

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF POLK COUNTY, FLORIDA, SUPPLEMENTING RESOLUTION NO. 91-03 OF THE COUNTY, AS THE SAME HAS BEEN SUPPLEMENTED, AMENDED, RESTATED AND COMPILED BY RESOLUTION NO. 04-157, AS FURTHER SUPPLEMENTED AND AMENDED; PROVIDING FOR AND AUTHORIZING THE ISSUANCE OF THE COUNTY'S UTILITY SYSTEM REVENUE AND REVENUE REFUNDING BONDS, SERIES 2024, IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$105,000,000 TO FINANCE OR REFINANCE THE COST OF (1) REFUNDING ALL OR A PORTION OF THE COUNTY'S OUTSTANDING UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES 2012, UTILITY SYSTEM REVENUE AND REFUNDING BONDS, SERIES 2013, UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES 2014A AND UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES 2014C (2) CONSTRUCTION AND ACQUISITION OF ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE COUNTY'S WATER AND WASTEWATER COLLECTION AND TREATMENT SYSTEM, AND (3) PAYING THE COSTS OF ISSUANCE OF SUCH BONDS; PROVIDING FOR THE PAYMENT OF SUCH BONDS FROM GROSS REVENUES OF THE SYSTEM AND CERTAIN CONNECTION CHARGES ON A PARITY WITH OUTSTANDING BONDS; AUTHORIZING THE CHAIRMAN OF THE BOARD TO AWARD THE SALE OF SUCH BONDS TO THE UNDERWRITERS DESCRIBED HEREIN PURSUANT TO THE TERMS OF A PURCHASE CONTRACT APPROVED HEREIN, ALL IN ACCORDANCE WITH CERTAIN PARAMETERS SET FORTH HEREIN; APPOINTING A PAYING AGENT AND REGISTRAR WITH RESPECT TO SUCH BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF AN AGREEMENT RELATED TO THE PAYING AGENT AND REGISTRAR; APPROVING THE FORM AND AUTHORIZING THE CIRCULATION OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT; AUTHORIZING THE CHAIRMAN OR CLERK TO DEEM FINAL THE PRELIMINARY OFFICIAL STATEMENT; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A CONTINUING DISCLOSURE CERTIFICATE; APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF AN ESCROW DEPOSIT AGREEMENT AND APPOINTING AN ESCROW AGENT THEREUNDER; AUTHORIZING CERTAIN OFFICIALS OF THE COUNTY TO EXECUTE ANY DOCUMENTS AND TAKE ANY ACTIONS REQUIRED IN CONNECTION WITH THE ISSUANCE OF SAID BONDS; PROVIDING AN EFFECTIVE DATE FOR THIS RESOLUTION; AND PROVIDING CERTAIN OTHER DETAILS WITH RESPECT THERETO.

WHEREAS, the Board of County Commissioners (the "Board") of Polk County, Florida (the "Issuer" or the "County") adopted Resolution No. 91-03 on September 24, 1991 ("Resolution No. 91-03"), as amended and supplemented by Resolution No. 91-04 adopted on

October 3, 1991, and Resolution No. 97-05 adopted on August 12, 1997, as supplemented, amended, restated and compiled by Resolution No. 03-15 adopted on February 19, 2003, as supplemented, amended, restated and compiled by Resolution No. 04-157 adopted by the Board on November 3, 2004, as heretofore supplemented and amended (the "Bond Resolution"), pursuant to which the Issuer has issued its Utility System Revenue Refunding Bonds, Series 2012 (the "2012 Bonds"), its Utility System Revenue and Refunding Bonds, Series 2013 (the "2013 Bonds"), its Utility System Revenue Refunding Bonds, Series 2014A (the "2014A Bonds"), its Utility System Revenue Refunding Bonds, Series 2014C (the "2014C Bonds") and its Utility System Revenue and Revenue Refunding Bonds, Series 2020 (the "2020 Bonds"); and

WHEREAS, the Bond Resolution authorizes the issuance of Additional Bonds (as such term is defined in the Bond Resolution) for the purpose of financing the acquisition and construction of additions, extensions and improvements to, and the repair of the Issuer's water distribution and wastewater collection and treatment system (the "System") and refunding outstanding Bonds; and

WHEREAS, the Issuer desires to acquire and construct, or to reimburse certain costs of acquisition and construction of certain additions, extensions and improvements to the System, including, without limitation, those described in Exhibit "A" hereto (the "2024 Project"); and

WHEREAS, the Board has determined that upon satisfying the conditions described herein it will be in the best interest of the Issuer to issue its Utility System Revenue and Revenue Refunding Bonds, Series 2024 (the "2024 Bonds") as Additional Bonds under the Bond Resolution to (i) refund all or a portion of the Outstanding 2012 Bonds, 2013 Bonds, 2014A Bonds and/ or 2014C Bonds (collectively, the "Refunded Bonds"), (ii) finance the acquisition and construction of the 2024 Project, and (iii) pay the costs of issuance of the 2024 Bonds; and

WHEREAS, BofA Securities, Inc., Jefferies LLC and PNC Capital Markets LLC (collectively, the "Underwriters") intend to submit an offer to purchase the 2024 Bonds by negotiated sale pursuant to the terms of a Purchase Contract between the Issuer and the Underwriters in substantially the form attached hereto as Exhibit "B" (the "Purchase Contract"); and

WHEREAS, because of the currently fluctuating conditions existing in the market for securities similar to the 2024 Bonds, the Issuer finds it appropriate to delegate to the Chairman, the authority to determine whether it is in the best interests of the Issuer to issue the 2024 Bonds, to refund the Refunded Bonds, to accept the offer of the Underwriters to purchase the 2024 Bonds pursuant to the terms of the Purchase Contract if certain conditions set forth in this Resolution are met, and to make certain other determinations with respect to the 2024 Bonds and the security therefor all as set forth herein; and

WHEREAS, the Issuer desires to approve the form of the Preliminary Official Statement (the "Preliminary Official Statement") attached hereto as Exhibit "C" and an official statement (the "Final Official Statement") in substantially the form of the Preliminary Official Statement in connection with the issuance and sale of the 2024 Bonds; and

WHEREAS, the Issuer desires to authorize the Chairman or the Clerk of the Circuit Court of the Tenth Judicial Circuit and ex officio clerk of the Board (the "Clerk") to deem the

Preliminary Official Statement final on behalf of the Issuer for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934 (the "Rule"), to authorize the use of the Preliminary Official Statement and the Final Official Statement in the marketing of the 2024 Bonds and to authorize the execution and delivery of the Final Official Statement; and

WHEREAS, the Issuer desires to approve the form of and authorize the execution and delivery of a Continuing Disclosure Certificate related to the 2024 Bonds substantially in the form attached hereto as Exhibit "D" (the "Continuing Disclosure Certificate"); and

WHEREAS, the Issuer desires to approve the form of and authorize the execution and delivery of an Escrow Deposit Agreement related to the Refunded Bonds substantially in the form attached hereto as Exhibit "E" (the "Escrow Deposit Agreement") and appoint The Bank of New York Mellon Trust Company, N.A. as the escrow agent (the "Escrow Agent") related thereto; and

WHEREAS, the Issuer desires to appoint The Bank of New York Mellon Trust Company, N.A., as initial Paying Agent and Registrar with respect to the 2024 Bonds and authorize the execution and delivery of a Registrar and Paying Agent Agreement substantially in the form attached hereto as Exhibit "F" (the "Registrar and Paying Agent Agreement");

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF POLK COUNTY, FLORIDA, that:

SECTION 1. Authority. This Resolution is adopted pursuant to Article VIII, Section 1, Constitution of the State of Florida, Chapter 125, Florida Statutes, Chapter 159, Florida Statutes, Ordinance No. 85-34 enacted by the Board on December 17, 1985, the Charter of the Issuer (collectively, the "Act") and the Bond Resolution.

SECTION 2. Definitions. All terms used herein in capitalized form, unless otherwise defined herein, shall have the same meanings as ascribed to them in the Bond Resolution, unless the context otherwise requires. All terms used herein in capitalized form and defined in the preamble hereto shall have the meanings ascribed thereto in such preamble.

In addition, the following terms shall have the meanings ascribed below:

"Authorized Amount" shall mean a principal amount of 2024 Bonds not to exceed \$105,000,000.

"Cost" or "Costs," when used in connection with the 2024 Project, shall mean, to the extent permitted under the Act, costs described under Section 4.02 of the Bond Resolution, including, without limitation (a) cost of construction of the 2024 Project; (b) costs of acquisition by or for the Issuer of such 2024 Project or any component thereof; (c) costs of land and interests therein and the costs of the Issuer incidental to such acquisition; (d) the cost of any indemnity and surety bonds and premiums for insurance during construction; (e) all interest due to be paid on the 2024 Bonds and other obligations relating to the 2024 Project during, and if advisable by the Issuer, for up to one (1) year after the end of, the construction period of the 2024 Project; (f) engineering, legal and other consultant fees and expenses; (g) payments, when due (whether at the maturity of principal or the due date of interest or upon redemption) on any indebtedness of

the Issuer (other than the 2024 Bonds) incurred for such Project; (h) costs of machinery or equipment required by the Issuer for the commencement of operation of the 2024 Project; and (i) any other costs properly attributable to such construction or acquisition, as determined by generally accepted accounting principles and may include reimbursement to the Issuer of costs previously paid or financed by the Issuer to the extent legally permissible.

"Financial Advisor" means PFM Financial Advisors LLC, the financial advisor to the Issuer.

"2024 Construction Account" shall mean the 2024 Utility System Revenue Bond Construction Account in the Construction Fund established pursuant to Section 10 hereof.

SECTION 3. Findings.

A. The findings and declarations of the Issuer contained in the Bond Resolution are hereby expressly approved, reaffirmed and ratified to the extent not inconsistent herewith.

B. For the benefit of its inhabitants, the Issuer presently owns, operates and maintains the System for the supply, treatment and distribution of water for domestic, commercial and industrial use, and for the collection, treatment, reuse and disposal of wastewater and sewage waste matter within Polk County, Florida.

C. The Issuer deems it necessary, desirable and in the best interests of the health and welfare of the Issuer and its inhabitants that the 2024 Project be acquired, constructed and installed.

D. The Issuer deems it necessary, desirable and in the best interests of the Issuer that the Refunded Bonds be refunded for debt service savings.

E. The Issuer is authorized under the Act and the Bond Resolution to issue Bonds for various purposes, and it is necessary and in the best interests of the Issuer to provide for the issuance of the 2024 Bonds for the purpose of refunding the Refunded Bonds, financing or reimbursing the Cost of the acquisition, construction and installation of the 2024 Project and to pay the costs of issuance of the 2024 Bonds, all as contemplated herein.

F. The 2024 Bonds will not be issued unless the requirements of the applicable provisions of Section 12.02 of the Bond Resolution are satisfied on or prior to the issuance of the 2024 Bonds, and upon issuance in accordance with the terms hereof, the 2024 Bonds will constitute Additional Bonds under the Bond Resolution, as supplemented hereby, entitled to all the security and benefits thereof and hereof, except as otherwise specifically provided herein.

G. The Bond Resolution, as hereby supplemented, creates a valid and binding pledge of the Gross Revenues and Connection Charges and moneys on deposit in certain funds and accounts established under the Bond Resolution in favor of the Holders of the 2024 Bonds as security for payment of the 2024 Bonds, enforceable by such Holders in accordance with the terms of the Bond Resolution, which lien under the laws of the State of Florida will be on a parity with the lien of the Holders of that portion of Outstanding 2012 Bonds, 2013 Bonds, 2014A Bonds, 2014C Bonds which are not refunded in connection with the issuance of the 2024

Bonds, if any, and the 2020 Bonds (collectively, the "Outstanding Parity Bonds"), with that of the Holders of Additional Bonds hereafter issued and with that of Qualified Hedge Providers with respect to Qualified Hedge Obligations. The Issuer has not heretofore made a pledge of or granted a lien on the Gross Revenues and Connection Charges which pledge or lien would be on a parity with or would be senior to the lien securing the 2024 Bonds and which remains in existence, except for security interests for the benefit of the Holders of the Outstanding Parity Bonds. The Issuer will not grant hereafter a lien upon or pledge of the Gross Revenues and Connection Charges superior to the 2024 Bonds, or, except as expressly permitted by the terms of the Bond Resolution with respect to Additional Bonds and Qualified Hedge Obligations, on a parity with, that of the 2024 Bonds.

H. The 2024 Bonds shall not be secured or payable from any funds or Reserve Products on deposit in the Composite Reserve Account or the Second Composite Reserve Account or any other account in the Reserve Fund created under the Bond Resolution, so that there shall be no Reserve Requirement for the 2024 Bonds.

I. It is estimated that the Gross Revenues and Connection Charges to be derived in each year hereafter and legally available for such purpose will be sufficient to pay all the principal of, premium, if any, and interest on the Bonds Outstanding, including the 2024 Bonds herein authorized, as the same become due, and to make all sinking fund, reserve and other payments in connection therewith as required by the Bond Resolution and this Resolution.

J. The Issuer is not in default in performing any of the covenants and obligations assumed by it under the Bond Resolution, all payments required thereunder to have been made into accounts and funds established therein have been made to the full extent required and no event of default has occurred and is continuing under the Bond Resolution.

K. Because of the characteristics of the 2024 Bonds, prevailing and anticipated market conditions and savings to be realized from the expeditious sale of the 2024 Bonds, and taking into account the advice of the Issuer's Financial Advisor, if the parameters hereinafter set forth are met, it is in the best interest of the Issuer to accept the offer of the Underwriters to purchase the 2024 Bonds in an aggregate principal amount not exceeding the Authorized Amount, at a negotiated sale upon the terms and conditions outlined herein and in the Purchase Contract and as determined by the Chairman in accordance with the terms hereof.

L. The Underwriters will, prior to acceptance by the Issuer of the offer of the Underwriters to purchase the 2024 Bonds, provide the Issuer with (i) a disclosure statement regarding the 2024 Bonds, as applicable, containing the information required by Section 218.385(6), Florida Statutes, and (ii) a Truth-In-Bonding Statement pursuant to Section 218.385(2) and (3), Florida Statutes, and no further disclosure is or shall be required by the Issuer in connection therewith.

SECTION 4. Instrument to Constitute a Contract; Covenants in Bond Resolution Applicable. In consideration of the acceptance of the 2024 Bonds authorized to be issued hereunder by those who shall hold the same from time to time, the Bond Resolution, as supplemented by this Resolution, shall be deemed to be and shall constitute a contract between the Issuer and the registered owners of the 2024 Bonds. 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 registered owners of the 2024 Bonds, and the 2024 Bonds shall be of equal rank with the Outstanding Parity Bonds and with all other Additional Bonds hereafter issued under the Bond Resolution and with Qualified Hedge Obligations hereafter incurred, without preference, priority or distinction over any other thereof. All applicable covenants contained in the Bond Resolution shall be fully applicable to the 2024 Bonds as if originally issued thereunder.

SECTION 5. Authorization of Refunding, 2024 Project and Payment of Costs of Issuance. The refunding of the Refunded Bonds, the acquisition, construction and installation of the 2024 Project, all as contemplated herein, upon satisfaction of the conditions provided in Section 6 below, are hereby authorized.

SECTION 6. Authorization of 2024 Bonds; Delegation to Chairman; Terms and Form of 2024 Bonds.

A. Subject and pursuant to the provisions hereof, the 2024 Bonds to be known as "Polk County, Florida Utility System Revenue and Revenue Refunding Bonds, Series 2024" are hereby authorized to be issued in an aggregate principal amount not exceeding the Authorized Amount for the purpose of (i) refunding the Refunded Bonds, as hereinafter provided, (ii) financing the acquisition and construction of the 2024 Project, and (iii) paying the costs of issuance of the 2024 Bonds. The specific principal amount of the 2024 Bonds shall be determined as hereinafter provided.

B. Notwithstanding anything contained herein to the contrary, the 2024 Bonds shall not be issued until the conditions precedent to the issuance of Additional Bonds contained in the applicable provisions of Section 12.02 of the Bond Resolution have been complied with.

C. Notwithstanding anything herein to the contrary, the Chairman is hereby authorized to determine the principal amount of the 2024 Bonds, provided that the principal amount of the 2024 Bonds shall not exceed the Authorized Amount with respect thereto.

D. The Chairman is hereby authorized to determine which maturity or maturities or portions of such maturities, if any, of the Refunded Bonds will be refunded with proceeds of the 2024 Bonds, provided, however, that the aggregate net present value debt service savings recognized by the Issuer from any such refunding shall be no less than three percent (3.00%) of the aggregate par amount of Refunded Bonds being refunded (the "Minimum Savings"). If the determination is made pursuant to the terms hereof to refund all or a portion of the Refunded Bonds, the redemption of such Refunded Bonds shall occur on the earliest practical date.

E. The Chairman is hereby designated and authorized to award the sale of the 2024 Bonds to the Underwriters in an aggregate principal amount not to exceed the Authorized Amount and to approve the terms thereof, including, without limitation, the date thereof, the principal amount thereof, the interest rate with respect thereto, whether such 2024 Bonds shall be Serial Bonds and/or Term Bonds, the purchase price thereof, the maturity date thereof and the redemption terms with respect thereto; provided, however, that in no event shall (i) the aggregate principal amount of the Series of 2024 Bonds exceed the Authorized Amount, (ii) the purchase price of the 2024 Bonds be less than 99.55% of the original principal amount of the 2024 Bonds (excluding original issue discount and premium), (iii) the interest rate on the 2024 Bonds exceed

the maximum rate permitted by law, (iv) the final maturity of the 2024 Bonds occur after October 1, 2054, (v) the net present value savings from refunding of the Refunded Bonds on aggregate basis be less than the Minimum Savings, or (vi) the 2024 Bonds be callable later than October 1, 2035 or at a redemption price greater than par. The Chairman is hereby authorized to approve the modification of the name or series designation of the 2024 Bonds as deemed appropriate and desirable, to reflect, among other things, the year of issuance, the approval of such modification to be evidenced by the execution of the Purchase Contract showing such modification. No later than the delivery of the 2024 Bonds, the Chairman shall execute a certificate certifying compliance with the terms of this paragraph E with respect to such 2024 Bonds.

F. The 2024 Bonds shall be dated such date, shall bear interest from such date, payable semiannually on the first day of April and the first day of October of each year, commencing on October 1, 2025 or such other date as shall be set forth in the Purchase Contract, at such rates, and shall mature on October 1 of such year or years as shall be established by the Purchase Contract and approved by the Chairman as herein provided. The 2024 Bonds shall be issued as fully registered bonds in the denomination of \$5,000 each or any integral multiple thereof.

G. The 2024 Bonds shall be numbered consecutively from one upward preceded by the letter "R" prefixed to the numbers, with such letter modified to correspond with any changes in series designation as authorized hereby. Principal of and premium, if any, on the 2024 Bonds shall be payable upon presentation and surrender of the 2024 Bonds at the principal corporate trust office of the Bond Registrar.

H. Subject to paragraph E above, the 2024 Bonds may be subject to such optional and/or mandatory redemption prior to their maturity as shall be provided by the Purchase Contract and/or the terms of such 2024 Bonds.

I. Interest on the 2024 Bonds will be paid by check or draft mailed (or in the case of registered owners of \$1,000,000 or more in principal amount of 2024 Bonds who shall request the same in writing and pay the expense thereof, by wire transfer to a bank in the continental United States so long as written instructions for such wire transfer are provided to the Paying Agent at least ten (10) days prior to an interest payment date) to the registered owners thereof 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 2024 Bonds 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. In the event of any such default, such defaulted interest shall be payable to the persons in whose names the 2024 Bonds are registered at the close of business on a special record date for the payment of such defaulted interest as established by notice (which notice shall also designate the payment date) electronically or by deposit in the U.S. mail, postage prepaid, by the Issuer to the Holders of the 2024 Bonds not less than fifteen (15) days preceding such special record date. Such notice shall be sent or mailed to the persons in whose names the 2024 Bonds are registered at the close of business on the fifth day, whether or not a Business Day, preceding the date of sending or mailing. The registration of the 2024 Bonds may be transferred upon the registration books upon delivery thereof to the Registrar, accompanied by a written instrument or instruments of transfer

in form and with guaranty of signature satisfactory to the Issuer or the Registrar, duly executed by the Holder of such 2024 Bonds or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of such 2024 Bonds, along with the social security number or federal employer identification number of such transferee. In all cases of a transfer of a 2024 Bonds, the Registrar shall at the earliest practical time in accordance with the terms hereof 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 2024 Bonds or Bonds of the applicable series and 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 2024 Bonds 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 2024 Bonds, after such 2024 Bonds or any portion thereof have been selected for redemption.

So long as any of the 2024 Bonds remain Outstanding, the Issuer shall maintain and keep, at the office of the Registrar, books for the registration of the 2024 Bonds.

The Registrar or the Issuer may require payment from the registered owner or transferee of a sum sufficient to cover any tax, fee or other governmental charge (other than by the Issuer) that may be imposed in connection with any exchange or transfer of the 2024 Bonds. Such charges and expenses shall be paid before any new 2024 Bonds shall be delivered.

The Issuer and the Registrar may treat the registered owner of any 2024 Bonds as the absolute owner thereof for all purposes, whether or not such 2024 Bonds shall be overdue, and shall not be bound by any notice to the contrary. The person in whose name any 2024 Bonds is registered may be deemed the owner thereof by the Issuer and the Registrar, and any notice to the contrary shall not be binding upon the Issuer or the Registrar.

J. Whenever any 2024 Bonds shall be delivered to the Registrar for cancellation, upon payment of the principal amount thereof, or for replacement, transfer or exchange, such 2024 Bonds shall, after cancellation, shall be destroyed or cancelled by the Registrar and counterparts of a certificate of destruction or cancellation evidencing such destruction shall be furnished to the Issuer.

K. If the date for the payment of principal of, premium, if any, or interest on any 2024 Bonds 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.

L. The 2024 Bonds shall be and have all the qualities and incidents of a negotiable instrument under the laws of the State of Florida, and each successive registered owner, in accepting any of the 2024 Bonds, shall be conclusively deemed to have agreed that such 2024 Bonds shall be and have all of the qualities and incidents of a negotiable instrument under the laws of the State of Florida.

M. The text of the 2024 Bonds and the form of the assignment for such 2024 Bonds shall be substantially in the following form, with such omissions, insertions and variations as may be necessary or desirable and authorized by this Resolution or by any subsequent resolution adopted prior to the issuance thereof, or as may be approved by the Chairman (execution thereof manually or by facsimile to be conclusive evidence of such approval), to the extent applicable, and for execution of the 2024 Bonds by an authenticating agent:

[Form of 2024 Bonds]

REGISTERED
NO. R- ____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF FLORIDA
POLK COUNTY
UTILITY SYSTEM REVENUE AND REVENUE REFUNDING BOND,
SERIES 2024

Interest Rate: _____ % Maturity Date: _____ 1, _____
Dated Date: _____, 2024 CUSIP NO: _____

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ DOLLARS

Polk County, 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 principal office of The Bank of New York Mellon Trust Company, N.A., _____, _____, or its successors, as Bond Registrar and Paying Agent (the "Registrar"), 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, 20___. 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 15th 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 such Bond subsequent to such 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 for the payment of such defaulted interest as established by notice (which notice shall also designate the payment date)

electronically or by deposit in the U.S. mails, postage prepaid, by the Issuer to the Registered Owners of Bonds not less than fifteen (15) days preceding such special record date. Such notice shall be sent or mailed to the persons in whose names the Bonds are registered at the close of business on the fifth (5th) day (whether or not a Business Day) preceding the date of sending or mailing.

This Bond and the interest hereon is payable solely from and secured by a lien upon and pledge of certain revenues (the "Gross Revenues") derived by the Issuer from the operation of the System, together with certain Connection Charges, as that term is defined in Resolution No. 91-03 adopted by the Issuer on September 24, 1991, as supplemented, amended, restated and compiled by Resolution No. 04-157 adopted on November 3, 2004, and as further supplemented and amended, including, without limitation, as supplemented by Resolution No. 2024-____ adopted on _____, 2024 (the "Bond Resolution"), and certain other funds and investment earnings thereon, all in the manner and to the extent provided in the Bond Resolution. Reference is hereby made to the Bond 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 of additional parity indebtedness, 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 Bond Resolution.

This Bond shall not be deemed to constitute a general debt or obligation or a pledge of the faith and credit of the Issuer, the State of Florida or any political subdivision thereof within the meaning of any constitutional, legislative or charter provision or limitation, and it is expressly agreed by the Registered Owner of this Bond that such Registered Owner shall never have the right, directly or indirectly, to require or compel the exercise of the ad valorem taxing power of the Issuer or any other political subdivision of the State of Florida or taxation in any form on any real or personal property for the payment of the principal of and interest on this Bond or for the payment of any other amounts provided for in the Bond Resolution.

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 Gross Revenues, certain Connection Charges, as defined in the Bond Resolution, and certain other funds and investment earnings thereon, all in the manner and to the extent provided in the Bond 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 date, tenor and effect, except as to number, maturity (unless all Bonds mature on the same date) and interest rate, issued on a parity with the Issuer's its Utility System Revenue and Revenue Refunding Bonds, Series 2020[, Utility System Revenue Bonds, Series 2012, its Utility System Revenue and Refunding Bonds, Series 2013, its Utility System Revenue Refunding Bonds, Series 2014A and its Utility System Revenue Refunding Bonds, Series 2014C, not refunded with proceeds of the Bonds]. The Bonds of this series were issued to (i) finance the acquisition and construction of the 2024 Project, (ii) [refund the Issuer's Outstanding

Utility System Revenue Bonds, Series 2012 maturing in the years _____, its Utility System Revenue and Refunding Bonds, Series 2013 maturing in the years _____, its Utility System Revenue Refunding Bonds, Series 2014A maturing in the years _____ and its Utility System Revenue Refunding Bonds, Series 2014C maturing in the years _____], and (iii) pay the costs of issuance of the 2024 Bonds, all pursuant to the authority of and in full compliance with the Constitution and laws of the State of Florida, including particularly the Bond Resolution, Article VIII, Section 1, Constitution of the State of Florida, Chapter 159, Florida Statutes, Chapter 125, Florida Statutes, the Charter of the Issuer and Ordinance No. 85-34 enacted on December 17, 1984. This Bond is also subject to the terms and conditions of the Bond Resolution.

[The Bonds of this issue maturing on and after _____ 1, ____ are subject to redemption prior to maturity at the option of the Issuer [insert optional redemption provisions].]

[Insert Term Bond amortization provisions.]

Notice of such redemption shall be given in the manner required by the Bond 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 Bond 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, 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 shall be a day which 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.

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

This Bond is and has all the qualities and incidents of a negotiable instrument under the laws of the State of Florida.

IN WITNESS WHEREOF, Polk County, Florida, has issued this Bond and has caused the same to be signed by the Chairman of its Board of County Commissioners and attested to and countersigned by the Clerk of such Board, either manually or with their facsimile signatures, and its corporate seal or a facsimile thereof to be reproduced hereon, all as of the ____ day of ____, 2024.

POLK COUNTY, FLORIDA

(SEAL)

By _____
Chairman, Board of County
Commissioners of Polk County,
Florida

ATTESTED:

By _____
Clerk of the Board of County
Commissioners of Polk County,
Florida

CERTIFICATE OF AUTHENTICATION

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

By _____
Authorized Officer

Date of Authentication:

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

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ 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.

Date: _____
Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: No transfer will be registered and no new Bond will be issued in the name of the Transferee, unless the signature(s) to this assignment correspond(s) with the name as it appears 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 is supplied.

ABBREVIATIONS

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

TEN COM — as tenants in common

TEN ENT — as tenants by the entireties

JT TEN — as joint tenants with right of
survivorship and not as tenants
in common

UNIF TRANS MIN ACT — _____
(Cust)

Custodian for _____

under Uniform Transfers to Minors Act of _____
(State)

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

[End of 2024 Bonds Form]

SECTION 7. Approval of Purchase Contract; Approval of Official Statement.

A. The form of the Purchase Contract presented by the Underwriters and attached hereto as Exhibit "B" is hereby approved, subject to such changes, insertions and omissions and such filling of blanks therein as may be approved and made in such Purchase Contract by the Chairman, in a manner consistent with the provisions of this Resolution, such execution to be conclusive evidence of such approval. Upon receipt of a disclosure statement and a Truth-in-Bonding Statement from the Underwriters, the Chairman or Vice-Chairman, with the advice of the Financial Advisor, is hereby authorized to accept the offer of the Underwriters to purchase the 2024 Bonds in accordance with the provisions of Section 6E hereof. The Chairman or Vice-Chairman is hereby authorized to execute the Purchase Contract for and on behalf of the Issuer pursuant to the terms hereof and the Clerk is hereby authorized to attest such signature, to the extent applicable.

B. The Issuer hereby approves the form and content of the Preliminary Official Statement substantially in the form attached hereto as Exhibit "C" and the Final Official Statement which shall be in substantially the same form as the Preliminary Official Statement attached hereto as Exhibit "C" subject, in each case, to such changes, insertions and omissions and such filling of the blanks therein as shall be approved by the Chairman, execution of the Final Official Statement to be conclusive evidence of such approval of the Final Official Statement. The distribution and use of the Preliminary Official Statement and the Final Official Statement by the Underwriters in connection with the marketing of the 2024 Bonds is hereby authorized.

C. In connection with the offering and sale of the 2024 Bonds, the Chairman, Clerk of the Issuer is hereby authorized, on behalf of the Issuer, to deem the Preliminary Official Statement final as of its date, except for Permitted Omissions, in accordance with the Rule. As used herein, "Permitted Omissions" shall mean the offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, bond ratings, and other terms of the 2024 Bonds, depending on such matters.

SECTION 8. Appointment of Registrar and Paying Agent and Approval of Form of Registrar and Paying Agent Agreement. The Bank of New York Mellon Trust Company, N.A. is hereby appointed as Registrar and Paying Agent in connection with the 2024 Bonds. The form of the Registrar and Paying Agent Agreement attached hereto as Exhibit "F" to be utilized in connection with the 2024 Bonds is hereby approved, subject to such changes, insertions and omissions and filling of blanks therein and the attachment of such schedules thereto as may be approved and made in such form of Registrar and Paying Agent Agreement by the officers of the Issuer executing the same, such execution and delivery to be conclusive evidence of such approval. The Chairman is hereby authorized to execute the Registrar and Paying Agent Agreement for and on behalf of the Issuer pursuant to the terms hereof and the Clerk is hereby authorized to attest such signature.

SECTION 9. Application of 2024 Bonds Proceeds. To the extent not otherwise provided by the Issuer by certificate of the Chairman delivered at or prior to the issuance and delivery of the 2024 Bonds, the net proceeds from the sale of the 2024 Bonds shall be disposed of as follows:

(1) An amount equal to the costs of issuance of the 2024 Bonds shall be (a) deposited into a separate subaccount in the 2024 Construction Account, hereinafter created, and used to pay, when due, the costs of issuance of the 2024 Bonds or (b) applied directly to the payment of such costs. The balance of any moneys remaining in the costs of issuance subaccount in the 2024 Construction Account following payment of all costs of issuance of the 2024 Bonds shall be deposited into the 2024 Construction Account.

(2) An amount that, together with investment earnings thereon and, to the extent applicable, other legally available funds of the Issuer, shall be sufficient to pay debt service on the Series of Refunded Bonds to be refunded as provided herein, as the same shall come due, shall be deposited and held under the Escrow Deposit Agreement in connection with the refunding of such Refunded Bonds.

(3) The balance of the proceeds of the 2024 Bonds shall be deposited in the 2024 Construction Account hereinafter created and applied to pay Costs of the 2024 Project.

SECTION 10. Construction Account. There is hereby created and established a fund to be held by the Issuer to be designated the "2024 Utility System Revenue Bonds Construction Account" in the Construction Fund created under the Bond Resolution (the "2024 Construction Account") and a subaccount therein for costs of issuance. Such Account and subaccount shall be kept separate and apart from all other funds and accounts of the Issuer and the moneys on deposit therein shall be withdrawn, used and applied by the Issuer solely for the payment of Costs of the 2024 Project and costs of issuance of the 2024 Bonds. There is hereby

created a lien on the moneys in the 2024 Construction Account in favor of the holders of the 2024 Bonds until applied as herein provided.

Any funds on deposit in the 2024 Construction Account that, in the opinion of the Issuer, are not immediately necessary for expenditure, as herein provided, may be invested and reinvested in Investment Obligations that shall mature or be redeemable at face value not later than the dates on which such funds are needed. All income derived from investment of funds in the 2024 Construction Account shall be deposited therein and shall be used to pay Costs of the 2024 Project.

SECTION 11. Trust Funds. All funds and accounts created hereby and by the Bond Resolution are, and shall be deemed to be, trust funds. All moneys deposited in such funds and accounts shall be held in trust, and the Clerk of the Issuer or any other officer of the Issuer, and any other bank, trust company or fiscal agent holding such moneys shall act as trustee thereof and shall hold and apply the same only for the purposes provided in, and subject to the provisions of, the Bond Resolution and this Resolution.

SECTION 12. Continuing Disclosure. The Issuer hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate to be executed by the Issuer at or prior to the time the Issuer delivers the 2024 Bonds to the Underwriters, as may be amended from time to time in accordance with the terms thereof. The form of the Continuing Disclosure Certificate, attached hereto as Exhibit "D," is hereby approved, subject to such changes, insertions and omissions and filling of blanks therein as may be approved and made therein by the officer of the Issuer executing the same, execution and delivery thereof to be conclusive evidence of such approval. The Chairman is hereby authorized to execute and deliver the Continuing Disclosure Certificate on behalf of the Issuer. Notwithstanding any other provision of the Bond Resolution or this Resolution, failure of the Issuer to comply with such Continuing Disclosure Certificate shall not be considered an Event of Default under the Bond Resolution or hereunder and the sole and exclusive remedy of any Bondholder of a 2024 Bond for the enforcement of the provisions of the Continuing Disclosure Certificate shall be an action for mandamus or specific performance, as applicable, by court order, to cause the Issuer to comply with its obligations under this Section 12 and the Continuing Disclosure Certificate. For purposes of this Section 12, "Bondholder" shall mean any person who (A) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any 2024 Bonds (including persons holding 2024 Bonds through nominees, depositories or other intermediaries), or (B) is treated as the owner of any 2024 Bond for federal income tax purposes. Digital Assurance Certification LLC is hereby designated as dissemination agent (the "Dissemination Agent") for the 2024 Bonds; and any authorized officer is authorized to negotiate with and to enter into an agreement with the Dissemination Agent on terms not inconsistent herewith.

SECTION 13. Purchase in Lieu of Redemption; Redemption Notice Provisions.

A. The Issuer shall have the option to cause the 2024 Bonds to be purchased in lieu of optional redemption on the applicable redemption date at a price equal to the then applicable redemption price, plus accrued interest thereon to, but not including, the date of such purchase. Such option may be exercised by delivery to the Paying Agent (if the Registrar is not the Paying

Agent for such 2024 Bonds) on or prior to the Business Day preceding the redemption date of a written notice of the Issuer specifying that such 2024 Bonds shall not be redeemed, but instead shall be subject to purchase pursuant to this Section 13 with the moneys provided or to be provided by or on behalf of the Issuer. Upon delivery of such notice, such Bonds shall not be redeemed but shall instead be subject to mandatory tender at the redemption price on the date that would have been the redemption date.

B. Notwithstanding anything in the Bond Resolution to the contrary, if less than all of such 2024 Bonds are to be redeemed, if such 2024 Bonds are registered in book-entry only form and so long as DTC or a successor securities depository is the sole registered owner of such 2024 Bonds, the Registrar, upon written instruction from the Issuer shall select such 2024 Bonds of the applicable series for redemption from such maturity dates and in such amounts as are selected by the Issuer, and within such selected maturities by lot within each such maturity in such manner as the Registrar shall determine. In any event, the portion of any such 2024 Bond to be redeemed in part shall be in the principal amount of \$5,000 or any integral multiple thereof. Notwithstanding anything in the Bond Resolution to the contrary, if such 2024 Bonds are not registered in book-entry only form, any redemption of less than all of a maturity of such 2024 Bonds shall be effected by the Issuer among owners on a pro-rata basis; provided, however in any event, the portion of any such 2024 Bond to be redeemed in part shall be in the principal amount of \$5,000 or any integral multiple thereof.

C. Notwithstanding Section 6.05 of the Bond Resolution to the contrary, notice of redemption shall be given by the deposit in the U.S. mails of a copy of said redemption notice, postage prepaid or electronically, at least twenty (20) and not more than sixty (60) days before the redemption date to all registered owners of the 2024 Bonds or portions of 2024 Bonds to be redeemed at their addresses as they appear on the registration books to be maintained in accordance with provisions of the Bond Resolution.

SECTION 14. Approval of Escrow Deposit Agreement and Investment of Proceeds; Designation of Escrow Agent and Verification Agent. The Escrow Deposit Agreement to be utilized in connection with the refunding of the applicable Series of Refunded Bonds, a form of which is attached hereto as Exhibit "E," is hereby approved, subject to such changes, insertions and omissions and filling of blanks therein as may be approved and made in such form of Escrow Deposit Agreement by any officer of the Issuer executing the same, in a manner consistent with the provisions of this Resolution, such execution to be conclusive evidence of such approval. The Chairman and the Clerk are hereby authorize to execute and deliver the Escrow Deposit Agreement on behalf of the Issuer.

The Bank of New York Mellon Trust Company, N.A. is hereby appointed as Escrow Agent under the Escrow Deposit Agreement. The engagement of a certified public accounting firm or other consultant to act as verification agent with respect to the Escrow Deposit Agreement is hereby authorized.

In connection with the refunding of the Refunded Bonds, the Chairman and the Clerk are hereby authorized to cause proceeds of the 2024 Bonds and other legally available funds, and earnings thereon, to be invested in United States Treasury Securities -- State and Local Government Series ("SLGS") or other securities permitted to be used to accomplish the defeasance of such Refunded Bonds in such amounts, at such times, maturing at such times and

having such rate or rates of interest as such officer shall determine are necessary or desirable; and any authorized officer of the Escrow Agent is hereby authorized in the name and on behalf of the Issuer to submit subscriptions to the Bureau of Public Debt of the United States Department of the Treasury for the purchase of book-entry form SLGS and the Financial Advisor is hereby authorized to take bids for the sale of securities to the Issuer for such purposes and the Escrow Agent and Financial Advisor are authorized to take such other action as they deem necessary or appropriate to effectuate such purposes.

SECTION 15. Authorizations.

A. The Chairman and the Clerk are hereby authorized, in accordance with the terms hereof, to sign the Purchase Contract at the places provided therein. The Chairman is hereby authorized to deliver the Purchase Contract to the representative of the Underwriters immediately following the execution thereof.

B. The Chairman and the Clerk of the Issuer or their duly authorized alternative officers are hereby authorized and directed on behalf of the Issuer to execute the 2024 Bonds manually or by their facsimile signature as provided in this Resolution or the Bond Resolution and any of such officers are hereby authorized and directed upon the execution of the 2024 Bonds in the form and manner set forth in this Resolution to deliver the 2024 Bonds in the amounts authorized to be issued hereunder, to the Registrar for authentication and delivery to or upon the order of the Underwriters pursuant to the Purchase Contract, upon payment of said purchase price of the 2024 Bonds and upon compliance by the Underwriters with the terms of the Purchase Contract.

C. The Chairman and the Clerk of the Issuer are hereby authorized to approve the terms and to execute and deliver on behalf of the Issuer the Continuing Disclosure Certificate, the Escrow Deposit Agreement, the Registrar and Paying Agent Agreement and the Final Official Statement.

D. The Chairman, the County Administrator, the Clerk, and such other officers and employees of the Issuer as may be designated by the Chairman, are each designated as agents of the Issuer in connection with the issuance and delivery of the 2024 Bonds and are authorized and empowered, collectively or individually, to take all action and steps and to execute all instruments, documents and contracts on behalf of the Issuer that are necessary or desirable in connection with the execution and delivery of the 2024 Bonds, and which are specifically authorized by or are not inconsistent with, the terms and provisions of this Resolution or any action relating to the 2024 Bonds heretofore taken by the Issuer. Such officers and those so designated are hereby charged with the responsibility for the issuance of the 2024 Bonds.

SECTION 16. General Authority. In addition to the authorization set forth above, the members of the Board and the officers, attorneys and other agents or employees of the Issuer are hereby authorized to do all acts and things required of them by the Bond Resolution, this Resolution, the Continuing Disclosure Certificate, the Purchase Contract, the Registrar and Paying Agent Agreement or the Escrow Deposit Agreement or which are desirable or consistent with the requirements hereof or the Bond Resolution, the Continuing Disclosure Certificate, the Purchase Contract, the Registrar and Paying Agent Agreement, the Escrow Deposit Agreement for the full punctual and complete performance of all the terms, covenants and agreements

contained herein or in the 2024 Bonds, the Continuing Disclosure Certificate, the Purchase Contract, the Registrar and Paying Agent Agreement or the Escrow Deposit Agreement, and each member, employee, attorney and officer of the Issuer and the Clerk are hereby authorized and directed to execute and deliver any and all papers and instruments and to be and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereunder. The Vice Chairman of the Board is hereby authorized to do all acts or things required of the Chairman by the terms hereof in the event of the Chairman's absence or unavailability. A Deputy Clerk is hereby authorized to do all acts and things required of the Clerk by the terms hereof in the event of the Clerk's absence or unavailability.

SECTION 17. Repeal of Inconsistent Resolutions. Except as supplemented hereby, all provisions of the Bond Resolution remain in full force and effect. All other resolutions or parts of other resolutions in conflict herewith are hereby repealed.

SECTION 18. 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 2024 Bonds issued hereunder.

SECTION 19. Effective Date. This Resolution shall become effective immediately upon its adoption.

Passed and duly adopted at a regular meeting of the Board of County Commissioners of Polk County, Florida on the 16th day of July, 2024.

BOARD OF COUNTY COMMISSIONERS
OF POLK COUNTY, FLORIDA

ATTEST:

By: _____
Chairman

STACY BUTTERFIELD, Clerk of the
Circuit Court and Ex-Officio Clerk
of the Board of County Commissioners
of Polk County, Florida

By _____
Deputy Clerk

#240335013_v7
12487-78

LIST OF EXHIBITS

- A 2024 PROJECT
- B PURCHASE CONTRACT
- C PRELIMINARY OFFICIAL STATEMENT
- D FORM OF CONTINUING DISCLOSURE CERTIFICATE
- E ESCROW DEPOSIT AGREEMENT
- F REGISTRAR AND PAYING AGENT AGREEMENT

EXHIBIT A TO RESOLUTION

2024 PROJECT

Vaughn Road Facility Upgrades	Utilities Miscellaneous Services
NE Maintenance Facility	Solar Power Facility Installations
Cypress Lake	New HHUFA #2 Well
CRUSA Tanamora WPT Decom	Cherry Hill WPF
Sherwood Lakes WPF Improvements	SE Well Field SFWMD
PRWC West Polk LFA Deep Wells	Misc Developers Agreement
Babson Park 1 WPF GSR and HSP	Lakeland Bartow Water Int
Water Treatment Facility SCADA Upgrades	Sun Ray WM Upgrades
Rolling Hills WM Upgrades	Northwest Regional Utility Service Area Gibson Oaks Water
Water Main Looping	ERUSA PRWC AWS
CRUSA PRWC AWS Receiving Facility	US Hwy 17/92 Potable WM Extensions
Oakhills/Providence Well #4 Wellhead Installation	Lk Wilson Rd RWM Improvements
Truck Wash Facility	Reclaimed Water Main Looping
US HWY 98 and Duff RD Reclaimed Water main Loop	NERWWTF Expansion 6 to 9 MGD
SCADA Cybersecurity Impr	ECB FM and Master LS
Upgrade LS No 253 Providence	Deeson Rd LS and FM
Lift Station Upgrades (CIP)	Septage Receiving Station
SWRWWTF Ops Building Annex	Pole Barn Improvements
Jordons Grove GSR and HSPS	WWTF SCADA Controls Upgrades
NERUSA PRWC AWS Rec Facility	NWRWWTF/SWRWWTF Dewatering System Improvements
FDC Grove Rd Reclaimed WM Loop	AMI Meter Change-out
SWRWWTF Motor Controls Center Electrical Improvements	R&R Potable Water Projects
R&R Reclaim Projects	Waverly Conv and CS Lining
R&R Wastewater Projects	Crooked Lake Park Receivership
NE Elect/Comm Network Conv	Such other water and wastewater projects included in the capital improvement plan
R and R Bldgs and Non-Prod	

EXHIBIT B TO RESOLUTION
PURCHASE CONTRACT

\$ _____
POLK COUNTY, FLORIDA
Utility System Revenue and Revenue Refunding Bonds, Series 2024

PURCHASE CONTRACT

_____, 2024

Board of County Commissioners of
Polk County
255 N. Broadway Avenue
Bartow, Florida 33831

Ladies and Gentlemen:

The undersigned, BofA Securities, Inc. (the "Representative"), in its capacity as agent, acting on behalf of itself and Jefferies LLC and PNC Capital Markets LLC (collectively, the "Underwriters"), offers to enter into this Purchase Contract with Polk County, Florida (the "County"), subject to written acceptance hereof by the County at or before 11:59 a.m., New York time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Representative upon notice delivered to the County at any time prior to the acceptance hereof by the County.

