

RESOLUTION NO. U.A. 2023-02

A RESOLUTION OF THE FORT PIERCE UTILITIES AUTHORITY OF THE CITY OF FORT PIERCE, FLORIDA, AUTHORIZING THE AUTHORITY TO BORROW UP TO \$4,000,000.00 IN THE FORM OF A TAXABLE REVOLVING LINE OF CREDIT FROM SEACOAST NATIONAL BANK IN SUBSTANTIAL ACCORDANCE WITH THE BANK'S PROPOSAL DATED DECEMBER 15, 2022; APPROVING THE FORMS AND AUTHORIZING THE EXECUTION OF VARIOUS DOCUMENTS AND THE TAKING OF ALL NECESSARY ACTION IN CONNECTION WITH THE ISSUANCE AND DELIVERY OF SUCH LINE OF CREDIT; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE FORT PIERCE UTILITIES AUTHORITY OF THE CITY OF FORT PIERCE, FLORIDA:

Section 1. Authority for this Resolution. This resolution is adopted pursuant to the Constitution and laws of the State of Florida, including Chapter 166, Florida Statutes, Article XII of the Charter of the City of Fort Pierce, Florida (the "City"), and other applicable provisions of law (collectively, the "Act").

Section 2. Findings. It is hereby ascertained, determined and declared that:

(A) Fort Pierce Utilities Authority of the City of Fort Pierce, Florida ("FPUA") owns a combined and consolidated electric system, water system, wastewater system, natural gas distribution system, and broadband and other communications services system (the "System"). Pursuant to the provisions of Ordinance No. F-399 of the City, as amended, the System is operated and maintained under the control and management of FPUA, which was created pursuant to Section 14(33) of Chapter 57-1331, Laws of Florida, as amended, and Ordinance No. F-399 of the City and approved by the qualified electors of the City by public ballot on May 30, 1972, with amendments thereto adopted and confirmed by elections held on November 2, 1976 and October 10, 1994.

(B) FPUA derives Pledged Revenues of the System. Capitalized undefined terms used herein shall have the meanings ascribed thereto in Resolution No. U.A. 2022-10, adopted on May 17, 2022 (the "Senior Bond Resolution"). The Pledged Revenues are pledged to the payment of the outstanding Bonds of FPUA issued pursuant to the Senior Bond Resolution.

(C) FPUA has determined it is necessary and desirable and in the best interest of FPUA's customers and ratepayers to take out a \$4,000,000.00 taxable line of credit to provide short-term working capital (the "Line of Credit"), and to secure the Line of Credit with a junior and subordinate (in all respects) pledge of and lien on the excess of the collections from FPUA's electric and gas power adjustments over FPUA's wholesale purchased power (electric and gas) costs (the "Electric and Natural Gas Power Cost Adjustments").

(D) Seacoast National Bank (the “Bank”) submitted a proposal dated December 15, 2022 (the “Proposal”), to provide the Line of Credit to FPUA, and FPUA has determined that acceptance of the Proposal is in the best interests of FPUA’s customers and rate payers. A copy of the Proposal is attached hereto as Exhibit “A.”

(E) The principal of, premium, if any, and interest on the Line of Credit shall be payable from and secured solely by a junior and subordinate (in all respects) lien on and pledge of the Electric and Natural Gas Power Cost Adjustments. FPUA has no taxing power. Neither the Line of Credit nor the interest thereon shall be or constitute general obligations or indebtedness of FPUA or the City as "bonds" within the meaning of the Constitution of Florida, but shall be payable from and secured solely by a junior and subordinate (in all respects) lien upon and pledge of the Electric and Natural Gas Power Cost Adjustments as herein provided. The Bank shall never have the right to compel the exercise of the ad valorem taxing power of the City or taxation in any form of any property therein to pay such Line of Credit or the interest thereon or be entitled to payment of such principal and interest from any other funds of FPUA or the City except from the Electric and Natural Gas Power Cost Adjustments pledged in the manner provided herein. Neither the Line of Credit nor the interest thereon shall have or be a lien upon any property of FPUA, other than the Electric and Natural Gas Power Cost Adjustments in the manner provided in this Resolution, or any property of or located within the boundaries of the City.

