or would result directly or indirectly from the Lender's making of the Loan.

## **ARTICLE VII**

### **AFFIRMATIVE COVENANTS OF THE COOPERATIVE**

From the date of delivery of the Notes to the Lender and until the termination of this Agreement and payment in full of all amounts payable hereunder and under the Note Documents, the Cooperative hereby covenants and agrees that:

Section 7.01 Compliance with Note Documents. The Cooperative will observe and perform fully and faithfully all of its obligations under this Agreement and the Note Documents to which it is a party (whether or not any such Note Document expires in accordance with its terms).

Section 7.02 Compliance with Applicable Laws. The Cooperative will comply in all material respects with any and all Applicable Laws material to the System, the Note Documents to which it is a party and this Agreement.

Section 7.03 Accounting and Reports. The Cooperative will maintain its present customary system of accounting in accordance with GAAP and will furnish to the Lender:

(a) within 270 days after the end of each Fiscal Year, audited financial statements for such Fiscal Year;

(b) within 30 days of its adoption, the Cooperative's annual budget for the next succeeding Fiscal Year; and

(c) promptly, from time to time, such other information regarding the operations, financial condition and property of the Cooperative as the Lender may reasonably request.

Section 7.04 Maintenance of Books and Records. The Cooperative will maintain complete and accurate books and records pertaining to the Cooperative and all receipts and disbursements with respect thereto in accordance with GAAP.

Section 7.05 Notice of Defaults. The Cooperative shall within five (5) Business Days after it acquires knowledge thereof, notify the Agent in writing at its notice address provided in Section 1.01 hereof (a) upon the happening, occurrence, or existence of any Event of Default, and (b) any event or condition which with the passage of time or giving of notice, or both, would constitute an Event of Default, and shall provide the Lenders, with such written notice, a detailed statement by a responsible officer of the Cooperative of all relevant facts and the action being taken or proposed to be taken by the Cooperative with respect thereto. Regardless of the date of receipt of such notice by the Lenders, such date shall not in any way modify the date of occurrence of the actual Event of Default.

Section 7.06 Visits and Inspections. The Cooperative will permit representatives of the Lender, from time to time as often as may be reasonably requested, subject to Applicable Law and during regular business hours, to (i) visit and inspect the facilities of the Cooperative, (ii) inspect the books and records of the Cooperative related to the facilities and make copies and extracts of such books and records that relate to the Cooperative's performance under this Agreement and any Note Documents to which it is a party, and (iii) discuss the affairs, finances and accounts of the Cooperative with, and to be advised as to the same by, its officials, all in connection with the performance by the Cooperative of its obligations hereunder and under the Note Documents.

Section 7.07 Preservation of Lien. The Cooperative shall take all necessary action to maintain and preserve the Lien on the Pledged Revenues, to secure the Notes and the Lender Obligations.

Section 7.08 Use of Proceeds. The Cooperative covenants that the proceeds from the Notes will be used only to pay the costs of the 2025 Project, including those paid with proceeds of the Series 2023 Notes pursuant to the Loan Agreement.

Section 7.09 Further Assurances. The Cooperative will, at any and all times, insofar as it may be authorized so to do by Applicable Law, pass, make, do, execute, acknowledge and deliver every and all such further resolutions, acts, deeds, conveyances, assignments, recordings, filings, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, revenues and other funds pledged or assigned to the payment of the Notes (including the interest thereon) and payment of its obligations hereunder and under the Note Documents.

## **ARTICLE VIII NEGATIVE COVENANTS OF THE COOPERATIVE**

From the date of delivery of the Notes to the Lender and until the termination of this Agreement and payment in full of all amounts payable hereunder and under the Note Documents, the Cooperative hereby covenants and agrees that:

Section 8.01 Amendments to Related Documents. The Cooperative shall not alter or amend the Bond Resolution, the Implementation Agreement or the Interlocal Agreement, which would materially adversely affect the payment obligations hereunder, rights or remedies of the Lender or impair the authority thereby or hereby given with respect to the issuance and payment of the Notes, without prior written approval of the Lender. Nothing contained herein shall, however, impair or restrict the Cooperative's right to amend the Interlocal Agreement or the Implementation Agreement in accordance with the Bond Resolution.

Section 8.02 Disposition of Assets. The Cooperative shall not dispose of any of its assets other than in accordance with the Bond Resolution.

Section 8.03 No Pledge or Impairment; Additional Bonds. Except in accordance with the Bond Resolution or as set forth in Section 4.06 hereof, the Cooperative will not pledge or permit a lien to occur on any Pledged Revenues to any other indebtedness of the Cooperative or issue any indebtedness payable from Pledged Revenues without the express written consent of the Lender.

## **ARTICLE IX FURTHER AFFIRMATIVE COVENANTS OF THE COOPERATIVE**

Section 9.01 Base Rate Charge. The Cooperative agrees to assess all amounts due from the members of the Cooperative under the Interlocal Agreement and Implementation Agreements required to be paid thereunder in order to collect sufficient Revenues to pay the Outstanding Bonds.

Section 9.02 Covenant to Perform Undertakings. The Cooperative covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Agreement, in the Notes executed and delivered hereunder and in all proceedings of the Cooperative pertaining thereto. The Cooperative represents, warrants and covenants that it is duly authorized under the Constitution and laws of the State of Florida, including particularly and without limitation the Act, to issue the Notes authorized hereby and to enter into this Agreement, to pledge the Pledged Revenues in the manner and to the extent herein set forth; that all action on its part for the issuance of the Notes initially issued hereunder and the execution and delivery of this Agreement has been duly and effectively taken; and that such Notes in the hand of the holder and owner thereof are and will be valid and enforceable limited obligations of the Cooperative according to the tenor and import thereof.