1. Purchase and Sale. Upon the terms and conditions and in reliance on the representations, warranties, covenants and agreements set forth herein, the Underwriters, jointly and severally, hereby agree to purchase from the County, and the County hereby agrees to sell and deliver to the Underwriters, all (but not less than all) of the \$ _____ aggregate principal amount of the Polk County, Florida Utility System Revenue and Revenue Refunding Bonds, Series 2024 (the "Series 2024 Bonds"). The Series 2024 Bonds shall be dated as of the date of their delivery and shall be payable in the years and principal amounts, bear such rates of interest and be subject to redemption, if applicable, all as set forth in Exhibit A attached hereto. Interest on the Series 2024 Bonds is payable semi-annually on April 1 and October 1 each year, commencing _____ 1, 202_. The purchase price for the Series 2024 Bonds shall be \$ _____ (representing the par amount of the Series 2024 Bonds of \$ _____ [plus/less] a[n] [net] original issue [premium/discount] of \$ _____ and less an Underwriters' discount on the Series 2024 Bonds of \$ _____).

The disclosure statement required by Section 218.385, Florida Statutes, is attached hereto as Exhibit B.

Payment of the principal of and interest on the Series 2024 Bonds shall be secured by a lien on the Gross Revenues (as defined in the hereafter described Resolution), the Connection Charges (as defined in the hereinafter defined Resolution), moneys deposited into certain funds and accounts created by the Resolution, and all earnings thereon (collectively, the "Pledged Funds"), all in the manner and to the extent provided in the Resolution, on parity and equal status with the County's Outstanding Utility System Revenue Refunding Bonds, Series 2012 (the "Series 2012 Bonds") which are not refunded, the Outstanding Utility System Revenue and Refunding Bonds, Series 2013 (the "Series 2013 Bonds") which

are not refunded, the Outstanding Utility System Revenue Refunding Bonds, Series 2014A Bonds (the "Series 2014A Bonds") which are not refunded, the Outstanding Utility System Revenue Refunding Bonds, Series 2014C (the "Series 2014C Bonds") which are not refunded, the Outstanding Utility System Revenue and Revenue Refunding Bonds, Series 2020, and all other "Additional Bonds" hereafter issued under and pursuant to the Resolution, and pursuant to Article VIII, Section 1, Constitution of the State of Florida, Chapter 159, Florida Statutes, Chapter 125, Florida Statutes, the Charter of the County, Ordinance No. 85-34 enacted by the Board of County Commissioners of the County (the "Board") on December 17, 1985 (collectively, the "Act") and by Resolution No. 91-03 adopted by the Board on September 24, 1991, as amended and supplemented, particularly by Resolution No. 91-04 adopted by the Board on October 3, 1991, and Resolution No. 97-05 adopted by the Board on August 12, 1997, as supplemented, amended, restated and compiled by Resolution No. 03-15 adopted by the Board on February 19, 2003, as supplemented, amended, restated and compiled by Resolution No. 04-157 adopted by the Board on November 3, 2004, as amended and supplemented from time to time, as particularly amended by Resolution No. 10-117 adopted by the Board on August 18, 2010 and Resolution No. 2012-122 adopted by the Board on November 20, 2012, and as particularly supplemented by Resolution No. 2024-___ adopted by the Board on July 16, 2024 (collectively, the "Resolution").

The Series 2024 Bonds are being issued, together with other legally available funds of the County, to (i) refund [all or a portion of] the County's Series 2012 Bonds, Series 2013 Bonds, Series 2014A Bonds, and Series 2014C Bonds (the "Refunded Bonds"), (ii) finance or refinance the cost of the acquisition and construction of additions, extensions and improvements to the System, including, without limitation, the various System expansion projects and improvement projects described in the Resolution (the "2024 Project"), and (iii) pay costs of issuance of the Series 2024 Bonds.

The County acknowledges and agrees that: (i) the Underwriters are not acting as a municipal advisor within the meaning of Section 15B of the Securities Exchange Act, as amended, (ii) the primary role of the Underwriters, as underwriters, is to purchase securities, for resale to investors, in an arm's length commercial transaction between the County and the Underwriters and the Underwriters have financial and other interests that differ from those of the County; (iii) the Underwriters are acting solely as principals and are not acting as municipal advisors, financial advisors or fiduciaries to the County and have not assumed any advisory or fiduciary responsibility to the County with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided other services or are currently providing other services to the County on other matters); (iv) the only obligations the Underwriters have to the County with respect to the transaction contemplated hereby expressly are set forth in this Purchase Contract; and (v) the County has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it has deemed appropriate.

2. Delivery of Official Statement and Other Documents.

(a) Prior to the date hereof, the County has provided to the Underwriters for their review the Preliminary Official Statement dated _____, 2024 that the County deemed "final" as required by Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12" or the "Rule") as of its date (the "Preliminary Official Statement"), except for certain permitted omissions (the "Permitted Omissions"), as contemplated by the Rule in connection with the pricing of the Series 2024 Bonds. The Underwriters have reviewed the Preliminary Official Statement prior to the execution of this Purchase Contract in accordance with and as part of their

responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but do not guaranty the accuracy of such information. The County hereby confirms that the Preliminary Official Statement was deemed "final" as of its date, except for the Permitted Omissions.

(b) Within seven (7) business days from the date hereof, and in any event not later than two (2) business days before the date of Closing, the County shall deliver to the Underwriters a final Official Statement relating to the Series 2024 Bonds dated the date hereof (such Official Statement, including the cover page, and all appendices attached thereto, together with all information previously permitted to have been omitted by Rule 15c2-12 and any amendments or supplements and statements incorporated by reference therein or attached thereto, as have been approved by the County, Bond Counsel, Disclosure Counsel and the Representative, is referred to herein as the "Official Statement") and such additional conformed copies thereof as the Representative may reasonably request in sufficient quantities to comply with Rule 15c2-12, rules of the MSRB and to meet potential customer requests for copies of the Official Statement. The Underwriters agree to file a copy of the Official Statement, including any amendments or supplements thereto prepared by the County, with the MSRB on its Electronic Municipal Markets Access ("EMMA") system. The Official Statement shall be executed by and on behalf of the County by an authorized officer of the County. The Official Statement shall be in substantially the same form as the Preliminary Official Statement and, other than information previously permitted to have been omitted by Rule 15c2-12, the County shall only make such other additions, deletions and revisions in the Official Statement which are reasonably approved by the Representative. The County hereby agrees to deliver to the Underwriters an electronic copy of the Official Statement in a form that permits the Underwriters to satisfy their obligations under the rules and regulations of the MSRB and the U.S. Securities and Exchange Commission ("SEC") including in a word-searchable pdf format including any amendments thereto.

(c) From the date hereof until the earlier of (i) ninety days from the "end of the underwriting period" (as defined in the Rule), or (ii) the time when the Official Statement is available to any person from the MSRB (but in no case less than 25 days following the end of the underwriting period), if any event occurs which may make it necessary to amend or supplement the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, the County shall notify the Representative and if, in the reasonable opinion of the County or the reasonable opinion of the Representative, such event requires the preparation and publication of an amendment or supplement to the Official Statement, the County, at its expense (unless such event was caused by the Underwriters), promptly will prepare an appropriate amendment or supplement thereto (and file, or cause to be filed, the same with the MSRB on EMMA, and mail such amendment or supplement to each record owner of Series 2024 Bonds) so that the statements in the Official Statement as so amended or supplemented will not, in light of the circumstances under which they were made, be misleading, in a form and in a manner reasonably approved by the Representative. The County will promptly notify the Representative of the occurrence of any event of which it has knowledge, which, may or could reasonably be an event described in the preceding sentence. Upon such notification, the County and the Representative shall determine whether such event is an event described in the second preceding sentence. The amendments or supplements that may be authorized for use with respect to the Series 2024 Bonds are hereinafter included within the term "Official Statement." Unless otherwise provided in writing by the Representative to the

County on the date of Closing that the Underwriters retain directly, or as a member of an underwriting syndicate, an unsold balance of the Series 2024 Bonds, the end of the underwriting period shall be the date of Closing, but in no event later than 90 days after the Closing.

3. Authority of the Representative; Representative Representations and Warranties. The Representative has been duly authorized to execute this Purchase Contract and has been duly authorized to act hereunder by and on behalf of the other Underwriters and neither the Underwriters nor any "persons" of "affiliate" thereof have been on the "convicted vendor list" during the past 36 months as all such terms are defined in Section 287.133, Florida Statutes.

4. Public Offering. The Underwriters agree to make a bona fide offering to the public (excluding underwriters or related parties thereto) of all of the Series 2024 Bonds at not in excess of the initial public offering price or prices (or not below the yields) set forth on the inside cover page of the Official Statement. If such public offering does not result in the sale of all the Series 2024 Bonds, the Series 2024 Bonds may be offered and sold to certain dealers (including dealers depositing such Series 2024 Bonds into investment trusts) at prices lower than (or yields higher than) such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriters.

The Representative does hereby certify that at the time of the execution of this Purchase Contract, based upon prevailing market conditions, it does not have any reason to believe that any of the Series 2024 Bonds will be initially sold to the public (excluding such underwriters or related parties thereto) at prices in excess of the prices, or yields below the yields, set forth on Exhibit A attached hereto. On _____, 2024 (the "Closing"), the Representative shall deliver to the County a certificate on behalf of the Underwriters, substantially in the form attached hereto as Exhibit D.

The County hereby authorizes the Underwriters to use the forms or copies of the Resolution and the Official Statement and the information contained therein and all other agreements and instruments contemplated therein and herein in connection with the public offering and sale of the Series 2024 Bonds and ratifies and confirms its authorization of the distribution and use by the Underwriters prior to the date hereof of the Preliminary Official Statement in connection with such public offering and sale.

5. Security Deposit. The Representative has delivered herewith to the County a corporate check for _____ and No/100 Dollars (\$_____) payable to the order of the County. In the event that the County does not accept this offer, such check shall be immediately returned to the Representative. If the offer made hereby is accepted, the County agrees to hold this check uncashed until the Closing as security for the performance by the Underwriters of their obligation to accept and pay for the Series 2024 Bonds at the Closing, and, in the event of their compliance with such obligation, such check shall be returned to the Representative at the Closing. In the event of the County's failure to deliver the Series 2024 Bonds at the Closing, or if the County shall be unable to satisfy the conditions of Closing contained herein, or if the obligations of the Underwriters shall be terminated for any reason permitted by this Purchase Contract (other than resulting from a failure to deliver the certificate required by Section 4 hereof), such check shall be immediately returned to the Representative. In the event that the Underwriters fail (other than for a reason permitted hereunder) to accept and pay for the Series 2024 Bonds at the Closing, or if this Purchase Contract is terminated because of the failure of the Underwriters to deliver the certificate required by Section 4 hereof, such check shall be retained by the County as and for full liquidated damages for such failure and for any defaults hereunder on the part of the Underwriters and such retention shall constitute a full release and discharge of all claims by the

County against the Underwriters arising out of the transactions contemplated hereby, it being understood and agreed by the County and the Underwriters that the actual changes in such circumstances may be difficult or impossible to compute.

6. Establishment of Issue Price.

(a) The Representative, on behalf of the Underwriters, agrees to assist the County in establishing the issue price of the Series 2024 Bonds and shall execute and deliver to the County at Closing an "issue price" or similar certificate, substantially in the form attached hereto as Exhibit D, together with the supporting pricing wires or equivalent communications, with such modifications as may be deemed appropriate or necessary, in the reasonable judgment of the Representative, the County and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2024 Bonds. All actions to be taken by the County under this section to establish the issue price of the Series 2024 Bonds may be taken on behalf of the County by the County's municipal advisor identified herein and any notice or report to be provided to the County may be provided to the County's municipal advisor.

(b) **[Except for the hold-the-offering price maturities set forth in Schedule A to Exhibit D attached hereto,]** the County represents that it will treat the first price at which 10% of each maturity of the Series 2024 Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test).

(c) **[The Representative confirms that it has offered the Series 2024 Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the final Official Statement. Schedule A to Exhibit D hereto also sets forth, as of the date of this Purchase Contract, the maturities of the Series 2024 Bonds for which the 10% test has not been satisfied and for which the County and the Representative agree that the restrictions set forth in the next sentence shall apply (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2024 Bonds, the Underwriters will neither offer nor sell unsold Series 2024 Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:**

(i) **the close of the fifth (5th) business day after the sale date; or**

(ii) **the date on which the Underwriters have sold at least 10% of that maturity of the Series 2024 Bonds to the public at a price that is no higher than the initial offering price to the public.]**

(d) The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the Series 2024 Bonds to the public, together with the related pricing

wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A) to report the prices at which it sells to the public the unsold Series 2024 Bonds of each maturity allocated to it until either all Series 2024 Bonds of that maturity allocated to it have been sold or it is notified by the Representative that the 10% test has been satisfied as to the Series 2024 Bonds of that maturity and to comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative and as set forth in the related pricing wires, and

(B) to promptly notify the Representative of any sales of Series 2024 Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Series 2024 Bonds to the public (each such term being used as defined below),

(C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters and any selling group agreement relating to the initial sale of the Series 2024 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2024 Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2024 Bonds of each maturity allocated to it until either all Series 2024 Bonds of that maturity allocated to it have been sold or it is notified by the Representative or such Underwriter that the 10% Test has been satisfied as to the Series 2024 Bonds of that maturity and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative or the Underwriters and as set forth in the related pricing wires.

The County acknowledges that, in making the representations set forth in this section, the Representative will rely on (I) the agreement of each Underwriter to comply with the requirements for establishing issue price of the Series 2024 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2024 Bonds, as set forth in an agreement among underwriters and the related pricing wires, (II) in the event a selling group has been created in connection with the initial sale of the Series 2024 Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Series 2024 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2024 Bonds, as set forth in a selling group agreement and the related pricing wires, and (III) in the event that an Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Series 2024 Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Series 2024 Bonds, including, but not limited to,

its agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the third-party distribution agreement and the related pricing wires. The County further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement to comply with its agreement regarding the requirements for establishing issue price of the Series 2024 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2024 Bonds, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Series 2024 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2024 Bonds.

(d) The Underwriters acknowledge that sales of any Series 2024 Bonds to any person that is a related party to the Underwriters shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

- (i) "public" means any person other than an underwriter or a related party to an underwriter,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2024 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2024 Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2024 Bonds to the public),
- (iii) a purchaser of any of the Series 2024 Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) "sale date" means the date of execution of this Purchase Contract by all parties.

7. County Representations, Warranties, Covenants and Agreements. The County represents and warrants to and covenants and agrees with each of the Underwriters that, as of the date hereof and as of the date of the Closing:

- (a) The County is a political subdivision of the State of Florida (the "State"), duly organized and validly existing pursuant to the Constitution and laws of the State and is

authorized and empowered by law to issue, sell and deliver the Series 2024 Bonds to the Underwriters as described herein; to refund the Refunded Bonds, to adopt the Resolution; to enact Ordinance No. 85-34 on December 17, 1985, as amended and supplemented (collectively, the "Ordinance"), to enact and/or adopt the ordinances and/or resolutions which established the rates, fees, rentals, charges and other income which comprise Gross Revenues of the System and the Connection Charges (collectively, the "Rate Instrument"); to accept this Purchase Contract; to execute the Continuing Disclosure Certificate dated as of the date of Closing, or such other date as determined by the County (the "Continuing Disclosure Certificate"), the one or more Escrow Deposit Agreements dated as of the date of Closing between the County and The Bank of New York Mellon Trust Company, N.A. (the "Escrow Deposit Agreements"), and the Official Statement; and to carry out and consummate all other transactions contemplated by the Official Statement and by each of the aforesaid documents, agreements, resolutions and ordinances.

(b) By official action of the County taken prior to or concurrently with the acceptance hereof, the County has duly adopted and/or enacted the Rate Instrument, adopted the Resolution, and enacted the Ordinance; the Resolution, the Rate Instrument and the Ordinance are in full force and effect, and have not been amended, modified or rescinded; the County has duly authorized and approved the execution and delivery of, and the performance by the County of its obligations contained in the Series 2024 Bonds, the Continuing Disclosure Certificate, the Escrow Deposit Agreements and this Purchase Contract; the County has duly authorized and approved the performance by the County of its obligations contained in the Resolution, the Ordinance, the Rate Instrument, the Continuing Disclosure Certificate, the Escrow Deposit Agreements and this Purchase Contract and the consummation by it of all other transactions contemplated by the Resolution, the Ordinance, the Official Statement and this Purchase Contract to have been performed or consummated at or prior to the date of Closing, and the County is in compliance with the provisions of the Resolution, the Rate Instrument and the Ordinance; when executed and delivered by the applicable parties thereto pursuant to this Purchase Contract, or enacted and/or adopted, as the case may be, the Resolution, the Ordinance, the Rate Instrument, the Continuing Disclosure Certificate and the Escrow Deposit Agreements will each constitute legal, valid and binding limited obligations of the County enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency or other laws affecting creditors' rights and remedies generally and to general principles of equity.

(c) When delivered to and paid by the Underwriters in accordance with the terms of this Purchase Contract, the Series 2024 Bonds will have been duly and validly authorized, executed, issued and delivered and will constitute legal, valid and binding limited obligations of the County enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency or other laws affecting creditors' rights and remedies generally and to general principles of equity, and will be entitled to the benefits of the Resolution.

(d) The County is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State of Florida or the United States, or any agency or department of either, or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the County is a party or to which the County or any of its properties or other assets is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument, in any such case to the

extent that the same would have a material and adverse effect upon the business or properties or financial condition of the County including the County's receipts of the Gross Revenues and Connection Charges in the amounts contemplated by the Official Statement; and the execution and delivery of the Series 2024 Bonds, the Escrow Deposit Agreements, the Continuing Disclosure Certificate and this Purchase Contract and the adoption of the Resolution, the enactment of the Ordinance, the enactment and/or adoption, as the case may be, of the Rate Instrument, and compliance with the provisions on the County's part contained in each, will not conflict with or constitute a breach of or default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the County is a party or to which the County or any of its properties or other assets is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or the assets of the County under the terms of any such law, regulation or instrument, except as provided or permitted by the Series 2024 Bonds and the Resolution.

(e) The County is not and has not been in default on any bond, note or other obligations which it has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest since December 31, 1975 that would be considered material by a reasonable investor; provided, however, the County has not undertaken an independent review or investigation of securities for which it has served as conduit issuer, and the County does not believe that any information about any default on such securities is appropriate and would be considered material by a reasonable investor in the Series 2024 Bonds because the County is not obligated to pay the debt service on any such securities except from payments made to it by the private companies on whose behalf such securities were issued and no funds of the County have been pledged or used to pay such securities or the interest thereon.

(f) All approvals, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction which would constitute a condition precedent to or the absence of which would materially adversely affect the financial condition of the County or the due performance by the County of its obligations under this Purchase Contract, the Resolution, the Ordinance, the Rate Instrument, the Escrow Deposit Agreements, the Continuing Disclosure Certificate and the Series 2024 Bonds have been, or prior to the Closing will have been, duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Series 2024 Bonds or approvals, consents and orders (i) described in the Official Statement as not having been obtained, or (ii) not customarily granted in due course after application therefor and expected to be obtained without material difficulty or delay.

(g) The Series 2024 Bonds, when issued, authenticated and delivered in accordance with the Resolution and sold to the Underwriters as provided herein and in accordance with the provisions of the Resolution, will be legal, valid and binding obligations of the County, enforceable in accordance with their terms and the terms of the Resolution (subject to and limited by bankruptcy, insolvency, reorganization, moratorium, and similar laws in each case relating to or affecting the enforcement of creditor's rights generally, and other general principles of equity), and the Resolution will provide, for the benefit of the holders from time to time of the Series 2024 Bonds, a legally valid and binding pledge of Gross Revenues, legally available Connection

Charges and certain funds and accounts created in the Resolution and earnings thereon, subject to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth therein.

(h) The County has reviewed the information in the Preliminary Official Statement. Except for the information provided by the Underwriters and The Depository Trust Company ("DTC"), as to which no view is expressed by the County, the Preliminary Official Statement was, as of the date thereof, and the Official Statement, is and at all times subsequent hereto up to and including the date of the Closing will be, true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact which is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. In addition, any amendments or supplements to the Official Statement prepared and furnished by the County pursuant hereto will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(i) The Series 2024 Bonds, the Resolution, the Ordinance, the Escrow Deposit Agreements, the Rate Instrument and the Continuing Disclosure Certificate conform in all material respects to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement.

(j) Except as contemplated by the Preliminary Official Statement and the Official Statement, since September 30, 2023, the County will not have incurred any material liabilities, direct or contingent, or entered into any transaction which is material to potential holders of the Series 2024 Bonds, in each case other than in the ordinary course of its business, and there shall not have been any material adverse change in the condition, financial or otherwise, of the County or its properties or other assets.

(k) Except as disclosed in the Preliminary Official Statement and the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity before or by any court, government agency or public board or body, pending or, to the best knowledge of the County, threatened, against or affecting the County or the titles of its officers to their respective offices, or which may affect or which seeks to prohibit, restrain or enjoin the sale, issuance or delivery of the Series 2024 Bonds or the collection of the Gross Revenues or Connection Charges pledged to pay the principal of and interest on the Series 2024 Bonds, or the refunding of the Refunded Bonds, or the acquisition and construction of the 2024 Project or which in any way contests or affects the validity or enforceability of the Series 2024 Bonds, the Resolution, the Ordinance, the Rate Instrument, the Escrow Deposit Agreements, this Purchase Contract, the Continuing Disclosure Certificate, or any of them, or which may result in any material adverse change in the business, properties, other assets or financial condition of the County or the System or contests the tax-exempt status of the interest on the Series 2024 Bonds as described in the Preliminary Official Statement and the Official Statement, or which contests in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or which contests the power of the County or any authority or proceedings for the issuance, sale or delivery of the Series 2024 Bonds or this Purchase Contract, nor, to the best knowledge of the County, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Series 2024 Bonds,

the Resolution, the Ordinance, the Rate Instrument, the Escrow Deposit Agreements, the Continuing Disclosure Certificate or this Purchase Contract.

(l) The County will furnish such information, execute such instruments and take such other action not inconsistent with law in cooperation with the Underwriters as the Underwriters may reasonably request in order (i) to qualify the Series 2024 Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters may designate, and/or (ii) to determine the eligibility of the Series 2024 Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Series 2024 Bonds; provided that the County shall not be obligated to take any action that would subject it to the general service of process in any state where it is not now so subject or require it to qualify to do business and any expense related to the foregoing shall be borne by the Underwriters.

(m) The County will advise the Underwriters promptly of any proposal to amend or supplement the Official Statement and will not affect any such amendment or supplement without the consent of the Underwriters. The County will advise the Underwriters promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Preliminary Official Statement or the Official Statement in connection with the offering, sale or distribution of the Series 2024 Bonds.

(n) Other than as disclosed in the Official Statement and the Preliminary Official Statement, the County has not, in the past five (5) years, failed to comply in any material respect with any agreement to provide continuing disclosure information pursuant to the Rule.

(o) Relating to outstanding debt of the County, there is not an unfunded materially significant arbitrage rebate liability of the County owing the Internal Revenue Service.

(p) The County has the authority to refund the Refunded Bonds and finance the costs of the 2024 Project.

(q) Any certificates executed by any officer of the County and delivered to the Underwriters pursuant hereto or in connection herewith shall be deemed a representation and warranty of the County as to the accuracy of the statements therein made.

(r) Between the date hereof and the time of the Closing, the County shall not, without the prior written consent of the Representative, offer or issue in any material amount of any bonds, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, except in the course of normal business operations of the County or except for such borrowings as may be described in or contemplated by the Official Statement.

8. The Closing. At 11:00 a.m., New York time, on the date of Closing, or at such other time or date to which the County and the Underwriters may mutually agree, the County will, subject to the terms and conditions hereof, deliver the Series 2024 Bonds in book-entry form to the account of the Underwriters, through the Fast Automated Securities Transfer (FAST) system of DTC, duly executed, together with the other documents hereinafter mentioned, and, subject to the terms and conditions

hereof, the Underwriters will accept such delivery and pay the aggregate purchase price of the Series 2024 Bonds as set forth in Section 1 hereof in Federal Funds to the County (such delivery of and payment for the Series 2024 Bonds is herein called the "Closing"). The County shall cause CUSIP identification numbers to be printed on the Series 2024 Bonds, but neither the failure to print such number on any Series 2024 Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriters to accept delivery of and pay for the Series 2024 Bonds in accordance with the terms of this Purchase Contract. The Closing shall occur at the offices of Bond Counsel of the County in Lakeland, Florida, or such other place to which the County and the Underwriters shall have mutually agreed. The Series 2024 Bonds shall be made available to the Underwriters no less than 24 hours before the Closing for purposes of inspecting and packaging. The Series 2024 Bonds shall be prepared and delivered as fully registered Series 2024 Bonds registered in such names and denominations as the Underwriters shall so designate to the County and the printer of the Series 2024 Bonds not less than one day prior to the Closing.

9. Closing Conditions. The Underwriters have entered into this Purchase Contract in reliance upon the representations, warranties, covenants and agreements of the County contained herein and in reliance upon the representations, warranties, covenants and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the County of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriters' obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Series 2024 Bonds shall be conditioned upon the performance by the County of its obligations to be performed hereunder, and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions:

(a) The representations, warranties, covenants and agreements of the County contained herein shall be true, complete and correct on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing;

(b) At the time of Closing, the Resolution, the Rate Instrument, the Ordinance, the Escrow Deposit Agreements and the Continuing Disclosure Certificate shall be in full force and effect and shall not have been amended, modified or supplemented since the date hereof, and the Official Statement as delivered to the Underwriters on the date of Closing shall not have been supplemented or amended, except in any such case as may have been approved by the Underwriters;

(c) At the time of the Closing, all official action of the County relating to this Purchase Contract, the Escrow Deposit Agreements, the Series 2024 Bonds, the Resolution, the Rate Instrument, the Ordinance and the Continuing Disclosure Certificate taken shall be in full force and effect as of the date of Closing and shall not have been amended, modified or supplemented, except for amendments, modifications or supplements which have been approved by the Underwriters prior to the Closing;

(d) At the time of the Closing, except as contemplated by the Official Statement, there shall have been no material adverse change in the financial condition of the County or the System since September 30, 2023; and

(e) At or prior to the Closing, the Underwriters shall have received copies of each of the following documents:

(1) Opinion of Holland & Knight LLP, Lakeland, Florida, dated the date of the Closing and addressed to the County, in substantially the form attached as Appendix D to the Official Statement and a reliance letter pertaining thereto addressed to the Underwriters;

(2) An opinion of Holland & Knight LLP, dated the date of the Closing and addressed to the Underwriters, in such form as is mutually and reasonably acceptable to the County, the Underwriters and Bond Counsel, (i) to the effect that the statements contained in the Official Statement under the captions "DESCRIPTION OF THE SERIES 2024 BONDS" (excluding the information under of the subsection "Book-Entry Only System"), "SECURITY FOR THE BONDS" and "FLOW OF FUNDS," insofar as such statements purport to summarize portions of the Resolution and the Series 2024 Bonds, constitute a fair summary of those portions purported to be summarized therein, and the information under the caption "TAX MATTERS" is accurate (all such opinions referred to in this clause (i) exclude financial, statistical and demographic information contained in Official Statement and information related to DTC), (ii) to the effect that the Series 2024 Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, (iii) to the effect that the Resolution is not required to be qualified under the Trust Indenture Act of 1939, as amended, and (iv) to the effect that, in reliance upon the schedules prepared by the Representative and verified by Integrity Public Finance Consulting LLC, the lien of the holders of the Refunded Bonds on the Gross Revenues and Connection Charges (as such terms are defined in the Resolution) has ceased, determined and become void.

(3) An opinion, dated the date of the Closing and addressed to the County, the Underwriters, Bond Counsel of Randy Mink, Esq., County Attorney, in substantially the form attached hereto as Exhibit C;

(4) A standard disclosure counsel opinion, dated the date of the Closing and addressed to the County, of Bryant Miller Olive P.A., Tampa, Florida, Disclosure Counsel, in form and substance satisfactory to the County and the Representative, and a reliance letter pertaining thereto addressed to the Underwriters which includes an opinion that the Continuing Disclosure Certificate satisfies the requirements of Section (b)(5)(i) of the Rule for an undertaking to provide certain annual financial information and event notices to various information repositories as required by the Rule;

(5) An opinion, dated the date of the Closing and addressed to the Underwriters, of Nabors, Giblin & Nickerson, N.A., Tampa, Florida, counsel for the Underwriters, in a form reasonably acceptable to the Representative;

(6) A certificate dated the date of Closing and signed by the Chairman or Vice Chairman of the Board and the Clerk or Deputy Clerk of the Board, or such other official satisfactory to the Underwriters, and in form and substance satisfactory to the Underwriters, to the effect that (A) the representations, warranties covenants and

agreements of the County contained herein are true and correct to the best of his knowledge and belief in all material respects and are complied with as of the date of Closing, the Series 2024 Bonds, as executed and delivered, are in substantially the form approved by the Board in the Resolution; (B) such officials have no knowledge or reason to believe that the Preliminary Official Statement as of its date or the Official Statement as of its date, and with respect to the Official Statement as of the date of Closing (other than the information provided by DTC and the Underwriters) contains any untrue statement of a material fact which should be included therein for purposes for which the Preliminary Official Statement as of its date and the Official Statement is to be used, or which is necessary in order to make the statements contained therein, in light of the circumstances in which they were made, not misleading; (C) the County has authorized by all necessary action the adoption or enactment and due performance of the Resolution and all authorizations, consents, approvals and reviews of governmental bodies or regulatory authorities then required for the County's execution, delivery and due performance of the Series 2024 Bonds, the Continuing Disclosure Certificate, the Escrow Deposit Agreement, the Purchase Contract and any and all such other agreements and documents as may be required to be executed, delivered and received by the County to carry out, give effect to and consummate the transactions contemplated by the Official Statement, have been obtained or effected; (D) (i) since September 30, 2023, no material and adverse change has occurred in the financial position or results of operations of the County or the System except as set forth in or contemplated by the Official Statement, (ii) the County has not, since September 30, 2023, incurred any material liabilities other than in the ordinary course of business or as set forth in or contemplated by the Official Statement, and (iii) since September 30, 2023, no material adverse change has occurred in the collection of the Gross Revenues or the lawfully available Connection Charges by the County; (E) except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before any court, government agency, public board or body, pending or threatened against the County, (i) to restrain or enjoin the issuance, sale or delivery of the Series 2024 Bonds, or in any way contesting or affecting the validity of, or any authority for the issuance of the Series 2024 Bonds, the enactment or adoption, as the case may be, or validity, of the Ordinance, the Rate Instrument, or the Resolution or the execution and delivery, or validity, of the Escrow Deposit Agreements, this Purchase Contract, or the Continuing Disclosure Certificate or the sale of the Series 2024 Bonds; (ii) questioning, contesting or affecting the corporate existence or powers of the County or the Board or the entitlement to office of the officers thereof or the tax-exempt status of the Series 2024 Bonds; (iii) to restrain or enjoin the collection of the funds pledged or to be pledged to pay the principal of, premium, if any, and interest on the Series 2024 Bonds; (iv) which may result in any material adverse change in the business, properties, assets or the financial condition of the County; (v) which involves the possibility that a judgment or liability, not fully covered by insurance or adequate established reserves, may be entered or imposed against the County or the System; or (vi) which asserts that the Preliminary Official Statement or the Official Statement contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (F) except as disclosed in the Official Statement, the County is not and has not been in default on any bond issued since December 31, 1975

that would be considered material by a reasonable investor; provided however, the County has not undertaken an independent review or investigation of securities for which it has served as conduit issuer, and the County does not believe that any information about any default on such securities is appropriate and would be considered material by a reasonable investor in the Series 2024 Bonds because the County is not obligated to pay the debt service on any such securities except from payments made to it by the private companies on whose behalf such securities were issued and no funds of the County have been pledged or used to pay such securities or the interest thereon; (G) no default under the Resolution has occurred and is continuing, the County is not in breach of the covenants and obligations assumed under the Resolution, and all payments required to be made in the funds and accounts provided under the Resolution, if any, have been made to the full extent required; (H) all provisions regarding any amounts to be rebated to the United States government have been complied with and provisions have been made for the payment of the rebate amount which will become due relating to outstanding debt of the County, there is not an unfunded materially significant arbitrage rebate liability of the County owing the Internal Revenue Service; (I) except as disclosed in the Official Statement, the County has not, in the past five (5) years, failed to comply in any material respect with any prior agreement to provide continuing disclosure pursuant to the Rule; (J) no event affecting the County or the System has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is to be used or which is necessary to be disclosed therein in order to make the statements and information therein not misleading in any material respect; and (K) the financial statements and the other historical financial and statistical data relating to the County and the System included in the Official Statement are true and correct as of the date of such information included in the Official Statement;

(7) Certified copies of the Resolution, the Ordinance and the Rate Instrument;

(8) Executed copies of the Continuing Disclosure Certificate, the Escrow Deposit Agreements, a registrar and paying agent agreement and this Purchase Contract;

(9) Evidence of published ratings by [Moody's Investor's Service, S&P Global Ratings and Fitch Ratings, Inc.] of "___" "___" (___ outlook) and "___" (___ outlook), respectively, for the Series 2024 Bonds;

(10) A certificate of an authorized representative of The Bank of New York Mellon Trust Company, N.A., Jacksonville, Florida (the "Bank"), as Paying Agent and Registrar and Escrow Agent, to the effect that (A) the Bank is a national bank duly organized, validly existing and in good standing under the laws of the United States of America and is duly authorized to exercise trust powers in the State of Florida, (B) the Bank has all requisite authority, power, licenses, permits and franchises, and has full corporate power and legal authority to execute and perform its functions under the Resolution, the registrar and paying agent agreement and the Escrow Deposit Agreements, (C) the performance by the Bank of its functions under the Resolution, the registrar and paying agent agreement and the Escrow Deposit Agreements will not result in any violation of the Articles of Association or Bylaws of the Bank, any court order to

which the Bank is subject or any agreement, indenture or other obligation or instrument to which the Bank is a party or by which the Bank is bound, and no approval or other action by any governmental authority or agency having supervisory authority over the Bank is required to be obtained by the Bank in order to perform its functions under the Resolution, the registrar and paying agent agreement and the Escrow Deposit Agreements, (D) to the best of such authorized representative's knowledge, there is no action, suit, proceeding or investigation at law or in equity before any court, public board or body pending or, to his or her knowledge, threatened against or affecting the Bank wherein an unfavorable decision, ruling or finding on an issue raised by any party thereto is likely to materially and adversely affect the ability of the Bank to perform its obligations under the Resolution, the registrar and paying agent agreement and the Escrow Deposit Agreements, (E) the Bonds have been authenticated in accordance with the terms of the Resolution, and (F) any registrar and paying agent agreement and the Escrow Deposit Agreements has each been duly executed and delivered by the Bank and each constitutes a legal, valid and binding obligation of the Bank, enforceable in accordance with its terms.

(11) The Verification Report of Integrity Public Finance Consulting LLC verifying the mathematical accuracy of the computations contained in the schedules prepared by the Representative with respect to the defeasance of the Refunded Bonds and the yield on the Series 2024 Bonds and the securities held under the Escrow Deposit Agreements.

(12) Evidence reasonably acceptable to the County and the Representative of satisfaction of the requirements of the Resolution for the issuance of the Series 2024 Bonds as Additional Bonds.

(13) Evidence that the County has deemed the Preliminary Official Statement "final" as of its date for purpose of the Rule, except for "permitted omissions."

(14) Such additional legal opinions, certificates, instruments and other documents as the Representative may reasonably request.

All of the evidence, opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Contract shall be deemed to be in compliance with the provisions hereof if, but only if, they are in the form specified herein or are otherwise in form and substance reasonably satisfactory to the Underwriters with such exceptions and modifications as shall be approved by the Representative and as shall not in the reasonable opinion of the Representative materially impair the investment quality of the Series 2024 Bonds.

If the County shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Series 2024 Bonds contained in this Purchase Contract, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Series 2024 Bonds shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriters nor the County shall be under any further obligation hereunder, except that the County shall return the good faith check referred to in Section 5 to the

Representative and the respective obligations of the County and the Underwriters set forth in Section 11 hereof shall continue in full force and effect.

10. Termination. The Underwriters may terminate this Purchase Contract, without liability therefor, by notification to the County, if at any time subsequent to the date of this Purchase Contract at or prior to the Closing:

(a) Legislation shall be enacted by the Congress of the United States, or a bill introduced (by amendment or otherwise) or favorably reported or passed by either the House of Representatives or the Senate of the Congress of the United States or any committee of the House or Senate, or a conference committee of such House and Senate makes a report (or takes any other action), or a decision by a court of the United States or the Tax Court of the United States shall be rendered, or a ruling, regulation or fiscal action shall be issued or proposed by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency with respect to or having the purpose or effect of changing directly or indirectly the federal income tax consequences of interest on obligations of the general character of the Series 2024 Bonds in the hands of the holders thereof (including imposition of a not previously existing minimum federal tax which includes tax-exempt interest in the calculation of such tax), which, in the reasonable opinion of the Representative, materially adversely affects the market price or the marketability of the Series 2024 Bonds.

(b) Any legislation, rule or regulation shall be introduced in, or be enacted by any department or agency in the State, or a decision by any court of competent jurisdiction within the State shall be rendered which, in the reasonable judgment of the Representative, materially adversely affects the market for the Series 2024 Bonds or the sale, at the contemplated offering prices, by the Underwriters of the Series 2024 Bonds to be purchased by them.

(c) Any amendment to the Official Statement is proposed by the County or deemed necessary by Bond Counsel or Disclosure Counsel or the Representative, in any of their reasonable opinions, pursuant to Section 2(c) hereof which materially adversely affects the market for the Series 2024 Bonds or the sale, at the contemplated offering prices, by the Underwriters, in the reasonable opinion of the Representative, of the Series 2024 Bonds to be purchased by them.

(d) Any fact shall exist or any event shall have occurred which makes the Official Statement, in the form as printed, in the reasonable opinion of the Representative, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading, and the Official Statement is not amended pursuant to Section 2(c) hereof.

(e) There shall have occurred any outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war or any other national or international calamity or crisis, financial, political, economic or otherwise, including a general suspension of trading on any national securities exchange which (i) materially adversely affects the market for the Series 2024 Bonds or the sale of the Series 2024 Bonds, at the contemplated offering prices, by the Underwriters, in the reasonable opinion of the Representative, or (ii) causes a material disruption in the municipal bond market and as, in the

reasonable opinion of the Representative, would make it impracticable for them to market the Series 2024 Bonds or to enforce contracts for the sale of the Series 2024 Bonds (it being agreed to by the parties hereto that no such hostilities, calamity or crisis is occurring as of the date hereof which falls within either (i) or (ii) above).

(f) Legislation shall be enacted or any action shall be taken by, or on behalf of, the Securities and Exchange Commission which has the effect of requiring the contemplated distribution of the Series 202 Bonds to be registered under the Securities Act of 1933, or any laws analogous thereto relating to governmental bodies, and compliance therewith cannot be accomplished prior to the Closing.

(g) A general banking moratorium shall have been declared by the United States, New York or Florida authorities which, in the reasonable judgment of the Representative, materially adversely affects the market for the Series 2024 Bonds or the sale, at the contemplated offering prices, by the Underwriters of the Series 2024 Bonds to be purchased by them.

(h) Any national securities exchange, or any governmental authority, shall impose, as to the Series 2024 Bonds or obligations of the general character of the Series 2024 Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriters.

(i) Any rating of the Series 2024 Bonds shall have been downgraded or withdrawn by a national rating service, or any notice shall have been given by a national rating agency of any intended review, downgrading, suspension, withdrawal or negative change in credit watch of their ratings which in the reasonable opinion of the Representative materially adversely affects the market for the Series 2024 Bonds or the sale, at the contemplated offering prices, by the Underwriters of the Series 2024 Bonds to be purchased by them; or any proceeding shall be pending or threatened by the Securities and Exchange Commission against the County.

11. Expenses. The Underwriters shall be under no obligation to pay, and the County shall pay, any expenses incident to the performance of the obligations of the County hereunder including, but not limited to: (a) the cost of preparation, printing or other reproduction of the Resolution; (b) the cost of preparation and printing of the Series 2024 Bonds; (c) the fees and disbursements of Bond Counsel and Disclosure Counsel; (d) the fees and disbursements of the financial advisor to the County; (e) the fees and disbursements of any experts, consultants or advisors retained by the County, including fees of the Paying Agent and Registrar and Escrow Agent; (f) fees for bond ratings; (g) the costs of preparing, printing and delivering a reasonable number of copies of the Preliminary Official Statement and the Official Statement and any supplements or amendments to either of them; (h) the cost of preparing, printing and delivery of this Purchase Contract; (i) the cost of preparing the verification report, if any; and (j) any expenses incurred by the Underwriters on behalf of the County's employees and representatives which are in connection with this Purchase Contract, including, but not limited to, meals, transportation and lodging, and other related expenses of those employees and representatives; the County's obligations in regard to these expenses survive if the underlying transaction fails to close or consummate due to one of the conditions set forth in Section 9 above.

The Underwriters shall pay: (a) all advertising expenses; (b) the cost of preparing, printing and delivery of any agreements among the Underwriters; (c) the cost of all "blue sky" memoranda and related

filing fees; and (d) all other expenses incurred by them or any of them in connection with the public offering of the Series 2024 Bonds, including the fees and disbursements of counsel retained by them, but not including the costs identified in the immediately preceding paragraph. In the event that either party shall have paid obligations of the other as set forth in this Section 11, adjustment shall be made at the time of the Closing.

12. Notices. Any notice or other communication to be given to the County under this Purchase Contract may be given by delivering the same in writing at its address set forth above to the attention of the County Attorney, and any notice or other communication to be given to the Underwriters may be given by delivering the same in writing to BofA Securities, Inc., One Bryant Park, 12th Floor, New York, New York, Attention: Amanda Schlang, Director.

13. Parties in Interest. This Purchase Contract is made solely for the benefit of the County and the Underwriters and no other party or person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties, covenants and agreements in this Purchase Contract shall remain operative and in full force and effect, regardless of: (i) any investigations made by or on behalf of any of the Underwriters; (ii) the delivery of the Series 2024 Bonds pursuant to this Purchase Contract; or (iii) any termination of this Purchase Contract but only to the extent provided by the last part of Section 11 hereof.