Section 3. Authorization of Note. Subject and pursuant to the provisions of this Resolution, a taxable Promissory Note of FPUA is hereby authorized to be issued in the principal amount not to exceed \$4,000,000.00 (the “Note”) for the purpose of providing funds, together with other available funds of FPUA, to provide short-term working capital and pay closing costs for the Line of Credit. Because of the characteristics of the Note, prevailing market conditions, and savings to be realized from an award of the Note by negotiated sale, it is in the best interest of FPUA to award the Note to the Bank by negotiated sale in substantial accordance with the Proposal, which Proposal is attached hereto as Exhibit “A” (the “Proposal”); provided, however, that the provisions of this Resolution and the Loan Agreement and Note shall control to the extent of any conflict with the Proposal. The interest rate formula is set forth in the Note.

Prior to the issuance of the Note FPUA shall receive from the Bank a disclosure statement containing the information required by Section 218.385, Florida Statutes. The Note shall be dated the date of its execution and delivery, which shall be a date agreed upon by FPUA and the Bank, and shall have such other terms and provisions, including the interest rate and maturity date, as stated in the form of Note attached hereto as Exhibit “B.” The Note is to be in substantially the form set forth on Exhibit “B” hereto, together with such changes as shall be approved by the Chairman of FPUA or, in the event of the unavailability of the Chairman, the Vice Chairman (collectively, the “Chairman”), and the Director of Utilities of FPUA (the “Director of Utilities”), such approval to be conclusively evidenced by the execution thereof by the Chairman.

The Note shall be executed in the name of FPUA by the signature of the Chairman, and its official seal shall be affixed thereto or imprinted or reproduced thereon and attested by the Secretary or, in the event of the unavailability of the Secretary, any Assistant Secretary

(collectively, the “Secretary”). The signatures of said Chairman and Secretary on the Note shall be manual signatures. In case any one or more of the officers who shall have signed or sealed the Note shall cease to be such officer of FPUA before the Note so signed and sealed shall have been actually delivered, such Note may nevertheless be delivered as herein provided and may be issued as if the person who signed or sealed such Note had not ceased to hold such office.

Section 4. Loan Agreement. Notwithstanding any other provision hereof, the Note shall not be issued nor shall FPUA be obligated to issue the same nor shall the Bank be obligated to purchase the same, unless and until FPUA and the Bank shall execute a Revolving Loan Agreement in substantially the form attached hereto as Exhibit “C” (the “Loan Agreement”). The forms of the Loan Agreement and the Loan Documents (as defined in the Loan Agreement) are hereby approved by FPUA and the Chairman is authorized to execute the same, with such changes as may be approved by the Chairman and the Director of Utilities, such approval to be conclusively evidenced by the execution thereof by the Chairman. The Loan Agreement shall be executed in the name of FPUA by the signature of the Chairman and its official seal shall be affixed thereto or imprinted or reproduced thereon and attested by the Secretary.

Section 5. Delegation of FPUA to Take Other Action. The Director of Utilities, upon the advice of FPUA’s Bond Counsel and FPUA Attorney, is authorized to take such further action as may be necessary or desirable to allow the Bank to purchase Note from FPUA at the earliest possible date consistent with the timetable and market conditions, including execution and delivery of the Loan Documents.

Section 6. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions herein contained shall 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 severable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Note or Loan Agreement.

Section 7. Repeal of Inconsistent Instruments. All resolutions of FPUA or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 8. Effective Date. This resolution shall become effective immediately upon its adoption.

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PASSED AND DULY ADOPTED at a regular meeting duly called and held this 17th day of January, 2023.

(SEAL)

FORT PIERCE UTILITIES AUTHORITY
OF THE CITY OF FORT PIERCE,
FLORIDA

Chairman

ATTEST:

Secretary

APPROVED AS TO FORM AND
CORRECTNESS

FPUA Attorney

Exhibit A: Proposal from Seacoast National Bank
Exhibit B: Form of Promissory Note
Exhibit C: Form of Revolving Loan Agreement