Section 9.03 Covenant to Perform Further Acts. The Cooperative covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such loan agreements supplemental hereto and such further acts, instruments and transfers as the Lender may reasonably require for the better pledging unto the Lender of all and singular the Pledged Revenues pledged hereby to the payment of the principal of and interest, on the Notes.

Section 9.04 Other Senior and Parity Indebtedness. Except for additional State Revolving Fund loans or loans with the United States Environmental Protection Agency under the Water Infrastructure Financing Act, outstanding in the aggregate amount of not to exceed the Maximum Commitment Amount at any time issued to finance the 2025 Project, the Cooperative will not issue any Additional Bonds payable from Pledged Revenues without the express written consent of the Lender, which consent will not be unreasonably withheld.

## **ARTICLE X EVENTS OF DEFAULT**

Section 10.01 General. An "Event of Default" shall be deemed to have occurred under this Agreement if:

(a) An Event of Default under the Bond Resolution shall continue following the expiration of any applicable grace periods provided therein; or

(b) (i) The failure by the Cooperative to perform or observe any term, covenant or agreement contained in this Agreement not specifically in paragraphs (a) above, if such failure shall continue for a period of the earlier of thirty (30) calendar days after (x) the date the Cooperative was to give notice to the Lender in accordance with Section 7.05 hereof or (y) the date of written notice thereof by the Lender to the Cooperative; provided, that the Cooperative shall not be in default hereunder with respect to defaults that can, with time, be cured, if the Cooperative shall proceed with due diligence to remedy such default, but in no event shall such period be extended for a period longer than sixty (60) days; or

(c) The Cooperative shall default in the performance of or compliance with any covenant contained herein, other than a covenant that is dealt with in any other subsection of this Section 5.01, which default or non-compliance shall continue and not be cured within thirty (30) days after the



earlier of (i) written notice thereof to the Cooperative by the Lender or (ii) actual knowledge of such breach by a responsible officer of the Cooperative, or such longer period as may be reasonably necessary to cure such default, as long as the Cooperative initiates curative action within such 30-day period and diligently prosecutes such action until the cure has been achieved, but not to exceed 90 days;

Section 10.02 Effect of Event of Default. Upon the occurrence of an Event of Default, the Lender may, in its sole discretion, but shall not be obligated to, exercise all or any of its rights and remedies as it may otherwise have under Applicable Law or under this Agreement, or any Note Document or otherwise, by such suits, actions, or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for specific performance of any covenant or agreement contained in this Agreement or any Note Document, or in aid or execution of any power granted herein or therein or for the enforcement of any proper legal or equitable remedy. Remedies shall not include a right of acceleration of the Notes unless such right shall have been granted to any other lender secured by the Pledged Revenues.

All payments made on the Notes, after an Event of Default, shall be first applied to accrued interest, then to any reasonable costs or expenses, including reasonable legal fees and expenses that the Lender may have incurred in protecting or exercising the Lender's rights under the Note Documents and the balance thereof shall apply to the principal sum due. From and after any Event of Default hereunder and so long as such Event of Default remains uncured, interest shall accrue on principal then outstanding under the Notes at the Default Rate. Upon an Event of Default, and so long as such Event of Default remains uncured, the Lender may, upon written notice to the Cooperative, reduce the Maximum Commitment Amount to the Loan Amount.

## **ARTICLE XI MISCELLANEOUS**

Section 11.01 Waivers, Amendments. Any provision of this Agreement or the Notes may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by the Cooperative and the Lender. Agent may consent on behalf of Lender for all amendments and waivers, except that the written consent of all Lenders or affected Lender (the "Required Lenders") shall be required to (i) extend or increase the Maximum Commitment Amount, or (ii) extend the date scheduled for payment of any principal (excluding any mandatory prepayment), interest or fees, or (iii) reduce the principal amount of the Loan, the rate of interest thereunder or fees payable in respect thereof, or (iv) reduce the percentage required for "Required Lenders." No course of dealing between the Cooperative and the Lender, nor any delay in exercising any rights hereunder, shall operate as a waiver of any rights of the Lender hereunder. Unless otherwise specified in such waiver or consent, a waiver or consent given hereunder shall be effective only in the specific instance and for the specific purpose for which given.

Section 11.02 Survival of Representations and Warranties. All statements of or on behalf of the Cooperative contained in any Note Document or in any certificate, financial statement or other instrument delivered by or on behalf of the Cooperative pursuant to or in connection with this Agreement (including but not limited to any such statement made in or in connection with any amendment hereto or thereto) shall constitute representations and warranties of the Cooperative made under this Agreement. All representations and warranties of the Cooperative made under this Agreement shall survive the execution and delivery of this Agreement, regardless of any investigation made by the Lender or on their behalf.

### Section 11.03 Costs, Expenses and Taxes; Reimbursement.

(a) The Cooperative shall pay within thirty days of demand (i) the reasonable fees and disbursements of counsel to the Lender in an amount not exceeding \$7,000, (ii) all reasonable out-of-pocket expenses and internal charges of the Lender (including fees and disbursements of counsel to the Lender) incurred in connection with any waiver or consent under any Note Document or any amendment of any Note Document or any Default or alleged Default hereunder and (iii) if there is an Event of Default, all reasonable out-of-pocket expenses and internal charges incurred by the Lender in connection with such Event of Default and collection and other enforcement proceedings resulting therefrom. To the extent permitted by law, the Cooperative shall pay any and all transfer taxes, documentary taxes, assessments or charges made by any governmental authority by reason of the execution and delivery of this Agreement or the Notes.