14. Waiver. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the County hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriters may be waived by the Representative, in its sole discretion, and the approval of the Representative when required hereunder or the determination of their satisfaction as to any document referred to herein shall be in writing, signed by appropriate officer or officers of the Representative and delivered to the County.

15. Waiver of Jury Trial. Each of the parties to this Purchase Contract hereby knowingly waives any right to trial by jury related to any case or claim arising out of any dispute or controversy hereunder.

16. Entire Agreement. This Purchase Contract contains the entire agreement between the parties relating to the subject matter hereof and supersedes all oral statements, prior writings and representations with respect thereto.

17. Effectiveness. This Purchase Contract shall become effective upon the execution of the acceptance hereof by the Chairman or Vice Chairman of the Board of County Commissioners (and attestation of such execution by the Clerk or Deputy Clerk of the Board of County Commissioners) and shall be valid and enforceable at the time of such acceptance.

18. Counterparts. This Purchase Contract may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

19. Headings. The headings of the sections of this Purchase Contract are inserted for convenience only and shall not be deemed to be a part hereof.

20. Florida Law Governs. The validity, interpretation and performance of this Purchase Contract shall be governed by the laws of the State of Florida.

Very truly yours,

BofA SECURITIES, INC.

By: _____

Name: Amanda Schlang

Title: Director

Accepted by:

POLK COUNTY, FLORIDA

[SEAL]

By: _____
Chairman, Board of County Commissioners

Accepted at _____ [a.m./p.m.] Eastern Time
this ____ day of _____, 2024.

ATTEST AND COUNTERSIGNED:

By: _____
Clerk of the Circuit Court and
County Comptroller

EXHIBIT A

MATURITIES, AMOUNTS, INTEREST RATES, PRICES AND YIELDS

\$ _____

POLK COUNTY, FLORIDA

Utility System Revenue and Revenue Refunding Bonds, Series 2024

\$ _____ Serial Series 2024 Bonds

<u>Maturity</u> <u>(October 1)</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>Yield</u>
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\$ _____ % Term Series 2024 Bonds due October 1, _____ -- Price _____ -- Yield _____%

REDEMPTION PROVISIONS

[TO COME]

EXHIBIT B

\$ _____

POLK COUNTY, FLORIDA

Utility System Revenue and Revenue Refunding Bonds, Series 2024

DISCLOSURE STATEMENT

_____, 2024

Board of County Commissioners of
Polk County
255 N. Broadway Avenue
Bartow, Florida 33831

Ladies and Gentlemen:

In connection with the proposed issuance by Polk County, Florida (the "County") of the Series 2024 Bonds, BofA Securities, Inc. (the "Representative"), on behalf of itself and Jeffries LLC and PNC Capital Markets LLC (collectively, the "Underwriters"), have agreed to underwrite a public offering of above described Bonds (the "Bonds"). Arrangements for underwriting the Bonds will include a Purchase Contract between the County and the Underwriters.

The purpose of this letter is to furnish, pursuant to the provisions of Sections 218.385(2), (3) and (6), Florida Statutes, certain information in respect to the arrangement contemplated for the underwriting of the Bonds as follows:

(a) The nature and estimated amount of expenses to be incurred by the Underwriters in connection with the issuance of the Bonds are set forth on Schedule I attached hereto.

(b) There are no "finders," as that term is defined in Section 218.386, Florida Statutes, connected with the issuance of the Bonds.

(c) The amount of underwriting spread, including the management fee, expected to be realized is as follows:

	<u>Per \$1,000 Bond</u>	<u>Dollar Amount</u>
Average Takedown	\$	\$
Underwriters' Expenses		
Total Underwriting Spread	\$	\$

(d) No other fee, bonus or other compensation is estimated to be paid by the Underwriters in connection with the issuance of the Bonds to any person not regularly employed or retained by the Underwriters, except as described in Schedule I attached hereto.

(e) The name and address of the Underwriters are set forth below:

BofA Securities, Inc.
One Bryant Park, 12th Floor
New York, New York 10036

Jefferies LLC
200 S. Orange Avenue, Suite 1440
Orlando, Florida 32801

PNC Capital Markets LLC
201 N. Franklin Street, Suite 1500
Tampa, Florida 33602

(f) The County is proposing to issue \$_____ aggregate principal amount of the Bonds, together with other legally available funds of the County, primarily to (i) refund [all or a portion of] the County's Outstanding Utility System Revenue Refunding Bonds, Series 2012, the Outstanding Utility System Revenue and Refunding Bonds, Series 2013, the Outstanding Utility System Revenue Refunding Bonds, Series 2014A Bonds, and the Outstanding Utility System Revenue Refunding Bonds, Series 2014C, (ii) finance or refinance the cost of the acquisition and construction of additions, extensions and improvements to the System, including, without limitation, the various System expansion projects and improvement projects described in Resolution No. 2024-__ adopted by the Board on _____, 2024, and (iii) pay costs of issuance of the Series 2024 Bonds.

The Bonds are expected to be repaid over a period of approximately ____ years (from the date of Closing). At an all-inclusive true interest cost rate of ____%, total interest paid over the life of the Bonds will be \$_____.

The source of security for the Series 2024 Bonds is a lien and pledge of the Gross Revenues and Connection Charges, as well as certain funds and accounts, all in the manner and to the extent provided in the Resolution. Authorizing the Bonds will result in an annual average of \$_____ of Gross Revenues and Connection Charges not being available to finance the other services of the County each year for approximately ____ years.

[Remainder of page intentionally left blank]

We understand that the County does not require any further disclosure from the Underwriters, pursuant to Sections 218.385(2), (3) and (6), Florida Statutes.

Very truly yours,

BofA SECURITIES, INC.

By: _____

Name: Amanda Schlang

Title: Director

SCHEDULE I

ESTIMATED EXPENSES TO BE INCURRED BY UNDERWRITERS

Per \$1,000 Bond

Dollar Amount

TOTAL

EXHIBIT C

FORM OF OPINION OF COUNTY ATTORNEY

_____, 2024

Board of County Commissioners
of Polk County
Bartow, Florida

Holland & Knight LLP
Lakeland, Florida

BofA Securities, Inc.
New York, New York

Jeffries LLC
Orlando, Florida

PNC Capital Markets LLC
Tampa, Florida

Re: \$_____ Polk County, Florida
 Utility System Revenue and Revenue Refunding Bonds, Series 2024

Ladies and Gentlemen:

This opinion is being furnished to you in connection with the issuance and sale by Polk County, Florida (the "County"), of its \$_____ Utility System Revenue and Revenue Refunding Bonds, Series 2024 (the "Bonds") dated _____, 2024. The Bonds are being issued pursuant to Article VIII, Section 1, Constitution of the State of Florida, Chapter 159, Florida Statutes, Chapter 125, Florida Statutes, the Charter of the County, Ordinance No. 85-34 enacted by the Board of County Commissioners of the County (the "Board") on December 17, 1985 (collectively, the "Act") and by Resolution No. 91-03 adopted by the Board on September 24, 1991, as amended and supplemented by Resolution No. 91-04 adopted by the Board on October 3, 1991, and Resolution No. 97-05 adopted by the Board by the Board on August 12, 1997, as supplemented, amended, restated and compiled by Resolution No. 03-15 adopted by the Board on February 19, 2003, as supplemented, amended, restated and compiled by Resolution No. 04-157 adopted by the Board on November 3, 2004, as amended and supplemented from time to time, as particularly amended by Resolution No. 10-117 adopted by the Board on August 18, 2010 and Resolution No. 2012-122 adopted by the Board on November 20, 2012, and as particularly supplemented by Resolution No. 2024-__ adopted by the Board on July 16, 2024 (collectively, the "Resolution"). The Bonds are being issued, together with other legally available funds of the County, to finance or refinance the cost of (i) refund [all or a portion of] the County's Outstanding Utility System Revenue Refunding Bonds, Series 2012 (the "Series 2012 Bonds"), the Outstanding Utility System Revenue and Refunding Bonds, Series 2013 (the "Series 2013 Bonds"), the Outstanding Utility System Revenue Refunding Bonds, Series 2014A (the "Series 2014A Bonds"), and the Outstanding Utility System Revenue Refunding Bonds, Series 2014C (the "Series 2014C Bonds," and together with the Series 2012 Bonds to be refunded, the Series 2013 Bonds to be refunded, and the Series 2014A Bonds to be refunded, the "Refunded Bonds"), (ii) finance or refinance the cost of the acquisition and construction of additions, extensions and improvements to the System, including, without limitation, the various System expansion projects and improvement projects described in the Resolution (the "2024 Project"), and (iii) pay costs of issuance of the Series 2024 Bonds. All terms used herein in capitalized form and not otherwise defined herein shall have the same meanings as ascribed to them under the Purchase Contract dated _____, 2024 by and between the

County and BofA Securities, Inc., acting on behalf of itself and Jeffries LLC and PNC Capital Markets LLC (the "Purchase Contract").

I am the duly appointed County Attorney for Polk County, Florida. In that capacity, I have examined all proceedings of the County in connection with the authorization, issuance and sale of the Bonds, including the Resolution which was adopted pursuant to the Act. I have also reviewed the Preliminary Official Statement dated _____, 2024 related to the Bonds (the "Preliminary Official Statement") and the final Official Statement dated _____, 2024 related to the Bonds (the "Official Statement"), the Purchase Contract, the one or more Escrow Deposit Agreements dated as of _____, 2024 between the County and The Bank of New York Mellon Trust Company, N.A. (the "Escrow Deposit Agreements") and the Continuing Disclosure Certificate dated as of _____, 2024 (the "Continuing Disclosure Certificate"). I have also made such investigation and have examined the Rate Instrument, the Ordinance, and such other ordinances, resolutions, certificates, documents, public records and proceedings as I have deemed relevant and necessary in rendering the opinions expressed below. I am of the opinion that:

(1) The County is a political subdivision of the State of Florida, duly organized and validly existing and has full legal right, power and authority to adopt and perform its obligations under the Resolution, the Ordinance and the Rate Instrument and to authorize, execute and deliver and to perform its obligations under the Purchase Contract, the Bonds, the Escrow Deposit Agreements and the Continuing Disclosure Certificate.

(2) The County has duly enacted the Ordinance, has duly adopted the Resolution, and duly enacted and/or adopted, as the case may be, the Rate Instrument, and has duly authorized, executed and delivered the Purchase Contract, the Bonds, the Escrow Deposit Agreements, the Continuing Disclosure Certificate, and each constitutes legal, binding and valid obligations of the County, enforceable in accordance with their respective terms; provided, however, the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity.

(3) With respect to the information in the Official Statement, and without having undertaken to determine independently the accuracy or completeness of the contents of the Official Statement, I have no reason to believe that the Official Statement (except for the financial and statistical data contained therein and except for information therein regarding The Depository Trust Company and its book-entry system of registration and the information under the caption "UNDERWRITING," as to which no view is expressed), as to legal matters, contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(4) The use of the Preliminary Official Statement for the purpose of offering the Bonds for sale has been authorized or ratified by the County.

(5) The Official Statement has been duly authorized, executed and delivered by the County, and the County has consented to the use thereof for the offering of the Bonds.

(6) To the best of my knowledge, the adoption of the Resolution, enactment of the Ordinance, the adoption and/or enactment, as the case may be, of the Rate Instrument and the levying and collecting of rates and charges (including Connection Charges) thereunder, and the authorization,

execution and delivery of the Purchase Contract, the Bonds, the Continuing Disclosure Certificate, the Escrow Deposit Agreements and the Bonds, and compliance with the provisions thereof, will not conflict with, or constitute a breach of or default under, any law, administrative regulation, consent decree, ordinance or resolution or, to the best of my knowledge, any agreement or other instrument to which the County was or is subject as the case may be, nor will such adoption, execution, delivery, authorization or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the County, or under the terms of any law, administrative regulation, ordinance, resolution or instrument, except as expressly provided by the Resolution.

(7) To the best of my knowledge, all approvals, consents, authorizations and orders of any governmental authority or agency having jurisdiction in any matter which would constitute a condition precedent to the performance by the County of its obligations under the Purchase Contract, the Continuing Disclosure Certificate, the Escrow Deposit Agreements, the Bonds, the Resolution, the Ordinance and the Rate Instrument have been obtained and are in full force and effect.

(8) The principal of, redemption premium, if any, and interest on the Bonds are payable from and secured by a lien upon and pledge of the Gross Revenues and Connection Charges on parity and equal status with the County's Series 2012 Bonds which are not refunded, the Series 2013 Bonds which are not refunded, the Series 2014A Bonds which are not refunded, the Series 2014C Bonds which are not refunded, the Outstanding Utility System Revenue and Revenue Refunding Bonds, Series 2020, and all other "Additional Bonds" hereafter issued under and pursuant to the Resolution, all to the extent and in the manner provided in the Resolution, and the County has full authority to pledge such funds in accordance with the terms of the Resolution as security for the Bonds. Neither the general credit nor the taxing power of the County, the State of Florida or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

(9) Except as disclosed in the Official Statement, after due inquiry, as of the date hereof, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or to my knowledge, threatened against the County, (i) affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the refunding of the Refunded Bonds or the financing of the 2024 Project, or (ii) contesting or affecting as to the County the validity or enforceability of the Ordinance, the Resolution or the Rate Instrument in any respect relating to authorization for the issuance of the Bonds, the levying, collecting or pledging of rates and charges (including Connection Charges) related to the System, or the execution and delivery of the Bonds, the Purchase Contract or the Continuing Disclosure Certificate, the Escrow Deposit Agreements, or (iii) contesting the completeness or accuracy of the Official Statement or any supplement or amendment thereto or the tax-exempt status of the Series 2024 Bonds, or (iv) contesting the powers of the County or the Board any authority for issuance of the Bonds, the pledging by the County of Gross Revenues or Connection Charges, or the use thereof to pay debt service on the Bonds, the enactment of the Ordinance, the adoption of the Resolution, the enactment and/or adoption, as the case may be, of the Rate Instrument, or the execution and delivery by the County of the Bonds, the Purchase Contract, the Escrow Deposit Agreements or the Continuing Disclosure Certificate, or (v) materially adversely affecting the operations or financial condition of the County or the System.

(10) The County has the authority to own and operate the System, to determine, fix, impose and collect rates and charges (including Connection Charges) for the use of the System to acquire and construct the 2024 Project and to refund the Refunded Bonds.

Notwithstanding the foregoing, the County Attorney does not pass upon the applicability of any approvals, consents and orders as may be required under the Blue Sky or securities laws or legal investment laws of any state in connection with the offering and sale of the Bonds or in connection with the registration of the Bonds under the federal securities laws.

All opinions as to the enforceability of legal obligations of the County set forth herein are subject to and limited by bankruptcy, insolvency, reorganization, moratorium and similar laws, in each case relating to or affecting the enforcement of creditors' rights generally, and other general principles of equity. Opinions expressed herein are limited solely to Florida law and no opinion is expressed as to the laws of any other state.

The County Attorney is furnishing this opinion to you solely for your benefit and no other person is entitled to rely hereon. This opinion is not to be used, circulated, quoted or otherwise referred to for any other purpose.

Sincerely,

Randy Mink
County Attorney

EXHIBIT D

FORM OF ISSUE PRICE CERTIFICATE

_____, 2024

\$ _____

POLK COUNTY, FLORIDA

Utility System Revenue and Revenue Refunding Bonds, Series 2024

The undersigned, on behalf of BofA Securities, Inc. ("BofA"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

[2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) BofA offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Purchase Contract for the Bonds, BofA has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the unsold Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. BofA has not offered or sold any unsold Bonds of any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.]

[3. ***Defined Terms.***

(a) *County* means Polk County, Florida.

(b) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

(d) *Related Party*, a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(e) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2024.

(f) *Underwriter* means (i) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

(g) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."

(h) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

(i) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (i.e., _____, 2024), or (ii) the date on which BofA has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

[Remainder of page intentionally left blank]

The representations set forth in this certificate are limited to factual matters only and are not necessarily based on personal knowledge and, in certain cases, the undersigned is relying on representations made by the other members of the underwriting group. Nothing in this certificate represents BofA's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the County with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Holland & Knight LLP, Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the County from time to time relating to the Bonds.

BofA SECURITIES, INC., on behalf of the Underwriters

By: _____

Name: _____

Title: _____

Dated: _____, 2024

SCHEDULE A

Sale Price of General Rule Maturities

Initial Offering Price of Hold-the-Offering-Price Maturities

SCHEDULE B

Pricing Wire

EXHIBIT C TO RESOLUTION
PRELIMINARY OFFICIAL STATEMENT

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2024

NEW ISSUE -- BOOK-ENTRY ONLY

See "RATINGS" herein

In the opinion of Holland & Knight LLP, Bond Counsel, under existing law and assuming compliance by the County (hereinafter defined) with certain tax covenants, herein and rendered in reliance on certain schedules described herein, under existing law, interest on the Series 2024 Bonds (as hereinafter defined) is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals under the Code; however, the interest on the Series 2024 Bonds is included in the "adjusted financial statement income" of certain corporations on which the federal alternative minimum tax is imposed under the Code.. Holders of Series 2024 Bonds could be subject to the consequences of other provisions of the Code, as further described herein. See "TAX MATTERS" herein.

\$ _____ *

POLK COUNTY, FLORIDA

Utility System Revenue and Revenue Refunding Bonds, Series 2024

Dated: Date of Delivery

Due: October 1, as shown on the inside cover

The \$ _____ * Polk County, Florida Utility System Revenue and Revenue Refunding Bonds, Series 2024 (the "Series 2024 Bonds") are being issued by Polk County, Florida (the "County") pursuant to Article VIII, Section 1, Constitution of the State of Florida, Chapter 159, Florida Statutes, Chapter 125, Florida Statutes, the Charter of the County, Ordinance No. 85-34 enacted by the Board of County Commissioners of the County (the "Board") on December 17, 1985 (collectively, the "Act") and by Resolution No. 91-03 adopted by the Board on September 24, 1991, as amended and supplemented by Resolution No. 91-04 adopted by the Board on October 3, 1991, and Resolution No. 97-05 adopted by the Board on August 12, 1997, as supplemented, amended, restated and compiled by Resolution No. 03-15 adopted by the Board on February 19, 2003, as supplemented, amended, restated and compiled by Resolution No. 04-157 adopted by the Board on November 3, 2004, as amended and supplemented from time to time, as particularly amended by Resolution No. 10-117 adopted by the Board on August 18, 2010 and Resolution No. 2012-122 adopted by the Board on November 20, 2012, and as particularly supplemented by Resolution No. 2024-____ adopted by the Board on July 16, 2024 (collectively, the "Resolution"). The Series 2024 Bonds are being issued, together with other legally available funds of the County, to (i) refund all or a portion of the County's Outstanding Utility System Revenue Refunding Bonds, Series 2012 (the "Series 2012 Bonds"), the Outstanding Utility System Revenue and Refunding Bonds, Series 2013 (the "Series 2013 Bonds"), the Outstanding Utility System Revenue Refunding Bonds, Series 2014A (the "Series 2014A Bonds"), and the Outstanding Utility System Revenue Refunding Bonds, Series 2014C (the "Series 2014C Bonds"), as more particularly described in "THE REFUNDING PLAN" herein, (ii) finance or refinance the cost of the acquisition and construction of additions, extensions and improvements to the System, including, without limitation, the various System expansion projects and improvement projects described in the Resolution, and (iii) pay costs of issuance of the Series 2024 Bonds.

This cover page contains certain information for quick reference only. It is not, and is not intended to be, a summary of the issue. Investors must read the entire Official Statement to obtain information needed for the making of an informed investment decision.

This Official Statement relates only to the original issuance of the Series 2024 Bonds and speaks only as of its date and should not be relied upon after such date. The information and expressions of opinion herein are subject to change without notice.

The Series 2024 Bonds are being issued by the County as fully registered bonds, which initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases will be made in book-entry form only through Participants (defined herein) in denominations of \$5,000 or any integral multiple thereof. Purchasers of the Series 2024 Bonds (the "Beneficial Owners") will not receive physical delivery of certificates. Transfers of ownership interests in the Series 2024 Bonds will be affected by the DTC book-entry system as described herein. As long as Cede & Co. is the registered owner as nominee of DTC, principal and interest payments are to be made directly to such registered owner which in turn is to remit such payments to the Participants for subsequent disbursement to the Beneficial Owners. Interest on the Series 2024 Bonds is payable semi-annually on each April 1 and October 1, commencing _____ 1, 202_. Principal, premium, if any, and interest on the Series 2024 Bonds will be payable by The Bank of New York Mellon Trust Company, N.A., Jacksonville, Florida, as Registrar.

The Series 2024 Bonds will be subject to redemption prior to maturity and/or purchase in lieu of redemption, as set forth herein.

Payment of the principal of and interest on the Series 2024 Bonds shall be secured by an irrevocable lien on the Gross Revenues (as defined herein), the Connection Charges (as defined herein), moneys deposited into certain funds and accounts created by the Resolution, and all earnings thereon, all in the manner and to the extent provided in the Resolution, on parity and equal status with the Series 2012 Bonds which are not refunded, the Series 2013 Bonds which are not refunded, the Series 2014A Bonds which are not refunded, the Series 2014C Bonds which are not refunded, the Outstanding Utility System Revenue and Refunding Bonds, Series 2020, and all other "Additional Bonds" hereafter issued under and pursuant to the Resolution. See "DESCRIPTION OF THE SERIES 2024 BONDS" herein for a description of the Series 2024 Bonds.

THE SERIES 2024 BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE COUNTY WITHIN THE MEANING OF THE CONSTITUTION OF FLORIDA, BUT SHALL BE PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND A PLEDGE OF THE GROSS REVENUES, THE CONNECTION CHARGES AND THE FUNDS AND THE EARNINGS THEREON PLEDGED TO THE PAYMENT OF THE SERIES 2024 BONDS, IN THE MANNER AND TO THE EXTENT PROVIDED IN THE RESOLUTION. NO SERIES 2024 BONDHOLDER SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE COUNTY OR TAXATION IN ANY FORM ON ANY REAL OR PERSONAL PROPERTY TO PAY SUCH SERIES 2024 BONDS OR THE INTEREST THEREON, NOR SHALL ANY SERIES 2024 BONDHOLDER BE ENTITLED TO PAYMENT OF SUCH PRINCIPAL AND INTEREST FROM ANY OTHER FUNDS OF THE COUNTY OTHER THAN THE GROSS REVENUES, THE CONNECTION CHARGES AND THE FUNDS AND THE EARNINGS THEREON PLEDGED TO PAYMENT OF THE SERIES 2024 BONDS, ALL IN THE MANNER AND TO THE EXTENT PROVIDED IN THE RESOLUTION. THE SERIES 2024 BONDHOLDERS SHALL HAVE NO LIEN UPON THE SYSTEM (AS DEFINED HEREIN).

For MATURITIES, AMOUNTS, INTEREST RATES, PRICES, YIELDS AND INITIAL CUSIP NUMBERS, see inside front cover.

The Series 2024 Bonds are offered when, as, and if issued and received by the Underwriters, subject to the opinion on certain legal matters relating to their issuance by Holland & Knight LLP, Lakeland, Florida, Bond Counsel. Certain legal matters will be passed upon for the County by Randy Mink, Esq., County Attorney and by Bryant Miller Olive P.A., Tampa, Florida, Disclosure Counsel to the County, and for the Underwriters by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, counsel to the Underwriters. PFM Financial Advisors LLC, Orlando, Florida, is serving as Financial Advisor to the County. It is expected that the Series 2024 Bonds in definitive form will be available for delivery to the Underwriters in New York, New York at the facilities of DTC on or about _____, 2024.

BofA Securities

Jefferies

PNC Capital Markets LLC

Dated: _____, 2024

*Preliminary, subject to change.

**MATURITIES, AMOUNTS, INTEREST RATES,
PRICES, YIELDS AND INITIAL CUSIP NUMBERS**

\$ _____*

POLK COUNTY, FLORIDA

**Utility System Revenue and Revenue Refunding Bonds,
Series 2024**

\$ _____* **Serial Series 2024 Bonds**

<u>Maturity</u> <u>(October 1)*</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Price</u>	<u>Yield</u>	<u>Initial CUSIP</u> <u>Number**</u>
2025	\$				
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					

\$ _____* ____% Term Series 2024 Bonds due October 1, ____* – Price _ -- Yield _% - Initial CUSIP No. ____**

* Preliminary, subject to change.

** The County is not responsible for the use of the CUSIP Numbers referenced herein nor is any representation made by the County as to their correctness. The CUSIP Numbers provided herein are included solely for the convenience of the reader of this Official Statement.

RED HERRING LANGUAGE:

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Series 2024 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of such jurisdiction. The County has deemed this Preliminary Official Statement "final," except for certain permitted omissions, within the contemplation of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

**POLK COUNTY, FLORIDA
MEMBERS OF THE BOARD OF COUNTY COMMISSIONERS**

Bill Braswell, Chairman
Rick Wilson, Vice Chairman
Neil Combee, Commissioner
George Lindsey III, Commissioner
Martha Santiago, Ed. D., Commissioner

CLERK OF THE CIRCUIT COURT AND COUNTY COMPTROLLER

Stacy M. Butterfield, CPA

COUNTY MANAGER

Bill Beasley

COMPTROLLER DIVISION DIRECTOR

Dee Dee Beaver, CPA, CGFO

COUNTY ATTORNEY

Randy Mink, Esq.

BUDGET AND MANAGEMENT SERVICES DIVISION DIRECTOR

Christia Johnston

UTILITIES DIVISION DIRECTOR

Tamara Richardson, P.E.

FINANCIAL ADVISOR

PFM Financial Advisors LLC
Orlando, Florida

BOND COUNSEL

Holland & Knight LLP
Lakeland, Florida

DISCLOSURE COUNSEL

Bryant Miller Olive P.A.
Tampa, Florida

No dealer, broker, salesman or other person has been authorized by the County or the Underwriters to give any information or to make any representations in connection with the Series 2024 Bonds other than as contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the County. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2024 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the County and DTC and other sources that are believed to be reliable, but is not guaranteed as to accuracy or completeness by and is not to be construed as a representation by the Underwriters. The Underwriters listed on the cover page hereof have reviewed the information in this Official Statement in accordance with and as part of their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information. The information and expressions of opinion stated herein are subject to change, and neither the delivery of this Official Statement nor any sale made hereunder shall create, under any circumstances, any implication that there has been no change in the matters described herein since the date hereof.

All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreements, and all summaries herein of the Series 2024 Bonds are qualified in their entirety by reference to the form thereof included in the aforesaid documents and agreements.

NO REGISTRATION STATEMENT RELATING TO THE SERIES 2024 BONDS HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION") OR WITH ANY STATE SECURITIES COMMISSION. IN MAKING ANY INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATIONS OF THE COUNTY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2024 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE COMMISSION OR ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. THE FOREGOING AUTHORITIES HAVE NOT PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE A CONTRACT BETWEEN THE COUNTY OR THE UNDERWRITERS AND ANY ONE OR MORE OF THE OWNERS OF THE SERIES 2024 BONDS.

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APPENDICES:

APPENDIX A	General Information Regarding Polk County
APPENDIX B	Copy of Resolution
APPENDIX C	Comprehensive Annual Financial Report of Polk County for Fiscal Year Ended September 30, 2023
APPENDIX D	Form of Bond Counsel Opinion
APPENDIX E	Form of Continuing Disclosure Certificate
APPENDIX F	Financial Feasibility Report

**OFFICIAL STATEMENT
relating to**

\$_____*

POLK COUNTY, FLORIDA

Utility System Revenue and Revenue Refunding Bonds, Series 2024

INTRODUCTION

The purpose of this Official Statement, including the cover page and appendices, is to set forth information concerning Polk County, Florida (the "County") of \$_____* aggregate principal amount of its Utility System Revenue and Revenue Refunding Bonds, Series 2024 (the "Series 2024 Bonds").

The County is the geographical center of the State of Florida and is the fourth largest county and the ninth most populous county in the state. According to the University of Florida, Bureau of Economic and Business Research, the estimated population of Lakeland, the largest city in the County, was 121,968 in 2023. According to the University of Florida, Bureau of Economic and Business Research, the estimated population of the County was 797,616 in 2023. The County has been designated a Metropolitan Statistical Area ("MSA") by the United States Bureau of Census and is known as the Lakeland/Winter Haven MSA. For more information about the County, see "APPENDIX A – General Information Regarding Polk County" attached hereto.

The Series 2024 Bonds are being issued by the County pursuant to Article VIII, Section 1, Constitution of the State of Florida, Chapter 159, Florida Statutes, Chapter 125, Florida Statutes, the Charter of the County, Ordinance No. 85-34 enacted by the Board of County Commissioners of the County (the "Board") on December 17, 1985 (collectively, the "Act") and by Resolution No. 91-03 adopted by the Board on September 24, 1991, as amended and supplemented by Resolution No. 91-04 adopted by the Board on October 3, 1991, and Resolution No. 97-05 adopted by the Board by the Board on August 12, 1997, as supplemented, amended, restated and compiled by Resolution No. 03-15 adopted by the Board on February 19, 2003, as supplemented, amended, restated and compiled by Resolution No. 04-157 adopted by the Board on November 3, 2004, as amended and supplemented from time to time, as particularly amended by Resolution No. 10-117 adopted by the Board on August 18, 2010 and Resolution No. 2012-122 adopted by the Board on November 20, 2012, and as particularly supplemented by Resolution No. 2024-___ adopted by the Board on July 16, 2024 (collectively, the "Resolution"). All capitalized terms used in this Official Statement and not otherwise defined herein have the meanings set forth in the Resolution, unless the context would clearly indicate otherwise. A form of the Resolution is attached hereto as "APPENDIX B – Copy of Resolution."

Payment of the principal of and interest on the Series 2024 Bonds shall be secured by a lien on the Gross Revenues, the Connection Charges, moneys deposited into certain funds and accounts created by the Resolution, and all earnings thereon, all in the manner and to the extent provided in the Resolution, on parity and equal status with the Outstanding Utility System Revenue Refunding Bonds, Series 2012 (the "Series 2012 Bonds") which are not refunded, the Outstanding Utility System Revenue and Refunding Bonds, Series 2013 (the "Series 2013 Bonds") which are not refunded, the Outstanding Utility System Revenue Refunding Bonds, Series 2014A (the "Series 2014A Bonds") which are not refunded, the Outstanding Utility System Revenue Refunding Bonds, Series 2014C (the "Series 2014C Bonds") which are not refunded, the Outstanding Utility System Revenue and Refunding Bonds, Series 2020 (the "Series

2020 Bonds" and together with the Series 2012 Bonds which are not refunded, the Series 2013 Bonds which are not refunded, the Series 2014A Bonds which are not refunded, and the Series 2014C Bonds which are not refunded, the "Outstanding Parity Bonds"), and all other "Additional Bonds" hereafter issued under and pursuant to the Resolution. The Outstanding Parity Bonds and any Additional Bonds hereafter issued are collectively referred to as the "Bonds." See "SECURITY FOR THE BONDS" herein.

The County has agreed and undertaken, for the benefit of Series 2024 Bondholders, to provide certain financial information and operating data relating to the County, the System and the Series 2024 Bonds pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the "SEC"). See "CONTINUING DISCLOSURE" herein and "APPENDIX E – Form of Continuing Disclosure Certificate" attached hereto.

The summaries of and references to all documents, statutes, reports and other instruments referred to herein do not purport to be complete, comprehensive or definitive, and each such summary and reference is qualified in its entirety by reference to each such document, statute, report or instrument. A form of the Resolution is attached hereto as "APPENDIX B – Copy of Resolution."

A copy of all documents of the County referred to herein may be obtained from Stacy M. Butterfield, CPA, Clerk of the Circuit Court and County Comptroller, 255 North Broadway Avenue, Bartow, Florida 33831, Telephone (863) 534-4522.

PURPOSE OF THE SERIES 2024 BONDS

The Series 2024 Bonds are being issued, together with other legally available funds of the County, to (i) refund all or a portion of the County's Series 2012 Bonds, Series 2013 Bonds, Series 2014A Bonds, and Series 2014C Bonds as more particularly described in "THE REFUNDING PLAN" below, (ii) finance or refinance the cost of the acquisition and construction of additions, extensions and improvements to the System, including, without limitation, the various System expansion projects and improvement projects described in the Resolution (the "2024 Project"), and (iii) pay costs of issuance of the Series 2024 Bonds.

THE REFUNDING PLAN

The County intends to currently refund all or a portion of the Series 2012 Bonds, the Series 2013 Bonds, the Series 2014A Bonds, and the Series 2014C Bonds (collectively, the "Refunded Bonds"). Provision for payment will be accomplished through the issuance of the Series 2024 Bonds and the use of a portion of the proceeds thereof, together with other legally available funds, to currently refund the Refunded Bonds. The callable Series 2012 Bonds which comprise Refunded Bonds will be redeemed prior to maturity on _____, 2024 at a redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date. The callable Series 2013 Bonds which comprise Refunded Bonds will be redeemed prior to maturity on _____, 2024 at a redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date. The callable Series 2014A Bonds and Series 2014C Bonds which comprise Refunded Bonds will be redeemed prior to maturity on October 1, 2024 at a redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date.

Upon delivery of the Series 2024 Bonds, the Escrow Agent will enter into one or more Escrow Deposit Agreements (the "Escrow Deposit Agreements") with the County to provide for the refunding of the Refunded Bonds. Each Escrow Deposit Agreement will create an irrevocable escrow deposit fund

(the "Escrow Deposit Funds") which will be held by the Escrow Agent. The money and securities held in the Escrow Deposit Funds are to be applied to the payment of principal of and interest on the Refunded Bonds, as the same become due and payable at maturity or upon redemption prior to maturity. Immediately upon the issuance and delivery of the Series 2024 Bonds, the County will deposit a portion of the proceeds from the sale of the Series 2024 Bonds into each respective Escrow Deposit Fund, together with any legally available funds provided by the County. Substantially all of such money is expected to be invested in certain noncallable direct obligations of the United States of America (the "Refunding Securities"). The maturing principal amount of and interest on the Refunded Securities and any cash held in the Escrow Deposit Funds (i) will be sufficient to pay the principal of and interest on the Refunded Bonds, (ii) will be pledged solely for the benefit of the holders of the Refunded Bonds, and (iii) will not be available for payment of debt service on the Series 2024 Bonds.

The initial cash deposit, plus principal and interest on the Refunding Securities in the Escrow Deposit Funds, will be sufficient to pay the Refunded Bonds to their redemption date according to the schedules prepared by BofA Securities, Inc. and verified by Integrity Public Finance Consulting LLC, a wholly owned subsidiary of Bryant Miller Olive P.A. (the "Verification Agent"). See "VERIFICATION OF ARITHMETICAL COMPUTATIONS" herein.

In reliance upon the above-referenced schedules, at the time of delivery of the Series 2024 Bonds, Bond Counsel will deliver to the Underwriters and the County an opinion to the effect that the pledge of and lien of the holders of the Refunded Bonds on the Gross Revenues and Connection Charges has ceased, determined and become void.

DESCRIPTION OF THE SERIES 2024 BONDS

General

The Series 2024 Bonds will be dated, will mature in the years and in the amounts, will bear interest at the rates and will be payable on the dates set forth on the inside cover page hereof. The Series 2024 Bonds will be issued in fully registered form, and when issued, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository for the Series 2024 Bonds. Individual purchases of the Series 2024 Bonds will be made in book-entry form only in denominations of \$5,000 or integral multiples thereof. Purchasers of Series 2024 Bonds will not receive physical delivery of certificates. Transfer of ownership interests in the Series 2024 Bonds will be effected through a book-entry only system as described herein.

Interest on the Series 2024 Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months and will be payable on each October 1 and April 1, commencing _____ 1, 202_, by The Bank of New York Mellon Trust Company, N.A., Jacksonville, Florida, as Paying Agent, by check or draft mailed to the registered owner, as shown on the registration books of the County maintained by The Bank of New York Mellon Trust Company, N.A., Jacksonville, Florida, as the Registrar (or in the case of Holders of \$1,000,000 or more in aggregate principal amount of Series 2024 Bonds requesting the same in writing, by wire transfer (at the expense of such Holders) to a bank in the continental United States so long as written instructions for such wire transfer are provided to the Paying Agent at least ten (10) days prior to the interest payment date). Interest will be paid to the Holders of Series 2024 Bonds as their addresses may appear on the registration books of the County 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 Series 2024 Bond

subsequent to such Record Date and prior to the next succeeding interest payment date, unless the County 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 persons in whose names the Series 2024 Bonds are registered at the close of business on a special record date for the payment of such defaulted interest as established by notice (which notice shall also designate the payment date) by deposit in the U.S. mail, postage prepaid, by the County to the Holders of the Series 2024 Bonds not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the persons in whose names the Series 2024 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 the Series 2024 Bonds shall be payable at maturity or earlier redemption thereof upon presentation and surrender of such Series 2024 Bonds at the principal office of the Registrar by check or draft.

Book-Entry Only System

THE FOLLOWING INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM DTC, AND NEITHER THE COUNTY TAKES NOR THE UNDERWRITERS TAKE ANY RESPONSIBILITY FOR THE ACCURACY THEREOF.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2024 BONDS, AS NOMINEE OF DTC, CERTAIN REFERENCES IN THIS OFFICIAL STATEMENT TO THE SERIES 2024 BONDHOLDERS OR REGISTERED OWNERS OF THE SERIES 2024 BONDS WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2024 BONDS. THE DESCRIPTION WHICH FOLLOWS OF THE PROCEDURES AND RECORD KEEPING WITH RESPECT TO BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2024 BONDS, PAYMENT OF INTEREST AND PRINCIPAL ON THE SERIES 2024 BONDS TO DIRECT PARTICIPANTS (AS HEREINAFTER DEFINED) OR BENEFICIAL OWNERS OF THE SERIES 2024 BONDS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2024 BONDS, AND OTHER RELATED TRANSACTIONS BY AND BETWEEN DTC, THE DIRECT PARTICIPANTS AND BENEFICIAL OWNERS OF THE SERIES 2024 BONDS IS BASED SOLELY ON INFORMATION FURNISHED BY DTC. ACCORDINGLY, NEITHER THE COUNTY NOR THE UNDERWRITERS MAKE NOR CAN MAKE ANY REPRESENTATIONS CONCERNING THESE MATTERS.

DTC will act as securities depository for the Series 2024 Bonds. The Series 2024 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2024 Bond certificate will be issued for each maturity of the Series 2024 Bonds as set forth in the inside cover of this Official Statement, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants'

accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Direct Participants and the Indirect Participants are collectively referred to herein as the "DTC Participants." DTC has a S&P Global Ratings ("S&P") rating of AA+. The DTC Rules applicable to its DTC Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2024 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2024 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2024 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2024 Bonds, except in the event that use of the book-entry system for the Series 2024 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2024 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2024 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2024 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2024 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2024 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2024 Bonds, such as redemptions, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Series 2024 Bonds may wish to ascertain that the nominee holding the Series 2024 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2024 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2024 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2024 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2024 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest on the Series 2024 Bonds, as applicable, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County and/or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2024 Bonds at any time by giving reasonable notice to the County or Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, the Series 2024 Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2024 Bond certificates will be printed and delivered to DTC.

Transfer of Series 2024 Bonds

So long as the Series 2024 Bonds are registered in the name of DTC or its nominee, the following paragraphs relating to transfer and exchange of Series 2024 Bonds do not apply to the Series 2024 Bonds.

The registration of the Series 2024 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 registered owner of such Series 2024 Bonds or by his attorney-in-fact or legal representative, containing written instructions as to the details of transfer of such Series 2024 Bonds, along with the social security number or federal employer identification number of such transferee. In all cases of a transfer of the Series 2024 Bonds, 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 for the Series 2024 Bonds and shall deliver in the name of the new transferee or transferees a new fully registered Series 2024 Bond or Series 2024 Bonds of the same series and maturity and of authorized denomination or denominations for the same aggregate principal amount and payable from the same sources of funds. Neither the County nor the Registrar shall be required to register the transfer of any Series 2024 Bond during the period commencing on the fifteenth

day of the month next preceding an interest payment date on the Series 2024 Bonds and ending on such interest payment date, or, in the case of any proposed redemption of Series 2024 Bonds, after such Series 2024 Bonds or any portion thereof have been selected for redemption. The Registrar or the County may charge the registered owners of such Series 2024 Bonds for the registration of every such transfer of such Series 2024 Bonds 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 County, with respect to the registration of such transfer, and may require that such amounts be paid before any such new Series 2024 Bonds shall be delivered.

Series 2024 Bonds Mutilated, Destroyed, Stolen or Lost

If any Series 2024 Bond is mutilated, destroyed, stolen or lost, the County or its agent may, in its discretion (i) deliver a duplicate replacement Series 2024 Bond, or (ii) pay a Series 2024 Bond that has matured or is about to mature. A mutilated Series 2024 Bond shall be surrendered to and cancelled by the Clerk of the Circuit Court and County Comptroller of the County or its duly authorized agent. The Series 2024 Bondholder must furnish the County or its agent proof of ownership of any destroyed, stolen or lost Series 2024 Bond; post satisfactory indemnity; comply with any reasonable conditions the County or its agent may prescribe; and pay the County's or its agent's reasonable expenses.

Any such duplicate Series 2024 Bond shall constitute an original contractual obligation on the part of the County whether or not the destroyed, stolen, or lost Series 2024 Bond be at any time found by anyone, and such duplicate Series 2024 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 Series 2024 Bond so mutilated, destroyed, stolen or lost.

Optional Redemption for Series 2024 Bonds

The Series 2024 Bonds which mature prior to October 1, 20__ are not subject to optional redemption. The Series 2024 Bonds which mature on or after October 1, 20__ are subject to redemption at the option of the County on or after _____ 1 , 202_, in whole or in part at any time, in such manner as may be determined by the County and by lot within a maturity if less than all, at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date set for redemption and without premium.

Mandatory Redemption for Series 2024 Bonds

The Series 2024 Bonds maturing on October 1, 20__ are subject to mandatory sinking fund redemption, in part, prior to maturity at a redemption price equal to the principal amount of such Series 2024 Bonds to be redeemed, without premium, plus accrued interest to the date of redemption, in the year and in the amount as follows:

Year (October 1)	Principal Amount
*	\$

*Maturity.

Purchase in Lieu of Redemption

The County shall have the option to cause the Series 2024 Bonds to be purchased in lieu of optional redemption on the applicable redemption date at a price equal to par, plus accrued interest thereon to, but not including the date of such purchase. Such option may be exercised by delivery to the Paying Agent (if the Registrar is not the Paying Agent for such Series 2024 Bonds) on or prior to the business day preceding the redemption date of a written notice of the County specifying that the Series 2024 Bonds shall not be redeemed, but instead shall be subject to purchase pursuant to the Resolution with the moneys provided or to be provided by or on behalf of the County. Upon delivery of such notice, the Series 2024 Bonds shall not be redeemed but shall instead be subject to mandatory tender at the redemption price on the date that would have been the redemption date.

Notice of Redemption

Notice of redemption will be given by the deposit in the U.S. mails of a copy of said redemption notice, postage prepaid or electronically, at least twenty and not more than sixty days before the redemption date to all registered owners of the Series 2024 Bonds or portions of Series 2024 Bonds to be redeemed at their addresses as they appear on the registration books to be maintained in accordance with provisions of the Resolution. Failure to give any such notice to a registered owner of a Series 2024 Bond, or any defect therein, will not affect the validity of the proceedings for redemption of any Series 2024 Bond or portion thereof with respect to which no failure or defect occurred.

Notwithstanding any provision of the Resolution to the contrary, notice of optional redemption may be conditioned upon the occurrence or non-occurrence of such event or events as shall be specified in such notice of optional redemption and may also be subject to rescission by the County if expressly set forth in such notice.

Effect of Notice of Redemption

Notice having been given in the manner and under the conditions described in the immediately in the Resolution, the Series 2024 Bonds or portions of Series 2024 Bonds so called for redemption will, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such Series 2024 Bonds or portions of Series 2024 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 Agent in trust for the registered owners of the Series 2024 Bonds or portions thereof to be redeemed, all as provided in the Resolution, and any conditions to such redemption having been satisfied, interest on the Series 2024 Bonds or portions of Series 2024 Bonds so called for redemption shall cease to accrue, such Series 2024 Bonds and portions of Series 2024 Bonds shall cease to be entitled to any lien, benefit or security under the Resolution, and the registered owners of such Series 2024 Bonds or portions of Series 2024 Bonds shall have no right in respect thereof except to receive payment of the redemption price thereof and, to the extent provided in the Resolution, to receive Series 2024 Bonds for any unredeemed portions of the Series 2024 Bonds.

SECURITY FOR THE BONDS

General

The payment of the principal of, interest on and redemption premiums, if any, on the Bonds shall be secured by an irrevocable lien on the Gross Revenues, the Connection Charges, moneys deposited into funds and accounts created by the Resolution (other than moneys in the Rebate Fund) and all earnings thereon, all in the manner and solely to the extent provided in the Resolution, prior and superior to all other liens or encumbrances on the Gross Revenues, the Connection Charges and such other funds, provided, however, that Qualified Hedge Payments under Qualified Hedge Agreements may be secured on a parity with payments on the Bonds, all in the manner and to the extent provided in the Resolution. As provided in the Resolution, the County has irrevocably pledged the Gross Revenues, the Connection Charges, moneys deposited into the funds and accounts created by the Resolution (other than moneys in the Rebate Fund and any account created in the Reserve Fund solely with respect to a particular Series of Bonds which shall secure only the Series of Bonds with respect to which it was created), and all earnings thereon, all in the manner and solely to the extent provided in the Resolution, to the payment of the Cost of Operation and Maintenance of the System (solely from such Gross Revenues), the principal of, premium, if any, and interest on the Bonds, the funding and maintaining of the reserves therefor as required in the Resolution and for all other payments as provided in the Resolution. In addition, nothing in the Resolution shall be deemed to grant or create a lien on any funds, including investment earnings, in the Rebate Fund. Notwithstanding the foregoing, the Series 2024 Bonds are not secured by the Reserve Fund. See "No Reserve Funding for the Series 2024 Bonds" below.

"Gross Revenues" are defined in the Resolution as all income or earnings derived by the County from the ownership, operation, leasing or use of the System, or any part thereof, including special assessments related to improvements to the System and specifically designated by the Board to be included in Gross Revenues for the purposes of the Resolution, any income from the investment of funds to be deposited in the Revenue Fund, or any of the accounts therein as provided in the Resolution, and proceeds from insurance, condemnation or the disposition of property (to the extent and for the purposes provided in the Resolution), but shall not include (i) proceeds from the sale of any Bonds or other obligations of the County, (ii) Connection Charges, or (iii) moneys received by the County 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 under the Resolution. Notwithstanding anything in the Resolution to the contrary, Gross Revenues shall not include Subsidy Payments for any purpose of the Resolution.

"Subsidy Payments" are defined in the Resolution as payments received by the County from the United States Treasury or the Internal Revenue Service with respect to Subsidy Bonds pursuant to Section 54AA or 6431 of the Internal Revenue Code of 1986, as amended (the "Code") (as such Sections were added by Section 1531 of the American Recovery and Reinvestment Act of 2009) as such sections may be expanded or modified from time to time, and any other such payments made by the federal government or any agency, branch, bureau thereof to subsidize the interest payable by the County on Bonds pursuant to such Sections or any other similar provisions of the Code or other authorizations with respect to Subsidy Bonds.

"System" is defined in the Resolution as the Sewer System and the Water System. The "System" shall not include Separately Financed Projects.

"Water System" is defined in the Resolution as that portion of the System related to the acquisition, treatment, storage and distribution of potable water and all parts and components thereof or interests therein, owned, operated, used or controlled by the County and any leasehold or other interest in any other water plants or facilities which the County owns or acquires, and all such parts and components of the foregoing hereafter constructed, contracted for or acquired, the improvements, extensions and additions thereto to be constructed or acquired either from the proceeds of the Bonds authorized by the Resolution or from any other sources, 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, operated or used by the County 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.

"Sewer System" is defined in the Resolution as that portion of the System related to wastewater collection, treatment, disposal and distribution and for reuse of reclaimed water and all parts and components thereof or interests therein, owned, operated, used or controlled by the County and any leasehold or other interest in any wastewater plants or facilities which the County owns or acquires, and all such parts and components of any of the foregoing hereafter constructed, contracted for or acquired, the improvements, extensions and additions thereto to be constructed or acquired either from the proceeds of the Bonds authorized by the Resolution or from any other sources, 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, operated or used by the County in connection therewith and any joint venture or ownership or other interest in any sewer or wastewater plant or facility or any right to use capacity or receive the output or services of any sewer or wastewater plant or facility. The Sewer System does not include any facilities for the disposal of stormwater.

"Cost of Operation and Maintenance" is defined in the Resolution as 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 includes, without limiting the generality of the foregoing, administrative expenses relating to the System, purchase of water or wastewater treatment services (if the same may be treated as an operating cost under generally accepted accounting principles for governmental entities), including, without limitation, under take-or-pay contracts, 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 for governmental entities, consistently applied. The Cost of Operation and Maintenance does not include (i) any reserve for renewals and replacements, extraordinary repairs or any allowance for depreciation or amortization, (ii) the payment of any principal of and interest on the Bonds and any other notes, bonds and similar obligations of the County, (iii) payments made by the County under leases that are capitalized in accordance with generally accepted accounting principles for governmental entities and (iv) costs of issuance of Bonds paid with proceeds of such Bonds.

"Connection Charges" are defined in the Resolution as the Water Connection Charges and the Sewer Connection Charges. "Water Connection Charges" are defined in the Resolution as all capital expansion fees, system improvement fees or other similar fees and charges, including, without limitation, impact fees, separately imposed by the County as a capacity charge for the proportionate share of the cost of expanding, oversizing, separating or constructing new additions to the Water System, but only to the extent that they are permitted to be used under applicable law to pay debt service on one or more Series

of Bonds issued under the Resolution, and any income from the investment of funds deposited into the Water Connection Charge Fund pursuant to the Resolution. Water Connection Charges do not include payments received by the County as reimbursement for the cost of connecting a new customer with the nearest lateral service lines of the Water System. "Sewer Connection Charges" are defined in the Resolution as all capital expansion fees, system improvement fees or other similar fees and charges, including, without limitation, impact fees, separately imposed by the County as a capacity charge for the proportionate share of the cost of expanding, oversizing, separating or constructing new additions to the Sewer System, but only to the extent that they are permitted to be used under applicable law to pay debt service on one or more Series of Bonds issued under the Resolution, and any income from the investment of funds deposited into the Sewer Connection Charge Fund pursuant to the Resolution. Sewer Connection Charges do not include payments received by the County as reimbursement for the cost of connecting a new customer with the nearest lateral service lines of the Sewer System.

The Resolution limits the amount of Water Connection Charges and Sewer Connection Charges that can be used for the payment of debt service on the Bonds and Qualified Hedge Payments in any Bond Year to an amount which shall not exceed the Water Expansion Project Percentage and the Sewer Expansion Project Percentage, respectively, times the principal and interest due on the Bonds and Qualified Hedge Payments coming due during such Bond Year. "Water Expansion Project Percentage" means a fraction, the numerator of which is the total Project Costs of the Water Expansion Projects that are being or have been financed through the issuance of Bonds and the denominator of which is the total Project Costs of the Projects that are being or have been financed through the issuance of Bonds, all as established by a certificate of the Utility Director at the time of issuance of each Series of Bonds, as such fraction shall be adjusted from time to time as provided in the Resolution. The Water Expansion Project Percentage shall be adjusted as necessary to reflect the issuance of new Series of Bonds and redemptions of Bonds as provided in the Resolution. "Sewer Expansion Project Percentage" means a fraction, the numerator of which is the total Project Costs of the Sewer Expansion Projects that are being or have been financed through the issuance of Bonds and the denominator of which is the total Project Costs of the Projects that are being or have been financed through the issuance of Bonds, all as established by a certificate of the Utility Director at the time of issuance of each Series of Bonds, as such fraction shall be adjusted from time to time. The Sewer Expansion Project Percentage shall be adjusted as necessary to reflect issuance of new Series of Bonds and redemptions of Bonds as provided in the Resolution. The Water Expansion Project Percentage and Sewer Expansion Project Percentage following issuance of the Series 2024 Bonds will equal [_____%] and [_____%], respectively. See "THE SYSTEM AND THE CAPITAL IMPROVEMENTS PROGRAM-- Commercial Connection Charges" herein for the expected Water Expansion Project Percentage and Sewer Expansion Project Percentage after the issuance of the Series 2024 Bonds.

In general, Connection Charges are those fees imposed by the County on new users connecting to the System, which represent a pro rata share of the increased costs to the System resulting from such connection. These charges shall apply to all new or additional equivalent units connected to the System through either a new meter connection or a meter connection already in use.

Under Florida law, impact fees such as the Connection Charges may be validly imposed against new construction in order to fund capital improvements which are necessitated by such new construction or for debt service for debt incurred to finance such improvements. Proceeds of the fees may be placed in separate accounts and used only for the capital improvements attributable to the new construction or related debt service.

IMPACT FEE REVENUES SUCH AS THE CONNECTION CHARGES FLUCTUATE WITH THE AMOUNT OF NEW CONSTRUCTION WHICH OCCURS WITHIN THE COUNTY. THEREFORE, THERE CAN BE NO ASSURANCES THAT SUCH REVENUES WILL NOT DECREASE OR BE ELIMINATED ALTOGETHER IN THE EVENT THAT EITHER NEW CONSTRUCTION, FOR WHATEVER REASON, MIGHT DECREASE OR CEASE ALTOGETHER WITHIN THE COUNTY OR SUCH IMPACT FEES ARE REDUCED OR ELIMINATED BY THE COUNTY.

"Water Expansion Projects" are defined in the Resolution as Water Projects or portions thereof for the oversizing, separating, expanding or constructing of new additions to the Water System, all of which are designed to expand its capacity. "Sewer Expansion Projects" are defined in the Resolution as Sewer Projects or portions thereof for the oversizing, separating, expanding or constructing of new additions to the Sewer System, all of which are designed to expand its capacity.

Concurrently with the issuance of each Series of Bonds under the Resolution, the Utility Director will certify the total Project Costs, the Project Costs with respect to Sewer Expansion Projects and the Project Costs with respect to Water Expansion Projects being financed with each Series of Bonds and the Sewer Expansion Project Percentage and the Water Expansion Project Percentage applicable after the issuance of such Series of Bonds. See "THE SYSTEM AND THE CAPITAL IMPROVEMENTS PROGRAM-- Potable Water, Reclaimed Water and Sewer Connection Charges, Service Charges and User Rates" herein for more information about Connection Charges.

See "THE SYSTEM AND THE CAPITAL IMPROVEMENTS PROGRAM" herein for a further description of the System, the Gross Revenues and the Connection Charges, including historical revenues and expenditures.

THE BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE COUNTY 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 GROSS REVENUES, THE CONNECTION CHARGES AND THE FUNDS AND THE EARNINGS THEREON PLEDGED TO THE PAYMENT OF THE BONDS, IN THE MANNER AND TO THE EXTENT PROVIDED IN THE RESOLUTION. NO BONDHOLDER SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE COUNTY OR TAXATION IN ANY FORM ON ANY REAL OR PERSONAL PROPERTY TO PAY SUCH BONDS OR THE INTEREST THEREON, NOR SHALL ANY BONDHOLDER BE ENTITLED TO PAYMENT OF SUCH PRINCIPAL AND INTEREST FROM ANY OTHER FUNDS OF THE COUNTY OTHER THAN THE GROSS REVENUES, THE CONNECTION CHARGES AND THE FUNDS AND THE EARNINGS THEREON PLEDGED TO PAYMENT OF THE BONDS, ALL IN THE MANNER AND TO THE EXTENT PROVIDED IN THE RESOLUTION. THE BONDHOLDERS SHALL HAVE NO LIEN UPON THE SYSTEM.

No Reserve Funding for Series 2024 Bonds

The Series 2024 Bonds are not secured by any amounts on deposit in the Reserve Fund or any account or subaccount created therein and no Reserve Requirement has been established with respect to the Series 2024 Bonds.

Rate Covenant

Pursuant to the Resolution, the County has agreed to fix, establish, revise from time to time whenever necessary, maintain and collect fees, rates, rentals 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 which, together with the additional sources of funds referred to below, will be sufficient to meet one of the following requirements:

(i) The amount of Gross Revenues (but not including therein any revenues derived from special assessments) to be received in such Bond Year less one hundred percent (100%) of the Cost of Operation and Maintenance for such Bond Year shall be equal to at least one hundred ten percent (110%) of the Bond Service Requirement for such Bond Year; or

(ii) The amount of Gross Revenues (but not including therein any revenues derived from special assessments) to be received in such Bond Year less one hundred percent (100%) of the Cost of Operation and Maintenance in such Bond Year shall be equal to at least one hundred percent (100%) of the Bond Service Requirement for such Bond Year and the sum of the Gross Revenues (but not including therein any revenues derived from special assessments) and the Available Connection Charges to be received in such Bond Year less one hundred percent (100%) of the Cost of Operation and Maintenance in such Bond Year shall be equal to at least one hundred twenty-five percent (125%) of the Bond Service Requirement for such Bond Year. "Available Connection Charges," as used herein, means the amount of Connection Charges that, in the opinion of the Utility Director, are reasonably expected to be received or available for such purpose in such Bond Year; provided, however, that the maximum amount of Water Connection Charges that may be included for such purposes will be the Water Expansion Project Percentage of the Bond Service Requirement on the Bonds in such Bond Year and the maximum amount of Sewer Connection Charges that may be included for such purposes shall be the Sewer Expansion Project Percentage of the Bond Service Requirement on the Bonds for such Bond Year.

Notwithstanding the foregoing, failure of the County to comply with the foregoing provisions of the rate covenant shall not constitute an event of default under the Resolution if the County 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 the rate covenant in the next succeeding Bond Year. Such study must be completed within ninety (90) days after the County becomes aware of its non-compliance with the rate covenant, and the County shall adopt the recommendations of such study within thirty (30) days after the completion of the study. "Qualified Independent Consultant" is defined in the Resolution as any one or more qualified and recognized independent consultants, having favorable repute, 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 of the Resolution, as shall from time to time be retained by the County for the purposes of the Resolution.

Additional Bonds

The County has covenanted in the Resolution not to issue any obligations payable from the Gross Revenues or the Connection Charges, 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 the Resolution, upon the Gross Revenues or the Connection Charges, or both, except under the conditions and in the manner provided in the Resolution. Any obligations issued by the County other than as Additional Bonds (or Qualified Hedge Payments to the extent provided in the

Resolution) in accordance with the Resolution and payable from the Gross Revenues or the Connection Charges, or both, shall contain an express statement that such obligations are junior and subordinate in all respects to the Bonds as to lien on, and source of and security for payment from the Gross Revenues and the Connection Charges.

Additional Bonds may be issued under the Resolution if the County shall first have complied with the following requirements:

(1) There shall have been obtained and filed with the Board a certificate signed by the Chief Financial Officer, pursuant to which he or she shall state and certify the following:

(a) With respect to any Project, the cost of which is to be paid in whole or in part from the proceeds of such Bonds, the date on which construction of such Project is expected to commence, and the date on which such Project is expected to be placed in service.

(b) The cost of such Project, itemizing separately the expected financing costs of such Bonds issued to pay the cost thereof, the required deposits, if any, into the Reserve Fund from Bond proceeds and any capitalized interest to be funded from Bond proceeds.

(c) The amount of Gross Revenues (but for such purposes not including therein revenues derived from special assessments), as determined under standard auditing procedures but adjusted as hereinafter described (the "Adjusted Gross Revenues") for, at the option of the County, any twelve (12) consecutive months out of the eighteen (18) consecutive months immediately preceding the date of issue of the proposed Additional Bonds or the most recent Fiscal Year for which audited financial statements are available (the "Audit Period") and the amount of the Cost of Operation and Maintenance for the Audit Period, as determined under standard auditing procedures but adjusted as hereinafter described (the "Adjusted Cost of Operation and Maintenance").

In determining the amount of Adjusted Gross Revenues for the Audit Period, the Chief Financial Officer shall take into account the amount by which Gross Revenues would have increased if or as a result of: (i) the number of customers served by the System during the Audit Period had included the number of new customers of the System attributable to an existing water or wastewater system to be acquired with the proceeds of such Additional Bonds had the acquisition occurred at the beginning of the Audit Period; (ii) the number of customers served by the System during the Audit Period had included the average number of new customers of the System (A) that by ordinance, agreement, law or regulation will be required to connect to the System during any Bond Year during the period commencing with the Bond Year in which such Additional Bonds are issued and ending with the Bond Year following the Bond Year in which the Project to be financed with such Additional Bonds is estimated to be placed in operation (the "Applicable Bond Years"), or (B) which the Chief Financial Officer projects will, as a result of the proposed Project, by virtue of their proximity to the service provided by the Project or otherwise, connect to the System during any of the Applicable Bond Years; (iii) any changes in the rate schedules for customers and users of the System which the County shall then have in effect, or has enacted by ordinance or resolution on or before the date of such certificate and which the County has covenanted to put into effect during the Applicable Bond Years, or any of them, had such rate changes been effective on the first day of the Audit Period; and (iv) the amount required to be paid by a public body on an annual basis in connection with a contract with a

duration at least equal to the term of the proposed Additional Bonds, pursuant to which contract the County shall agree to provide the furnishing of water and/or services for the collection, treatment and disposal of wastewater for such public body, as if such contract had been in effect on the first day of the Audit Period. In determining the amount of the Adjusted Cost of Operation and Maintenance, the Chief Financial Officer shall take into account the estimated amount by which the Cost of Operation and Maintenance for the Audit Period would have increased had the Project to be financed with the proceeds of such Additional Bonds been in operation from the beginning of the Audit Period and had any contract of the type described in clause (iv) of the preceding sentence been in effect at the beginning of the Audit Period. In projecting numbers of new customers for the purposes of clauses (ii)(A) and (ii)(B) of this paragraph, the Chief Financial Officer shall take into account only dwellings, buildings or other structures in existence on the date of such projections.

(d) The average annual amount of Water Connection Charges and Sewer Connection Charges expected to be received in the Applicable Bond Years, taking into account such additional Water Connection Charges, if any, and Sewer Connection Charges, if any, that are expected to be received in each of such Bond Years as a result of the Project to be financed with the proposed Additional Bonds (such Connection Charges, including those attributable to any Expansion Project to be financed with the proceeds of such Bonds, being herein referred to as the "Adjusted Water Connection Charges" and "Adjusted Sewer Connection Charges," respectively);

(e) The aggregate amount of funds, if any, to be transferred from available moneys of the County and from grants, contributions in aid of construction and investment income, if any, that the County reasonably expects to receive or make available to pay the Cost of such Project to be financed with such Additional Bonds;

(f) The amount of the Maximum Bond Service Requirement for any Bond Year thereafter on account of all Bonds then Outstanding under the Resolution and the Additional Bonds proposed to be issued thereunder; and

(g) Based upon the foregoing, the Chief Financial Officer is of the opinion that either:

(i) The amount of the Adjusted Gross Revenues for the Audit Period less one hundred percent (100%) of the Adjusted Cost of Operation and Maintenance shall equal or exceed one hundred ten percent (110%) of the Maximum Bond Service Requirement referred to in subsection (f) above, or

(ii) The amount of the Adjusted Gross Revenues for the Audit Period less one hundred percent (100%) of the Adjusted Cost of Operation and Maintenance shall equal or exceed one hundred percent (100%) of the Maximum Bond Service Requirement referred to in subsection (f) above and the sum of the Adjusted Gross Revenues for the Audit Period and the Adjusted Available Connection Charges (as defined below) less one hundred percent (100%) of the Adjusted Cost of Operation and Maintenance shall equal or exceed one hundred twenty-five percent (125%) of the Maximum Bond Service Requirement referred to in subsection (f) above.

Pursuant to the Resolution, "Adjusted Available Connection Charges" means the applicable Water Expansion Project Percentage of the Adjusted Water Connection Charges and the applicable Sewer

Expansion Project Percentage of the Adjusted Sewer Connection Charges, but not in excess of the applicable Expansion Project Percentage of the Maximum Bond Service Requirement referred to in (f) above.

(2) There shall be obtained and filed with the Board a certificate from the engineer, who may be an employee of the County, supervising construction of such Project that the balance of the funds in the special account in the Construction Fund created for such Project, together with net proceeds from such Additional Bonds and the other funds referred to in paragraph (1)(e) above, will be sufficient to pay the Cost of such Project remaining unpaid.

(3) The County may issue at any time and from time to time Additional Bonds for the purpose of refunding any Series of Bonds, or any maturity or portion of a maturity within a Series, by complying with the requirements of (1) above and without meeting the requirements of (2) above. In addition to the foregoing, the County may issue at any time and from time to time Additional Bonds for the purpose of refunding any Series of Bonds, or any maturity of Bonds within a Series, without the necessity of complying with the requirements contained in subparagraphs (1) and (2) above, provided that prior to the issuance of such Bonds there shall be filed with the Board a certificate from the Chief Financial Officer to the effect that (i) the net proceeds from such Additional Bonds will be sufficient to cause the lien created by the Resolution with respect to the Bonds to be refunded to be defeased pursuant to the Resolution, (ii) the Maximum Bond Service Requirement with respect to such Additional Bonds shall not exceed the Maximum Bond Service Requirement with respect to the Bonds being refunded by more than ten percent (10%), and (iii) the final maturity date of the Additional Bonds is not later than the final maturity date of the Bonds being refunded. In addition, prior to the issuance of such Bonds pursuant to the preceding sentence, there shall be filed with the Board an opinion of Bond Counsel to the effect that (i) the proceeds from the sale of such Additional Bonds have been set aside in irrevocable escrow for the payment of the Bonds to be refunded in the manner provided in the Resolution, and (ii) the issuance of such Additional Bonds and the use of the proceeds thereof as described above will not have the effect of causing the interest on any Bond that is not a Taxable Bond then Outstanding under the Resolution (including the Bonds to be refunded) to become included in gross income for federal income tax purposes.

(4) The Chief Financial Officer of the County shall certify that the County is not in default in the performance of any of the covenants and obligations assumed by it under the Resolution, as the same may have been theretofore amended, and that all payments required in the Resolution to have been made into the funds and accounts provided in the Resolution shall have been made in full.

(5) The County Attorney shall submit an opinion to the Board to the effect that the issuance of such Bonds has been duly authorized and that all conditions precedent to the delivery of such Bonds have been fulfilled.

(6) Each ordinance, resolution or enabling instrument authorizing the issuance of such Bonds will recite that all of the covenants contained in the Resolution will be fully applicable to such Bonds as if originally issued thereunder.

Bonds issued pursuant to the terms and conditions described above will be deemed on a parity with all Bonds then Outstanding under the Resolution, and all of the covenants and other provisions of the Resolution shall be for the equal benefit, protection and security of the Holders of any Bonds originally authorized and issued pursuant thereto and the Holders of any Bonds evidencing additional

obligations subsequently created within the limitations of and in compliance with the Resolution. All such Bonds will bear interest payable semiannually on April 1 and October 1 of each year (or more frequently, as provided by the resolution authorizing such Bonds), and shall mature on October 1 of the stated year of maturity thereof (or on April 1 and October 1 of such year if such Bonds are issued with semiannual principal maturities). Bonds shall be issued only for the purpose of financing one or more Projects, or for the purpose of refunding any obligations theretofore issued for such purposes.

The Series 2024 Bonds are being issued as Additional Bonds pursuant to the requirements of the Resolution and will be on parity with all Outstanding Bonds under the Resolution, which at the time of issuance of the Series 2024 Bonds will consist of the Outstanding Parity Bonds. See "INTRODUCTION" herein.

Qualified Hedge Agreements

Pursuant to the Resolution, the County may enter into one or more Qualified Hedge Agreements concurrently with the issuance of Additional Bonds, provided that the financial tests for the issuance of Additional Bonds are complied with, applying the assumptions and provisions relating to Qualified Hedge Agreements set forth in the definition of "Bond Service Requirement" in the Resolution. Such provisions generally, subject to the limitations provided in the Resolution, provide that for purposes of determining the Bond Service Requirement, the interest rate with respect to the principal amount of Bonds equal to the notional amount specified in the Qualified Hedge Agreement shall be assumed to be (A) if the County's Qualified Hedge Payments under the Qualified Hedge Agreement are computed based upon a fixed rate of interest, the actual rate of interest upon which the County's Qualified Hedge Payments are computed under such Qualified Hedge Agreement, or (B) if the County's Qualified Hedge Payments are computed based on a variable rate, the interest rate on such Bonds shall be determined in accordance with the assumptions provided in the definition of "Bond Service Requirement" as if such Bonds were Variable Rate Bonds, plus in either case any interest rate differential between the interest rate payable by the Qualified Hedge Provider under the Qualified Hedge Agreement and the interest rate payable on the related Bonds, as estimated by the Chief Financial Officer. See "APPENDIX B – Copy of Resolution" attached hereto. In addition, the County is authorized by the Resolution to enter into one or more Qualified Hedge Agreements with respect to Bonds previously issued and Outstanding under the Resolution; provided that, as determined by the Chief Financial Officer entering into the Qualified Hedge Agreement would be permitted under the financial tests for the issuance of Additional Bonds applying the assumptions and provisions relating to Qualified Hedge Agreements set forth in the definition of "Bond Service Requirement" and, if the applicable Bonds are not Taxable Bonds, there is provided to the County an opinion of Bond Counsel that the execution and delivery of such Qualified Hedge Agreement will not cause interest on such Bonds not to be excludable from gross income for federal income tax purposes.

Unless otherwise agreed by a Qualified Hedge Provider with respect to any Qualified Hedge Agreement, any Qualified Hedge Payments under such Qualified Hedge Agreement shall be on parity with payments on the Bonds, in the manner and to the extent provided in the Resolution. Neither Qualified Hedge Payments nor other payments due under any Qualified Hedge Agreement shall be secured by funds on deposit in the Reserve Fund or the Construction Fund. See "FLOW OF FUNDS" herein and "APPENDIX B – Copy of Resolution" attached hereto.

At this time, the County has not entered into any Qualified Hedge Agreement.

Sale of Part of the System

(a) The County will not mortgage, pledge or otherwise encumber the System.

(b) The County will not, except in the ordinary course of business, sell or otherwise dispose of any part of the System or any component thereof, or any portion of the future capacity thereof, the fair market value of which, as determined by the Qualified Independent Consultant, exceeds two percent (2%) of the Cost of Operation and Maintenance in such Fiscal Year, except under the following conditions:

(1) If the fair market value of the property in question as determined by a Qualified Independent Consultant, together with the fair market value as determined by a Qualified Independent Consultant of all property previously sold or disposed of in such Fiscal Year, does not exceed two percent (2%) of the undepreciated book value of the System as determined by as determined by a Qualified Independent Consultant, the Board, by affirmative vote at a meeting duly called and held, shall first find that such property is no longer necessary or useful in the operations of the County and authorize the sale or disposition of such property. The proceeds received from the sale or disposition of such property shall be deposited, at the option of the County, either into the Renewal and Replacement Fund for the uses therein provided or into the Debt Service Fund for the purchase or redemption of Bonds in the manner described in the Resolution.

(2) If the fair market value of the property in question as determined by a Qualified Independent Consultant, together with the fair market value as determined by a Qualified Independent Consultant of all property previously sold or disposed of in such Fiscal Year, exceeds two percent (2%) of the undepreciated book value of the System as determined by a Qualified Independent Consultant, the Qualified Independent Consultant shall first find in writing that the sale or disposition of such property will not materially and adversely affect the Net Revenues of the System in any of the five (5) Fiscal Years following the Fiscal Year in which such property is sold, and the Board, by affirmative vote at a meeting duly called and held, shall then find that such property is no longer necessary or useful in the operations of the County, and authorize the sale or other disposition of such property. The proceeds derived from the sale or disposition of such property shall be deposited into the Renewal and Replacement Fund in an amount which the Qualified Independent Consultant shall certify is necessary and advisable for said fund, and any remaining proceeds shall be used for the purchase or redemption of Bonds in the manner described in the Resolution.

Proceeds received from the sale or disposition of the System or a substantial part thereof, are pledged under the Resolution as security for the Bondholders for the purposes provided in the Resolution but shall not be deemed Gross Revenues for purposes of the rate covenant or the financial covenants for issuance of Additional Bonds.

(c) The System may be sold or disposed of in whole or in substantial part only upon the following conditions:

(1) The System may be sold or disposed of as a whole or in substantial part only if the net proceeds to be realized shall be sufficient to fully retire all of the Bonds issued pursuant to the Resolution, or to make provision for their payment in accordance with the Resolution and all

other obligations payable pursuant to the terms of the Resolution shall be paid in full. Proceeds from such sale or disposition shall be immediately deposited in the Debt Service Account or any special account established with the Paying Agents for such purpose and shall either be used for the immediate payment and redemption of the Bonds Outstanding or shall be used in a manner that will cause the lien of the Resolution to be defeased in accordance with the Resolution.

(2) The County may also sell, lease, transfer or dispose of all or a substantial part of the System to any other public entity or agency thereof in the State provided (i) such public entity or agency assumes the covenants, duties and obligations of the County under the Resolution by ordinance, resolution or other appropriate written instrument, (ii) the County or such other public entity or agency thereof continues to collect, pledge and make available the Connection Charges as provided in the Resolution, (iii) in the written opinion of the Qualified Independent Consultant, the rates, fees, rentals and charges from the operation of the System by such public entity or agency, together with the remaining Gross Revenues from that part of the System not sold, leased, transferred or disposed of and, to the extent appropriate, the Connection Charges, will be sufficient to satisfy the County's rate covenants contained in the Resolution and to pay in each year the debt service on the Bonds and the Cost of Operation and Maintenance and the deposits into the Reserve Fund and the Renewal and Replacement Fund as provided in the Resolution, (iv) in the opinion of Bond Counsel, such action will not cause the interest on the Bonds outstanding under the Resolution, or any of them, to become included in gross income for federal income tax purposes, (v) the County shall have first received confirmation from any of the Rating Agencies rating all Series of Bonds then Outstanding that such arrangement will not cause the rating on any such Series to be lowered, and (vi) the documents evidencing such sale, lease, transfer or disposition shall otherwise comply in all material respects, in form and substance, with the written recommendations of the County.

(3) The County may also lease the System or any part thereof to any other legal entity provided (i) the System or such part shall, concurrently with such lease, be subleased to the County or to any other public entity or agency thereof in the State qualifying under the conditions provided in (2) above, pursuant to an agreement with a term no shorter than the final maturity date of any Bonds issued under the Resolution, and (ii) the County shall first comply with all of the provisions of clauses (ii) through (vi) of (2) above.

"Net Revenues" with respect to any Fiscal Year is defined in the Resolution as the remainder of the Gross Revenues, after deducting the Cost of Operation and Maintenance for such Fiscal Year.

Maintenance of System

The County covenants in the Resolution to maintain the System and all parts thereof in good condition and to 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.

Pursuant to the Resolution, the County agrees that the System will be inspected and its operations reviewed annually by the County or, at the option of the County, by a Qualified Independent Consultant, and promptly following such inspection a written report on the condition of the System and manner of operations will be filed with the County.

A copy of the report as it relates to the funds and accounts created under the Resolution will be available for inspection at the offices of the County, and mailed to any Bondholder requesting the same.

If the report shows that the System is not in good condition, then to the extent funds in the Operation and Maintenance Fund or the Renewal and Replacement Fund are available, the County covenants that it will promptly make or cause to be made such repairs as necessary to place it in good condition.

If the report shows that the operations are not in conformity with any provisions of the Resolution, the County agrees that it will promptly take such reasonable steps as are necessary to comply with such provisions.

Operating Budget

The Resolution provides that before the first day of each Fiscal Year the Board will prepare, approve and adopt in the manner prescribed by law, a detailed budget of the Gross Revenues, Water Connection Charges, Sewer Connection Charges, the Bond Service Requirement (including anticipated amortization of Designated Maturity Bonds and Commercial Paper Obligations) and 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 will be available for inspection at the offices of the County and will be mailed to any Bondholder requesting the same. The County will not expend any moneys for any purpose in excess of the budgeted appropriation therefor, or for a purpose for which there is no appropriation unless such expenditure will not have an appreciable effect upon the County's anticipated or actual Net Revenues available to pay debt service on the Bonds and to make the other deposits required under the Resolution.

No Free Services

The County covenants in the Resolution that it will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the County or any department, agency, instrumentality, officer or employee thereof, shall avail itself of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged to the County and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the County will transfer from its general funds sufficient sums to pay such charges. The revenues so received will be deemed to be revenues derived from the operation of the System, and will be deposited and accounted for in the same manner as other revenue derived from such operation of the System.

Mandatory Cut Off

The Resolution provides that, upon the failure of any user to pay for services rendered by the System within sixty (60) days, the County will, to the extent permitted by applicable law, shut off the connection of such user and will not furnish him or permit him to receive from the System further service until all obligations owed by him to the County on account of services will have been paid in full. This covenant will not, however, prevent the County from causing the System connection to be shut off sooner.

Enforcement of Collections

The County covenants in the Resolution that it will diligently enforce its right to receive the Gross Revenues and will diligently enforce and collect the fees, rates, rentals and other charges for the use of the products, services and facilities of the System. The County will not take any action that will impair or adversely affect its rights to levy, collect and receive the Gross Revenues, as pledged in the Resolution, or impair or adversely affect in any manner the pledge of the Gross Revenues, made in the Resolution or the rights of the Bondholders. The County 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 to continue to entitle the County to receive the Gross Revenues in at least the amounts required by the Resolution.

No Competing System

The Resolution provides that, to the full extent permitted by law, the County will not grant, cause, consent to, or allow the granting of, any franchise or permit to any person for the furnishing and distribution of water or the furnishing of wastewater collection and treatment services to or within the boundaries of the County. This will not, however, prevent the County from granting permits for wells, septic tanks or package plants or from granting or renewing franchises for the furnishing and distribution of water or the furnishing of wastewater collection and treatment services (i) if the area in which such facilities are located or the area serviced by such plants or such franchises is not then being serviced by the System and (ii) if such areas are not located in the immediate vicinity of facilities of the System or the County determines that servicing such area would not provide any material financial benefit to the System. The County will not own or operate a competing water distribution or wastewater treatment or distribution system.

Separately Financed Projects

Nothing in the Resolution shall prevent the County 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 referenced to as a "Separately Financed Project"), if the debt service on such bonds, notes, or other obligations or evidences of indebtedness, and the County'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, or from other available funds of the County not constituting part of the Pledged Revenues.

Imposition, Collection and Release of Connection Charges

The County covenants in the Resolution to adopt and maintain an ordinance or resolution pursuant to which it will establish just and equitable Connection Charges. The County will diligently enforce its rights to receive Connection Charges and will diligently enforce and collect the same. The County will not take any action that will impair or adversely affect its rights to impose, collect and receive the Connection Charges, as pledged in the Resolution, or impair or adversely affect the pledge of the Connection Charges made herein or the rights of the Bondholders.

FLOW OF FUNDS

Creation of Funds and Accounts

The Resolution creates the following funds and accounts:

- (a) Utility System Revenue Fund (hereinafter referred to as the "Revenue Fund");
- (b) Utility System Operation and Maintenance Fund (hereinafter referred to as the "Operation and Maintenance Fund");
- (c) Utility System Debt Service Fund (hereinafter referred to as the "Debt Service Fund");
- (d) Utility System Reserve Fund (hereinafter referred to as the "Reserve Fund");
- (e) Utility System Renewal and Replacement Fund (hereinafter referred to as the "Renewal and Replacement Fund");
- (f) Water Connection Charge Fund (hereinafter referred to as the "Water Connection Charge Fund");
- (g) Sewer Connection Charge Fund (hereinafter referred to as the "Sewer Connection Charge Fund"); and
- (h) Utility System Rebate Fund (hereinafter referred to as the "Rebate Fund").

Such funds and accounts may be maintained as accounts and subaccounts within a utility fund of the County for purposes of its accounting records, but shall be maintained and shall be traceable as designated in the Resolution.

The moneys required to be accounted for in each of the funds and accounts established under the Resolution may be deposited in a single bank account, and funds allocated to the various funds and accounts 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 deposited therein and such investments for the various purposes of such funds and accounts as provided in the Resolution.

All funds or other property which at any time may be owned or held in the possession of or deposited with the County in the Revenue Fund, the Water Connection Charge Fund, the Sewer Connection Charge Fund, the Debt Service Fund, the Reserve Fund and the Renewal and Replacement Fund under the provisions of the Resolution shall be held in trust and applied only in accordance with the provisions of the Resolution.

All moneys deposited with each Authorized Depository shall be credited to the particular fund or account to which such moneys belong. Notwithstanding anything in the Resolution 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, provided adequate care is taken to account for such amounts as provided in the preceding sentence.

Disposition of Gross Revenues and Connection Charges

Except as otherwise described in the Resolution, all Gross Revenues, Subsidy Payments and Qualified Hedge Receipts shall be segregated and deposited by the County into the Revenue Fund immediately upon receipt. All payments received as Water Connection Charges shall be segregated and deposited into the Water Connection Charge Fund and all payments received as Sewer Connection Charges shall be segregated and deposited into the Sewer Connection Charge Fund.

Disposition of Funds in the Revenue Fund

Funds in the Revenue Fund shall be disposed of on or before the 15th day of each month only in the following order and priority:

(a) First, by deposit in the Operation and Maintenance Fund, the amount necessary to make the funds on deposit therein equal to the Average Monthly Cost of Operation and Maintenance for the three full months following the date of such deposit.

(b) Then, by deposit into the Debt Service Fund an amount which, after taking into account amounts deposited therein from the Water Connection Charge Fund and the Sewer Connection Charge Fund pursuant to the Resolution (but only to the extent such deposits do not exceed the applicable Water Expansion Project Percentage and Sewer Expansion Project Percentage of the monthly deposits with respect to the Bonds for such month described in this subsection (b)), and other concurrent deposits made into the Debt Service Fund pursuant to the provisions of the Resolution, will equal one-sixth (1/6th) of the interest maturing on the Bonds on the next interest payment date with respect to Bonds that bear interest payable semiannually, the amount of interest next maturing on Bonds that bear interest payable monthly, the amount of any Qualified Hedge Payment becoming due in such month, 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), one-twelfth (1/12th) 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, one-sixth (1/6th) 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, and one-twelfth (1/12th) of the Amortization Installments and unamortized principal balances of Term Bonds coming due during the then-current Bond Year with respect to the Bonds, 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 and redemption dates in such Bond Year and to timely pay Qualified Hedge Payments coming due.

Deposits required pursuant to the foregoing will be increased or decreased each month to the extent required to pay interest, principal and redemption premiums and any Qualified Hedge Payments 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. Additionally, if Variable Rate Bonds are outstanding on the fifteenth day of such month, unless the County shall establish a different procedure for the payment or deposit of monthly interest on Variable Rate Bonds at or prior to the issuance of such Variable Rate Bonds, the County shall deposit into the Debt Service Fund in lieu of the monthly interest deposit or the one-sixth (1/6th) semiannual interest deposit described above, the interest actually accruing on such Bonds 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 Qualified Hedge Payments, the County is required to 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 and to the extent available for that purpose from the Water Connection Charge Fund and the Sewer Connection Charge Fund.

It is possible that monthly deposits into the Debt Service Fund from the Sewer Connection Charge Fund and/or the Water Connection Charge Fund may exceed the Sewer Expansion Project Percentage and/or the Water Expansion Project Percentage, respectively, of the monthly debt service requirements on the Bonds. Such excess deposits shall be held in the Debt Service Fund, shall be credited against such monthly debt service deposit requirements only up to the applicable Sewer Expansion Project Percentage or Water Expansion Project Percentage of the debt service on the Bonds, and shall be used to reduce the deposits from Gross Revenues required in the next month or months up to the applicable Sewer Expansion Project Percentage or Water Expansion Project Percentage of the debt service on the Bonds for each such month. To the extent that deposits to the Debt Service Fund for a Bond Year exceed the amount necessary to make the debt service payments required for such Bond Year and the amount therein from the Sewer Connection Charge Fund does not exceed the Sewer Expansion Project Percentage and the amount therein from the Water Connection Charge Fund does not exceed the Water Expansion Project Percentage of debt service for such Bond Year, then such excess may be withdrawn from the Debt Service Fund and deposited to the Revenue Fund.

(c) Then, by deposit into the appropriate accounts in the Reserve Fund, amounts which, after taking into account funds deposited therein from the Water Connection Charge Fund and the Sewer Connection Charge Fund pursuant to the Resolution and other funds then on deposit therein, will be sufficient to make the funds on deposit therein equal to the Reserve Requirement for each such account. If there are not sufficient funds in the Revenue Fund, together with funds from the Water Connection Charge Fund and the Sewer Connection Charge Fund, available to make the amounts on deposit in each account in the Reserve Fund equal to the Reserve Requirement for such account, there shall be deposited in each such account an amount equal to the lesser of the Reserve Requirement for such account or the total amount available to be deposited into the Reserve Fund multiplied by a fraction, the numerator of which is the Reserve Requirement for such amount in the Reserve Fund and the denominator of which is the total aggregate of the Reserve Requirement for all accounts in the Reserve Fund.

Notwithstanding anything in the Resolution to the contrary, the County shall not be required to fully fund the Reserve Requirement in an account in the Reserve Fund at the time of issuance of any Series of Bonds under the Resolution, if it provides on the date of issuance of any Series of Bonds in lieu of such funds a Reserve Product issued by a Reserve Product Provider in an amount equal to the difference between the Reserve Requirement and the sums then on deposit in the applicable account in the Reserve Fund. Cash on deposit in an account in the Reserve Fund shall be used (or investments purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing on any Reserve Product. If more than one Reserve Product is deposited in an account in the Reserve Fund, drawings thereunder shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder.

If one or more accounts in the Reserve Fund have been funded with cash or Investment Obligations and no event of default shall have occurred and be continuing under the Resolution, the County may, at any time in its discretion, substitute a Reserve Product meeting the requirements of the

Resolution for the cash and Investment Obligations in any such account, and the County may then withdraw such cash and Investment Obligations from such account and apply them to any lawful purpose (taking into account the source of such funds for purposes of determining compliance with law related to Sewer Connection Charges and Water Connection Charges) 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 not Taxable Bonds to be includable in the gross income of the Holders thereof for federal income tax purposes. See "APPENDIX B – Copy of Resolution" for the definition of "Investment Obligations."

(d) Then, by deposit into the Renewal and Replacement Fund an amount equal to one-twelfth (1/12th) of five percent (5%) of the Gross Revenues for the preceding Fiscal Year, plus an amount equal to any unrestored withdrawal made to cure deficiencies in the Debt Service Fund under the Resolution, until the amounts on deposit therein are equal to three percent (3%) of the depreciated value of the depreciable assets of the System for the preceding Fiscal Year; provided, however, that no further deposits shall be required whenever and so long as there is then on deposit not less than \$1,000,000 or such other amount as shall be recommended by a written report of a Qualified Independent Consultant.

(e) Then, by payment of all amounts related to any Subordinate Debt required to be paid by the terms of the ordinance, resolution or other instrument authorizing such Subordinate Debt, including, without limitation, payment of Hedge Charges constituting Subordinate Debt.

(f) Then, for any lawful purpose of the County.