(b) In addition to any other amounts payable by the Cooperative under this Agreement, the Cooperative hereby agrees, to the extent permitted by law, to reimburse the Lender, promptly upon demand, in respect of all claims, demands, liabilities, damages, losses, reasonable costs, reasonable charges and reasonable expenses (including reasonable attorneys' fees) that the Lender may incur or be subject to as a consequence of (i) the making of the Loan, (ii) any breach by the Cooperative or any official of the Cooperative of any warranty, covenant, term or condition in, or the occurrence of any default under, this Agreement or any Note Document, including all reasonable fees or expenses resulting from the settlement or defense of any claims or liabilities arising as a result of any such breach or default, (iii) involvement in any legal suit, proceeding or action as to which the Lender is involved as a consequence of its making of the loan, their execution of this Agreement or any other event or transaction contemplated by any of the foregoing; provided that the Lender shall not be entitled to reimbursement under this Section to the extent that claims, demands, liabilities, damages, losses, costs, charges and expenses to be reimbursed are the result of the gross negligence or willful misconduct of the Lender. Nothing in this Section is intended to limit the Cooperative's obligations contained in the Agreement.

Section 11.04 Right of Setoff; Other Collateral. Except as otherwise provided herein, the Lender waives any and all current or future common law or statutory liens, security interests, rights of setoff and rights of recoupment to such special purpose accounts and such special purpose deposits therein, and all proceeds (as defined in Chapter 679, Florida Statutes) derived therefrom.

Section 11.05 Notices. All notices, requests, demands and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given when received if personally delivered; when transmitted if transmitted by telecopy, electronic telephone line facsimile transmission, e-mail or other similar electronic or digital transmission method (provided customary evidence of receipt is obtained); the day after it is sent, if sent by overnight common carrier service; and five days after it is sent, if mailed, certified mail, return receipt requested, postage prepaid; provided, however, that, notwithstanding anything to the contrary contained herein, no communication to the Lender shall be effective until the Lender has actually received such communication. In each case notice shall be sent to the Notice Address.

Section 11.06 Continuing Obligation; Assignment. This Agreement is a continuing obligation of the Cooperative and shall, until the Final Maturity Date, (a) be binding upon the Cooperative and its successors and assigns, and (b) inure to the benefit of and be enforceable by the Lender and its successors, and permitted transferees and assigns. The Lender may assign or transfer the Notes and its rights and obligations hereunder to another financial institution. Each Note may be assigned to a separate qualified

financial institution, potentially resulting in two Lenders hereunder, but each note may only be assigned in whole and not in part. The Cooperative shall not assign its rights hereunder without the express written consent of the Lender.

As a condition precedent to Lender's proposed transfer of the Notes to separate qualified institutions, one of the assignee institutions must agree to assume the role of "Agent" and "Lender" hereunder under terms reasonably satisfactory to the Cooperative so that the Cooperative is obligated to make payments to, and to interact solely with, that entity as Lender for all purposes of this Agreement, such terms to be contained in an amendment to this Agreement as executed by the Cooperative and each such institution, in form and substance satisfactory to the Cooperative, pursuant to which, among other things, such designated institution shall effectively assume the role of Lender and Agent pursuant to the terms thereof.

Section 11.07 Patriot Act Notice. Each Lender hereby notifies Cooperative that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 signed into law October 26, 2001) (the "Patriot Act"), each Lender may be required to obtain, verify and record information that identifies the Cooperative, which information includes the name and address of the Cooperative and other information that will allow the Lender to identify the Cooperative in accordance with the Patriot Act.

Section 11.08 Satisfaction Requirement. If any agreement, certificate or other writing, or any action taken or to be taken, is by the terms of this Agreement required to be satisfactory to the Lender, the determination of such satisfaction shall be made by the Lender in its reasonable judgment exercised in good faith.

Section 11.09 Applicable Law; Venue. This Agreement and the Notes shall be construed pursuant to and governed by the Act and the substantive laws of the State. Unless applicable law provides otherwise, in the event of any legal proceeding arising out of or related to this Agreement or the Notes, the Cooperative consents to the jurisdiction and venue of any court located in the State.

Section 11.10 Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

Section 11.11 Severability. Any provision of this Agreement that is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction and the remaining portion of such provision and all other remaining provisions will be construed to render them enforceable to the fullest extent.

Section 11.12 Business Days. If any payment under this Agreement shall be specified to be made upon a day which is not a Business Day, it shall be made on the next succeeding day which is a Business Day and payment on such day shall have the same force and effect as if made on the nominal date of payment.

Section 11.13 Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 11.14 Satisfaction Requirement. If any agreement, certificate or other writing, or any action taken or to be taken, is by the terms of this Agreement required to be satisfactory to the Lender, the determination of such satisfaction shall be made by such Lender in the reasonable judgment of such entity or entities exercised in good faith.

Section 11.15 Term of Agreement. Except as otherwise specified in this Agreement, this Agreement and all representations, warranties, covenants and agreements contained herein or made in writing by the Cooperative in connection herewith shall be in full force and effect from the date hereof and shall continue in effect until as long as the Notes is outstanding or any amounts are due and owing hereunder or under the Notes to the Lender.