Notwithstanding the foregoing, to the extent amounts on deposit in the Rebate Fund are insufficient to pay when due the Rebate Amount in accordance with the Resolution, the County shall use Gross Revenues to fund any such deficiency prior to making the deposits required above. "Subordinate Debt" is defined by the Resolution as any bond, note or other indebtedness or obligation authorized by ordinance or resolution of the County, and designated in such ordinance or resolution as constituting "Subordinate Debt" under the Resolution, which shall be payable, and secured by a lien upon Gross Revenues subject and subordinate to Bonds issued, and payment obligations, under the Resolution.

Disposition of Funds in the Water Connection Charge Fund

Simultaneously with the use of funds in the Sewer Connection Charge Fund described below, funds in the Water Connection Charge Fund shall be disposed of on or before the fifteenth day of each month only in the following order and priority:

(a) First, by deposit into the Debt Service Fund, all Water Connection Charges until the amount on deposit therein is equal to the principal (including Amortization Installments), on all Bonds maturing in such Bond Year and the interest (net of Qualified Hedge Receipts) and any premium and Qualified Hedge Payments becoming due on the Bonds in such Bond Year; provided that the maximum deposits into the Debt Service Fund in any Bond Year shall not exceed the Water Expansion Project Percentage times the principal (including Amortization Installments), interest (net of Qualified Hedge Receipts) and any premium due on the Bonds and Qualified Hedge Payments due during such Bond Year. Deposits required pursuant to the foregoing shall be decreased to make allowance for any accrued and capitalized interest.

(b) Then by deposit into the Reserve Fund an amount determined by multiplying the aggregate amount required to be deposited therein pursuant to the Resolution by the Water Expansion Project Percentage.

(c) Then by payment of amounts related to Subordinate Debt required to be paid by the terms of the ordinance, resolution or other instrument authorizing such Subordinate Debt.

(d) Funds remaining in the Water Connection Charge Fund after the distributions described in (a), (b) and (c) above shall be retained therein and used by the County in the following order and priority: (i) first, by deposit to the Revenue Fund such amount as may be necessary to reimburse the County for payments or deposits made from Gross Revenues pursuant to the Resolution representing debt service deposits and replenishment of the Reserve Fund which could have been made from Water Connection Charges had sufficient Water Connection Charges been available at the time such payments were made; (ii) to pay the cost of extending or oversizing, separating or constructing new additions to the Water System; (iii) subject to the maximum limitation described below, by deposit into the Debt Service Fund to purchase or redeem Bonds pursuant to the Resolution in advance of their scheduled maturity or mandatory redemption date, and (iv) to make payments described in (a), (b) and (c) above in future years.

The maximum amount of Water Connection Charges that may be used to redeem Bonds as described in clause (iii) of (d) above shall not exceed the Water Expansion Project Percentage of the total principal amount of Bonds originally issued under the Resolution (including Additional Bonds and without taking into account any repayments of principal), less the sum of the principal amount of Bonds theretofore purchased, redeemed or retired at maturity from Water Connection Charges, plus the funds used to reimburse the County for principal payments made from Gross Revenues as described in clause (i) of (d) above and the funds transferred to the Reserve Fund pursuant to (b) above and not theretofore used to pay debt service.

Disposition of Funds in the Sewer Connection Charge Fund

Simultaneously with the use of funds in the Water Connection Charge Fund described above, funds in the Sewer Connection Charge Fund shall be disposed of on or before the fifteenth day of each month only in the following order and priority:

(a) First by deposit into the Debt Service Fund, all Sewer Connection Charges until the amount on deposit therein is equal to the principal (including Amortization Installments), on all Bonds maturing in such Bond Year and the interest (net of Qualified Hedge Receipts) and any premium and Qualified Hedge Payments becoming due on the Bonds in such Bond Year; provided that the maximum deposits into the Debt Service Fund in any Bond Year shall not exceed the Sewer Expansion Project Percentage times the principal (including Amortization Installments), interest (net of Qualified Hedge Receipts) and any premium due on the Bonds and Qualified Hedge Payments due during such Bond Year. Deposits required pursuant to the foregoing shall be decreased to make allowance for any accrued and capitalized interest.

(b) Then by deposit into the Reserve Fund an amount determined by multiplying the aggregate amount required to be deposited therein pursuant to the Resolution by the Sewer Expansion Project Percentage.

(c) Then by payment of amounts related to Subordinate Debt required to be paid by the terms of the ordinance, resolution or other instrument authorizing such Subordinate Debt.

(d) Funds remaining in the Sewer Connection Charge Fund after the distributions described in (a), (b) and (c) above shall be retained therein and used by the County in the following order and priority: (i) first, by deposit to the Revenue Fund such amount as may be necessary to reimburse the County for payments made from Gross Revenues pursuant to the Resolution which could have been made from Sewer Connection Charges had sufficient Sewer Connection Charges been available at the time such payments were made; (ii) to pay the cost of extending or oversizing, separating or constructing new additions to the Sewer System; (iii) subject to the maximum limitation described below, by deposit into the Debt Service Fund to purchase or redeem Bonds pursuant to the Resolution in advance of their scheduled maturity or mandatory redemption date; and (iv) to make payments described in (a), (b) and (c) above in future years.

The maximum amount of Sewer Connection Charges that may be used to redeem Bonds pursuant to clause (iii) of (d) above shall not exceed the Sewer Expansion Project Percentage of the total principal amount of Bonds originally issued under the Resolution (including Additional Bonds and without taking into account any repayments of principal), less the sum of the principal amount of Bonds theretofore purchased, redeemed or retired at maturity from Sewer Connection Charges, plus the funds used to reimburse the County for principal payments made from Gross Revenues as described in clause (i) of (d) above and the funds transferred to the Reserve Fund pursuant to (b) above and not theretofore used to pay debt service.

No Further Payments

The County shall not be required to make any further payments into the Debt Service Fund or the Reserve Fund when the aggregate amount of moneys in both the Debt Service Fund and Reserve Fund are at least equal to the aggregate principal amount of Bonds issued pursuant to the Resolution and then Outstanding, plus the amount of interest then due or thereafter to become due on said Bonds then Outstanding and the amount of Qualified Hedge Payments then due or thereafter to become due under Qualified Hedge Agreements, or if all Bonds then Outstanding have otherwise been defeased pursuant to the Resolution.

Construction Fund

The Resolution provides that there will be paid into the Construction Fund funds which, together with investment earnings thereon, will be sufficient to pay the Cost of each Project to be funded under the Resolution as designated by supplemental ordinance or resolution of the County.

The County shall establish a separate account in the Construction Fund for the Project or Projects to be financed by each Series of Bonds issued under the Resolution, and, to the extent applicable, two separate subaccounts therein, one for the deposit of an amount of proceeds or other funds of the County equal to the capitalized interest for such Series of Bonds, and the other for the deposit of an amount of proceeds to be applied to pay the costs of issuance of such Series of Bonds. Each such account and subaccount in the Construction Fund shall be kept separate and apart from all other accounts and subaccounts of the County, and the funds on deposit therein shall be withdrawn, used and applied by the County solely for the payment of the Costs of such Project or Projects and purposes incidental thereto as hereinabove described and set forth in the Resolution. Capitalized interest, if any, deposited to a

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 a subaccount 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 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 the Resolution. The Resolution creates a lien upon such funds in favor of the holders of the Series of Bonds to which such account is related until applied as therein provided.

The Resolution further provides that there is created and established an account to be held by the County to be designated the "2024 Utility System Revenue Bonds Construction Account" in the Construction Fund (the "2024 Construction Account") and a subaccount therein for costs of issuance. Such Account shall be kept separate and apart from all other funds and accounts of the County and the moneys on deposit therein shall be withdrawn, used and applied by the County solely for the payment of Costs of the 2024 Project and the costs of issuance of the Series 2024 Bonds to the extent provided therein. The Resolution creates a lien on the moneys in the 2024 Construction Account in favor of the holders of the Series 2024 Bonds until applied as provided in the Resolution.

Any funds on deposit in such 2024 Construction Account that, in the opinion of the County, are not immediately necessary for expenditure, as provided in the Resolution, may be invested and reinvested in Investment Obligations that shall mature or be redeemable at face value not later than the dates on which such funds are needed. All income derived from investment of funds in the 2024 Construction Account shall be deposited therein and shall be used to pay the Costs of the 2024 Project.

Any liquidated damages or settlement payments received by the County 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 will be deposited into the appropriate account or accounts in the Construction Fund to ensure completion of the Projects, or, if the Utility Director certifies that the failure to complete a Project and the modification of a Project or the acquisition or construction of a different Project will not materially adversely affect the projected or estimated Gross Revenues, the modification of a Project or the acquisition or construction of a different Project, or will be deposited in the Debt Service Fund for the redemption of Bonds, as determined by the County.

The County covenants in the Resolution to commence the acquisition and construction of each Project authorized under the Resolution, 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. The County may, however, abandon or defer any Project if it first obtains the written opinion of the Utility Director that such abandonment or deferral (and the use of the remaining proceeds set aside for the construction of such Project to acquire or construct a different Project or redeem Bonds according to the following paragraph) will not materially adversely affect the projected or estimated Gross Revenues. To the extent the cost of a Project is to be paid in part from revenues of the County (for example, from the Connection Charge Fund or the Renewal and Replacement Fund), such funds will be transferred to and deposited into the appropriate account in the Construction Fund and used in accordance with the provisions of the Resolution. If funds for any Project are to come from other sources (for example, from county funding or state or federal grants and loans), the County will take all legally available actions to ensure the receipt of

such funds and shall cause such funds to be deposited into the Construction Fund or otherwise set aside in a separate fund or account and used for the purposes provided in the Resolution. For the purposes of this section, "deferral" of a Project shall refer to situations where the County 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.

Except as otherwise provided with respect to any account in the Construction Fund set forth in the supplemental resolution or ordinance approving the issuance of a Series of Bonds, upon completion of each Project, or upon the abandonment or deferral thereof pursuant to the foregoing, any amounts then remaining in the corresponding account in the Construction Fund and not reserved by the County 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, will be transferred at the option of the County to the Renewal and Replacement Account and used for the purposes therein described, or shall be used to redeem Bonds in the manner described in the Resolution, or upon receipt of an opinion from Bond Counsel that the interest on the Bonds that are not Taxable Bonds will not become includable in gross income for federal income tax purposes as a result of such action, (i) will be deposited into the Debt Service Fund and used to pay principal and interest next coming due on the Bonds, or (ii) if needed, will be deposited in the Reserve Fund, or (iii) will be paid to the County to be used for any lawful purpose. To the extent appropriate, upon such application of funds, the Water Expansion Project Percentage and the Sewer Expansion Project Percentage will be recalculated.

Upon the occurrence of an event of default under the Resolution, the moneys in an account in the Construction Fund related to a Series of Bonds may be applied to the payment of Bonds of such Series.

Renewal and Replacement Fund

The funds in the Renewal and Replacement Fund will be used only (i) at any time for the purpose of curing deficiencies in the Debt Service Fund or 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 Utility Director of the County will certify are necessary for the System or (iii) to redeem Bonds as described in the Resolution. If the funds on deposit in the Renewal and Replacement Fund exceed \$1,000,000 or such other amount as set forth in a written report of the Qualified Independent Consultant, the portion thereof in excess of that amount that are not needed for the purposes described in clause (ii) above, and so long as no deficiencies described in clause (i) above exist, may be used for any lawful purpose. The County 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.

Investment of Moneys

Moneys held for the credit of the Debt Service Fund and the Reserve Fund (including the accounts therein) will be invested and reinvested by the County in Investment Obligations of the type described in clauses (i) through (iv) of the definition of that term. Moneys held for the credit of the Water Connection Charge Fund and the Sewer Connection Charge Fund will be invested and reinvested by the County in Investment Obligations of the type described in clauses (i) through (v) of the definition of that term. Moneys held for the credit of all other funds and accounts created by the Resolution will be invested and reinvested by the County in Investment Obligations. Such investments or reinvestments will mature not later than the respective dates, as estimated by the County, 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 will 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 Bonds secured by such Account.

Obligations so purchased as an investment of moneys in any such Fund or Account will be deemed at all times to be a part of such Fund or Account, and will at all times, for the purposes of the Resolution, be valued annually on October 1 of each year (or such more frequent periods as reasonably determined by the County) at the market value thereof, exclusive of accrued interest.

Except as otherwise provided in the Resolution, including specifically the obligations of the County with respect to funding the Rebate Fund as set forth in the Resolution, all income and profits derived from the investment of money in the Construction Fund and the Water Connection Charge Fund and the Sewer Connection Charge Fund will be retained in such funds and used for the purposes specified for such funds. All income and profits derived from the investment of moneys in an account in the Reserve Fund will be retained therein until the amount in such account equals the Reserve Requirement with respect to such account, and thereafter, the Water Expansion Project Percentage of the income and profits will be transferred upon receipt into the Water Connection Charge Fund and Sewer Expansion Project Percentage of the income and profits shall be transferred upon receipt into the Sewer Connection Charge Fund and all remaining income and profits will be transferred upon receipt into the Revenue Fund. All income and profits derived from the investment of moneys in the Rebate Fund will be retained therein. All income and profits derived from the investment of moneys in all other accounts or funds created under the Resolution will be deposited upon receipt in the Revenue Fund.

All such investments will be made in compliance with the Resolution.

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ESTIMATED SOURCES AND USES OF FUNDS

The proceeds to be received from the sale of the Series 2024 Bonds, together with other legally available funds of the County, are expected to be applied as follows:

<u>SOURCES:</u>	<u>Total</u>
Principal Amount	\$
Plus/Less: Net Original Issue Premium/Discount	
Plus: Other Legally Available Funds	
Total Sources	<u>\$</u>
<u>USES:</u>	
Deposit to 2024 Construction Account for Costs of the 2024 Project	\$
Deposit to Escrow Deposit Fund(s)	
Cost of Issuance ⁽¹⁾	
Total Uses	<u>\$</u>

⁽¹⁾ Includes costs of issuance including without limitation, legal and financial advisory fees, paying agent, registrar and escrow agent fees, verification agent, printing costs and Underwriters' discount.

[Remainder of page intentionally left blank]

DEBT SERVICE REQUIREMENTS

The following schedule sets forth the debt service requirements for the Series 2024 Bonds and the Outstanding Parity Bonds.

Year Ending <u>October 1</u>	Principal on Series 2024 <u>Bonds</u>	Interest on Series 2024 <u>Bonds</u>	Total Debt Service on Series 2024 <u>Bonds</u>	Debt Service on Outstanding <u>Parity Bonds</u>	Total Debt <u>Service</u>
2024	\$	\$	\$	\$	\$
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					
2042					
2043					
2044					
2045					
2046					
2047					
2048					
2049					
2050					
2051					
2052					
2053					
2054					
TOTAL	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

THE SYSTEM AND THE CAPITAL IMPROVEMENTS PROGRAM

General

All information provided herein are representations of Polk County Utilities Management and the Clerk of Courts & Comptroller for Polk County, Florida.

**HISTORICAL REVENUES AND EXPENSES OF
SYSTEM AND DEBT SERVICE COVERAGE⁽¹⁾**

Description	Audited Fiscal Year Ending September 30, 2023				
	2019	2020	2021	2022	2023 ⁽¹¹⁾
Gross Revenues⁽¹⁾					
Charges for Service ⁽²⁾	\$72,156,630	\$76,377,766	\$82,323,949	\$85,656,830	\$95,961,717
Miscellaneous Revenue ⁽³⁾	2,472,124	3,123,728	2,275,425	1,983,423	3,216,938
Sub-total Charges for Service & Miscellaneous Income	\$74,628,754	\$79,501,494	\$84,599,374	\$87,640,253	\$99,178,655
Interest Income ⁽⁴⁾	3,514,561	2,605,212	1,684,448	1,493,327	3,705,510
Sub-total Operating and Non-operating Income	\$78,143,315	\$82,106,706	\$86,283,822	\$89,133,580	\$102,884,165
Less: Income from Connection Charges ⁽⁵⁾	986,666	901,397	626,653	722,857	2,004,423
Total Gross Revenues	\$77,156,649	\$81,205,309	\$85,657,169	\$88,410,723	\$100,879,742
Cost of Operation and Maintenance⁽⁶⁾					
Personal Services	\$11,531,800	\$19,946,803	\$15,271,272	\$15,653,654	\$21,164,272
Operations, Maintenance and Other Expenses ⁽⁷⁾	25,087,197	27,789,528	29,312,694	31,991,682	42,676,212
Indirect ⁽⁸⁾	2,056,711	1,959,910	1,966,089	2,029,914	1,785,603
Total Cost of Operation and Maintenance	\$38,675,708	\$49,696,241	\$46,550,055	\$49,675,250	\$65,626,087
Net Revenues Available for Debt Service (A)	\$38,480,939	\$31,509,068	\$39,107,114	\$38,735,473	\$35,253,655
Plus Available Connection Charges (B)⁽⁹⁾⁽¹⁰⁾					
Available Connection Charges	\$10,320,804	\$9,065,487	\$9,359,196	\$9,360,826	\$9,358,314
Interest Income on Connection Charges ⁽⁵⁾	986,666	901,397	626,653	722,857	2,004,423
Total Available Connection Charges (B)	\$11,307,470	\$9,966,884	\$9,985,849	\$10,083,683	\$11,362,737
Net Revenues Plus Available Connection Charges⁽³⁾ Available for Debt Service (C)	\$49,788,409	\$41,475,952	\$49,092,963	\$48,819,156	\$46,616,392
Annual Bond Service Requirement (D)	\$11,468,791	\$8,507,322	\$10,618,556	\$10,620,406	\$10,617,556
Test A					
Debt Service Coverage Ratio (A/D)					
Excluding Available Connection Charges (1.10x Required)	3.36	3.70	3.68	3.65	3.32
Or					
Test B					
Debt Service Coverage Ratio (A/D)					
Excluding Available Connection Charges (1.00x Required)	3.36	3.70	3.68	3.65	3.32
And					
Debt Service Coverage Ratio (C/D)					
Including Available Connection Charges (1.25x Required)	4.34	4.88	4.62	4.60	4.39

[Footnotes continued on next page]

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- (1) Gross Revenues and Cost of Operation and Maintenance for the Fiscal Years ended September 30, 2019 through Fiscal Year ended September 30, 2023 are audited.
- (2) Charges for services increased from \$72.2 million in the Fiscal Year ended September 30, 2019 to \$96.0 million in the Fiscal Year ended September 30, 2023, or 33.0%, based on a combination of growth in water, sewer, and reclaimed water customers. Connection Charges of \$15,008,936.00, \$15,683,589.00, \$20,582,235.00, \$33,449,681.00, and \$20,697,936.30 for Fiscal Years ended September 30, 2019 through and including 2023, respectively, are excluded from Charges for Services.
- (3) Pursuant to the Sequestration Transparency Act of 2012, as a consequence of the Joint Select Committee on Deficit Reduction's failure to propose, and Congress' failure to enact, a plan to reduce the federal deficit by \$1.2 trillion (as required by the Budget Control Act of 2011 by January 2, 2013), the President of the United States, in his report to Congress of sequestration for fiscal year 2013, included in such sequestration the payments authorized for direct-pay bonds, such as the Series 2010 Bonds, issued under the Recovery and Reinvestment Act of 2009. The sequestration cut for direct-pay bonds was initially scheduled to last through fiscal year 2021. However, the Bipartisan Budget Act of 2013, extended the sequestration cut through fiscal year 2023. Congress recently approved a bill which would further extend sequestration through fiscal year 2024. Payments received for April 1, 2019 and October 1, 2019 were each \$451,653.14 which represented a 6.2 % reduction. Payments received for April 1, 2020 and October 1, 2020 were each \$453,097.66 which represented a 5.9 % reduction. No assurance can be given that legislative proposals may be introduced or enacted by Congress that would or might apply to, or have an adverse effect upon, the County's receipt of Subsidy Payments. Payment of debt service is not contingent upon receipt by the County of Subsidy Payments and the County does not expect that any such reduction in Subsidy Payments will affect its ability to pay debt service. Due to the implementation of amendments to the Resolution effective as of October 1, 2015, Subsidy Payments are excluded from Gross Revenues in fiscal years ended September 30, 2019 through and including 2023 and instead are netted against the amount of interest payable on Subsidy Bonds. See "APPENDIX B – Copy of Resolution attached hereto. Due to the refunding of the Series 2010 bonds on March 12, 2020 with the Utility Revenue and Refunding Bonds, Series 2020, the County will no longer receive Subsidy Payments and as a result the miscellaneous revenues decreased in Fiscal Year ended September 30, 2021. Subsidy payments received in Fiscal Year ended September 30, 2019 and 2020 have been netted against interest payable and are excluded from the Annual Bond Service Requirement amount above.
- (4) Amounts reflect interest and investment earnings on all accounts created by the Resolution, including investment income derived from Connection Charges on deposit, as reported by County staff. These amounts do not include any adjustments for the market value of the investments.
- (5) Gross Revenue exclude income derived from Connection Charges, including investment income; however, such amount is includable in Test B of the rate covenant whereby Available Connection Charges and investment income derived from Available Connection Charges are added to Net Revenues.
- (6) Amounts exclude depreciation and amortization expenses, payments in lieu of taxes (PILOT) of \$1,810,597, \$1,953,665, \$2,055,011, \$2,137,633, and \$2,254,731 for the Fiscal Years ended 2019 through and including 2023, respectively, and capitalized labor. Capitalized labor includes direct costs of labor that are associated with and allocable to the construction, assembly, and related labor for capitalized assets and the completion of a capital project, which can be recorded over time by depreciation or amortization scheduled as capitalized costs. In Fiscal Year ended

September 30, 2019 the decrease to Personal Services is due to OPEB and pension adjustments which have resulted in an overall decrease of \$2 million. In Fiscal Year ended September 30, 2020, personnel services increased by \$8.4 million due to OPEB and pension adjustments which resulted in an overall increase of \$7.8 million. In Fiscal Year ended September 30, 2023, personnel services increased by \$4.7 million due to OPEB and pension adjustments which resulted in an overall increase of \$5.5 million from the previous year. Includes payments to Polk Regional Water Cooperative in the amount of \$174,766.89, \$96,189.14, \$119,410.35, \$139,498.63, and \$55,851.00 for the Fiscal Years ended September 30, 2019 through and including 2023, respectively, and Water Cooperative of Central Florida in the amounts of \$22,000, \$26,000, \$10,000, \$20,000 and \$5,000 for the Fiscal Years ended September 30, 2019 through and including 2023, respectively (See "Potable Water" below for more information).

- (7) Includes all operating expenses and losses on disposition of equipment. Increase in Fiscal Year ended September 30, 2021, 2022, and 2023 largely due to an increase in other contractual services as some employee vacancies were filled by contracted electricians and mechanics as well as the new advanced metering infrastructure and the implementation of a computerized maintenance management system. In addition to the above increases in expenses, maintenance of equipment, utility services (electric), and operating supplies increased due to rising cost in Fiscal Year ended September 30, 2023.
- (8) Amount reflects an operating transfer from the Water and Sewer Fund to the General Fund to account for allocated operating and administrative expenses associated with utility services.
- (9) The Water Expansion Project Percentage and Sewer Expansion Project Percentage prior to issuance of the Series 2020 Bonds was equal to 31.17% and 52.25%, respectively and following issuance of the Series 2020 Bonds and prior to the issuance of Series 2024 Bonds was equal to 39.59% and 48.55%, respectively. The Water Expansion Project Percentage and Sewer Expansion Project Percentage following issuance of the Series 2024 Bonds is equal to ____% and ____%, respectively.
- (10) Connection Charges have steadily increased over the last five years due to the increase in new development in recent years. Generally, under Florida law, fees such as the Connection Charges may be validly imposed against new construction or development in order to fund capital improvements or capacity which are necessitated by such new construction or development or to satisfy debt service for the bonds or other obligations issued for such purposes. Proceeds of such Connection Charges may generally be used only for the capital improvements or capacity attributable to the new construction or development or to pay debt service on indebtedness incurred to finance or refinance such capital improvements or capacity. Fiscal Year ended September 30, 2022, increased significantly due to the addition of multiple apartment complexes being built in the County during the Fiscal Year.
- (12) For Fiscal Year ended September 30, 2023, values may differ from the County's Annual Comprehensive Financial Reports for Fiscal Year ended September 30, 2023, due to incorrectly reported amounts for Connection Charges.

Source: Utilities Management.

Organization and Management

In accordance with the Act, the Board has all powers of local government required to perform functions and to render services in a manner not inconsistent with general or special law and such power may be utilized by the enactment of ordinances. The ordinance that supports this framework is Ordinance 10-081 of the County Utilities Code as amended. Rates are adopted pursuant to Resolution No. 07-137 adopted by the Board on November 20, 2007, as amended from time to time, and as

particularly amended by Resolution No 16-095 adopted by the Board on August 16, 2016 which established the current rates, fees and charges in effect, and as particularly amended by Resolution 24-____ adopted by the Board on **[July 16, 2024]** establishing the new rates, fees, and charges effective October 1, 2024 and subsequent rate increases through and including October 1, 2028 (collectively, the "Rate Resolution").

The County Utilities Division (which term is interchangeable with the term System) provides administrative technical, operational and maintenance support for the System. The regulation of franchised utilities not owned or operated by the County within the unincorporated areas of the County is by the Florida Public Service Commission. The Florida Public Service Commission does not have rate setting authority over the rates and fees relating to the System.

On September 30, 2023, the System's current total active connections and number of active customer accounts were as follows: 86,596 (potable water), 68,952 (sewer) and 13,824 (reclaimed water).

The System is administered and operated by approximately 282 employees with annual operations, maintenance, and administrative expense of approximately \$65.6 million for the Fiscal Year ended September 30, 2023. Those operational costs were totally funded by revenue from customer use charges and service charges for potable water, reclaimed water, and wastewater services.

The fifty-three (53) year history of the System has seen sustained System-wide growth, with certain regions experiencing tremendous growth. This enterprise has transitioned from random, rural individual utility systems to a large water utility network with six (6) major regional independent service areas containing multiple utility systems. The System operates twenty-seven (27) potable water treatment facilities in sixteen (16) community public water systems that includes four (4) consecutive community public water systems, seven (7) wastewater treatment systems, four hundred eight (408) wastewater lift stations, potable water pumping stations, and approximately 2,004 miles of potable, reclaimed and wastewater pipelines.

As required by the County's Comprehensive Plan and the County's variance and waiver procedures contained therein, all new developments in the County's regional service areas are required to connect to the System, when such System is available. In cases where the County infrastructure will be available within five years, the development must install infrastructure to provide for future service of the development by the System when System services become available.

The System has the authority to collect various types of potable water, reclaimed water, and sewer charges. These charges are:

- Potable water rates that consist of a residential or commercial customer (base) charge according to meter size and a 6-step consumption charge for residential customer and a 4-step consumption charge for commercial customers that is applied to metered water usage.
- Polk Regional Water Initiatives ("PRWI")/Alternative Water Source ("AWS") Surcharge is applied to metered water usage and effective October 1, 2024 will also apply to the reclaimed water usage.

- Sewer rates that consist of a customer (base) charge for residential, multi-family and commercial customers and a usage charge based upon the potable water consumption.
- Reclaimed water rates that consist of a usage charge based upon metered reclaimed water consumption and effective October 1, 2024, will also include a customer base charge by meter size.
- Miscellaneous service charges are designed to recover actual costs for the following miscellaneous services:
 1. New Account Charges
 2. Late Payment Charges
 3. Returned Check or Draft Charges
 4. Premise Visit Charges
 5. Restoration/Reconnection of Services Charges
 6. Theft of Service/Meter Tampering Charges
 7. Surcharge for High Strength Wastes
 8. Meter Installation Charges
 9. Temporary Meter Installation Charges
 10. Meter Exchange/ Meter Up-Size at Customer Request Charges
 11. Meter Test Charges
- Deposits are collected for potable water and sewer services to establish credit. These deposits are refundable for residential customers upon satisfying certain criteria or may be used to pay unpaid bills.
- New potable water and wastewater rates included an annual indexing of six percent (6%) authorized by the Board through September 30, 2029 to match revenue needs with expenses, as well as to moderate financial impacts upon customers.

The billing cycle is twenty (20) days from the billing date. On the twenty-first (21st) day, the customer is assessed a late charge of \$6.00 or five percent (5%) of the past due bill, whichever is greater. Disconnection of utility services can occur on the tenth (10th) day after the past due notice is issued should the bill not be paid. If disconnection takes place, the aforementioned deposit, or a portion, is used to settle the delinquent account with any remainder refunded.

To optimize the collection of customer charges, the County has invoked the following procedures and/or programs:

- Ongoing review of water meter reader routes to identify illegal or unauthorized service connections and to identify improper or nonfunctioning water meters.
- Electronic read meters with automatic tampering alarms, memory chip for usage and consistent billing cycles. The County successfully implemented an Advanced Metering Infrastructure ("AMI") Pilot program for 1,200 customers. This system has expanded to approximately 8,000 customers as of September 30, 2023. This system gives real time usage information and allows the County and its customers to set usage alarms. The system also provides real time leak alarms all of which provide useful tools for water

conservation. The County completed changing out all the meters in the County with meters that can be used with the AMI technology, which the County is planning to implement where practical throughout the system in the next three (3) years.

- The County replaced its Customer Information System ("CIS") on August 27, 2023. The main drivers for the change were to provide more customer self-service options, provide for automated service order dispatching and tracking, move to a more modern technology platform, and improve the billing and collection processes.
- To protect Bondholders, the County has invoked enforcement of collection procedures. In accordance with the Resolution, the County has covenanted to collect fees, rates, rentals, and other charges for the use of the products, services, and facilities of the System. The County has covenanted to take all lawful action necessary or required to continue to receive the Gross Revenues in at least the amount required by the Resolution.

New rates adopted by the Board, which are effective October 1, 2024, include, but not limited to, the following:

- The PWRI/AWS Surcharge will be set at \$0.55/1,000 gallons of potable and reclaimed water consumption effective October 1, 2024 and will be increased by \$0.25/1,000 gallons of potable and reclaimed water consumption effective October 1 for the years 2025, 2026, 2027, and 2028.
- A Base Facility Charge will be added for each reclaimed water service effective October 1, 2024.
- A six percent (6%) yearly increase needed for increased reinvestments system wide on potable water and wastewater rates effective on each October 1 in the years 2024 through and including 2028.
- Miscellaneous charges are being adjusted to recover the cost of providing the services associated with the charges effective October 1, 2024.
- Water Connection Charges and Sewer Connection Charges are being increase effective January 1, 2025, and again on October 1, 2026, to recover the costs on a per equivalent residential unit basis.

The County updates Utility Master Plans for our 6 service areas at least every 10 years. These master plans have forecasted future needs, created computerized system models, identified current deficiencies, prioritized activities, estimated costs and consolidated these findings in written reports. Master plan recommendations are incorporated into the 5-Year Capital Improvements Program ("CIP"), utility rate structure, annual work plans and long-range financial forecasts. Such technically-sound infrastructure guidelines allow the utility to proactively manage its infrastructure, maximize resource utilization and minimize operational complications.

In companion with the master planning is a comprehensive capacity tracking system that can periodically analyze each County utility system's capacity, flows, commitments, and growth trends. This capacity management system will be fully automated using software designed to provide scheduled updates of key system performance indicators. These modern utility management practices provide information critical to decision-making.

The County developed a Supervisory Control and Data Acquisition ("SCADA") Master Plan in 2015. Implementation of the recommendations contained therein are on-going, including upgrades to control systems, upgrades to remote communication and monitoring systems and cybersecurity improvements.

In order to address system sustainability, asset tracking, and resiliency, the County implemented its new state-of-the-art Computerized Maintenance Management System ("CMMS") solution. Implementation of this software solution further increased operational efficiencies through enhanced maintenance practices and data gathering/analysis. This will allow for better prioritization of system renewal and replacement projects for planning and implementation purposes. Additionally, this system has allowed for tighter inventory control, development of Key Performance Indicators ("KPIs"), and maintenance asset tracking. In conjunction with this effort, the County has completed the process of updating asset inventories and conducting asset condition assessments for the lift stations and the horizontal system and is in the process of completing these tasks for the vertical systems. The CMMS solution was implemented in the spring of 2023.

Tamara Richardson, P.E. has served as Director of County Utilities Division since December 2017. As director, Ms. Richardson and her team are responsible for all functions of the Utilities Division, including water production and distribution, wastewater collection and treatment, reclaimed water production and distribution, compliance, conservation, capacity, capital investments, maintenance and repairs, customer service and billing, and the financial management of these efforts. Ms. Richardson has over 30 years of experience in public utilities and is a licensed professional engineer.

Mark Addison, P.E. currently serves as the Community Investment Program Manager for the County Utilities Division where he has held this position since 2011. Mr. Addison has a master's degree in civil engineering from the New Jersey Institute of Technology and is a licensed Professional Engineer in the State of Florida. Mr. Addison has over 35 years of experience in water and wastewater utility design/management as well as environmental permitting, planning and compliance. Prior to joining the County, Mr. Addison was an engineering consultant who provided professional engineering services to the County Utilities Division since 1998. Mr. Addison has recently begun spending a majority of his time managing the projects related to AWS.

James Tully, P.E., P.G. currently serves as the Capital Projects Manager and has been supporting the Community Investment Program Manager by backfilling some of his managerial duties. This arrangement has allowed for knowledge transfer and mentoring to take place which is critical to the success of the Community Investment Program. Mr. Tully has a bachelor's degree in Environmental Geosciences from the University of Notre Dame and a master's degree in Environmental Engineering from the University of Florida. He has over 18 years of experience in the water/wastewater industry and he has worked for the County Utilities since 2018. Mr. Tully is licensed as a Professional Engineer and a Professional Geologist in the State of Florida.

Charles Richards, CPA currently serves as the Customer Service/Finance Manager. Mr. Richards joined the County Utilities in July 2001 as an accountant and was promoted to his current position in July 2007. Mr. Richards earned a Bachelor of Science Degree in Accounting in 1988 and obtained his Certified Public Accountant License in September 2002. Prior to working at the County, Mr. Richards worked in the Insurance and Health Care industries.

Jason Jennings currently serves as the Utilities Operations Manager for the County Utilities Division since August 2021. Mr. Jennings oversees the daily operation of the water, wastewater, maintenance, wholly owned wastewater collection, water distribution and asset management sections. Mr. Jennings has 15 years' experience in wastewater/maintenance and reclaim operations. He earned a Bachelor of Science in Business in 2017 and maintains a current State of Florida Wastewater "A" Operators license.

Krystal Azzarella, CPM currently serves as the Environmental Affairs Manager for the County Utilities Division and has been in this position since 2006. She has a bachelor's of science degree in botany/environmental science from the University of South Florida and has been with PCU for nearly 29 years in the Environmental Affairs Section. Prior to working for Utilities, she spent two years at the County Clerk of Courts in legal work and interned with the Freeport/IMC/Agrico mining company in the reclamation division. operations.

Potable Water

As of September 30, 2023, the System served 86,596 residential and commercial water connections, including 15,871 residential meters behind master meters. The predominate System customer classification is residential. All water customers have water meters that are maintained by the System. The County currently has a System-wide meter replacement program. The meter replacements previously completed have improved meter reading efficiency and reduced unaccounted for water amounts.

Service Areas and Systems

Areas within the County that are served by the System are divided into six (6) major Regional Utility Service Areas. The Regional Utility Service Areas are identified as follows:

- The Southwest Regional Utility Service Area ("SWRUSA") that is supplied by four (4) water supply and treatment facilities and one (1) remote storage and booster station. The Southwest Regional Utility Service Area encompasses 18,200 acres and serves approximately 14,822 customer connections as of September 30, 2023.
- The Central Regional Utility Service Area ("CRUSA") that is supplied by three (3) water supply and treatment facilities and one (1) remote water storage and booster station. The Central Regional Utility Service Area encompasses 11,770 acres and serves 5,596 customer connections as of September 30, 2023.
- The Northwest Regional Utility Service Area ("NWRUSA") that is supplied by four (4) water supply and treatment facilities. The Northwest Regional Utility Service Area encompasses 29,440 acres and serves 13,423 customer connections as of September 30, 2023.
- The Northeast Regional Utility Service Area ("NERUSA") that is supplied by six (6) water supply and treatment facilities. The Northeast Regional Utility Service Area encompasses 43,500 acres serves 32,522 customer connections as of September 30, 2023.

- The East Regional Utility Service Area ("ERUSA") that is supplied by five (5) water supply and treatment facilities. The East Regional Utility Service Area encompasses 6,400 acres and serves 2,463 customer connections as of September 30, 2023.
- The Southeast Regional Utility Service Area ("SERUSA") that is supplied by five (5) water supply and treatment facilities. The Southeast Regional Utility Service Area encompasses 6,800 acres and serves 1899 customer connections as of September 30, 2023.

Supply and Treatment

The water source for the System is groundwater primarily from the Upper Floridan Aquifer. Water quality is generally good with typically low to moderate hardness, iron, organic carbon, manganese, and dissolved solids. Chlorination and aeration are the normal treatment prior to distribution. Pressure within the distribution system is supplied via hydropneumatic tanks and/or variable-speed high service pumps. There are also three elevated storage tanks and multiple ground storage tanks within the systems. Movement of water between pressure zones is accomplished using water booster stations and pressure-reducing/sustaining valves.

All regional service areas have permitted capacities that exceed current water demands. The System has in the past and continues to implement the various capacity expansions to ensure that the capacity is available when the demands occur. Throughout the water supply systems, the County has completed or is currently constructing new water production facilities, storage increases, reliability/pressure enhancements and distribution upgrades. Regionalization of water supply and treatment facilities has been on-going in several service areas, resulting in more modernized facilities that provide increased reliability, better water quality, additional treatment, and increased storage for peak demands and fire flow.

The County already has in place, or is planning, water system reliability interconnects with adjacent municipally owned utility systems to further increase reliability in certain regions. Some of these existing or proposed interconnects may be used in the future to wheel water between utility providers for alternative water supplies. The County has also completed several water system looping projects within the past five (5) years to increase system redundancy/reliability and fire flow as well as improve water quality.

In the CRUSA, the new Central Regional Water Production Facility was completed and placed into operation in September 2019. This project replaced four (4) smaller plants with one (1) centralized facility, thereby regionalizing most of the water supply and treatment in the CRUSA and reducing long-term operation and maintenance costs.

In the NWRUSA, the County recently completed construction on two (2) new water supply and treatment facilities, the Cherry Hill WPF and Gibson Oaks WPF, to reduce the number of plants in that region from six (6) to four (4).

In the SWRUSA, regionalization of six (6) water supply and treatment facilities has been completed with three (3) existing treatment plants decommissioned in the last five (5) years reducing to four (4) treatment plants and a remote storage and booster station.

In the NERUSA, water distribution system expansion projects are being implemented collaboratively with developers to serve rapid growth in the region. Since 2013, water system connections have increased from an annual average of: 200 new services from in Fiscal Years ended September 30, 2009, through and including 2012, 600 new services in Fiscal Years ended September 30, 2013, through and including 2016, 1,500 new services in Fiscal Years ended September 30, 2017, through and including 2019, and 3,000 new services in Fiscal Years ended September 2020 through and including 2024. Rapid growth is expected to continue in this region for the foreseeable future and the County is considering accelerating certain 2030 planning year CIP expansion projects to accommodate the same, including projects in and around the Ernie Caldwell Boulevard corridor.

The County and fifteen (15) municipal participants located within the County formed the Polk Regional Water Cooperative ("PRWC") in mid-2016. The PRWC's primary role is to proactively identify alternative water resources and projects that ensure the future sustainability of the regional water supply for the County and such municipalities. The PRWC has identified the SE Well Field Lower Floridan Aquifer Project and the West Polk Lower Floridan Aquifer Project as the first projects to design and construct for alternative water supply sources. The PRWC is working collaboratively with the South Florida Water Management District ("SFWMD") and Southwest Florida Water Management District ("SWFWMD") to develop the regional projects. Both Districts support solving future water supply needs using regional supply sources with the SWFWMD providing significant cooperative funding in support of the projects.

Project delivery for the Southeast Well Field project is expected to occur in 2028 (7.5 MGD) and 2035 (15 MGD). The County will be responsible for approximately one-fifth (22.5%) of the costs and **[is expected that such costs would not impact the County before September 30, 2024, except as described in the CIP.] [To Be Updated]**

The County is also a member of the Water Cooperative of Central Florida ("WCCF"). The other members include Orange County, Toho Water Authority, and the City of St. Cloud. The WCCF is working to develop alternative water supplies within Central Florida and is currently in the design phase of the Cypress Lake Lower Floridan Aquifer Wellfield Project which is currently estimated to cost approximately \$420 million. The County will be responsible for approximately 10 percent of the costs with the first phase scheduled to come online in 2029.

[Estimated funding for the County's share of the projects has been included in the CIP, and as described above, has been paid historically through water rate revenue, water connection charges, and most recently the AWS Surcharge.] The County was projected to receive AWS in 2023; however, increasing efforts by the County to minimize the per capita consumption through conservation and reclaimed water implementation, in combination with the large regional nature of these projects delayed the need for more expensive water supplies. The County is working with the PRWC on the concept, design, and implementation of these projects to meet the future potable needs to support anticipated growth. Furthermore, the PRWC and the County have been working with regulators to allow for additional "temporary stop gap capacity allocations" to PRWC members to provide for any needed capacity prior to the new AWS sources being placed into service.] [To Be Updated]

The County's utilities management staff reports that all potable water treatment facilities are operating and managed in a manner consistent with industry best practices, that projects identified and recommended in the master plans have been or are being implemented, and they meet or exceed all regulatory requirements.

WATER SYSTEM PERMITTED CAPACITY AND ACTUAL DEMAND

<u>Name</u>	Permitted Capacity ⁽¹⁾ <u>(MGD)</u>	Actual Demand ⁽²⁾ <u>(MGD)</u>
Central Regional Utility Service Area		
Central Public Water Supply	1.919	1.298
Lake Garfield Public Water Supply	0.084	0.026
Regional Totals	2.003	1.323
Northeast Regional Utility Service Area		
Northeast Regional Public Water Supply	10.9185	9.508 ⁽³⁾
Providence/Oak Hills Estates Service Area	5.000	
Regional Totals	13.9185⁽⁴⁾	9.508
Northwest Regional Utility Service Area		
Northwest Regional Public Water Supply	5.590	2.959
Country Class Public Water Supply	0.110	0.022
Regional Totals	5.700	2.980
Southwest Regional Utility Service Area		
Southwest Regional Public Water Supply	6.872	4.154
Bradley Junction Public Water Supply	0.128	0.079
Regional Totals	7.000	4.233
East Regional Utility Service Area		
East Regional Public Water Supply	0.884	0.424
Waverly Public Water Supply	0.489	0.128
Regional Totals	1.373	0.551
Southeast Regional Utility Service Area		
Southeast Regional Public Water Supply	0.997	0.465
Babson Park Public Water Supply	0.370	0.233
Walk-In-Water Public Water Supply ⁽⁵⁾	0.094	0.053
Regional Totals	1.461	0.752

⁽¹⁾ The permitted capacity is based on an average daily withdrawal for all potable water supply wells in the named service area or public water supply.

⁽²⁾ Actual average daily demand is based upon the running annual average daily flows for the period from October 1, 2022 through and including September 30, 2023.

⁽³⁾ Northeast Regional Public Water Supply demand includes Providence/Oak Hills Estates demand (i.e. covers both water use permit service areas).

⁽⁴⁾ The Northeast Regional Utility Service Area has "flexible" permit limits, allowing up to 5.000 million gallons per day ("MGD") from the Oak Hills area and 10.9185 MGD from the main area but a total of 13.9185 MGD from the combined total of both permitted service areas.

⁽⁵⁾ The Walk-In-Water Water System is permitted separately from the rest of the Southeast Regional Utility Service Area. Regional totals include all three public water systems.

MGD = Million Gallons Per Day

Source: Utilities Management.

Sewer

Service Areas and Systems

The System provides wastewater services to County customers within six (6) major regional service areas within the County. Four (4) of the treatment facilities are classified as regional including the Southwest, Northeast, Northwest, and Southeast. There are approximately 389 wastewater pumping stations along with approximately 702 miles of associated wastewater piping. The regional service areas for wastewater are like the respective potable water regional service areas described above. The regional service areas and the approximate number of customer connections are listed below:

- The SWRUSA includes one (1) wastewater treatment facility and has 10,932 wastewater customer connections as of September 30, 2023.
- The CRUSA includes two (2) wastewater treatment facilities, plus one (1) interconnect facility to the City of Bartow and has 4,410 wastewater customer connections as of September 30, 2023.
- The NWRUSA includes one (1) wastewater treatment facility and has 6,076 wastewater customer connections as of September 30, 2023.
- The NERUSA includes one (1) wastewater treatment facility and has 29,721 wastewater customer connections as of September 30, 2023.
- The ERUSA includes one (1) wastewater treatment facility, plus one (1) interconnect facility (Sun Air connects to Poinciana) and has about 870 wastewater customer connections as of September 30, 2023.
- The SERUSA includes one (1) wastewater treatment facility and has 587 wastewater customer connections as of September 30, 2023.

The six (6) regional utility service areas described above make up the major wastewater systems within the System. All seven (6) of the wastewater treatment facilities are owned and operated by the System.

Wastewater Treatment Systems

Except for the regional treatment facilities, the County acquired most of its wastewater infrastructure from private developers. County Utilities Management reports that all wastewater treatment facilities are operating and managed in a manner consistent with industry best practices, that projects identified and recommended in the master plans have been or are being implemented, redundant power supplies are being installed at key facilities, and they meet or exceed all regulatory requirements. The County as part of its CIP has expanded and upgraded the capacities at the wastewater treatment facilities, major wastewater pumping stations, force mains and interceptor sewer lines. Treated effluent is disposed of via reclaimed water systems, percolation ponds, rapid infiltration systems or other forms of land application. The County has one permit, the Northeast Regional Wastewater Treatment Facility operating permit, allowing for the discharge of public access quality reclaimed water to a surface

water pond with a monitored outfall to provide additional irrigation supply to the Providence Golf and Country Club. The County cooperatively works with County Waste Management Division sending biosolids to it, as 15 to 20 percent dry solids for disposal by landfilling. This has significantly reduced hauling and land application costs of the typical 2 to 3 percent dry solids liquid sludge. The backup biosolids disposal method is via a private contractor.

Like the water system, wastewater system expansion projects are currently in design or construction in the NERUSA to serve rapid growth in the region. New wastewater transmission lines and two (2) new regional master pump stations are planned within the Ernie Caldwell Boulevard and US Highway 17/92 corridors. Additionally, two (2) new clarifiers for the Northeast Regional Wastewater Treatment Facility and were put into service in 2022. These improvements will provide redundancy and future capacity for the secondary clarification process while also accommodating piping connections for the future expansion of the facility from 6.0 million gallons per day to 9.0 million gallons per day. The NERUSA Utilities Master Plan projects the need for this additional permitted capacity prior to 2030. Planning and preliminary design for this future expansion is included in the CIP.

System operations and maintenance staff is properly maintaining the wastewater treatment facilities. The permitted capacity at all of the System's wastewater treatment facilities is adequate to meet current demands, with many of the facility upgrades being completed and future capacity needs being addressed through master planning for their expanded treatment capacity.

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SEWER SYSTEM PERMITTED CAPACITY AND ACTUAL FLOWS

<u>Wastewater Treatment Facility Name</u>	<u>Permitted Capacity⁽¹⁾ (MGD)</u>	<u>Actual Flows⁽²⁾ (MGD)</u>
Central Regional Utility Service Area		
Central Regional Wastewater Collection System ⁽⁴⁾	1.000 ⁽³⁾	0.853
Heritage Place Wastewater Treatment Facility	0.060 ⁽³⁾	0.021
Combeewood Wastewater Treatment Facility	0.056	0.035
Regional Totals	1.216	0.909
 Northeast Regional Utility Service Area		
Northeast Regional Wastewater Treatment Facility	6.000	5.041
Regional Totals	6.000	5.041
 Northwest Regional Utility Service Area		
Northwest Regional Wastewater Treatment Facility	3.000	1.526
 Southwest Regional Utility Service Area		
Southwest Regional Wastewater Treatment Facility	4.000 ⁽³⁾	1.989
 East Regional Utility Service Area		
Waverly Wastewater Treatment Facility	0.130 ⁽³⁾	0.027
 Southeast Regional Utility Service Area		
Sun Ray Wastewater Treatment Facility	1.000	0.412

(1) The Florida Department of Environmental Protection ("FDEP") permitted capacity for this wastewater treatment facility is based on an Annual Average Daily Flow.

(2) Actual average daily flow based on annual running average data from the County for the period October 1, 2022 through and including September 30, 2023.

(3) The FDEP permitted capacity for this wastewater treatment facility is based on a Three Month Average Daily Flow (3 Month ADF).

(4) The permitted capacity for the Central Regional Wastewater Collection System is based on the Interlocal Agreement between the County and the City of Bartow for the treatment of wastewater from this collection system in the amount of 1.000 MGD 3 Month ADF.

ADF = Average Annual Daily Flow

Effluent Disposal

The System's disposal of treated wastewater effluent is currently in compliance with FDEP regulations and existing FDEP Permits. Effluent disposal is provided typically by on-site percolation ponds and rapid infiltration basins except at the three regional wastewater treatment facilities which provide public access quality reclaimed water for irrigation. The Northeast Regional Wastewater Treatment Facility is undergoing an increase to the Master Reclaimed Water System to allow for additional subdivisions and commercial projects to connect. The County wastewater treatment facilities use rapid infiltration basins as a backup disposal method, with the primary disposal for reclaimed water treatment facilities being through public access reuse water customers. High quality effluent is delivered and sold to these customers at a lower cost than potable water and is an environmentally friendly source

of landscape and lawn irrigation water. As of September 30, 2023, the collective reclaimed water systems supplied reclaimed water to approximately 8,313 residential and commercial connections utilizing more than 3 million gallons per day. Integral to this reclaimed customer base are bulk users (golf courses, public parks and other non-residential irrigation uses) that have interruptible services.

The County is currently investing in the future of reclaimed water. At the Northwest Regional Wastewater Treatment Facility, the County constructed an Aquifer Storage and Recovery ("ASR") system. The ASR system allows the County to store treated effluent. As demands in the area increase, the ASR system re-pumps the stored effluent to customers and delivers the water through the System's existing reclaimed water system. Additionally, the County is partnering with SWFWMD to investigate direct potable reuse applications in the NWRUSA to augment water supplies.

Regulatory Requirements

Potable Water

The Federal Government enacted PL 93-523, the Safe Drinking Water Act to govern and set minimum standards for public drinking water supply systems such as the System. The Federal Government regulations enforced by the United States Environmental Protection Agency ("EPA") establish potable water quality standards for the protection of water for public consumption including operational standards and quality controls for public water systems. The significant regulations affecting the operations of the System's potable water treatment facilities are provided in the Safe Drinking Water Act and its amendments. The Safe Drinking Water Act directs the EPA to establish minimum Primary and Secondary Standards for drinking water. The Primary Standards currently in place are those required for public health. The Secondary Standards are those standards recommended for aesthetic quality. The National Primary Drinking Water Regulations have been in effect since June 24, 1977. Additionally, Florida Administrative Code ("FAC") Chapters 62-550, 62-555 and 62-560 were promulgated to implement the requirements of the Florida Safe Drinking Water Act. The FDEP has delegated authority to implement the federal drinking water standards for the County to the County Health Department.

SWFWMD and SFWMD have jurisdiction within the County regarding ground and surface water supplies. The regulation of consumptive water use is through the water use permitting system.

Currently there are no outstanding consent orders regarding potable water between the County and the regulatory agencies. All required Water Use Permits (WUPs) and Consumptive Use Permits (CUPs) are in force and up to date with their respective water management districts.

Sewer

Concern for controlling water pollution led to enactment of the Federal Water Pollution Control Act Amendments of 1972. As amended in 1977, this law became commonly known as the Clean Water Act. The Clean Water Act established the basic structure for regulating discharges of pollutants into the waters of the United States. The EPA was authorized under the Clean Water Act to implement pollution control programs such as setting wastewater treatment standards for publicly owned wastewater treatment works. The Water Quality Act of 1987 added additional requirements to associated to non-point sources.

Currently there are no outstanding consent orders regarding wastewater between the County and the regulatory agencies. Chapters 62-600, 62-601, 62-610 and 62-604, and 62-610 of the FAC were promulgated to implement the requirements of the Clean Water Act. The FDEP has been delegated authority to implement the Act as it relates to wastewater facilities within Florida. The regulations are in place to promote proper design and operational standards and to provide oversight of wastewater treatment facilities for a cleaner environment. Current wastewater treatment plant ("WWTP") operation permits are in force. Operating permits for the Northwest Regional and Sun Ray WWTPs will expire on June 11, 2024, and July 20, 2024, respectively. Applications to renew these permits have been submitted to FDEP. A 10-year permit was issued for the Southwest Regional WWTP that will expire on May 26, 2026. All other permits have been renewed and will expire beyond one year.

The EPA pursuant to the Clean Water Act has recently promulgated rules establishing numeric criteria for certain nutrients (specifically, phosphorous and nitrogen) for both flowing waters and marine waters in Florida. The County is uncertain at this time of whether the new limits will be lower than that currently achieved by advanced wastewater treatment processes in place in Florida, which could necessitate mandatory upgrades to meet the new criteria. The County is likewise unable to predict at this time whether and when new, more stringent criteria will be imposed, particularly in Basin Management Action Plan areas and what impact, financial and otherwise, the same might have on the County and the System.

Reclaimed Water

The System supplies reclaimed water services in the three (3) largest utility service areas as measured by population and potable water demand (Northeast, Southwest and Northwest Regional Utility Service Areas). Reclaimed water is supplied to extend water supply sources and to provide a reliable wastewater effluent disposal option. The FDEP has enacted wastewater discharge permit requirements that compel wastewater treatment facilities to employ zero discharge effluent disposal practices. SWFWMD has also enacted regulations which encourage the development of public access reclaimed systems to conserve higher quality groundwater. Currently there are no outstanding consent orders regarding reclaimed water between the County and the regulatory agencies. The reclaimed water is used for irrigation providing both effluent disposal and an offset to groundwater pumping. Such best management practices are becoming increasingly critical to protect the environment, conserve resources and to secure increased water supply capacity. Various regulations are applicable to the operation and oversight of reclaimed water facilities. New uses of high-quality reclaimed water are also being investigated to reduce pumping from the groundwater supply.

Water Conservation

The County prepared a Water Conservation Policy Manual to address water conservation efforts within the six (6) Regional Utility Service Areas. The Manual was most recently updated on December 2, 2010, and describes specific actions that the Board has taken to implement water conservation within the County.

Within the Manual, projected activities for implementation specific to each of the regional service areas are outlined and updated in accordance with the timelines stated within each region's water use permit with the governing water management district. Recommendations are provided for additional actions to be taken to increase the effectiveness of the existing water conservation efforts. They include:

- Evaluate and adopt plumbing codes, landscape ordinances and permanent irrigation ordinances requiring conservation.
- Pursue funding from regulatory agencies for public education efforts, alternative water supply development and rebate programs to retrofit existing fixtures with water conserving devices (i.e., low flow toilets).

Conservation efforts have attributed to the median water use dropping from 110 gallons per person per day in 2008 to 93 gallons per person per day in 2023.

The PRWC is currently developing a water conservation plan which is anticipated to be adopted by all the members. These actions include the following items:

- Authorizing the construction of reclaimed water transmission and distribution systems. The use of reclaimed water can offset the use of potable water for non-potable uses.
- The promotion of Florida Friendly Landscaping.
- The dissemination of public information and providing public education.
- Adopting ordinances and codes promoting water conservation.
- Directing the County staff to perform leak detection and repairs on potable water distributions systems.
- Supporting public information measures. Appoint an advisory committee and promote Water Conservation Month and Drinking Water Week.
- Implementing a water conservation water user rate structure for both potable and reclaimed water.
- Providing residential water audits.
- Funding enforcement activities using a Code Enforcement Officer and off-duty Sheriff's Deputies to discover and ticket watering ordinance violators.
- Providing devices and incentives to reduce customer water savings, including fixture replacements, water-saving devices, and special event promotions.
- Rebate Program (e.g. Low-Flow Toilets, Rain Sensors, etc.)
- Installation of new water meters with leak detection alarms to allow the System to directly notify customer service of a potential leak. In addition, accounts with high use are tabulated in a monthly report for investigation.
- Alternative Water Supply Projects/Reclaimed Water Programs.

- Direct County staff to continue the comprehensive program for large meter calibration and the determination of water quantities from pipe breaks and flushing activities.

Capital Improvement Program and Funding Sources

[SECTION TO BE UPDATED]

[Planned improvements and expansions to the System will continue as required to meet current and future service area needs. Updates to the utility master plans will be performed as needed to re-evaluate current and future growth trends. Such activities are managed by the Capital Projects Division within the System.]

[A diversified and growing revenue stream has been important, using Connection Charges, user fees and service charges to fully recover costs of services from new and existing customers. In 2016, the Water Supply Surcharge was added to the rate structure to provide initial funding for projects and a long-term dedicated funding source for Alternative Water Supplies. Since 2020, the County has not issued new Bonds, using current revenue sources to pay for the ongoing capital needs and accumulating cash to pay for future capital needs from the higher than anticipated growth. Capital investment needed to build capacity to meet current customer needs, historical commitments, to provide capacity for future growth and to provide for system redundancy and reliability are being phased, scheduled, segmented, and sequenced to maintain necessary cash flow coverage ratios, sustain operating reserves, and minimize debt. The higher growth rate has provided an opportunity to set meaningful priorities, improve cash flow modeling, coordinate actions, and strengthen the strategic management of the organization. The CIP is structured to maintain required levels of service, comply with regulatory standards and correct System deficiencies. Current planning and projects have resulted in a proposed water and sewer CIP for the County that totals [\$___ million] for the five-year period. Such CIP was prepared by County management and approved by the Board. [The CIP is expected to be funded with cash reserves, future rates on a pay-as-you-go basis and proceeds of the Series 2024 Bonds.]

[The County has planned improvements and expansions to the System to meet current service area needs over the next five years, in accordance with the master plan recommendations. As noted above, the County management has identified [\$___ million] in capital expenditures for the five fiscal year period ending September 30, 2029. The projects shown below represent the most up-to-date version of the CIP, which has been approved by the Board. A summary of the major projects are as follows:]

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Five-Year Estimated Capital Improvements Program

Projects	Total FY20 - FY24
System Expansion	
Water System	
Gibson Oaks Water Production Facility	\$13,498,476
Cypress Lake (AWS)	10,542,000
SE Wellfield (AWS)	7,040,000
Cherry Hill Water Production Facility	8,010,500
Various water main upgrade and looping projects	6,989,407
PRWC West Polk LFA Deep Wells	6,599,000
New HHUFA 2 Well	2,773,114
Water Treatment Facility SCADA Upgrades	2,559,000
Hodge Street WPF Upgrades	1,681,186
Central Regional Plant and decommissioning old plants	1,511,348
Supplemental Water Supply Planning and Coordination	1,190,020
CRUSA Emergency Interconnect	967,341
CR 540 A Booster Station	950,000
Lakeland, Bartow, Polk Potable Water Interconnect	604,800
Peace Creek IWS	524,000
Other System improvements and shared projects	<u>9,126,116</u>
Total Water System	\$74,566,308
Sewer System	
NEWWTF Clarifier Addition	\$7,245,000
NERWWTF Expansion from 6 to 9 MGD	4,075,000
Ernie Caldwell Reclaimed WM Improvements Phase 2	3,444,500
Ernie Caldwell Blvd FM and Master Lift Station	3,000,000
Standby Power System Improvements Phase 2	2,874,760
SWRWWTF Oxidation Ditches 1 & 2	2,222,500
Other Reclaimed Water Main Improvements	2,043,000
NWRWWTF Head works Improvements	1,992,500
Upgrade LS # 235 (Providence)	1,785,000
Various Lift Station upgrades and Force Main Upgrades	1,316,630
Bartow Capital Payback ⁽¹⁾	1,010,000
Other System Improvements and shared projects	<u>4,004,983</u>
Total Sewer System	\$35,013,873
Total System Expansion	<u>\$109,580,181</u>

System Renewal & Replacement	
Water System	
Meter Change Out Program	\$12,149,515
Water Distribution System Rehabilitation	20,611,866
Half of CIS/CMMS software	<u>6,305,000</u>
Total Water System	\$39,066,381
Sewer System	
Reclaimed Water System Improvements	1,781,666
Sewer System Rehabilitation-related Projects	15,387,266
Half of CIS/CMMS software	6,305,000
Total Sewer System	\$23,473,932
Total System Renewal & Replacement	<u>\$62,540,313</u>
Total Five-Year Estimated Capital Improvements Program	<u>\$172,120,494</u>

⁽¹⁾ These amounts partially repay debt incurred by the City of Bartow which financed a wastewater treatment facility (annual installments of \$201,217 through August 15, 2031). This obligation is treated as a Long-Term Liability in "APPENDIX C – Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2018" attached hereto.

Source: Utilities Management and Adopted 5 year CIP.

[Based on an analysis of funds available to the County (e.g., Connection Charge, operating reserves, etc.), the funding sources for the \$____ million CIP are assumed to be as follows:]

**Funding Sources for the Five-Year Capital
Improvements Program⁽¹⁾**

<u>Description</u>	<u>Water System</u>	<u>Sewer System</u>	<u>Total</u>	<u>Percent of Total</u>
Total Water and Sewer Capital Costs	\$114,932,288	\$57,188,206	\$172,120,494	100%
Projected Funding Sources				
Operating Reserve Fund	\$6,790,053	\$5,581,368	\$12,371,421	7.2
Water and Sewer Rate Revenues	39,066,381	23,473,932	62,540,313	36.3
PRWI/AWS Fund	12,762,020		12,762,020	7.4
Hazard Mitigation Grant Fund		410,027	410,027	0.2
Water and Sewer Connection Charge Fund	17,057,713	1,979,000	19,036,713	11.1
Expected Series 2020 Bond Proceeds	<u>37,956,522</u>	<u>27,043,478</u>	<u>65,000,000</u>	<u>37.8</u>
Total Water and Sewer Funding Sources	<u>\$113,632,689</u>	<u>\$58,487,805</u>	<u>\$172,120,494</u>	<u>100%</u>

⁽¹⁾ Use of reserve funds based on the projected availability of cash resources estimated as of September 30, 2019.

Source: Utilities Management.

[The County does not anticipate the need to incur any new money indebtedness on or prior to September 30, 2029, other than the Series 2024 Bonds.]

Potable Water, Reclaimed Water and Sewer Connection Charges, Service Charges and User Rates

The rates for water and sewer service are set by the Board. The establishment of rates is not under the jurisdiction of the Florida Public Service Commission. The existing rates and charges for the System included water rate increases of 2.5% for the Fiscal Years ended September 30, 2018 through and including Fiscal Year ended September 30, 2020, respectively, and the addition of the Water Supply Surcharge in the Fiscal Year ended September 30, 2016 which produced a 6.5% increase in water revenue in the fiscal year ended September 30, 2016 (the "Water Supply Surcharge"), the first year of its implementation.

The rates charged to the County's utility customers for water and wastewater service are similar in structure (i.e., rate application) to each other and include: (i) a flat availability or minimum monthly base facility charge applied to each residential account and based on the customer's meter size for commercial service; (ii) for the Water System a volumetric or usage charge that is based on metered water consumption whereas the usage charge increases at certain intervals (blocks) for all water and irrigation services; (iii) for the Sewer System a usage charge based on metered water consumption for individually metered residential customers with a billing maximum of 7,000 gallons per month per account; and (iv) a constant usage charge based on one hundred percent (100%) of the metered water consumption to such accounts for the remaining customer classes of the Sewer System.

In order to provide for investments in maintenance and expansion of the System, including AWS, effective October 1, 2024, the Water Supply Surcharge on potable water usage increased by 83%, from \$0.30/1,000 gallons to \$0.55/1,000 gallons. Effective October 1, 2024, the Water Supply Surcharge will be assessed on all reclaimed water usage at the same rates in effect for potable water. The Rate Resolution sets the rate to index by \$0.25/1,000 gallons each October 1 in the calendar years 2025 through and including 2028 for the Water Supply Surcharge on assessed on reclaimed and potable water usage. Effective October 1, 2024, base facility charges will be added for each reclaimed water service connection. Effective October 1, 2024, water and wastewater base and usage charges will be indexed at 6%. The Rate Resolution sets these rates to index by 6% each October 1 in the calendar years 2025 through and including 2028. For years on and after October 1, 2029, the Rate Resolution stipulates that all rates would increase based on the Florida Public Service Commission annual reestablishment of price increase or decrease index of major categories of operating costs incurred by water and wastewater utilities pursuant to Section 367-081(4)(a), Florida Statutes, annual price index without further action by the Board.

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The following is a summary of the water and sewer rates as set forth in the Rate Resolution.

Monthly Water Rates						
	Current Rates Effective Since October 1, 2019	Rates Effective October 1, 2024	Rates Effective October 1, 2025	Rates Effective October 1, 2026	Rates Effective October 1, 2027	Rates Effective October 1, 2028
Residential Service						
Base Charge	\$10.43	\$11.06	\$11.72	\$12.42	\$13.17	\$13.96
<u>Usage Block Ranges (per 1,000 Gallons):</u>						
0-3	\$1.99	\$2.11	\$2.24	\$2.37	\$2.51	\$2.66
4-10	2.63	2.79	2.96	3.14	3.33	3.53
11-20	5.23	5.54	5.87	6.22	6.59	6.99
21-30	7.87	8.34	8.84	9.37	9.93	10.53
31-40	10.48	11.11	11.78	12.49	13.24	14.03
Over 40	18.37	19.79	20.98	22.24	23.57	24.98
Residential PWRI/AWS Surcharge	\$0.30	\$0.55	\$0.80	\$1.05	\$1.30	\$1.55
Commercial And Multi-Family Service						
5/8" and 3/4" Base Charge	\$15.65	\$16.59	\$17.59	\$18.65	\$19.77	\$20.96
<u>Usage Block Ranges (per 1,000 Gallons):</u>						
0-15	\$2.63	\$2.79	\$2.96	\$3.14	\$3.33	\$3.53
16-30	5.23	5.54	5.87	6.22	6.59	6.99
31-60	10.48	11.11	11.78	12.49	13.24	14.03
Over 60	18.37	19.47	20.64	21.88	23.19	24.58
1" Base Charge	\$26.09	\$27.66	\$29.32	\$31.08	\$32.94	\$34.92
<u>Usage Block Ranges (per 1,000 Gallons):</u>						
0-25	\$2.63	\$2.79	\$2.96	\$3.14	\$3.33	\$3.53
26-50	5.23	5.5	5.87	6.22	6.59	6.99
51-100	10.48	11.11	11.7	12.49	13.24	14.03
Over 100	18.37	19.47	20.64	21.88	23.19	24.58
1-1/2" Base Charge	\$52.17	\$55.30	\$58.62	\$62.14	\$65.87	\$69.82
<u>Usage Block Ranges (per 1,000 Gallons):</u>						
0-50	\$2.63	\$2.79	\$2.96	\$3.14	\$3.33	\$3.53
51-100	5.23	5.54	5.87	6.22	6.59	6.99
101-200	10.48	11.11	11.78	12.49	13.24	14.03
Over 200	18.37	19.47	20.64	21.88	23.19	24.58
2" Base Charge	\$83.48	\$88.49	\$93.80	\$99.43	\$105.40	\$111.72
<u>Usage Block Ranges (per 1,000 Gallons):</u>						
0-80	\$2.63	\$2.79	\$2.96	\$3.14	\$3.33	\$3.53
81-160	5.23	5.54	5.87	6.22	6.59	6.99
161-320	10.48	11.11	11.78	12.49	13.24	14.03
Over 320	18.37	19.47	20.64	21.88	23.19	24.58

Monthly Water Rates (cont'd.)

	Current Rates Effective Since October 1, 2019	Rates Effective October 1, 2024	Rates Effective October 1, 2025	Rates Effective October 1, 2026	Rates Effective October 1, 2027	Rates Effective October 1, 2028
Commercial And Multi-Family Service (cont'd.)						
3" Base Charge	\$156.49	\$165.88	\$175.83	\$186.38	\$197.56	\$209.41
<u>Usage Block</u>						
<u>Ranges (per 1,000 Gallons):</u>						
0-150	\$2.63	\$2.79	\$2.96	\$3.14	\$3.33	\$3.53
151-300	5.23	5.54	5.87	6.22	6.59	6.99
301-600	10.48	11.11	11.78	12.49	13.24	14.03
Over 600	18.37	19.47	20.64	21.88	23.19	24.58
4" Base Charge	\$260.85	\$276.50	\$293.09	\$310.68	\$329.32	\$349.08
<u>Usage Block</u>						
<u>Ranges (per 1,000 Gallons):</u>						
0-250	\$2.63	\$2.79	\$2.96	\$3.14	\$3.33	\$3.53
251-500	5.23	5.54	5.87	6.22	6.59	6.99
501-1,000	10.48	11.11	11.78	12.49	13.24	14.03
Over 1,000	18.37	19.47	20.64	21.88	23.19	24.58
6" Base Charge	\$521.67	\$552.97	\$586.15	\$621.32	\$658.60	\$698.12
<u>Usage Block</u>						
<u>Ranges (per 1,000 Gallons):</u>						
0-500	\$2.63	\$2.79	\$2.96	\$3.14	\$3.33	\$3.53
501-1,000	5.23	5.54	5.87	6.22	6.59	6.99
1,001-2,000	10.48	11.11	11.78	12.49	13.24	14.03
Over 2,000	18.37	19.47	20.64	21.88	23.19	24.58
8" Base Charge	\$834.70	\$884.78	\$937.87	\$994.14	\$1,053.79	\$1,117.02
<u>Usage Block</u>						
<u>Ranges (per 1,000 Gallons):</u>						
0-800	\$2.63	\$2.79	\$2.96	\$3.14	\$3.33	\$3.53
801-1,600	5.23	5.54	5.87	6.22	6.59	6.99
1,601-3,200	10.48	11.11	11.78	12.49	13.24	14.03
Over 3,200	18.37	19.47	20.64	21.88	23.19	24.58
10" Base Charge	\$1,199.88	\$1,271.87	\$1,348.18	\$1,429.07	\$1,514.81	\$1,605.70

Monthly Water Rates (cont'd.)

	Current Rates Effective Since October 1, 2019	Rates Effective October 1, 2024	Rates Effective October 1, 2025	Rates Effective October 1, 2026	Rates Effective October 1, 2027	Rates Effective October 1, 2028
Usage Block						
<u>Ranges (per 1,000 Gallons):</u>						
0-1,150	\$2.63	\$2.79	\$2.96	\$3.14	\$3.33	\$3.53
1,151-2,300	5.23	5.54	5.87	6.22	6.59	6.99
2,301-4,600	10.48	11.11	11.78	12.49	13.24	14.03
Over 4,600	18.37	19.47	20.64	21.88	23.19	24.58
12" Base Charge	\$2,244.68	\$2,379.36	\$2,522.12	\$2,673.45	\$2,833.86	\$3,003.89
Usage Block						
<u>Ranges (per 1,000 Gallons):</u>						
0-2,150	\$2.63	\$2.79	\$2.96	\$3.14	\$3.33	\$3.53
2,151-4,300	5.23	5.54	5.87	6.22	6.59	6.99
4,301-8,600	10.48	11.11	11.78	12.49	13.24	14.03
Over 8,600	18.37	19.47	20.64	21.88	23.19	24.58
Commercial PWRI/AWS Surcharge	\$0.30	\$0.55	\$0.80	\$1.05	\$1.30	\$1.55

Monthly Sewer Rates

	Current Rates Effective Since October 1, 2019	Rates Effective October 1, 2024	Rates Effective October 1, 2025	Rates Effective October 1, 2026	Rates Effective October 1, 2027	Rates Effective October 1, 2028
Commercial PRWI/AWS Surcharge	\$0.30	[??]	[??]	[??]	[??]	[??]
Residential Service						
Base Charge	\$36.14	\$38.31	\$40.61	\$43.05	\$45.63	\$48.37
Usage (per 1,000 Gallons) up to 7,000 Gallons	\$6.48	\$6.87	\$7.28	\$7.72	\$8.18	\$8.67
Commercial Service						
Base Charge:						
5/8" and 3/4"	\$54.20	\$57.45	\$60.90	\$64.55	\$68.42	\$72.53
1"	90.34	95.76	101.51	107.60	114.06	120.90
1-1/2"	180.66	191.50	202.99	215.17	228.08	241.76
2"	289.08	306.42	324.81	344.30	364.96	386.86
3"	542.03	574.55	609.02	645.56	684.29	725.35
4"	903.38	957.58	1,015.03	1,075.93	1,140.49	1,208.92
6"	1,806.76	1,915.17	2,030.08	2,151.88	2,280.99	2,417.85
8"	2,890.80	3,064.25	3,248.11	3,443.00	3,649.58	3,868.55
10"	4,155.53	4,404.86	4,669.15	4,949.30	5,246.26	5,561.04
12"	7,768.89	8,235.02	8,729.12	9,252.87	9,808.04	10,396.50
Usage (per 1,000 Gallons)	\$6.48	\$6.87	\$7.28	\$7.72	\$8.18	\$8.67

Monthly Reclaimed Water Rates

	Current Rates Effective Since October 1, 2019	Rates Effective October 1, 2024	Rates Effective October 1, 2025	Rates Effective October 1, 2026	Rates Effective October 1, 2027	Rates Effective October 1, 2028
Residential Service						
Base Charge	N/A	\$4.20	\$4.20	\$4.20	\$4.20	\$4.20
<u>Usage Block Ranges (per 1,000 Gallons):</u>						
0-20	\$1.41	\$1.41	\$1.41	\$1.41	\$1.41	\$1.41
21-30	4.22	4.22	4.22	4.22	4.22	4.22
31-40	5.63	5.63	5.63	5.63	5.63	5.63
Over 40	8.45	8.45	8.45	8.45	8.45	8.45
Residential PWRI/AWS Surcharge	N/A	\$0.55	\$0.80	\$1.05	\$1.30	\$1.55
Multi-family and Commercial Service						
5/8" and 3/4" Base Charge	N/A	\$6.30	\$6.30	\$6.30	\$6.30	\$6.30
<u>Usage Block Ranges (per 1,000 Gallons):</u>						
0-30	\$1.41	\$1.41	\$1.41	\$1.41	\$1.41	\$1.41
31-45	4.22	4.22	4.22	4.22	4.22	4.22
46-60	5.63	5.63	5.63	5.63	5.63	5.63
Over 60	8.45	8.45	8.45	8.45	8.45	8.45
Multi-family and Commercial Service (cont'd.)						
1" Base Charge	N/A	\$10.50	\$10.50	\$10.50	\$10.50	\$10.50
<u>Usage Block Ranges (per 1,000 Gallons):</u>						
0-50	\$1.41	\$1.41	\$1.41	\$1.41	\$1.41	\$1.41
51-75	4.22	4.22	4.22	4.22	4.22	4.22
76-100	5.63	5.63	5.63	5.63	5.63	5.63
Over 100	8.45	8.45	8.45	8.45	8.45	8.45
1-1/2" Base Charge	N/A	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00
<u>Usage Block Ranges (per 1,000 Gallons):</u>						
0-100	\$1.41	\$1.41	\$1.41	\$1.41	\$1.41	\$1.41
101-150	4.22	4.22	4.22	4.22	4.22	4.22
151-200	5.63	5.63	5.63	5.63	5.63	5.63
Over 200	8.45	8.45	8.45	8.45	8.45	8.45
2" Base Charge	N/A	\$33.60	\$33.60	\$33.60	\$33.60	\$33.60

Monthly Reclaimed Water Rates (cont'd.)

	Current Rates					
	Effective Since October 1, 2019	Rates Effective October 1, 2024	Rates Effective October 1, 2025	Rates Effective October 1, 2026	Rates Effective October 1, 2027	Rates Effective October 1, 2028
<u>Usage Block Ranges (per 1,000 Gallons):</u>						
0-160	\$1.41	\$1.41	\$1.41	\$1.41	\$1.41	\$1.41
161-240	4.22	4.22	4.22	4.22	4.22	4.22
241-320	5.63	5.63	5.63	5.63	5.63	5.63
Over 320	8.45	8.45	8.45	8.45	8.45	8.45
<u>Bulk Use Reclaimed Water</u>						
Base Charge						
3 inch meter	N/A	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00
4 inch meter	N/A	105.00	105.00	105.00	105.00	105.00
6 inch meter	N/A	210.00	210.00	210.00	210.00	210.00
8 inch meter	N/A	336.00	336.00	336.00	336.00	336.00
10 inch meter	N/A	483.00	483.00	483.00	483.00	483.00
12 inch meter	N/A	903.00	903.00	903.00	903.00	903.00
Bulk Priority 3" and Above (per 1,000 Gallons)	\$1.05	\$1.05	\$1.05	\$1.05	\$1.05	\$1.05
Bulk Interruptible 3" and Above (per 1,000 Gallons)	\$0.45	\$0.45	\$0.45	\$0.45	\$0.45	\$0.45
Residential PWRI/AWS Surcharge	N/A	\$0.55	\$0.80	\$1.05	\$1.30	\$1.55

Source: Utilities Management.

Connection Charges

Connection Charges are capital charges levied against each new user of the System in order to recover the cost of new plant and facilities required to serve such new users. The County's Water Connection Charges and Sewer Connection Charges are designed to recover treatment and transmission system capacity cost.

In general, Connection Charges are those fees imposed by the County on new users connecting to the System, which represent a pro rata share of the increased costs to the System resulting from such connection. These charges shall apply to all new or additional equivalent units connected to the System through either a new meter connection or a meter connection already in use.

Under Florida law, impact fees such as the Connection Charges may be validly imposed against new construction in order to fund capital improvements which are necessitated by such new construction or for debt service for debt incurred to finance such improvements. Proceeds of the fees may be placed in separate accounts and used only for the capital improvements attributable to the new construction or related debt service.

Following the issuance of the Series 2024 Bonds, the Utilities Director is expected to determine that the Water Expansion Project Percentage will equal [____%] and the Sewer Expansion Project Percentage will equal [____%]. Therefore, no more than [____%] of debt service on the Bonds in any one year may be payable from Water Connection Charges and no more than [____%] of debt service on the Bonds in any one year may be payable from Sewer Connection Charges. **[TO BE UPDATED]**

IMPACT FEE REVENUES SUCH AS THE CONNECTION CHARGES FLUCTUATE WITH THE AMOUNT OF NEW CONSTRUCTION WHICH OCCURS WITHIN THE COUNTY. THEREFORE, THERE CAN BE NO ASSURANCES THAT SUCH REVENUES WILL NOT DECREASE OR BE ELIMINATED ALTOGETHER IN THE EVENT THAT EITHER NEW CONSTRUCTION, FOR WHATEVER REASON, MIGHT DECREASE OR CEASE ALTOGETHER WITHIN THE COUNTY OR SUCH IMPACT FEES ARE REDUCED OR ELIMINATED BY THE COUNTY.

Under the Rate Resolution, the Water Connection Charges will be increased 3% on January 1, 2025 and again on October 1, 2025. Sewer Connection Charges will be increased 23.5% on January 1, 2025 and 19.05% on October 1, 2025.

The rate schedule for potable Residential Water and Sewer Connection Charges is summarized below:

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**POLK COUNTY UTILITIES DEPARTMENT
WATER AND SEWER CONNECTION CHARGES**

Residential Water Connection Charges

Type of Residence	Effective October 1, 2019	Effective October 1, 2024	Effective October 1, 2025	Effective October 1, 2026	Effective October 1, 2027	Effective October 1, 2028
Single Family Detached Units on Lots of 1.0 Acre or Less	\$2,844	\$2,941	\$3,038	\$3,038	\$3,038	\$3,038
Single Family Detached Units on Lots of More than 1.0 Usable Acre	4,268	2,941	3,038	3,038	3,038	3,038
Multi-family Units Including Apartments, Condos, Duplexes, Triplexes, etc.	1,564	1,618	1,671	1,671	1,671	1,671
Mobile Homes on Lots of Less Than 6,000 Square Feet	1,707	1,765	1,823	1,823	1,823	1,823
Mobile Homes on Lots of 6,000 Square Feet or More	2,844	2,941	3,038	3,038	3,038	3,038
Park Model RVs	1,564	1,618	1,671	1,671	1,671	1,671
Destination RVs ⁽¹⁾	1,564	1,618	1,671	1,671	1,671	1,671
All Other RVs Including Transient RVs	1,564	1,618	1,671	1,671	1,671	1,671

⁽¹⁾ A Destination RV must be: (i) sited on a lot owned in fee simple by the user; (ii) sited in a park that is a platted subdivision; (iii) sited on a lot 3,000 square feet or larger; and (iv) sited in a park that does not have a dump station or undivided interest lot sales or time share lot sales. This category of user is subject to inspection by the County to ensure that Destination RVs are not Transient RVs. Destination RV lots used by Transient RVs will be subject to a 1.0 ERC connection charge.

Source: Utilities Management.

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Residential Sewer Connection Charges

Type of Residence	Effective October 1, 2019	Effective October 1, 2024	Effective October 1, 2025	Effective October 1, 2026	Effective October 1, 2027	Effective October 1, 2028
Single Family Detached Units on Lots of 1.0 Acre or Less	\$4,195	\$5,182	\$6,169	\$6,169	\$6,169	\$6,169
Single Family Detached Units on Lots of More than 1.0 Usable Acre	4,195	5,182	6,169	6,169	6,169	6,169
Multi-family Units Including Apartments, Condos, Duplexes, Triplexes, etc.	2,810	3,471	4,132	4,132	4,132	4,132
Mobile Homes on Lots of Less Than 6,000 Square Feet	2,810	3,471	4,132	4,132	4,132	4,132
Mobile Homes on Lots of 6,000 Square Feet or More	4,195	5,182	6,169	6,169	6,169	6,169
Park Model RVs	2,307	2,850	3,393	3,393	3,393	3,393
Destination RVs ⁽¹⁾	2,810	3,471	4,132	4,132	4,132	4,132
All Other RVs Including Transient RVs	4,195	5,182	6,169	6,169	6,169	6,169

⁽¹⁾ A Destination RV must be: (i) sited on a lot owned in fee simple by the user; (ii) sited in a park that is a platted subdivision; (iii) sited on a lot 3,000 square feet or larger; and (iv) sited in a park that does not have a dump station or undivided interest lot sales or time share lot sales. This category of user is subject to inspection by the County to ensure that Destination RVs are not Transient RVs. Destination RV lots used by Transient RVs will be subject to a 1.0 ERC connection charge.

Source: Utilities Management.

Commercial Water Connection Charges will be assessed as per Resolution No. 10-182 based upon fixture unit values as contained within the Florida Plumbing Code and in accordance with the Polk County Utilities Code. Estimated usage based on fixture unit values are divided by 360 gallons to calculate the Equivalent Residential Connection ("ERC"). The ERC will be multiplied by the current Connection Charge for a Single-Family Detached Unit on lots one acre or less. Effective October 1, 2024 through and including September 30, 2029, the estimated usage will be based on fixture unit values divided by 250 gallons to calculate the ERC.

Commercial Sewer Connection Charges will be assessed pursuant to Resolution No. 10-182 based upon fixture unit values as contained within the Florida Plumbing Code and in accordance with the Polk County Utilities Code. Estimated sewer flows based on fixture unit values are divided by 270 gallons to calculate the ERC. The ERC will be multiplied by the current Connection Charge for a Single-Family Detached Unit on lots one acre or less. Effective October 1, 2024 through and including September 30, 2029 the estimated usage will be based on fixture unit values divided by 200 gallons to calculate the ERC.

Miscellaneous Service Charges

In addition to charging user fees for monthly water and sewer service, the County also charges fees for certain specifically requested miscellaneous services or needs. Examples of these fees include water meter installation charges, annual fire protection charges, water meter testing fees, and reconnection charges. Revenues from miscellaneous charges reduce the level of expenditures funded from user fees. Miscellaneous Service fee charges will be adjusted to recover the actual cost of providing the services effective October 1, 2024. The County's current miscellaneous service charges are as follows:

Utilities Service Charges

Fee Description	Current Charge	Charge Effective October 1, 2024	Charge Effective October 1, 2025	Charge Effective October 1, 2026	Charge Effective October 1, 2027	Charge Effective October 1, 2028
New Account Charge						
3/4" - 2" Meter	\$55.00	\$55.00	\$55.00	\$55.00	\$55.00	\$55.00
Larger than 2" Meter	70.00	70.00	70.00	70.00	70.00	70.00
Residential Deposit						
Water	\$75.00	\$90.00	\$90.00	\$90.00	\$90.00	\$90.00
Sewer	110.00	210.00	210.00	210.00	210.00	210.00
Combined	185.00	300.00	300.00	300.00	300.00	300.00
Commercial Deposit						
Water			2.5 x Est. Monthly Bill			
Sewer			2.5 x Est. Monthly Bill			
Combined			2.5 x Est. Monthly Bill			
Same Day Service (During Business Hours)	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00
Same Day Service (After Business Hours)	80.00	80.00	80.00	80.00	80.00	80.00
Premise Visit Charge	60.00	60.00	60.00	60.00	60.00	60.00

Fee Description	Current Charge	Charge Effective October 1, 2024	Charge Effective October 1, 2025	Charge Effective October 1, 2026	Charge Effective October 1, 2027	Charge Effective October 1, 2028
Return Check or Draft						
Checks \$50 or Less	\$25.00	(1)	(1)	(1)	(1)	(1)
Checks \$51 - \$300	30.00	(1)	(1)	(1)	(1)	(1)
Checks \$301 - \$800	40.00	(1)	(1)	(1)	(1)	(1)
Checks Greater than \$800	5% of the Face Value of the Check	(1)	(1)	(1)	(1)	(1)h
Disconnect for Nonpayment						
Less than 2" Meter	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00
2" Meter and Above	105.00	105.00	105.00	105.00	105.00	105.00
3/4" Temporary Absence Disconnect	60.00	[[[?]]	[[[?]]	[[[?]]	[[[?]]	[[[?]]
3/4" Temporary Absence Reconnect	60.00	[[[?]]	[[[?]]	[[[?]]	[[[?]]	[[[?]]
Service Restoration/Reconnection Charge						
Less than 2" Meter	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00
2" Meter and Above	105.00	105.00	105.00	105.00	105.00	105.00
Water Audit or Disputed Meter Reading	\$75.00 (Not Charged if Meter is Found to be in Error)	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00
Meter Installation/Reinstallation Charge						
3/4" Meter	\$450.00	\$800.00	\$800.00	\$800.00	\$800.00	\$800.00
1" Meter	550.00	1,075.00	1,075.00	1,075.00	1,075.00	1,075.00
1 - 1/2" Meter	900.00	1,850.00	1,850.00	1,850.00	1,850.00	1,850.00
2" Meter	1,415.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00
Larger than 2" Meter	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost
Relocate Meter						
Less than 2" Meter	\$175.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00
2" Meter and Above	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost
Temporary Meter Installation						
2" Meter on Hydrant	\$105.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00

Fee Description	Current Charge	Charge Effective October 1, 2024	Charge Effective October 1, 2025	Charge Effective October 1, 2026	Charge Effective October 1, 2027	Charge Effective October 1, 2028
Installation Requiring Line Tap	195.00	675.00	675.00	675.00	675.00	675.00
Meter Test Charge (Field Test) ⁽²⁾						
Less than 2" Meter	\$90.00	\$90.00	\$90.00	\$90.00	\$90.00	\$90.00
2" Meter and Above	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost
Backflow Test (Municipal Charge)						
3/4" to 2" Meter	\$90.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00
Larger than 2" Meter	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost
Penalty for Meter Tampering/Theft of Service						
1st Infraction	\$100.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00
2nd Infraction	500.00	500.00	500.00	500.00	500.00	500.00
3rd Infraction	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Damage to Utility Main or Other Property		Actual cost to repair and estimated water loss plus \$1,000.00				
Penalty for Obscured Meter	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00
Penalty for Connection to Other Systems	500.00	[[[?]]	[[[?]]	[[[?]]	[[[?]]	[[[?]]
Penalty for Cross Connection	500.00	500.00	500.00	500.00	500.00	500.00
Reclaimed Water Follow-up Inspection	\$60.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00
Late Payment	\$6.00 or 5% of payment due, whichever is greater on balances over \$14.99	\$6 or 5% of balance due, whichever is greater, on balances over \$14.99	\$6 or 5% of balance due, whichever is greater, on balances over \$14.99	\$6 or 5% of balance due, whichever is greater, on balances over \$14.99	\$6 or 5% of balance due, whichever is greater, on balances over \$14.99	\$6 or 5% of balance due, whichever is greater, on balances over \$14.99

Fee Description	Current Charge	Charge Effective October 1, 2024	Charge Effective October 1, 2025	Charge Effective October 1, 2026	Charge Effective October 1, 2027	Charge Effective October 1, 2028
Surcharge for High Strength Industrial Wastes	Calculated and Applied Pursuant to Section 30(E), "Sewer Constituent Limitations," Contained in Polk County Utilities Code Ordinance No. 03-21 as Amended.	Shall be calculated and applied pursuant to Section 30 E, "Wastewater Constituent Limitations," contained in Polk County Utilities Code Ordinance 10-081 as amended	Shall be calculated and applied pursuant to Section 30 E, "Wastewater Constituent Limitations," contained in Polk County Utilities Code Ordinance 10-081 as amended	Shall be calculated and applied pursuant to Section 30 E, "Wastewater Constituent Limitations," contained in Polk County Utilities Code Ordinance 10-081 as amended	Shall be calculated and applied pursuant to Section 30 E, "Wastewater Constituent Limitations," contained in Polk County Utilities Code Ordinance 10-081 as amended	Shall be calculated and applied pursuant to Section 30 E, "Wastewater Constituent Limitations," contained in Polk County Utilities Code Ordinance 10-081 as amended

(1) Return check fees are established by the Polk County Clerk of Courts Office and are adjusted from time to time.