Section 11.16 No Third Party Beneficiaries. It is the intent and agreement of the parties hereto that this Agreement is solely for the benefit of the parties hereto and no person not a party hereto shall have any rights or privileges hereunder.

Section 11.17 No Advisory or Fiduciary Relationship. In connection with all aspects of each transaction contemplated hereunder (including in connection with any amendment, waiver or other modification hereof or of any other documents related hereto), the Cooperative acknowledges and agrees, that: (a) (i) it has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, (ii) it is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and any other loan documents, (iii) each Lender is not acting as a municipal advisor or financial advisor to the Cooperative and (iv) neither Lender has a fiduciary duty pursuant to Section 15B of the Securities Exchange Act to the Cooperative with respect to the transactions contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Lender has provided other services or is currently providing other services to the Cooperative on other matters); (b) (i) each Lender is and has been acting solely as a principal in an arm's length commercial lending transaction and has not been, is not, and will not be acting as an advisor, agent or fiduciary, for the Cooperative, or any other person and (ii) neither Lender has any obligation to the Cooperative, with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Note Documents; (c) notwithstanding anything herein to the contrary, it is the intention of the Cooperative and each Lender that the loan documents represent a commercial loan transaction not involving the issuance and sale of a municipal security, and that any bond, note or other debt instrument that may be delivered to a Lender is delivered solely to evidence the repayment obligations of the Cooperative under the loan document; and (d) each Lender may be engaged in a broad range of transactions that involve interests that differ from those of the Cooperative, and neither Lender has any obligation to disclose any of such interests to the Cooperative. To the fullest extent permitted by law, the Cooperative hereby waives and releases any claims that it may have against each Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated hereby. If the Cooperative would like a municipal advisor in this transaction that has legal fiduciary duties to the Cooperative, the Cooperative is free to engage a municipal advisor to serve in that capacity. The transactions contemplated herein and the Notes are delivered, pursuant to and in reliance upon the bank exemption and/or the institutional buyer exemption provided under the municipal advisor rules of the Securities and Exchange Commission, Rule 15Ba1-1 et seq, to the extent that such rules apply to the transactions contemplated hereunder.

Section 11.18 Entire Agreement. Except as otherwise expressly provided, this Agreement and the Notes embody the entire agreement and understanding between the parties hereto and supersede all prior agreements and understandings relating to the subject matter hereof.

Section 11.19 Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE NOTES AND ANY DOCUMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HERewith, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES TO ENTER INTO THIS AGREEMENT.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective between them as of the date of first set forth above.

(SEAL)

WATER COOPERATIVE OF CENTRAL  
FLORIDA

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Chair

Attested and Countersigned:

\_\_\_\_\_  
\_\_\_\_\_, Secretary/Treasurer

TRUIST BANK, as Bank

By: \_\_\_\_\_  
Name: Clayton Thompson  
Title: Vice President

TRUIST COMMERCIAL EQUITY, INC.

By: \_\_\_\_\_  
Name: Clayton Thompson  
Title: Authorized Agent

TRUIST BANK, as Agent

By: \_\_\_\_\_  
Name: Clayton Thompson  
Title: Vice President

*[Signature Page to Revolving Credit Agreement]*

EXHIBIT "A-1"

FORM OF SERIES 2025A NOTE

THIS NOTE IS SUBJECT TO TRANSFER RESTRICTIONS, MORE FULLY DESCRIBED IN THE LOAN AGREEMENT REFERRED TO HEREIN, AND MAY NOT BE TRANSFERRED EXCEPT TO AN ACCREDITED INVESTOR WITHIN THE MEANING OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933.

**WATER COOPERATIVE OF CENTRAL FLORIDA**

**REVOLVING REVENUE NOTE, SERIES 2025A**

WATER COOPERATIVE OF CENTRAL FLORIDA (the "Cooperative"), for value received, promises to pay, but solely from the sources described below to the extent provided herein and in the hereinafter described Loan Agreement, to the order of Truist Commercial Equity, Inc., a Delaware general business corporation (together with any other registered owner of this Note, hereinafter, "Lender"), at its Principal Office or any other office or at such place Lender may in writing designate, on the Final Maturity Date, as defined in the Revolving Credit Agreement dated as of \_\_\_\_\_, 2025, between the Cooperative and Lender (as such agreement may be amended, supplemented or otherwise modified from time to time, collectively the "Loan Agreement"), the lesser of the principal sum of \$5,000,000 and the aggregate unpaid principal amount of all revolving loans made by the Lender to the Cooperative pursuant to the Loan Agreement and represented by this Note (and excluding all Advances under its Revolving Revenue Note, Series 2025B (Federally Taxable) (the "Series 2025B Taxable Note")) and not theretofore repaid, and any modifications, renewals, extensions or replacements thereof, without offset in lawful money of the United States of America in immediately available funds, and to pay interest from the date hereof on the principal amount thereof from time to time outstanding, in like funds, at said office, at the rate or rates per annum and payable on such dates as provided in the Loan Agreement. In the event of a conflict between any term or condition contained in this Note and in the Loan Agreement, such term or condition of the Loan Agreement shall control.