(2) This fee is waived if meter is not registering within AWWA standards.

Source: Utilities Management.

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Ten Largest Water/Sewer Consumers

**POLK COUNTY UTILITIES DIVISION
TEN LARGEST WATER/SEWER CONSUMERS
OCTOBER 1, 2022 TO SEPTEMBER 30, 2023¹⁾**

Customer	Volume of Water Sold		Annual Revenue	
	Thousand Gallons	Percent of Total System ⁽¹⁾	Revenues	Percent of Total System ⁽²⁾
Polk Co. Correctional Frostproof	97,412	1.53%	\$1,897,869	2.30%
Halston Four Corners Borrower	26,420	0.41%	455,968	0.55%
Carlton Arms of Lakeland	31,647	0.50%	437,346	0.53%
Bahama Bay Resort	26,277	0.41%	372,487	0.45%
GCI Residential LLC	26,890	0.42%	356,505	0.43%
Deer Creek RV G & C Club, Inc	24,607	0.39%	347,363	0.42%
Highlands Village MHP	20,431	0.32%	301,980	0.37%
Int. Bass Lk. Homeowners Asso.	20,210	0.32%	264,787	0.32%
Preserve at Champions Gate	17,667	0.28%	240,566	0.29%
TPAF IX Thrive LLC	<u>16,558</u>	0.26%	<u>223,113</u>	0.27%
	6,375,072		\$82,350,546	

⁽¹⁾ Amounts based on actual water sales for Fiscal Year ended September 30, 2023, approximately 6.4 billion gallons of water.

⁽²⁾ Amounts based on actual charges for service for Fiscal Year ended September 30, 2023, of approximately \$82.4 million.

Source: Utilities Management.

Rate Comparison

[SECTION TO BE UPDATED]

[In order to provide additional information regarding the County's current rates, a comparison of the monthly cost of providing water and sewer service for a 5/8 x 3/4 inch or smaller water meter was developed. The comparison includes bills calculated under the rates of other neighboring Florida utilities. The monthly bills for the various Florida utilities used for the comparison do not include taxes or surcharges, if any, that could apply for municipally owned utility systems whose customers reside outside the corporate limits of such municipality. The 5/8 x 3/4 inch meter or smaller comparison was prepared since this represents the majority of the System's water and sewer customers and the majority of the customers for the other utilities included in the comparisons. A comparison of water and sewer rates at the monthly consumption level of 7,000 gallons (the average usage of a single-family residential user served by the County) is shown as follows:

Utilities	Single Metered Residential Service For a 5/8" or 3/4" Meter at 7,000 Gallons ⁽¹⁾		
	Water	Sewer	Total
Toho Water Authority (Kissimmee System)	20.97	51.36	72.33
Orange County	17.77	48.83	63.60
City of Bartow	26.30	33.78	60.08
City of Lakeland	25.76	48.85	74.61
City of Winter Haven	23.87	43.42	67.29
City of Lake Wales	31.19	57.89	89.08
Pasco County	25.26	58.81	84.07
Pinellas County	42.71	48.59	91.3
Hillsborough County	37.62	48.29	85.91
Collier County	48.40	69.95	118.35
Polk County	29.02	81.50	110.52
Sarasota County	35.07	67.67	102.74
Charlotte County	57.28	69.74	127.02

⁽¹⁾ Unless otherwise noted, amounts shown reflect residential rates in effect October 2019 and are exclusive of taxes or franchise fees, if any, and reflect rates charged for inside the city service. All rates are as reported by the respective utility. This comparison is intended to show comparable charges for similar service for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each listed utility.

Source: Utilities Management.]

FINDINGS AND CONCLUSIONS OF FEASIBILITY CONSULTANT

[The conclusions of Raftelis Financial Consultants, Inc., as Financial Feasibility Consultant for the System (the "Financial Feasibility Consultant"), set forth in their Financial Feasibility Report included in APPENDIX F hereto (the "Financial Feasibility Report"), which such Financial Feasibility Report should be read in its entirety, are set forth below:]

RISK FACTORS

The future financial condition of the System could be affected adversely by, among other things, legislation, environmental and other regulatory actions, changes in demand for services, economic conditions, demographic changes, hurricanes and litigation. In addition to those items listed in the preceding sentence, some of the possible changes in the future may include, but not be limited to, the following:

1. There is no assurance that permits for operation of major components of the System will be renewed or can be renewed without the expenditure of moneys from the Renewal and Replacement Fund or the issuance of Additional Bonds or Subordinated Indebtedness. Further, there is no assurance

that the requirements for renewal of the permits will remain the same prior to the time that renewal is required; a change in requirements could require additional expenditures for improvements.

2. The environmental aspects of the System are regulated by (a) the EPA; (b) FDEP under Chapter 403, Florida Statutes, and the rules and regulations promulgated by FDEP; (c) the SFWMD; (d) the Army Corps of Engineers; and (e) the Polk County Health Department. FDEP is principal regulator of water and wastewater utilities in Florida. The SFWMD regulates water withdrawals for potable water providers such as the County. The County is subject to federal and state water treatment and wastewater disposal requirements which, among other things, limit raw water withdrawals, control contaminants in finished water, limit discharges of pollutants into surface and ground waters, regulate the quality of effluent discharged from sewage treatment facilities, and limit the nature of waste materials discharged into the collection facilities. The County is also subject to federal, state and local waste disposal requirements, which control the means of disposal solids generated by sewage treatment plants. There are no assurances that these agencies will not increase their present environmental or other regulatory standards. Environmental requirements in general are becoming more stringent and further or new requirements may substantially increase the cost of water or wastewater service by requiring changes in the design or operation of existing or new facilities. Future changes in policy could result in discontinued operation, reduced capacity of the System, additional operations or capital expenditures, or a reduction in the revenue received by the System. Further, while the County undertakes to operate the System in a professional manner and in compliance with all regulatory requirements, there is no assurance that the System facilities now or in the future will always be maintained in compliance with current or future regulatory requirements. Failure to comply with those requirements could result in enforcement action against those facilities not in compliance which, under Federal and Florida law, can include the imposition of civil and criminal penalties.

3. The State is naturally susceptible to the effects of extreme weather events and natural disasters including floods, droughts, and hurricanes, which could result in negative economic impacts on coastal communities such as the County. Such effects can be exacerbated by change in climate. The occurrence of such extreme weather events could damage the local infrastructure that provides essential services to the County. The economic impacts resulting from such extreme weather events could include a loss of property values, a decline in revenue base, and escalated recovery costs. No assurance can be given as to whether future extreme weather events will occur that could materially impair the financial condition of the County. However, to mitigate against such impacts, the County, has implemented the following:

a. The County Emergency Management Division maintains a Comprehensive Emergency Management Plan ("CEMP") and coordinates training and role playing every year with other governments and many other agencies throughout the County. The work of the Emergency Management Division ensures that the County is prepared for and responds to any disaster quickly, allowing us to get back up to speed as soon as possible.

b. The General Fund budget maintains a fund balance that meets best practices and the recommendations of the national Government Finance Officers Association. Having this fund balance helps ensure that the County will have funds available to address temporary reductions in revenue and pay for repairs that stem from disasters. In addition, there are a number of other funds that have reserves the County can use temporarily to address costs from a disaster. These reserves would be reimbursed once the County received funding from the Federal Emergency Management Agency ("FEMA") and the State.

c. The County has a standing debris management plan and agreements with vendors to pick up and monitor debris removal. Having these standing agreements allows the County to get debris out of the way quickly so transportation impacts are minimized.

[IMPACT ON THE COUNTY FROM RECENT HURRICANES TO BE INSERTED]

4. The County, like many other governmental entities, relies on a technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. The County has mitigation policies in place to reduce the risk of cyber-attack, including policies and procedures to minimize risk and appropriate penetration testing every two years from an outside independent auditor. The County addresses security internally with a security team that includes a Security Administrator and a Security Analyst. The County's defenses are working appropriately and there have been no instances of information being compromised due to cyber-attacks. The County also has cyber insurance. However, there can be no assurance that any security and operational control measures implemented by the County will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attack could impact operations and/or digital networks and the costs of remedying any such damage could be significant.

Additionally, during the 2022 Florida Legislative session, CS/HB 7055 was passed which requires State agencies and local governments, such as the County, to report all ransomware incidents and high severity level cybersecurity incidents to the Cybersecurity Operations Center ("CSOC") and the Cybercrime Office within the Florida Department of Law Enforcement as soon as possible but no later than 48 hours after discovery of the cybersecurity incident and no later than 12 hours after discovery of a ransomware incident. Local governments must also report to the sheriff. CS/HB 7055 requires state agencies to report low level cybersecurity incidents and provides that local governments may report such incidents. It also requires State agencies and local governments to submit after-action reports to FLDS following a cybersecurity or ransomware incident. CS/HB 7055 requires the CSOC to notify the Florida Legislature of high severity level cybersecurity incidents. State agency and local government employees are required to undergo certain cybersecurity training within 30 days of employment and annually thereafter. Further, local governments are required to adopt cybersecurity standards that safeguard the local government's data, information technology ("IT"), and IT resources. The effective date of CS/HB 7055 was July 1, 2022.

5. The outbreak of the highly contagious COVID-19 pandemic in the United States in March 2020 generally had a disruptive financial impact on local, state and national economies around the country. COVID-19 was considered a Public Health Emergency of International Concern by the World Health Organization. This led to quarantine and other "social distancing" measures throughout the United States. These measures included recommendations and warnings to limit non-essential travel and promote telecommuting. The Governor has made public statements indicating the State will not shut down as it did in 2020 as a result of COVID-19. There can be no guarantee that State and/or local shut downs or closures similar to those implemented in 2020 will not happen in the future. It is possible the United States, including the State, may experience increased COVID-19 cases, hospitalizations, and deaths as a result of current or future variants which could, in turn, impact State and local government finances.

6. The United States is experiencing higher levels of inflation which is having an impact on the cost of goods, including construction materials and products needed by the County and System. The

County may encounter adverse effects resulting from supply chain issues, specifically related to the delivery of goods and construction materials. Deliveries may be delayed, which has the potential to impact the completion of projects. As a result, the County and System may experience delays and increased costs that might be incurred as a result of supply chain issues. Therefore, for new projects that have not yet started, the County and System is taking these factors into account in budgeting and scheduling. It is possible that the United States, including the State, may continue to experience supply chain issues and inflation which will impact State and local government finances.

INVESTMENT POLICY

Pursuant to Sections 125.31 and 218.415, Florida Statutes, as amended, the Board established an investment policy applicable to all financial assets of the County which are under the direct control of the Clerk of the Circuit Court and County Comptroller; provided, however, such investment policy does not apply to financial assets under the direct control of other constitutional officers of the County, or to bond proceeds of the County, including proceeds of the Series 2024 Bonds.

Pursuant to such investment policy, the County is required to limit investments to:

- Negotiable direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, and which carry the full faith and credit of, the United States Government and its agencies. Investments in this category would include but not be limited to the following: United States Treasury Bills, Notes, Strips and Bonds, and securities issued by the Government National Mortgage Association ("Ginnie Mae"), Federal Financing Bank (FFB) and Federal Housing Administration ("FHA").
- Fully collateralized United States Agency obligations otherwise known as Government Sponsored Enterprises ("GSEs") which carry an implied guarantee and the implied full faith and credit of the United States Government. Investments in this category would include but not be limited to the following: obligations of the Federal Farm Credit Bank ("FFCB"), Federal Home Loan Bank ("FHLB"), Federal Home Loan Mortgage Corporation ("FHLMC"), Tennessee Valley Authority ("TVA"), Financial Assistance Corporation and Federal Agriculture Mortgage Corporation ("Farmer Mac") and the Federal National Mortgage Association ("FNMA").
- Permitted investments in the above listed agencies and instrumentalities shall include bonds, debentures, notes or other evidence of indebtedness issued including mortgage pass-throughs, collateralized mortgage obligations, adjustable rate securities (such as step-ups and floating rate notes) and adjustable rate mortgages ("ARMs").
- Banker's Acceptances which are issued by a domestic bank which has the top ten rating of at least "Prime-1" and "A" by Moody's Investors Service and "A-1" and "A" by Standard & Poor's Corporation.
- Commercial Paper rated, at the time of purchase of at least, "Prime-2" by Moody's and "A-2" by Standard & Poor's.
- Interest bearing savings accounts, money market accounts, certificates of deposit, money market certificates or time deposits constituting direct obligations of any bank or savings

and loan association certified as a Qualified Public Depository by the State of Florida or Federal Deposit Insurance Corporation.

- Repurchase Agreements collateralized by securities otherwise authorized in paragraphs A. to E.
- State of Florida Local Government Surplus Funds Trust Fund (FL Prime or SBA).
- Florida Local Government Investment Trust (FL Trust or FLGIT).
- Bonds, notes or instruments backed by the full faith and credit of the government of Israel.
- Municipal Debt General Obligation (GO) Securities and Water & Sewer Revenue Securities issued by a municipality within the United States, provided that such instrument is rated "A- or equivalent" or better by at least one Nationally Recognized Statistical Rating Organization (NRSRO) at time of purchase.
- Corporate Debt Securities issued by any corporation within the United States, provided that such instrument is rated "BBB- or equivalent" or better by at least two Nationally Recognized Statistical Rating Organizations (NRSRO's) at time of purchase. Investment in convertible securities is prohibited.
- Securities and Exchange Commission (SEC) registered Money Market Funds with the highest credit rating (AAAm or equivalent) by either major Nationally Recognized Statistical Rating Organization (SRSRO) and a weighted average maturity (WAM) of assets in the fund shall be sixty (60) days or less.
- Asset Backed Securities (ABS) limited to traditional consumer receivables, such as, auto, equipment or credit card receivables provided that such instrument is rated A-1/P-1 or equivalent if the final maturity is 13 months or less and AAA or equivalent for longer maturities by at least two Nationally Statistical Rating Organizations (NRSRO's) at time of purchase.
- Supranational Securities U.S. dollar denominated debt obligations of a multilateral organization of governments rated AAA or equivalent by at least two Nationally Statistical Rating Organizations (NRSRO's) at time of purchase.

Generally, no more than 10% of the County's investment portfolio will be invested in amortizing securities that have a weighted average life exceeding five years.

The County's investment policy may be modified from time to time by the Board.

For more information about the County's pooled cash and investments, see "APPENDIX C – Comprehensive Annual Financial Report of Polk County for Fiscal Year Ended September 30, 2023" attached hereto.

LEGAL MATTERS

Certain legal matters incident to the validity of the Series 2024 Bonds are subject to the approval of Holland & Knight LLP, Bond Counsel, Lakeland, Florida. The proposed text of the approving opinion is set forth in "APPENDIX D – Form of Bond Counsel Opinion" attached hereto. The actual legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of such opinions by recirculation of the Official Statement or otherwise shall create no implication that subsequent to the date of the opinion Bond Counsel has reviewed or expresses any opinions concerning any of the matters referenced in the opinion.

Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances, including changes in law that may thereafter occur or become effective.

The legal opinions to be delivered concurrently with the delivery of the Series 2024 Bonds express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Holland & Knight LLP has not undertaken independently to verify and therefore expresses no opinion as to the completeness, fairness, or sufficiency of any of the information or statements contained in this Official Statement or any exhibits, schedules or attachments hereto except as to the accuracy of the information in the portions hereof captioned "DESCRIPTION OF THE SERIES 2024 BONDS" (except for the information under the heading "Book-Entry Only System"), "SECURITY FOR THE BONDS" and "FLOW OF FUNDS" (apart from any engineering, financial and statistical data as to which no opinions or belief needs to be expressed) to the extent such portions purport to summarize certain provisions of the Resolution and the Series 2024 Bonds, and except as to the accuracy of the information under the caption "TAX MATTERS" herein.

Certain legal matters will be passed upon for the County by Randy Mink, Esq., County Attorney, and by Bryant Miller Olive P.A., Tampa, Florida, Disclosure Counsel to the County and for the Underwriters by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, counsel to the Underwriters.

LITIGATION

There is not now pending any litigation restraining or enjoining the issuance or delivery of the Series 2024 Bonds or the pledge of the Gross Revenues or the Connection Charges or questioning or affecting the validity of the Series 2024 Bonds or the pledge of the Gross Revenues and the Connection Charges that are pledged or the proceedings under which the Series 2024 Bonds are being issued. Neither the creation, organization or existence, nor the title of the present members of the Board or other officers of the County to their respective offices, is being contested.

The County experiences routine litigation and claims incidental to the conduct of its affairs. The County Attorney believes that no case, either pending or threatened against the County, will materially

adversely affect the ability of the County to meet its obligations to pay the Series 2024 Bonds, or will materially adversely affect the operations or financial condition of the System or the County.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Pursuant to Section 517.051, Florida Statutes, as amended, no person may directly or indirectly offer or sell securities of the County except by an offering circular containing full and fair disclosure of all defaults as to principal or interest on its obligations since December 31, 1975, as provided by rule of the Office of Financial Regulation within the Florida Financial Services Commission (the "FFSC"). Pursuant to administrative rulemaking, the FFSC has required the disclosure of the amounts and types of defaults, any legal proceedings resulting from such defaults, whether a trustee or receiver has been appointed over the assets of the County, and certain additional financial information, unless the County believes in good faith that such information would not be considered material by a reasonable investor. The County is not and has not been in default on any bond, note or other obligations which it has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest since December 31, 1975 that would be considered material by a reasonable investor.

The County has not undertaken an independent review or investigation of securities for which it has served as conduit issuer. The County does not believe that any information about any default on such securities is appropriate and would be considered material by a reasonable investor in the Series 2024 Bonds because the County would not have been obligated to pay the debt service on any such securities except from payments made to it by the private companies on whose behalf such securities were issued and no funds of the County would have been pledged or used to pay such securities or the interest thereon.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Bond Counsel, as more fully described below, under existing law and assuming continuing compliance by the County with certain tax covenants and rendered in reliance on certain schedules described herein, the interest on the Series 2024 Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals under the Code; however, the interest on the Series 2024 Bonds is included in the "adjusted financial statement income" of certain corporations on which the federal alternative minimum tax is imposed under the Code.

The foregoing opinions of Bond Counsel are subject to the condition that the County complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2024 Bonds in order for interest on the Series 2024 Bonds to be excludable from gross income for federal income tax purposes. The County has covenanted to comply with such requirements.

The scope of the foregoing opinions of Bond Counsel is limited to matters addressed above and no opinion is expressed by Bond Counsel regarding other federal income tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2024 Bonds. In rendering such opinions, Bond Counsel further assumes and relies upon (i) without undertaking to verify the same by independent investigation, the accuracy of the representations, statements of intention and

reasonable expectation, and certifications of fact of the County with respect to matters affecting the excludability of interest on the Series 2024 Bonds from gross income for federal income tax purposes under the Code; and (ii) continuing compliance by the County with the applicable requirements of the Code as to such tax matters and certain procedures, agreements and covenants that must be met subsequent to the issuance of the Series 2024 Bonds in order that interest on the Series 2024 Bonds be and remain excludable from gross income for federal income tax purposes.

Bond Counsel has not been engaged or retained to monitor post-issuance compliance. Failure of the County to comply with such requirements may cause the interest on the Series 2024 Bonds to not be excludable from gross income for federal income tax purposes retroactively to the date of issuance of the Series 2024 Bonds irrespective of the date on which such noncompliance occurs or is ascertained.

Bond Counsel's opinions set forth above are based upon current facts and circumstances, and upon existing law and interpretations thereof, as of the date such opinions are delivered and Bond Counsel assumes no affirmative obligation to update, revise or supplement such opinions to reflect any action thereafter taken or not taken or if such facts or circumstances, or laws or interpretations thereof, change after the date of such opinions, including, without limitation, changes that adversely affect the excludability of interest on the Series 2024 Bonds, even if such actions, inactions or changes come to Bond Counsel's attention. Further, such opinions are limited solely to the matters stated therein, and no opinion is to be implied or is intended beyond the opinions expressly stated therein. Moreover, the opinion of Bond Counsel is only an opinion and not a warranty or guaranty of the matters discussed or of a particular result, and is not binding on the Internal Revenue Service (the "IRS") or the courts. See also "LEGAL MATTERS" herein.

Prospective purchasers of the Series 2024 Bonds should also be aware that ownership of the Series 2024 Bonds may result in adverse tax consequences under the laws of various states and local jurisdictions. Bond Counsel expresses no opinion regarding any state or local tax consequences of acquiring, carrying, owning or disposing of the Series 2024 Bonds. Prospective purchasers of the Series 2024 Bonds should consult their tax advisors as to any state and local tax consequences to them of owning the Series 2024 Bonds.

Reference is made to the proposed form of the opinion of Bond Counsel attached hereto as "Appendix D – Form of Bond Counsel Opinion" for the complete text thereof.

Certain Collateral Federal Income Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Series 2024 Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of any Series 2024 Bonds. Bond Counsel has not expressed an opinion regarding the collateral federal income tax consequences that may arise with respect to the Series 2024 Bonds.

Prospective purchasers of the Series 2024 Bonds should be aware that ownership of, receipt or accrual of interest on, or disposition of, tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S Corporations with "excess net passive income" and foreign corporations subject to the branch profits tax, individuals eligible to receive the earned income tax credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Series 2024 Bonds.

Information Reporting and Backup Withholding

Interest paid on tax-exempt obligations is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2024 Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2024 Bonds, under certain circumstances, will be subject to "backup withholding" with respect to payments on the Series 2024 Bonds and proceeds from the sale of the Series 2024 Bonds. Any amounts so withheld would be refunded or allowed as a credit against the federal income tax of such owner of the Series 2024 Bonds. This withholding generally applies if the owner of the Series 2024 Bonds (i) fails to furnish the paying agent (or other person who would otherwise be required to withhold tax from such payments) such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnishes the paying agent an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the paying agent or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding.

Prospective purchasers of the Series 2024 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding and the procedures for obtaining exemptions.

[Original Issue Premium]

[The Series 2024 Bonds maturing on October 1 in the years 20[] through and including 20[] (collectively, the "Premium Bonds") were offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity. That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering at the price for that Premium Bond who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond.

The federal income tax treatment of original issue premium under the Code, including the determination of the amount of amortizable bond premium that is allocable to each year, is complicated. Purchasers of Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange or other disposition of, Premium Bonds.

The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Premium Bonds which are not purchased in the initial offering may be determined according to rules which differ from those described above.]

[Original Issue Discount]

[The Series 2024 Bonds maturing on October 1 in the years 20[___] through and including 20[___] (collectively, the "Discount Bonds") were sold at prices less than the stated principal amounts thereof. The difference between the principal amount of the Discount Bonds and the initial offering price to the public, excluding bond houses and brokers, at which price a substantial amount of such Discount Bonds of the same maturity was sold, is "original issue discount." Original issue discount represents interest which is excluded from gross income for federal income tax purposes to the same extent and subject to the same considerations discussed above as to stated interest on the Series 2024 Bonds. Such interest is taken into account for purposes of determining the alternative minimum tax liability, and other collateral tax consequences, although the owner of such Discount Bonds may not have received cash in such year. Original issue discount will accrue over the term of a Discount Bond at a constant interest rate compounded on interest payment dates. A purchaser who acquires a Discount Bond in the initial offering at a price equal to the initial offering price thereof will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period such purchaser holds such Discount Bond and will increase its adjusted basis in such Discount Bond by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Bond.

Purchasers of Discount Bonds should consult their own tax advisors regarding the treatment for federal income tax purposes of interest accrued upon sale, redemption or the disposition of Discount Bonds, including various special rules relating thereto, and the state and local tax consequences, in connection with the acquisition, ownership, accrual of discount on, sale, exchange or other disposition of, Discount Bonds.

The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Discount Bonds which are not purchased in the initial offering may be determined according to rules which differ from those described above.

Miscellaneous

Bond Counsel gives no assurance that any future legislation or clarifications or amendments to the Code, if enacted into law or that otherwise become effective, will not cause the interest on the Series 2024 Bonds to be subject, directly or indirectly, to federal income taxation or otherwise prevent the Bondholders from realizing the full current benefit of the tax status of the interest on the Series 2024 Bonds. During recent years, legislative proposals have been introduced in Congress, and in some cases have been enacted, that have altered or could alter certain federal tax consequences of owning obligations similar to the Series 2024 Bonds. In some cases, these proposals have contained provisions that were to be applied on a retroactive basis. It is possible that legislation could be introduced that, if enacted, could change the federal tax consequences of owning the Series 2024 Bonds and, whether or not enacted, could adversely affect their market value. Prospective purchasers of the Series 2024 Bonds are encouraged to consult their own tax advisors regarding any pending or proposed federal legislation, as to which Bond Counsel expresses no view.

The federal income tax consequences from the purchase, ownership and redemption, sale or other disposition of Series 2024 Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Purchasers of the Series 2024 Bonds at other than their original issuance at the respective prices indicated on the inside cover of this Official Statement should consult their own tax advisors regarding other tax considerations.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2024 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

RATINGS

Moody's, S&P and Fitch Ratings, Inc. ("Fitch") have assigned ratings of "___" (___ outlook), "___" (___ outlook) and "___" (___ outlook), respectively, to the Series 2024 Bonds. The ratings reflect only the views of said rating agencies and an explanation of the ratings may be obtained only from said rating agencies. There is no assurance that such ratings will continue for any given period of time or that they will not be lowered or withdrawn entirely by the rating agencies, or any of them, if in their judgment, circumstances so warrant. A downward change in or withdrawal of any of such ratings may have an adverse effect on the market price of the Series 2024 Bonds. An explanation of the significance of the ratings can be received from the rating agencies, at the following addresses: Moody's Investors Service, 99 Church Street, New York, New York 10007-2796, S&P Global Ratings, 55 Water Street, 38th Floor, New York, New York 10041 and Fitch Ratings, Inc., One State Street Plaza, New York, New York 10004.

FINANCIAL ADVISOR

The County has retained PFM Financial Advisors LLC, Orlando, Florida, as Financial Advisor in connection with the County's financing plans and with respect to the authorization and issuance of the Series 2024 Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement. The Financial Advisor did not participate in the underwriting of the Series 2024 Bonds.

AUDITED FINANCIAL STATEMENTS

The basic financial statements of the County for the Fiscal Year ended September 30, 2023, included in APPENDIX C attached hereto, have been audited by CliftonLarsonAllen LLP, independent auditors, as stated in their report (the "Audit Report") appearing therein. The consent of the County's auditor to include in this Official Statement the Audit report was not requested, and the audited financial statements are included as a public record and are presented for general information purposes only. The auditor was not requested nor did they perform any procedures with respect to the preparation of this Official Statement or the information presented herein.

The Series 2024 Bonds are payable solely from the Gross Revenues and Connection Charges and certain other funds and investment earnings as described in the Resolution and the Series 2024 Bonds are

not otherwise secured by, or payable from, the general revenues of the County. The financial statements are presented for general information purposes only.

VERIFICATION OF ARITHMETICAL COMPUTATIONS

At the time of the delivery of the Series 2024 Bonds, the Verification Agent, a wholly owned subsidiary of Bryant Miller Olive P.A., the County's Disclosure Counsel, will deliver a report on the mathematical accuracy of the computations contained in schedules provided to them and prepared by BofA Securities, Inc. on behalf of the County relating to the sufficiency of the anticipated cash and maturing principal amounts and interest on Refunding Securities to pay, when due, the principal, whether at maturity or upon prior redemption, interest and call premium requirements, if any, of the Refunded Bonds.

UNDERWRITING

BofA Securities, Inc., acting on behalf of itself, and Jefferies LLC and PNC Capital Markets LLC (collectively, the "Underwriters"), have agreed to purchase the Series 2024 Bonds at an aggregate purchase price of \$_____ (equal to the par amount of the Bonds of \$_____, [plus/less] a [net] bond [premium/discount] of \$_____, and less an Underwriters' discount of \$_____). The Underwriters' obligations are subject to certain conditions precedent described in a contract of purchase with the County, and they will be obligated to purchase all of the Series 2024 Bonds if any Series 2024 Bonds are purchased. The Series 2024 Bonds may be offered and sold to certain dealers (including dealers depositing such Series 2024 Bonds into investment trusts) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriters.

BofA Securities, Inc., an underwriter of the Series 2024 Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Series 2024 Bonds.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriters and their respective affiliates may have certain creditor and/or other rights against the County and its affiliates in connection with such activities. In the various course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the County (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the County. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

A familial relationship exists between a professional of BofA Securities, Inc. and a professional of Bryant Miller Olive P.A. and both firms are participants in this transaction. Such Bryant Miller Olive P.A. professional did not directly or indirectly participate in the underwriting selection process conducted by the County.

EXPERTS AND CONSULTANTS

The references herein to Raftelis Financial Consultants, Inc., Maitland, Florida, as Financial Feasibility Consultant, have been approved by said firm. The Feasibility Report of the Financial Feasibility Consultant has been included as "APPENDIX F – Financial Feasibility Report" attached to this Official Statement. References to and excerpts herein from such Report do not purport to be an adequate summary of such Report or complete in all respects. The Feasibility Report is an integral part of this Official Statement and should be read in its entirety for complete information with respect to the subjects discussed therein.

CONTINGENT FEES

The County has retained Bond Counsel, Disclosure Counsel and the Financial Advisor with respect to the authorization, sale, execution and delivery of the Series 2024 Bonds. Payment of the fees of such professionals and an underwriting discount to the Underwriters (including the fee of counsel to the Underwriters) to be paid by the County are each contingent upon the issuance of the Series 2024 Bonds.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Series 2024 Bonds upon an event of default under the Resolution are in many respects dependent upon judicial actions that are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically the federal bankruptcy code, the remedies specified by the Resolution and the Series 2024 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2024 Bonds, including Bond Counsel's approving opinion, will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. See "APPENDIX B – Copy of Resolution" attached hereto for a description in the event of default.

CONTINUING DISCLOSURE

The County has covenanted for the benefit of the Series 2024 Bondholders to provide certain financial information and operating data relating to the County and the Series 2024 Bonds in each year, and to provide notices of the occurrence of certain enumerated material events. The County has agreed to file annual financial information and operating data and the audited financial statements with each entity authorized and approved by the SEC to act as a repository (each a "Repository") for purposes of complying with Rule 15c2-12 adopted by the SEC under the Rule. Effective July 1, 2009, the sole Repository is the Municipal Securities Rulemaking Board. The County has agreed to file notices of certain enumerated material events, when and if they occur, with the Repository. Currently, the County's dissemination agent is Digital Assurance Certification, L.L.C.

The specific nature of the financial information, operating data, and of the type of events which trigger a disclosure obligation, and other details of the undertaking are described in "APPENDIX E - Form of Continuing Disclosure Certificate" attached hereto. The Continuing Disclosure Certificate shall be executed by the County upon the issuance of the Series 2024 Bonds. These covenants have been made in order to assist the Underwriters in complying with the continuing disclosure requirements of the Rule.

With respect to the Series 2024 Bonds, no party other than the County is obligated to provide, nor is expected to provide, any continuing disclosure information with respect to the Rule. In the past five years, the County has had one late filing of their annual financial information and operating data and the audited financial statements for the Fiscal Year ended September 30, 2021, as a result of delays, in part, due to the implementation of a new financial accounting system. The County provided a timely notice of failure to timely file annual financial information and thereafter filed the annual financial information and operating data and the audited financial statements as soon as they become available. Other than what is described above, the County has not failed to comply in any material respect in the past five years with any prior agreements to provide continuing disclosure information pursuant to the Rule.

ACCURACY AND COMPLETENESS OF OFFICIAL STATEMENT

The references, excerpts, and summaries of all documents, statutes, and information concerning the County and certain reports and statistical data referred to herein do not purport to be complete, comprehensive and definitive and each such summary and reference is qualified in its entirety by reference to each such document for full and complete statements of all matters of fact relating to the Series 2024 Bonds, the security for the payment of the Series 2024 Bonds and the rights and obligations of the owners thereof and to each such statute, report or instrument.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the owners of the Series 2024 Bonds.

The appendices attached hereto are integral parts of this Official Statement and must be read in their entirety together with all foregoing statements.

[Remainder of page intentionally left blank]

AUTHORIZATION OF OFFICIAL STATEMENT

The execution and delivery of this Official Statement has been duly authorized and approved by the County. At the time of delivery of the Series 2024 Bonds, the County will furnish a certificate to the effect that nothing has come to their attention which would lead it to believe that the Official Statement (other than information herein related to DTC, the book-entry only system of registration and the information contained under the captions "TAX MATTERS" and "UNDERWRITING," as to which no opinion shall be expressed), as of its date and as of the date of delivery of the Series 2024 Bonds, contains an untrue statement of a material fact or omits to state a material fact which should be included therein for the purposes for which the Official Statement is intended to be used, or which is necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

BOARD OF COUNTY COMMISSIONERS
POLK COUNTY, FLORIDA

By: _____
Chairman

By: _____
Clerk of the Circuit Court and
County Comptroller

APPENDIX A

General Information Regarding Polk County

APPENDIX A

General Information Regarding Polk County

County Government

Polk County, Florida (the "County"), is a political subdivision of the State of Florida governed by the State Constitution and general laws of the State of Florida. The County was incorporated in 1861. On November 3, 1998, the residents of Polk County adopted a Home Rule Charter in accordance with the Constitution and Statutes of the State of Florida. The Home Rule Charter assumed all powers and duties on the first day of January 1999. The Home Rule Charter sets forth a commission form of government under which a five-member Board of County Commissioners (the "Board") is elected to serve as the executive and legislative body for the County. The current members of the County Commission and the expiration of their terms of office are:

<u>Commissioner</u>	<u>Office</u>	<u>Expiration of Current Term of Office</u>	<u>Longevity on the Board</u>
Bill Braswell	Chairman	November, 2024	November, 2016
Rick Wilson	Vice Chairman	November, 2026	November, 2018
Neil Combee	Commissioner	November, 2024	November, 2020
George Lindsey III	Commissioner	November, 2024	November, 2012
Martha Santiago, Ed. D.	Commissioner	November, 2026	November, 2018

The County Manager

The Board appoints a County Manager whose duties include the administration of directives and policies of the Board, responsibility for the operation of all business centers and the provision of services under the purview of the Board. The residents of the County also elect a Sheriff, a Clerk of the Circuit Court and County Comptroller, a Supervisor of Elections, a Tax Collector, and a Property Appraiser whose responsibilities and duties are not altered by this Home Rule Charter. The Constitutional Officers perform their executive and administrative functions as specified by law.

Budget Process

Formal budgetary integration is employed as a management control device during the year for all fund types. The Constitutional Officers submit, at various times, to the Board and to certain divisions within the Florida Department of Revenue, a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them as set forth in Chapter 129 of the Florida Statutes.

Constitutional Officers and all divisions of the Board submit their proposed budgets to the Budget and Management Services Division for assistance, review, and compilation. The County Manager then reviews the budgets of all County divisions and Constitutional Officers and makes his budget recommendation to the Board in July of each year. The tentative budget includes proposed appropriations and the means of financing them.

During September, public hearings are held pursuant to Section 200.065, Florida Statutes, for the Board to receive public input on the tentative budget. At the end of the last public hearing, the Board adopts resolutions at the fund level to approve the budgets for all governmental fund types. The budgets legally adopted by the Board set forth the anticipated revenues by source and the appropriations by function. Computerized integrated budget reports are used for management control purposes throughout

the year. Management is authorized to transfer budgeted amounts between cost centers and divisions in any fund if the total appropriations of a fund are not exceeded. The Board's approval is required to appropriate reserves and to amend the budget when unanticipated revenues are received that management wishes to have appropriated, thereby increasing the total appropriations of a fund. The appropriations lapse at the close of the fiscal year.

Long-Term Financial Planning

The County is focused on strategic, long-term decision making, is committed to fiscal responsibility, and has developed a strategic business plan that will provide the framework to guide the County accordingly. The strategic plan focuses on several key business units that required policy decisions on significant funding and service level issues that are anticipated to occur in the next five years. The work on this plan will help direct the budget process in future years. The County prepares a biennial budget and five-year projections to enhance long-term financial planning.

Annual Financial Audit

Chapter 218.39 of the Florida Statutes requires an annual financial audit of counties in the state. In addition to meeting the requirements set forth in the state statutes, the County's audit was designed to meet the requirements of the Government Auditing Standards, 2 CFR 200 – Federal Uniform Grant Guidance (single audit), and the Rules of the Auditor General Chapter 10.550

The County's financial statements have been audited by CliftonLarsonAllen, LLP. The audit was performed to provide reasonable assurance that the financial statements for the fiscal year ended September 30, 2023, are free from material misstatement. The independent auditors concluded that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended September 30, 2023, are fairly presented in conformity with generally accepted accounting principles (GAAP). The audited financial statements of the County for the Fiscal Year ending September 30, 2023 and the report thereon of the independent certified public accountants are included in APPENDIX C attached to the Official Statement.

Location

The County is the geographical center of the State of Florida. With over 2,000 square miles of land and water, the County is the fourth largest county in the State and the ninth most populous county with an estimated population of 797,616 persons. In the 10 years between the 2010 and 2020 censuses, the County's population increased by over 122,000. The County is comprised of seventeen municipalities, of which the cities of Lakeland, Winter Haven, Haines City, and Bartow are the largest. The County has numerous institutions of higher education including technical schools, community colleges, and public and private universities. Each of these institutions contribute to the development of a robust talent pipeline.

Major attractions, such as LEGOLAND Florida, Streamsong Resort, Bok Tower Gardens, Safari Wilderness, and the County's proximity to other Central Florida attractions, such as Walt Disney World, have played a major role in increasing the County's visibility and appeal. Attracting leisure travelers is the County's number one priority, followed closely by driving demand from the state's number two industry, sports. Recruiting and hosting sporting events has proven to be a powerful recession-resistant economic engine for the area. Polk County is the headquarters for the Detroit Tigers Spring Training, the Lakeland Flying Tigers, two professional soccer teams, the annual Sun 'n Fun International Fly-In and

Expo – Florida’s largest aircraft convention, and the Miss Florida Pageant. The County also has the second-largest water area for a non-coastal county in Florida with 213 miles of lakes, rivers, and streams and is known worldwide as the "Water Ski Capital of the World." Additionally, the County’s natural resources and abundant wildlife are second to none, particularly at locations such as the Circle B Bar Reserve and the delicate ecosystems on the Lake Wales Ridge.

Climate

The County has an excellent year-round climate. Winters are warm and summers are partially cooled by breezes fanned by 554 lakes, the headwaters of six rivers and the nearby Gulf of Mexico. The high temperature in July is 92 degrees and the low temperature in January is 49 degrees. The range between high and low temperatures averages about 19.5 degrees in the summer and 22.9 degrees in the winter. The annual average precipitation is 52 inches. The sun shines an average of 239 days throughout the year. Prevailing winds are northerly in fall and winter, easterly in spring and summer.

Population

According to the University of Florida, Bureau of Economic and Business Research, the estimated population of Lakeland, the largest city in the County, was 121,968. According to the University of Florida, Bureau of Economic and Business Research, the estimated population of the County was 797,616. The County has been designated a Metropolitan Statistical Area ("MSA") by the United States Bureau of Census and is known as the Lakeland/Winter Haven MSA.

Education

The County also has numerous institutions of higher education including technical schools, community colleges, and public and private universities. One of these, Florida Polytechnic University, which opened in August 2014, is Florida's only public university dedicated to science, technology, engineering and mathematics (STEM) and is one of the largest development projects in the County's history. In addition to being a new top engineering school, Florida Polytechnic University is also known for its Santiago Calatrava designed architecture. Florida Southern College, Warner University, Webber International University, Polk State College, Southeastern University, Webster University, Saint Leo University, Polk State College, Keiser University, Everest University, Fortis Institute, Florida Technical College, Traviss Technical College and Ridge Technical College offer higher education courses in the County. In addition, there are over 100,000 students enrolled in public schools.

Florida Constitutional Limitations and Property Tax Reform

General. State law provides for numerous exemptions and limitations on ad valorem taxation of real property and tangible personal property. Real property used for the following purposes is generally exempt from ad valorem taxation: religious, educational, literary, charitable, scientific, and governmental uses. Certain additional exemptions and limitations are described below. This description does not purport to describe all exemptions available to property owners in the State, and reference is made to the State Constitution and Chapter 196, Florida Statutes, for a full description of such exemptions. In addition, State law allows for, but does not mandate, the imposition of some exemptions by local governments by ordinance. Where applicable, it is noted where the County has imposed such optional exemptions or limitations. Certain recent amendments to existing provisions relating to ad valorem tax exemptions are described under "*Constitutional Exemptions.- Recent Constitutional Amendments.*" below.

Constitutional Exemptions.

Exempt Entities/Exempt Purposes. The State Constitution provides that all property owned by a municipality and used exclusively by it for municipal or public purposes shall be exempt from taxation. A municipality, owning property outside the municipality, may be required by general law to make payment to the taxing unit in which the property is located. Such portions of property as are used predominantly for educational, literary, scientific, religious or charitable purposes (exempt purposes) may be exempted by general law from taxation. State law provides that all property owned by an exempt entity, including educational institutions, and used exclusively for exempt purposes shall be totally exempt from ad valorem taxation and all property owned by an exempt entity, including educational institutions, and used predominantly for exempt purposes (at least 50%) shall be exempted from ad valorem taxation to the extent of the ratio that such predominant use bears to the nonexempt use.

Household Goods and Personal Effects. The State Constitution provides that there shall be exempt from taxation, cumulatively, to every head of a family residing in the State, household goods and personal effects to the value fixed by general law, not less than one thousand dollars and to every widow or widower or person who is blind or totally and permanently disabled, property not less than five hundred dollars. State law exempts from taxation to every person residing and making his or her permanent home in the State, all household goods and personal effects and exempt property up to the value of \$500 of every widow, widower, blind person, or totally and permanently disabled person who is a resident of the State.