All computations of interest and fees hereunder shall be made on the basis of a year of 360 days for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or fees are payable (to the extent computed on the basis of days elapsed). This Note is issued pursuant to Resolution No. 2025-001-WC on April 9, 2025 (the "Resolution"), as supplemented by Resolution No. 2025-002-WC adopted by the Board on April 9, 2025 (the "Supplemental Resolution") and collectively with the Resolution, the "Bond Resolution") and in conjunction with the Loan Agreement is subject to all the terms and conditions of the Loan Agreement. All terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto, or as referenced, in the Loan Agreement.

This Note is payable solely from the Pledged Revenues to the extent provided in the Loan Agreement and subject to the pledge of the Pledged Revenues as more specifically provided in the Bond Resolution and the Loan Agreement. Notwithstanding any other provision of this Note, the Cooperative is not and shall not be liable for the payment of the principal of and interest on this Note or otherwise monetarily liable in connection herewith from any property other than as

provided in the Loan Agreement and the Bond Resolution. The lien on and pledge of the Pledged Revenues, provided for the benefit of the Lender shall be on a parity with the lien on and pledge of Pledged Revenues, in favor of the Series 2025B Taxable Note, the Outstanding Bonds, and any Additional Bonds.

THIS NOTE IS A LIMITED OBLIGATION OF THE COOPERATIVE PAYABLE SOLEY FROM THE REVENUES OF THE COOPERATIVE. NOTWITHSTANDING THE FOREGOING, HOWEVER, OR ANYTHING ELSE IN THIS NOTE OR THE LOAN AGREEMENT TO THE CONTRARY, NEITHER THIS NOTE NOR THE LOAN AGREEMENT SHALL CREATE, BE OR CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE COOPERATIVE OR A DEBT, LIABILITY OR OBLIGATION OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF OR A PLEDGE OF THE FAITH AND CREDIT OF THE COOPERATIVE OR ITS MEMBERS, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER THE COOPERATIVE OR ITS MEMBERS, THE STATE, NOR ANY POLITICAL SUBDIVISION THEREOF SHALL BE DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION WHATSOEVER FOR THE PAYMENT OF ANY OBLIGATIONS HEREUNDER OR UNDER THE LOAN AGREEMENT OR TO MAKE ANY APPROPRIATION THEREFROM FOR ANY SUCH PAYMENTS. THE OBLIGATIONS OF THE COOPERATIVE HEREUNDER SHALL NOT BE PAYABLE FROM OR CONSTITUTE A LIEN OR CHARGE ON ANY FUNDS OF THE COOPERATIVE OTHER THAN THE PLEDGED REVENUES IN THE MANNER AND TO THE EXTENT PROVIDED HEREIN AND IN THE LOAN AGREEMENT.

Neither the State nor any county, any municipality or other district or authority, including the parties to the Interlocal Agreement or Implementation Agreements, shall be obligated to pay the same or the interest on this Note. Neither the full faith and credit nor the taxing power of the State or of any political subdivision thereof is pledged to the of the principal of or the interest on this Note. The issuance of this Note shall not directly or indirectly or contingently obligate the State, any county, any municipality, or any district or authority to levy or to pledge any form of taxation whatever therefor or to make appropriation for its payment.

The Cooperative promises to pay interest, on demand, on any overdue principal from their due dates at a rate or rates provided in the Loan Agreement.

All borrowings evidenced by this Note and all payments and prepayments of the principal hereof and the date thereof shall be endorsed by the holder hereof or the Lender on the schedule attached hereto and made a part hereof or on a continuation thereof which shall be attached hereto and made a part hereof, or otherwise recorded by such holder or the Lender in its internal records; provided, that the failure of the holder hereof or the Lender to make such a notation or any error in such notation shall not affect the obligations of the Cooperative to make the payments of principal and interest in accordance with the terms of this Note and the Loan Agreement.

This Note is issued in connection with, and is entitled to the benefits of, the Loan Agreement which, among other things, contains provisions for prepayment of the principal hereof prior to the maturity hereof and for the amendment or waiver of certain provisions of the Loan Agreement, all upon the terms and conditions therein specified. THIS NOTE SHALL BE



CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF FLORIDA AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

Prior to the Final Maturity Date, principal amounts repaid hereunder may be re-advanced so long as the total principal amount of this Note outstanding, together with the outstanding principal amount of the Series 2025B Taxable Note, taking into account all combined Advances which have not been repaid, does not exceed the Maximum Commitment Amount.

The Cooperative to the extent permitted by law hereby waives presentment, demand, protest and notice of dishonor.

All terms, conditions and provisions of the Loan Agreement are by this reference thereto incorporated herein as a part of this Note.

This Note may be exchanged or transferred but only as provided in the Loan Agreement.

THE COOPERATIVE AND THE LENDER HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY, AND IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE RIGHT EITHER OF THEM MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION, WHETHER IN CONTRACT OR TORT, AT LAW OR IN EQUITY, BASED HEREON OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE AND ANY OTHER DOCUMENT OR INSTRUMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION WITH THIS NOTE, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY HERETO. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDER TO ENTER INTO OR ACCEPT THIS NOTE. FURTHER, THE COOPERATIVE HEREBY CERTIFIES THAT NO REPRESENTATIVE OR AGENT OF THE LENDER, NOR THE LENDER'S COUNSEL, HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE LENDER WOULD NOT, IN THE EVENT OF SUCH LITIGATION, SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL PROVISION.

The Lender hereby notifies Cooperative that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 signed into law October 26, 2001), the Lender may be required to obtain, verify and record information that identifies the Cooperative, which information includes the name and address of the Cooperative and other information that will allow the Lender to identify the Cooperative in accordance with the Act. All amounts received by the Lender shall be applied to expenses, late fees and interest before principal or in any other order as determined by the Lender, in its sole discretion, as permitted by law. Any provision of this Note which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Note. No amendment, modification, termination or waiver of any provision of this Note, nor consent to any departure by the Cooperative from any term of this Note, shall in any event be effective unless it complies fully with the requirements of such amendment, modification, termination or waiver as set forth in the Loan Agreement, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

It is hereby certified, recited and declared that all acts, conditions and prerequisites required to exist, happen and be performed precedent to and in the execution, delivery and the issuance of this Note do exist, have happened and have been performed in due time, form and manner as

required by law, and that the issuance of this Note is in full compliance with and does not exceed or violate any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Cooperative has caused this Note to be executed in its name as of the date hereinafter set forth.

The date of this Note is \_\_\_\_\_, 2025.

WATER COOPERATIVE OF CENTRAL  
FLORIDA

(SEAL)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title:      Chair

Attested and Countersigned

\_\_\_\_\_  
\_\_\_\_\_, Secretary/Treasurer

EXHIBIT "A-2"

FORM OF SERIES 2025B NOTE

THIS NOTE IS SUBJECT TO TRANSFER RESTRICTIONS, MORE FULLY DESCRIBED IN THE LOAN AGREEMENT REFERRED TO HEREIN, AND MAY NOT BE TRANSFERRED EXCEPT TO AN ACCREDITED INVESTOR WITHIN THE MEANING OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933.

**WATER COOPERATIVE OF CENTRAL FLORIDA**

**REVOLVING REVENUE NOTE, SERIES 2025B (FEDERALLY TAXABLE)**

WATER COOPERATIVE OF CENTRAL FLORIDA (the "Cooperative"), for value received, promises to pay, but solely from the sources described below to the extent provided herein and in the hereinafter described Loan Agreement, to the order of Truist Bank, a North Carolina banking corporation or its registered assigns (together with any other registered owner of this Note, hereinafter, the "Lender"), at its Principal Office or any other office or at such place as the Lender may in writing designate, on the Final Maturity Date, as defined in the Revolving Credit Agreement dated as of \_\_\_\_\_, 2025, among the Cooperative and the Lender (as such agreement may be amended, supplemented or otherwise modified from time to time, collectively the "Loan Agreement"), the lesser of the principal sum of \$5,000,000 and the aggregate unpaid principal amount of all revolving loans made by the Lender to the Cooperative pursuant to the Loan Agreement and represented by this Note (and excluding all Advances under its Revolving Revenue Note, Series 2025A (the "Series 2025A Tax-Exempt Note")) and not theretofore repaid, and any modifications, renewals, extensions or replacements thereof, without offset in lawful money of the United States of America in immediately available funds, and to pay interest from the date hereof on the principal amount thereof from time to time outstanding, in like funds, at said office, at the rate or rates per annum and payable on such dates as provided in the Loan Agreement. In the event of a conflict between any term or condition contained in this Note and in the Loan Agreement, such term or condition of the Loan Agreement shall control.

All computations of interest and fees hereunder shall be made on the basis of a year of 360 days for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or fees are payable (to the extent computed on the basis of days elapsed). This Note is issued pursuant to Resolution No. 2025-01-WC on April 9, 2025 (the "Resolution"), as supplemented by Resolution No. 2025-002-WC adopted by the Board on April 9, 2025 (the "Supplemental Resolution" and collectively with the Resolution, the "Bond Resolution") and in conjunction with the Loan Agreement is subject to all the terms and conditions of the Loan Agreement. All terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto, or as referenced, in the Loan Agreement.

This Note is payable solely from the Pledged Revenues to the extent provided in the Loan Agreement and subject to the pledge of the Pledged Revenues as more specifically provided in the Bond Resolution and the Loan Agreement. Notwithstanding any other provision of this Note, the Cooperative is not and shall not be liable for the payment of the principal of and interest on this Note or otherwise monetarily liable in connection herewith from any property other than as

provided in the Loan Agreement and the Bond Resolution. The lien on and pledge of the Pledged Revenues, provided for the benefit of the Lender shall be on a parity with the lien on and pledge of Pledged Revenues, in favor of the Series 2025A Tax-Exempt Note, the Outstanding Bonds, and any Additional Bonds.

THIS NOTE IS A LIMITED OBLIGATION OF THE COOPERATIVE PAYABLE SOLEY FROM THE REVENUES OF THE COOPERATIVE. NOTWITHSTANDING THE FOREGOING, HOWEVER, OR ANYTHING ELSE IN THIS NOTE OR THE LOAN AGREEMENT TO THE CONTRARY, NEITHER THIS NOTE NOR THE LOAN AGREEMENT SHALL CREATE, BE OR CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE COOPERATIVE OR A DEBT, LIABILITY OR OBLIGATION OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF OR A PLEDGE OF THE FAITH AND CREDIT OF THE COOPERATIVE OR ITS MEMBERS, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER THE COOPERATIVE OR ITS MEMBERS, THE STATE, NOR ANY POLITICAL SUBDIVISION THEREOF SHALL BE DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION WHATSOEVER FOR THE PAYMENT OF ANY OBLIGATIONS HEREUNDER OR UNDER THE LOAN AGREEMENT OR TO MAKE ANY APPROPRIATION THEREFROM FOR ANY SUCH PAYMENTS. THE OBLIGATIONS OF THE COOPERATIVE HEREUNDER SHALL NOT BE PAYABLE FROM OR CONSTITUTE A LIEN OR CHARGE ON ANY FUNDS OF THE COOPERATIVE OTHER THAN THE PLEDGED REVENUES IN THE MANNER AND TO THE EXTENT PROVIDED HEREIN AND IN THE LOAN AGREEMENT.

Neither the State nor any county, any municipality or other district or authority, including the parties to the Interlocal Agreement or Implementation Agreements, shall be obligated to pay the same or the interest on this Note. Neither the full faith and credit nor the taxing power of the State or of any political subdivision thereof is pledged to the of the principal of or the interest on this Note. The issuance of this Note shall not directly or indirectly or contingently obligate the State, any county, any municipality, or any district or authority to levy or to pledge any form of taxation whatever therefor or to make appropriation for its payment.

The Cooperative promises to pay interest, on demand, on any overdue principal from their due dates at a rate or rates provided in the Loan Agreement.

All borrowings evidenced by this Note and all payments and prepayments of the principal hereof and the date thereof shall be endorsed by the Lender on the schedule attached hereto and made a part hereof or on a continuation thereof which shall be attached hereto and made a part hereof, or otherwise recorded by the Lender in its internal records; provided, that the failure of the Lender to make such a notation or any error in such notation shall not affect the obligations of the Cooperative to make the payments of principal and interest in accordance with the terms of this Note and the Loan Agreement.

This Note is issued in connection with, and is entitled to the benefits of, the Loan Agreement which, among other things, contains provisions for prepayment of the principal hereof prior to the maturity hereof and for the amendment or waiver of certain provisions of the Loan Agreement, all upon the terms and conditions therein specified. THIS NOTE SHALL BE

CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF FLORIDA AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

Prior to the Final Maturity Date, principal amounts repaid hereunder may be re-advanced so long as the total principal amount of this Note outstanding, together with the outstanding principal amount of the Series 2025A Tax-Exempt Note, taking into account all combined Advances which have not been repaid, does not exceed the Maximum Commitment Amount.

The Cooperative to the extent permitted by law hereby waives presentment, demand, protest and notice of dishonor.

All terms, conditions and provisions of the Loan Agreement are by this reference thereto incorporated herein as a part of this Note.

This Note may be exchanged or transferred but only as provided in the Loan Agreement.

THE COOPERATIVE AND THE LENDER HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY, AND IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE RIGHT EITHER OF THEM MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION, WHETHER IN CONTRACT OR TORT, AT LAW OR IN EQUITY, BASED HEREON OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE AND ANY OTHER DOCUMENT OR INSTRUMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION WITH THIS NOTE, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY HERETO. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDER TO ENTER INTO OR ACCEPT THIS NOTE. FURTHER, THE COOPERATIVE HEREBY CERTIFIES THAT NO REPRESENTATIVE OR AGENT OF THE LENDER, NOR THE LENDER'S COUNSEL, HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE LENDER WOULD NOT, IN THE EVENT OF SUCH LITIGATION, SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL PROVISION.

The Lender hereby notifies Cooperative that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 signed into law October 26, 2001), the Lender may be required to obtain, verify and record information that identifies the Cooperative, which information includes the name and address of the Cooperative and other information that will allow the Lender to identify the Cooperative in accordance with the Act. All amounts received by the Lender shall be applied to expenses, late fees and interest before principal or in any other order as determined by the Lender, in its sole discretion, as permitted by law. Any provision of this Note which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Note. No amendment, modification, termination or waiver of any provision of this Note, nor consent to any departure by the Cooperative from any term of this Note, shall in any event be effective unless it complies fully with the requirements of such amendment, modification, termination or waiver as set forth in the Loan Agreement, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

It is hereby certified, recited and declared that all acts, conditions and prerequisites required to exist, happen and be performed precedent to and in the execution, delivery and the issuance of this Note do exist, have happened and have been performed in due time, form and manner as

required by law, and that the issuance of this Note is in full compliance with and does not exceed or violate any constitutional or statutory limitation.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Cooperative has caused this Note to be executed in its name as of the date hereinafter set forth.

The date of this Note is \_\_\_\_\_, 2025.

WATER COOPERATIVE OF CENTRAL  
FLORIDA

(SEAL)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title:      Chair

Attested and Countersigned

\_\_\_\_\_  
\_\_\_\_\_, Secretary/Treasurer



EXHIBIT "B-1"

NOTICE OF REVOLVING BORROWING UNDER

SERIES 2025A TAX-EXEMPT NOTE

Pursuant to the Revolving Credit Agreement dated as of \_\_\_\_\_, 2025, as amended, supplemented, restated, replaced, or otherwise modified from time to time (the "Agreement"; capitalized terms used but not defined herein shall have the meanings assigned in the Agreement); this represents the undersigned's request for an Advance under the Agreement as follows:

Proposed Date of Advance: \_\_\_\_\_

\_\_\_\_\_ Aggregate Amount of Advance to be Drawn Down under the Series 2025A Tax-Exempt Note; provided, however, the aggregate amount of all advances under the Series 2025A Tax-Exempt Note shall not exceed \$\_\_\_\_\_ except upon delivery of a new Note Counsel Opinion.

The proceeds of the Advance are to be wired to the following account:

\_\_\_\_\_ Tax-Exempt 2025 Construction Account

The proceeds of the Advance are to be used for financing a portion of the Costs of the 2025 Project.

This Notice is given in order to induce TRUCE to make the Advance. We understand that TRUCE is relying on the truth and accuracy of the statements made in this Notice.

1. All of the representations and warranties of the undersigned contained in the Agreement or in any of the other Note Documents are true, correct, and complete on and as of the date of this Notice of Revolving Borrowing, with the same effect as though the representations and warranties had been made on and as of such date.

2. No Event of Default, nor any event which, upon notice or lapse of time or both, would constitute an Event of Default, has occurred and is continuing, or would result from the borrowing.

3. After giving effect to the Advance hereby requested and any other Advances requested on the date hereof under the Series 2025B Taxable Note, the aggregate amount of Advances requested and outstanding under the Agreement will not exceed the Maximum Commitment Amount as of the proposed date of the Advance hereby requested.

4. To the undersigned's knowledge, it has no setoffs or defenses under the Agreement or Notes. The Agreement, the Note, and all other Note Documents are valid, binding, and enforceable in accordance with their terms.

5. The facts, estimates, circumstances and representations set forth or made (as the case may be) in the Certificate as to Tax, Arbitrage and Other Matters as to the Series 2025A Tax-

Exempt Note delivered in connection with the initial issuance of the Series 2025A Tax-Exempt Note, as supplemented by any amendatory certificate delivered to Note Counsel on the date hereof, continue to exist and are hereby reaffirmed on the date hereof.

6. The Cooperative has approved the transaction with respect to which these instructions are given in accordance with the procedure set forth in the Agreement and the Supplemental Resolution.

7. The Cooperative has previously delivered to the Lender, addressed to the Lender and upon which opinion the Lender may rely, an opinion of an attorney to the Cooperative and/or Note Counsel as to those matters required under Sections 6.01(f) and (h) of the Agreement and the Cooperative confirms that it has not received notification from Cooperative's Counsel and/or Note Counsel of a withdrawal of such opinion (unless a replacement opinion has been obtained).

8. All other conditions precedent to the Advance as set forth in the Agreement have been satisfied.

Dated: \_\_\_\_\_

WATER COOPERATIVE OF CENTRAL  
FLORIDA

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT "B-2"

NOTICE OF REVOLVING BORROWING UNDER

SERIES 2025B TAXABLE NOTE

Pursuant to the Revolving Credit Agreement dated as of \_\_\_\_\_, 2025, as amended, supplemented, restated, replaced, or otherwise modified from time to time (the "Agreement"; capitalized terms used but not defined herein shall have the meanings assigned in the Agreement); this represents the undersigned's request for an Advance under the Agreement as follows:

Proposed Date of Advance: \_\_\_\_\_

\$\_\_\_\_\_ Aggregate Amount of Advance to be Drawn Down under Series 2025B Taxable Note.

The proceeds of the Advance are to be wired to the following account:

\_\_\_\_\_

The proceeds of the Advance are to be used for the following project or group of projects:

\_\_\_\_\_

This Notice is given in order to induce the Bank to make the Advance. We understand that the Bank is relying on the truth and accuracy of the statements made in this Notice.

1. All of the representations and warranties of the undersigned contained in the Agreement or in any of the other Note Documents are true, correct, and complete on and as of the date of this Notice of Revolving Borrowing, with the same effect as though the representations and warranties had been made on and as of such date.

2. No Event of Default, nor any event which, upon notice or lapse of time or both, would constitute an Event of Default, has occurred and is continuing, or would result from the borrowing.

3. After giving effect to the Advance hereby requested and any other Advances requested on the date hereof under the Series 2025A Tax-Exempt Note, the aggregate amount of Advances requested and outstanding under the Agreement will not exceed the Maximum Commitment Amount as of the proposed date of the Advance hereby requested.

4. To the undersigned's knowledge, it has no setoffs or defenses under the Agreement or Notes. The Agreement, the Note, and all other Note Documents are valid, binding, and enforceable in accordance with their terms.

5. The Cooperative has approved the transaction with respect to which these instructions are given in accordance with the procedure set forth in the Agreement and the Supplemental Resolution.

6. The Cooperative has notified Note Counsel of the proposed Advance requested above.

7. The Cooperative has previously delivered to the Lender, addressed to the Lender and upon which opinion the Lender may rely, an opinion of an attorney to the Cooperative and/or Note Counsel as to those matters required under Sections 6.01(f) and (h) of the Agreement and the Cooperative confirms that it has not received notification from Cooperative's Counsel and/or Note Counsel of a withdrawal of such opinion (unless a replacement opinion has been obtained).

8. All other conditions precedent to the Advance as set forth in the Agreement have been satisfied.

Dated: \_\_\_\_\_

WATER COOPERATIVE OF CENTRAL  
FLORIDA

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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## WATER COOPERATIVE OF CENTRAL FLORIDA

**Meeting Date:** April 9, 2025

**Agenda Item No. 4**

**Attachments:** None

**Title:**  
**CYPRESS LAKE ALTERNATIVE WATER SUPPLY PROJECT UPDATE**

**Explanation:**

Deborah Beatty, Toho Project Manager for the Cypress Lake Alternative Water Supply (CL AWS) Project, will provide a brief update on the status of the project progress since the March 5<sup>th</sup>, 2025, Water Cooperative Board meeting including construction progress on the production wells project, concentrate disposal injection well project, a grant funding update, upcoming projects, and related business matters.

**Costs:**

None.

**Recommendation:**

No action required by the Board.

**Initials:** dab