Economic Development. The State Constitution provides that any county or municipality may, for the purpose of its respective tax levy and subject to the State Constitution and general law, grant community and economic development ad valorem tax exemptions to new businesses and expansions of existing businesses, as defined by general law. Such an exemption may be granted only by ordinance of the county or municipality, and only after the electors of the county or municipality voting on such question in a referendum authorize the county or municipality to adopt such ordinance. An exemption so granted shall apply to improvements to real property made by or for the use of a new business and improvements to real property related to the expansion of an existing business and shall also apply to tangible personal property of such new business and tangible personal property related to the expansion of an existing business. The amount or limits of the amount of such exemption shall be specified by general law (up to 100% in certain circumstances) and the period of time for which such exemption may be granted to a new business or expansion of an existing business shall be determined by general law. State law provides that the authority to grant such exemption shall expire ten years from the date of approval by the electors of the county or municipality, and may be renewable by referendum as provided by general law and that exemptions may be granted for up to 10 or 20 years depending on the use of the applicable facility. The County has enacted an ordinance granting the exemption described in this paragraph.

Historic Preservation. The State Constitution provides that any county or municipality may, for the purpose of its respective tax levy and subject to the provisions of the State Constitution and general law, grant historic preservation ad valorem tax exemptions to owners of historic properties. This exemption may be granted only by ordinance of the county or municipality. The amount or limits of the amount of this exemption and the requirements for eligible properties must be specified by general law. State law provides that such exemption may be for an amount up to 50% of the assessed value of the property. The period of time for which this exemption may be granted may continue until the ordinance

is repealed or the property no longer qualifies for the exemption. The County has not enacted an ordinance granting the exemption described in this paragraph.

Tangible Personal Property and Solar Devices. The State Constitution provides that by general law and subject to conditions specified therein, \$25,000 of the assessed value of property subject to tangible personal property tax shall be exempt from ad valorem taxation. Effective January 1, 2018 through December 31, 2037, the assessed value of solar devices or renewable energy source devices subject to tangible personal property tax may be exempt from ad valorem taxation, subject to limitations provided by general law.

Property Dedicated In Perpetuity for Conservation. The State Constitution provides that there shall be granted an ad valorem tax exemption for certain real property dedicated in perpetuity for conservation purposes, including real property encumbered by perpetual conservation easements or by other perpetual conservation protections, as defined by general law.

Homestead Exemption. In addition to the exemptions described above, the State Constitution also provides for a homestead exemption. Every person who has the legal title or beneficial title in equity to real property in the State and who resides thereon and in good faith makes the same his or her permanent residence or the permanent residence of others legally or naturally dependent upon such person is eligible to receive a homestead exemption of up to \$50,000. The first \$25,000 applies to all property taxes, including school district taxes. The additional exemption, up to \$25,000, applicable to the assessed value of the property between \$50,000 and \$75,000, applies to all levies other than school district levies. A person who is receiving or claiming the benefit of an ad valorem tax exemption or a tax credit in another state where permanent residency, or residency of another legally or naturally dependent upon the owner, is required as a basis for the granting of that ad valorem tax exemption or tax credit is not entitled to the homestead exemption. In addition to the general homestead exemption described in this paragraph, the following homestead exemptions are authorized by State law.

Certain Persons 65 or Older. A board of county commissioners or the governing authority of any municipality may adopt an ordinance to allow an additional homestead exemption equal to (i) of up to \$50,000 for persons age 65 or older with household income that does not exceed the statutory income limitation of \$20,000 (as increased by the percentage increase in the average cost of living index each year since 2001) or (ii) the assessed value of the property with a just value less than \$250,000, as determined the first tax year that the owner applies and is approved, for any person 65 or older who has maintained the residence as his or her permanent residence for not less than 25 years and whose household income does not exceed the statutory income. The County enacted an ordinance providing for the exemption from County ad valorem taxes described in this paragraph.

In addition, veterans 65 or older who are partially or totally permanently disabled may receive a discount from tax on homestead property if the disability was combat related and the veteran was honorably discharged upon separation from military service. The discount is a percentage equal to the percentage of the veteran's permanent, service-connected disability as determined by the United States Department of Veteran's Affairs. The County has not enacted an ordinance providing for the exemption from County ad valorem taxes described in this paragraph.

Deployed Military Personnel. The State Constitution provides that by general law and subject to certain conditions specified therein, each person who receives a homestead exemption; who was a member of the United States military or military reserves, the United States Coast Guard or its reserves,

or the Florida National Guard; and who was deployed during the preceding calendar year on active duty outside the continental United States, Alaska, or Hawaii in support of military operations designated by the legislature shall receive an additional exemption equal to a percentage of the taxable value of his or her homestead property. The applicable percentage shall be calculated as the number of days during the preceding calendar year the person was deployed on active duty outside the continental United States, Alaska, or Hawaii in support of military operations designated by the legislature divided by the number of days in that year.

Certain Active Duty Military and Veterans. A military veteran who was honorably discharged, is a resident of the State, and who is disabled to a degree of 10% or more because of misfortune or while serving during wartime may be entitled to a \$5,000 reduction in the assessed value of his or her property. This exemption is not limited to homestead property. A military veteran who was honorably discharged with a service-related total and permanent disability may be eligible for a total exemption from taxes on homestead property. A similar exemption is available to disabled veterans confined to wheelchairs. Under certain circumstances, the veteran's surviving spouse may be entitled to carry over these exemptions.

Certain Totally and Permanently Disabled Persons. Real estate used and owned as a homestead by a quadriplegic, less any portion used for commercial purposes, is exempt from all ad valorem taxation. Real estate used and owned as a homestead by a paraplegic, hemiplegic, or other totally and permanently disabled person, who must use a wheelchair for mobility or who is legally blind, is exempt from taxation if the gross household income is below statutory limits.

Survivors of First Responders. Any real estate that is owned and used as a homestead by the surviving spouse of a first responder (law enforcement officer, correctional officer, firefighter, emergency medical technician or paramedic), who died in the line of duty may be granted a total exemption on homestead property if the first responder and his or her surviving spouse were permanent residents of the State on January 1 of the year in which the first responder died.

Save Our Homes Portability Affected by Storm Damage (SOH). Owners of homestead property that was significantly damaged or destroyed as a result of a named tropical storm or hurricane can elect to have the property deemed abandoned if the owner establishes a new homestead by January 1 of the second year immediately following the storm or hurricane. This will allow the owner of the homestead property to keep their SOH benefit if they move from the significantly damaged or destroyed property to establish a new homestead by the end of the year following the storm.

Property Tax Relief for Natural Disasters. In light of the recent natural disasters, the state legislature created a property tax relief credit for homestead parcels on which certain residential improvements were damaged or destroyed by a hurricane that occurred in 2016 or 2017, namely hurricanes Hermine, Matthew, and Irma. If the residential improvement is rendered uninhabitable for at least 30 days due to a hurricane that occurred during the 2016 or 2017 calendar year, taxes initially levied in 2019 may be abated. Due to this reduction in ad valorem tax revenue, the legislature is required to appropriate funds to offset the deficit in certain taxing jurisdictions.

Other Exemptions. Other exemptions include, but are not limited to, nonprofit homes for the aged (subject to income limits for residents), proprietary continuing care facilities, not for profit sewer water/waste water systems, certain hospital facilities and nursing homes for special services, charter schools, certain historic property used for commercial purposes and certain tangible personal property.

Recent Constitutional Amendments: There were two constitutional amendments that were approved by voters on the November 3, 2020 ballot relating to property tax exemptions. The first will extend the amount of time homeowners may transfer their "Save Our Homes" tax benefits from a prior home to a new home. Currently, the State Constitution gives a homeowner two years to transfer the benefits, which range from \$25,000 to \$50,000 in homestead exemptions, over to their new "homestead." This amendment will extend that period from two years to three years. The second will transfer homestead property tax discounts for veterans with permanent combat-related disabilities to their surviving spouse. The discount will remain in effect until the spouse remarries, dies or disposes of the property. Currently, that discount expires upon the veteran's death. Both amendments have an effective date of January 1, 2021.

During the 2021 State legislative session, State Senate Bill 7061 was passed by the Senate and the House and signed into law by the Governor. This law exempts fully from ad valorem taxation certain affordable housing properties that previously received a 50% discount from ad valorem taxes, along with certain other insignificant or indeterminate modifications to State law regarding ad valorem taxes.

During the 2022 State legislative session, State House Bill 7071 was passed by the Senate and the House and signed into law by the Governor. This law contains provisions for tax relief and changes to tax policy including, but not limited to, the following: providing property tax relief for residential property rendered uninhabitable for 30 days or more due to a catastrophic event; providing property tax relief for property owners affected by the sudden and unforeseen collapse of a residential building; increasing the widows, widowers, blind, or totally and permanently disabled property tax exemption from \$500 to \$5,000; providing an alternative assessment methodology for land used in the production of aquaculture products; clarifying the extent of the homestead exemption on classified lands; updating the qualifying operations for the deployed service member property tax exemption; and providing alternative dates from which to calculate the 15-year required term of an affordable housing agreement for establishing qualification for a property tax exemption. This law took effect on July 1, 2022. Further, State House Bill 777 was passed by the Senate and the House, which would require a local government seeking voter approval to levy certain optional local taxes to be held at a general election. The bill applies to the following local option taxes: tourist development taxes; tourist impact taxes; ad valorem taxes levied by a children's services independent special district; county, municipal and school district voted millage increase and local option fuel taxes and took effect on October 1, 2022.

During the 2023 State legislative session, State House Bill 7063 was passed by the Senate and the House and signed into law by the Governor. State House Bill 7063 makes property tax exemptions for veterans, first responders, and surviving spouses more accessible by eliminating certain requirements related to residency and property ownership, and revises the definition of "first responder" to include federal law enforcement officers and their surviving spouses. Additionally, this bill creates a property tax exemption for certain leased property used for educational purposes. State House Bill 7063 also provides that property used as a parsonage, burial grounds, or tomb and is owned by an exempt organization which owns a house of public worship is exempt for religious purpose.

During the 2024 State legislative session, State House Joint Resolution 7017 was passed by the Senate and the House and signed by officers of the State and filed with Secretary of State. State House Joint Resolution 7017 proposes an amendment to Article VII, Section 6(a) of the State Constitution requiring the existing \$25,000 assessed value amount, which is exempt from all ad valorem taxes other than school district taxes, be adjusted annually for positive inflation growth. This inflation adjustment provision would also

apply to any future homestead exemption applying only to ad valorem taxes, other than school district taxes, if approved by sixty percent (60%) of the voters at the 2024 general election. State House Bill 7019 was also passed by the Senate and the House during the 2024 State legislative session. If State House Bill 7017 is approved by the voters, this bill will amend Section 196.031, Florida Statutes, to add the annual positive inflation adjustment. The inflation adjustment would begin on January 1, 2025. State House Bill 7019 would create Section 218.136, Florida Statutes, requiring the Legislature to appropriate funds to offset reductions in ad valorem tax revenue experienced by fiscally constrained counties as a result of the annual positive inflation adjustment. The bill provides emergency rulemaking authority to the Department of Revenue to administer the provisions of the act.

Future Amendments Relating to Ad Valorem Taxation. Historically, various legislative proposals and constitutional amendments relating to ad valorem taxation have been introduced in each session of the State legislature. Many of these proposals have provided for new or increased exemptions to ad valorem taxation and limited increases in assessed valuation of certain types of property or have otherwise restricted the ability of local governments in the State to levy ad valorem taxes at their current levels.

Florida Retirement System

Background

The Florida Retirement System (FRS) was created by Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the County are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost sharing, multiple-employer defined benefit plans and other nonintegrated programs. An annual comprehensive financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

The County's aggregate pension liability, deferred outflows of resources related to pensions, deferred inflows of resources related to pensions, and pension expense for all plans total \$482,287,856, \$102,299,607, \$24,652,374, and \$60,331,544, respectively.

Florida Retirement System Pension Plan

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* - Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to four years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 96 months after electing to participate, except that certain instructional personnel may participate for up to 120 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the member's five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the member's 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned.

<u>Class, Initial Enrollment, and Retirement Age/Years of Service:</u>	<u>% Value</u>
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement up to age 63 or up to 31 years of service	1.63
Retirement up to age 64 or up to 32 years of service	1.65
Retirement up to age 65 or up to 33 years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement up to age 66 or up to 34 years of service	1.63
Retirement up to age 67 or up to 35 years of service	1.65
Retirement up to age 68 or up to 36 years of service	1.68
Elected County Officers	3.00
Senior Management Service Class	2.00
Special Risk Regular	
Service from December 1, 1970 through September 30, 1974	2.00
Service On and After October 1, 1974	3.00

Source: Annual Comprehensive Financial Report of Polk County, Florida for the Fiscal Year ended September 30, 2023.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. The employer contribution rates by job class for the periods from October 1, 2022, through June 30, 2023, and from July 1, 2023, through September 30, 2023, respectively, were as follows: Regular employees 11.92% and 13.57%; Special Risk employees 27.83% and 32.67%; County Elected Officials 57.00% and 58.68%; Senior Management Services 31.57% and 34.52%; and DROP participants 18.60% and 21.13%. The County's contributions to the FRS Plan were \$46,488,928 for the year ended September 30, 2023.

Pension Costs

At September 30, 2023, the County reported a liability of \$373,229,371 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the

total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The County's proportion of the net pension liability was based on the County's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2022, through June 30, 2023, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2023, the County's proportion was 0.936660014%, which was an increase of 0.008038999% from its proportion measured as of June 30, 2022.

For the year ended September 30, 2023, the County recognized pension expense of \$75,350,252 for its proportionate share of the FRS Plan's pension expense. In addition, the County reported its proportionate share of the FRS Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$35,043,017	
Changes in Actuarial Assumptions	24,330,187	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	15,587,069	
Changes in Proportion and Differences Between the County's Contributions and Proportionate Share of Contributions	6,224,701	\$13,812,373
County's Contributions Subsequent to the Measurement Date	<u>12,958,512</u>	
Total	<u>\$94,143,486</u>	<u>\$13,812,373</u>

Source: Annual Comprehensive Financial Report of Polk County, Florida for the Fiscal Year ended September 30, 2023.

An amount of \$12,958,512 reported as deferred outflows of resources related to pensions resulting from County contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year Ended September 30	Amount
2024	\$7,735,414
2025	(6,957,011)
2026	58,672,554
2027	6,125,247
2028	<u>1,796,397</u>
Total	<u>\$67,372,601</u>

Source: Annual Comprehensive Financial Report of Polk County, Florida for the Fiscal Year ended September 30, 2023.

Actuarial Assumptions

The total pension liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% per year
Salary Increases	3.25% average, including inflation
Discount Rate	6.70%, net of pension plan expense

Mortality rates were based on the PUB-2010 base table which varies by member category and sex, projected generationally with Scale MP-2018. The actuarial assumptions used in the July 1, 2023 valuation for the June 30, 2023 measurement date were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption.

The target allocation, as outlined in the FRS Plan's investment policy, and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.1%
Fixed Income	19.8	4.5	4.4	3.4
Global Equity	54.0	8.7	7.1	18.1
Real Estate (Property)	10.3	7.6	6.6	14.8
Private Equity	11.1	11.9	8.8	26.3
Strategic Investments	<u>3.8</u>	6.3	6.1	7.7
Totals	<u>100.0%</u>			
Assumed Inflation - Mean			2.4%	1.4%

Source: Annual Comprehensive Financial Report of Polk County, Florida for the Fiscal Year ended September 30, 2023.

Discount Rate

The discount rate used to measure the total pension liability was 6.70% for the FRS Plan, which was no change from the rate as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees.

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Liability Sensitivity

The following presents the County's proportionate share of the net pension liability for the FRS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease	Current Discount Rate	1% Increase
FRS Plan Discount Rate	5.70%	6.70%	7.70%
County's Proportionate Share of the FRS Plan Net Pension Liability	\$637,551,764	\$373,229,371	\$152,092,062

Source: Annual Comprehensive Financial Report of Polk County, Florida for the Fiscal Year ended September 30, 2023.

Pension Plan Fiduciary Net Position

Detailed information about the FRS Plan's fiduciary's net position is available in a separately-issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report. That report may be obtained through the Florida Department of Management Services website (www.dms.myflorida.com).

Retiree Health Insurance Subsidy Program

Plan Description

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

Eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS

members. For the fiscal year ended June 30, 2023, the contribution rate was 1.66% of payroll pursuant to Section 112.363, Florida Statutes. The County contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The County's contributions to the HIS Plan were \$4,748,785 for the year ended September 30, 2023.

Pension Costs

At September 30, 2023, the County reported a liability of \$109,058,485 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, and update procedures were used to determine liabilities as of July 1, 2023. The County's proportion of the net pension liability was based on the County's contributions received during the measurement period for employer payroll paid dates from July 1, 2022, through June 30, 2023, relative to the total employer contributions received from all participating employers. At June 30, 2023, the County's proportion was 0.686708600%, which is a decrease of 0.003477397% from its proportion measured as of June 30, 2022

For the year ended September 30, 2023, the County recognized pension expense of \$41,644,128 for its proportionate share of HIS's pension expense. In addition, the County reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$1,596,541	\$255,977
Changes in Actuarial Assumptions	56,319	
Net Difference Between Projected and Actual Earnings on HIS Program Investments		
Changes in Proportion and Differences Between the County's Contributions and Proportionate Share of Contributions	<u>2,260,998</u>	<u>1,133,739</u>
	<u>\$8,156,121</u>	<u>\$10,840,001</u>

Source: Annual Comprehensive Financial Report of Polk County, Florida for the Fiscal Year ended September 30, 2023.

An amount of \$1,375,148 reported as deferred outflows of resources related to pensions resulting from County contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year Ended September 30	Amount
2024	\$(317,495)
2025	(217,310)
2026	(667,184)
2027	(1,758,033)
2028	(1,006,420)
Thereafter	<u>(92,586)</u>
Total	<u>\$(4,059,028)</u>

Source: Annual Comprehensive Financial Report of Polk County, Florida for the Fiscal Year ended September 30, 2023.

Actuarial Assumptions

The total pension liability in the July 1, 2022 actuarial valuation for the June 30, 2023 measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%, per year
Salary Increases	3.25%, average, including inflation
Municipal Bond Rate	3.65%

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018. The actuarial assumptions used in the July 1, 2022 valuation for the June 30, 2023 measurement date were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

Discount Rate

The discount rate used to measure the total pension liability was 3.65% for the HIS Plan, which was a 0.11% increase from the 3.54% rate as of June 30, 2022. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan Sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Pension Liability Sensitivity

The following presents the County's proportionate share of the net pension liability for the HIS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease	Current Discount Rate	1% Increase
HIS Plan Discount Rate	2.65%	3.65%	4.65%
County's Proportionate Share of the HIS Plan Net Pension Liability	\$124,418,710	\$109,058,485	\$96,325,889

Source: Annual Comprehensive Financial Report of Polk County, Florida for the Fiscal Year ended September 30, 2023.

Pension Plan Fiduciary Net Position

Detailed information about the HIS Plan's fiduciary's net position is available in a separately-issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report. That report may be obtained through the Florida Department of Management Services website (www.dms.myflorida.com).

FRS Investment Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2023, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the County.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The County's contributions to the Investment Plan totaled \$8,130,738 for the year ended September 30, 2023.

Employee contributions to the Investment Plan totaled \$1,453,656 for the year ended September 30, 2023.

Other Post Employment Benefits Other than Pension

Plan Description

The postemployment benefits plan is a single-employer defined benefit plan administered by the County. In accordance with Section 112.0801, Florida Statutes, and as authorized by County Ordinance 2018-073 effective November 20, 2018, and County Ordinance 2020-044 effective January 1, 2021, the County offers retiring employees enrolled in the County's plans at the time of retirement and their covered dependents the opportunity to continue to participate in health and/or life insurance plans through the County's Retiree Benefits Program. The postemployment benefits plan does not issue a separate financial statement.

If an employee wishes to immediately continue group health insurance through the County, the appropriate paperwork must be submitted within 30 days of their employment termination date. A retired employee, who retired on or after November 20, 2018, has a one-time option to elect to cease participation in the group health insurance plan upon retirement, enter into inactive status, and enroll at a later date. A surviving spouse may also elect this one-time option. An employee who retires under a state retirement system or a state optional annuity or retirement program or is placed on disability retirement must immediately begin receiving retirement benefits after leaving County employment to qualify for this benefit. Any employee who retires under the Investment Plan must meet the age and service requirements set forth in Section 121.021(29), Florida Statutes, or attained the retirement age specified by Section 72(t)(2)AA(i) of the Internal Revenue Code and have the years of service required for vesting as set forth in Section 121.021(45), *Florida Statutes*.

However, an exception to this qualification is that some employees who did not retire, were employed with County government a minimum of 15 years and terminated their employment prior to January 1, 2012, qualified for participation in the Retiree Benefits Program based solely upon their years of service. Retirees age 65 and older and/or their Medicare eligible dependents participate in the fully-insured Medicare Advantage plan and must enroll in the Federal Medicare program (Part A & Part B) to be eligible for enrollment in this plan option. Retirees under the age of 65 may remain on the County's self-insured medical plan.

The premiums for the retirees and dependents participating in the County's health plans are the same as that of active employees. If a retiree was employed before January 1, 2009, elects to continue group health insurance, and was employed by County government for a minimum of ten years, or eight

years for elected officials and senior management, the County contributes toward the payment of the premium for the employee only coverage. If an employee retired or entered DROP before January 1, 2012, the County contributes 3% of the retiree's premium for each full year of employment that the employee had with a Polk County agency affiliated with the County's health plan. The maximum contribution that the County will provide to a retiree at 3% per year is 75% of the premium. If an employee retires after January 1, 2012, the County contributes the lesser of \$20 per year of service, up to a maximum of \$500 or 3% per year of service up to a maximum of 75%. The County does not make a contribution toward premiums for any employee hired after December 31, 2008. The County also subsidizes the premium rates paid by non-Medicare eligible retirees and their dependents by allowing them to participate in the self-insured plans at the blended group (implicitly subsidized) premium rates for both active and non-Medicare eligible retired employees. These rates provide an implicit subsidy because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees.

Employees may also retain the amount of basic life coverage in effect on the group life insurance plan at the time they become a retiree; however, they are fully responsible for the premium.

Funding Policy

The County has not advance-funded or established a funding methodology for the annual Other Postemployment Benefit (OPEB) or the net OPEB obligation. Contribution requirements of the County are established and may be amended through the County. The plan is currently being funded on a pay-as-you-go basis. No trust fund has been established for the plan. The plan does not issue a separate financial report.

Employees Covered by Benefit Terms

At the September 30, 2023 measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1,563
Active employees	<u>4,186</u>
TOTAL	<u>5,749</u>

Total OPEB Liability

The County's total OPEB liability was measured as of September 30, 2022, and was determined by an actuarial valuation as of September 30, 2022. The following table shows the County's total OPEB liability for the fiscal year reporting date ending September 30, 2023.

	Total OPEB Liability	Net OPEB Liability
Total OPEB Liability – Beginning Balance Measurement Year Ended September 30, 2023	\$208,784,936	\$208,784,936
Changes for the Year:		
Service Cost	5,180,152	5,180,152
Interest	4,592,364	4,592,364
Changes in Assumptions	(47,145,598)	(47,145,598)
Differences Between Expected and Actual Experience	1,611,336	1,611,336
Benefit Payments	(8,536,247)	(8,536,247)
Net Changes	(44,297,993)	(44,297,993)
Total OPEB Liability – Ending Balance Measurement Year Ended September 30, 2023	<u>\$164,486,943</u>	<u>\$164,486,943</u>

Actuarial Assumptions

The total OPEB liability in the September 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	4.40%
Inflation	2.50%
Healthcare Cost Trend Rates	6.50%

The actuarial cost method used was the Entry Age Normal method.

Mortality tables used for Regular Class and Special Risk Class members in the July 1, 2022 actuarial valuation of the Florida Retirement System. They are based on the results of statewide experience study covering the period 2013 through 2018

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this actuarial roll forward, the municipal bond rate is 4.40% (based on the daily rate of Fidelity's "20-Year Municipal GO AA Index" closest to but not later than the measurement date). The discount rate was 2.19% as of the previous measurement date.

Discount Rate Sensitivity

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
OPEB Plan Discount Rate	3.40%	4.40%	5.40%
Total OPEB liability	\$182,293,751	\$164,486,943	\$149,115,208

Healthcare Trend Rate Sensitivity

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease in Healthcare Cost Trend Rate	Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
OPEB Plan Healthcare Cost Rate	5.50%	6.50%	7.50%
Total OPEB liability	\$150,734,769	\$164,486,943	\$180,264,899

Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB

For the year ended September 30, 2023, the County recognized OPEB expense of \$1,392,838. In addition, the County reported deferred inflows of resources from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$1,475,276	\$2,074,365
Changes in assumptions	16,514,018	72,063,904
County's Contributions Subsequent to the Measurement Date	<u>8,665,948</u>	<u>0</u>
Total	<u>\$26,655,242</u>	<u>\$74,138,269</u>

Amounts reported as deferred inflows of resources related to OPEB will be amortized over 5 years and will be recognized as follows:

<u>Fiscal Year Ending September 30</u>	<u>Amount</u>
2024	\$(8,379,678)
2025	(8,379,678)
2026	(8,379,678)
2027	(7,858,640)
2028	(2,888,265)
Thereafter	<u>(20,263,036)</u>
Total	\$(56,148,975)

POPULATION ESTIMATES

Calendar Year	<u>Polk County</u>		<u>State of Florida</u>	
	<u>Population</u>	<u>Change %</u>	<u>Population</u>	<u>Change %</u>
2014	623,174	1.5%	19,507,369	1.3%
2015	633,052	1.6	19,815,183	1.6
2016	646,989	2.2	20,148,654	1.7
2017	661,645	2.3	20,484,142	1.7
2018	673,028	1.7	20,840,568	1.7
2019	690,606	2.6	21,208,589	1.8
2020	725,046	5.0	21,538,187	1.6
2021	748,365	3.2	21,898,945	1.7
2022	770,019	2.9	22,276,132	1.7
2023	797,616	3.6	22,634,867	1.6

Source: Bureau of Economic and Business Research, University of Florida and U.S. Census Bureau.

**POLK COUNTY, FLORIDA
PER CAPITA PERSONAL INCOME**

Year	<u>Polk County</u>		<u>Florida</u>		<u>United States</u>
	<u>Current Dollars</u>	<u>Percent of U.S.</u>	<u>Current Dollars</u>	<u>Percent of U.S.</u>	<u>Current Dollars</u>
2014	\$32,859	71.0%	\$42,865	92.7%	\$46,257
2015	33,767	70.3	44,945	93.6	48,038
2016	33,702	68.9	45,720	93.4	48,943
2017	35,287	69.2	48,439	95.0	50,977
2018	36,200	67.9	51,009	95.7	53,310
2019	37,771	68.0	53,640	96.6	55,539
2020	40,807	69.0	56,556	95.6	59,159
2021	43,915	68.2	63,071	97.9	64,411
2022	43,223	66.0	64,804	99.0	65,475
2023	N/A ⁽¹⁾	N/A	68,248	99.6	68,498

⁽¹⁾ Per capita personal income was not available for 2023.

Source: Florida Reserve Bank of St. Louis.

**POLK COUNTY, FLORIDA
LABOR FORCE AND UNEMPLOYMENT RATES**

Calendar Year	Polk County			Unemployment Rates		
	Civilian Labor Force	Employed	Unemployed	Polk County	Florida	U.S.
2014	278,128	257,543	20,585	7.4%	6.1%	5.7%
2015	281,059	263,119	17,940	6.4	5.2	5.1
2016	287,843	271,786	16,057	5.6	4.7	5.0
2017	291,121	276,937	14,184	4.9	3.8	4.2
2018	296,925	284,369	12,556	4.2	3.5	3.7
2019	303,759	292,129	11,630	3.8	3.2	3.5
2020	318,841	288,372	30,469	9.6	7.2	7.9
2021	327,390	309,533	17,857	5.5	4.9	4.8
2022	336,044	323,912	12,132	3.6	2.5	3.5
2023	344,422	331,847	12,575	3.7	2.8	3.8

Source: Florida Insight, Florida Department of Economic Opportunity and United States Department of Labor, Bureau of Labor Statistics.

**POLK COUNTY, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
YEAR ENDED SEPTEMBER 30, 2023**

Taxpayer	Taxable Value	Percentage of County Taxable Value
Duke Energy/Florida Power	\$1,273,583,215	2.47%
Tampa Electric	1,153,107,012	2.24
Mosaic/Streamsong/Stillwaters	853,183,035	1.66
Publix Supermarkets	542,946,700	1.05
Amazon	346,185,977	0.67
Invitation Homes	337,123,133	0.65
Walmart	263,769,908	0.51
Coca Cola	223,593,248	0.43
Florida Southeast Connection LLC	173,275,208	0.34
Frontier	166,239,342	<u>0.32</u>
Total for ten largest taxpayers	<u>5,333,006,778</u>	10.36%
Total Taxable Value	<u>\$5,148,324,834</u>	

Source Annual Comprehensive Financial Report of Polk County, Florida for the Fiscal Year Ended September 30, 2023.

**POLK COUNTY, FLORIDA
EMPLOYMENT BY INDUSTRY**

	<u>2022</u>
Total, All Industries	729,072
Accommodation and food services	47,975
Administrative and waste services	59,807
Agriculture, forestry, fishing and hunting	4,988
Arts, entertainment and recreation	11,520
Construction	75,801
Educational services	9,210
Finance and insurance	36,427
Health care and social assistance	68,747
Information	11,923
Management of companies and enterprises	5,220
Manufacturing	20,795
Mining	388
Other services (except public administration)	57,635
Professional and technical services	109,318
Real estate, rental and leasing	41,666
Retail trade	81,554
Transportation and warehousing	18,839
Utilities	1,122
Wholesale trade	40,324

Source: Florida Insight, Florida Department of Economic Opportunity and United States Department of Labor, Bureau of Labor Statistics.

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**POLK COUNTY, FLORIDA
BUILDING PERMITS, AGGREGATE BANK DEPOSITS AND
ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Building Permits⁽¹⁾</u>		<u>Property Value (in Thousands)⁽²⁾</u>	
	<u>Commercial Construction</u>	<u>Single-Residential Construction</u>	<u>Taxable</u>	<u>Nontaxable</u>
2014	242	1,317	\$24,035,462,993	\$11,619,884,272
2015	233	1,524	25,297,115,573	13,016,657,541
2016	315	1,722	26,767,498,167	14,461,786,021
2017	257	2,162	28,428,033,009	15,413,687,057
2018	249	2,574	31,310,394,246	16,830,858,281
2019	202	2,856	34,175,721,942	18,737,212,914
2020	263	2,875	36,805,627,918	20,151,089,547
2021	294	4,338	40,026,742,179	20,551,011,112
2022	231	4,060	43,751,939,037	21,841,302,474
2023	240	2,709	51,487,324,834	32,356,607,005

Source Annual Comprehensive Financial Report of Polk County, Florida for the Fiscal Year ended September 30, 2023.

**POLK COUNTY, FLORIDA
PROPERTY TAX MILLAGE RATES AND TAX LEVIES
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Millage Rates</u>					<u>Tax Levies</u>		
	<u>County</u>	<u>County School District</u>			<u>Total</u>	<u>County</u>	<u>School District</u>	<u>Total</u>
	<u>County</u>	<u>General Fund</u>	<u>Capital Improvement</u>	<u>Combined Total</u>	<u>Total</u>			
2014	6.8665	6.047	1.500	7.547	14.4135	\$165,896,955	\$200,679,717	\$366,576,672
2015	6.8665	5.708	1.500	7.208	14.0745	174,474,047	202,251,525	376,725,572
2016	6.7815	5.649	1.500	7.149	13.9305	182,495,617	212,676,587	395,172,204
2017	6.7815	5.297	1.500	6.797	13.5785	193,788,188	214,724,930	408,513,118
2018	6.7815	5.014	1.500	6.514	13.2955	213,109,132	228,539,822	441,648,954
2019	7.1565	4.003	2.248	6.251	13.4075	245,433,478	238,727,462	484,160,940
2020	7.1565	3.838	2.248	6.086	13.2425	264,558,943	250,188,355	514,747,298
2021	6.8990	3.687	2.248	5.935	12.8340	277,318,756	267,031,483	544,350,239
2022	6.8990	3.581	2.248	5.829	12.7280	302,693,318	285,530,675	588,223,993
2023	6.6920	3.271	2.248	5.519	12.2110	345,438,547	332,164,622	677,603,169

Source: Polk County Tax Collector's Office.

**POLK COUNTY, FLORIDA
GENERAL SALES TAX COLLECTIONS**

The following table shows the general sales tax collections for the State of Florida and for the County for the ten-year period ending June 30, 2023.

<u>Fiscal Year</u>	<u>State of Florida</u>	<u>Change</u>	<u>Polk County</u>	<u>Change</u>
2014	\$19,307,262,897	7.0%	453,783,444	5.9%
2015	20,702,466,853	7.2	487,754,412	7.5
2016	21,811,566,786	5.4	519,879,033	6.9
2017	22,670,541,032	3.9	548,037,644	5.4
2018	23,708,810,228	4.6	583,356,556	6.4
2019	24,795,239,840	4.6	612,581,427	5.0
2020	23,526,144,245	(5.1)	615,094,812	0.4
2021	25,632,924,121	9.0	705,228,351	14.7
2022	31,792,929,701	24.0	830,900,004	17.8
2023	38,000,718,276	19.5	995,440,564	19.8

Source: State of Florida Department of Revenue.

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**POLK COUNTY, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Total Tax Levy⁽¹⁾</u>	<u>Current Tax Collections⁽²⁾</u>	<u>Current Tax Collections as a Percentage of Total Levy</u>	<u>Collections In Subsequent Years⁽²⁾</u>	<u>Total Tax Collections</u>	<u>Total Tax Collections as a Percentage of Total Levy</u>
2014	\$165,896,955	\$159,591,391	96.20%	\$813,947	\$160,405,338	96.69%
2015	174,474,047	167,845,853	96.20	1,016,823	168,862,676	96.78
2016	182,495,617	175,460,063	96.14	820,373	176,280,436	96.59
2017	193,788,188	186,687,885	96.34	814,715	187,502,600	96.76
2018	213,109,132	205,408,483	96.39	731,151	206,139,634	96.73
2019	245,433,478	236,523,625	96.37	669,318	237,192,943	96.64
2020	264,558,943	254,714,582	96.28	872,911	255,587,493	96.61
2021	277,318,756	266,789,705	96.20	712,402	267,502,107	96.46
2022	302,693,318	291,055,941	96.16	607,861	291,663,802	96.36
2023	345,438,547	330,934,707	95.80	1,480,269	332,414,976	96.23

⁽¹⁾ Property taxes become due and payable on November 1 of each year. A four percent discount is allowed if the taxes are paid in November with the discount declining by one percent each month thereafter. Accordingly, taxes collected will never be 100% of the tax levy. Taxes become delinquent on April 1 of each year and tax certificates for the full amount of any unpaid taxes and assessments must be sold not later than June 1 of each year.

⁽²⁾ Current and delinquent collections include penalties.

Source Annual Comprehensive Financial Report of Polk County, Florida for the Fiscal Year ended September 30, 2023.

POLK COUNTY, FLORIDA
JUST VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY⁽¹⁾
LAST TEN FISCAL YEARS
(rate per \$1,000 of assessed value)

<u>Fiscal Year</u>	<u>Real Property Just Value</u>	<u>Personal Property</u>	<u>Total Real and Personal Property</u>	<u>Less: Tax-Exempt Property</u>	<u>Total Taxable Value</u>	<u>Total Direct Tax Rate</u>
2014	\$29,801,547,247	\$5,853,800,018	\$35,655,347,265	\$11,619,884,272	\$24,035,462,993	6.8665%
2015	32,457,361,114	5,856,412,000	38,313,773,114	13,016,657,541	25,297,115,573	6.8665
2016	35,066,615,991	6,162,668,197	41,229,284,188	14,461,786,021	26,767,498,167	6.7815
2017	37,775,852,975	6,065,867,091	43,841,720,066	15,413,687,057	28,428,033,009	6.7815
2018	41,555,582,175	6,585,670,352	48,141,252,527	16,830,858,281	31,310,394,246	6.7815
2019	45,671,786,942	7,241,147,914	52,912,934,856	18,737,212,914	34,175,721,942	7.1565
2020	49,571,619,025	7,385,098,440	56,956,717,465	20,151,089,547	36,805,627,918	7.1565
2021	54,549,524,711	6,028,228,580	60,577,753,291	20,551,011,112	40,026,742,179	6.8990
2022	59,282,417,394	6,310,824,117	65,593,241,511	21,841,302,474	43,751,939,037	6.8990
2023	76,952,501,663	6,891,430,176	83,843,931,839	32,356,607,005	51,487,324,834	6.6920

Source Annual Comprehensive Financial Report of Polk County, Florida for the Fiscal Year ended September 30, 2023.

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POLK COUNTY, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENT ACTIVITIES DEBT
SEPTEMBER 30, 2023

Governmental Unit	Net Debt	Percentage Applicable to this Governmental Unit	All Countywide Debt
<u>Polk County, Florida – Direct</u>			
Utility System Revenue Refunding Bonds, Series 2012	\$16,215,000	100%	\$16,215,000
Utility System Revenue and Refunding Bonds, Series 2013	4,885,000	100%	4,885,000
Utility System Revenue Refunding Bonds, Series 2014A, Utility System Revenue Refunding Bonds, Series 2014B, and Utility System Revenue Refunding Bonds, Series 2014C	29,720,000	100%	29,720,000
Utility System Revenue and Refunding Bonds, Series 2020	87,550,000	100%	87,550,000
Public Facilities Revenue Refunding Bonds, Series 2014	53,190,000	100%	53,190,000
Public Facilities Revenue Refunding Note, Series 2015	8,090,000	100%	8,090,000
Promissory Note, Series 2020A	23,681,020	100%	23,681,020
Promissory Note, Series 2020C	31,915,000	100%	31,915,000
Interlocal Agreement - City of Auburndale - Lake Myrtle Sports I	3,250,000	100%	3,250,000
Interlocal Agreement - City of Auburndale - Lake Myrtle Sports II	3,174,319	100%	3,174,319
Interlocal Agreement - City of Lakeland - Joker Marchant Stadium	9,928,655	100%	9,928,655
Interlocal Agreement - City of Lakeland - RP Funding Center	4,312,781	100%	4,312,781
Interlocal Agreement - City of Winter Haven - Chain of Lakes Sports	<u>7,895,000</u>	100%	<u>7,895,000</u>
	<u>\$283,806,775</u>		<u>\$283,806,775</u>
<u>District School Board of Polk County - Overlapping</u>			
Certificates of Participation - Series 2010C QSCB Issue - 11/22/2010	\$21,223,000	N/A	\$21,223,000
Certificates of Participation - Series 2019A -Issue – 02/02/2020	36,835,000	N/A	36,835,000
Certificates of Participation - Series 2019B -Issue – 02/03/2020	35,515,000	N/A	35,515,000
Certificates of Participation - Series 2021A -Issue – 12/16/2021	15,850,000	N/A	15,850,000
Sales Tax Bonds – Series 2019 – Issue 06/06/2019	160,025,000	N/A	160,025,000
State Board of Education Bonds - Series 2014A - Issued 05/22/2014	575,000	N/A	575,000
State Board of Education Bonds - Series 2017A - Issued 04/29/2017	472,000	N/A	472,000
State Board of Education Bonds - Series 2019A - Issued 01/27/2019	<u>2,752,000</u>	N/A	<u>2,752,000</u>
Total	<u>\$273,247,000</u>		<u>\$273,247,000</u>

Source: Annual Comprehensive Financial Report of Polk County, Florida for the Fiscal Year ended September 30, 2023.
Annual Comprehensive Financial Report of Polk County Public Schools for the Fiscal Year ended September 30, 2023.

**POLK COUNTY, FLORIDA
RATIO OF NET GENERAL BONDED DEBT
TO JUST VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Population</u>	<u>Just Value</u>	<u>Gross Bonded Debt⁽¹⁾</u>	<u>Debt Service Monies Available</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Per Capital</u>
2014	623,174	\$35,655,347,265	\$176,560,000	\$17,048,664	\$159,511,336	0.45%	\$255.97
2015	633,052	38,313,773,114	168,205,000	17,376,072	150,828,928	0.39	238.26
2016	646,989	41,229,284,188	141,955,000	17,252,351	124,702,649	0.30	192.74
2017	661,645	43,841,720,066	132,690,000	15,238,450	117,451,550	0.27	177.51
2018	673,028	48,141,252,527	125,890,000	15,182,321	110,707,679	0.23	164.49
2019	690,606	52,912,934,856	119,000,000	15,851,555	103,148,445	0.19	149.36
2020 ⁽¹⁾	725,046	56,956,717,465	61,660,000	5,387,275	56,272,725	0.10	77.61
2021	748,365	60,577,753,291	58,940,000	5,393,000	53,547,000	0.09	71.55
2022	770,019	65,593,241,511	56,105,000	5,411,075	50,693,925	0.08	65.83
2023	797,616	83,843,931,839	53,190,000	5,390,250	47,799,750	0.06	59.93

⁽¹⁾ Gross Bonded Debt significantly decreased due to the issuance of the \$41,955,000 Revenue Promissory Notes, Series 2020B and 2020C, which refunded the Capital Improvement Revenue Bonds, Series 2010 and Transportation Improvement Revenue Bonds, Series 2010 Bonds in Fiscal Year ended September 30, 2020. The Revenue Promissory Notes are not bonded debt.

Source: Office of the Clerk of the Circuit Court and County Comptroller.

APPENDIX B

Copy of Resolution

APPENDIX C

**Annual Comprehensive Financial Report of
Polk County for Fiscal Year Ended September 30, 2023**

APPENDIX D

Form of Bond Counsel Opinion

APPENDIX E

Form of Continuing Disclosure Certificate

APPENDIX F

Financial Feasibility Report

EXHIBIT D TO RESOLUTION
FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") dated _____, 2024 is executed and delivered by Polk County, Florida (the "Issuer") in connection with the issuance by the Issuer of its \$_____ Utility System Revenue and Revenue Refunding Bonds, Series 2024 (the "Bonds"). The Bonds are being issued pursuant to Resolution No. 91-03 adopted by the County on September 24, 1991, as amended and supplemented by Resolution No. 91-04 adopted by the County on October 3, 1991, and Resolution No. 97-05 adopted by the County on August 12, 1997, as supplemented, amended, restated and compiled by Resolution No. 03-15 adopted by the County on February 19, 2003, as supplemented, amended, restated and compiled by Resolution No. 04-157 adopted by the County on November 3, 2004, as amended and supplemented from time to time, as particularly amended by Resolution No. 10-117 adopted by the Board on August 18, 2010 and Resolution No. 2012-122 adopted by the Board on November 20, 2012, and as particularly supplemented by Resolution No. 2024-_____ adopted by the County on July 16, 2024 (collectively, the "Resolution").

SECTION 1. PURPOSE OF THE DISCLOSURE CERTIFICATE. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders and Beneficial Owners (defined below) of the Bonds and in order to assist the Participating Underwriters in complying with the continuing disclosure requirements of the Rule (defined below).

SECTION 2. DEFINITIONS. In addition to the definitions set forth in the Resolution which apply to any capitalized term used in this Disclosure Certificate, unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" shall mean initially Digital Assurance Certification, LLC, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access web portal of the MSRB, located at <http://www.emma.msrb.org>.

"Event of Bankruptcy" shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Obligated Person" shall mean any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity or credit facilities).

"Participating Underwriters" shall mean the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Repository" shall mean each entity authorized and approved by the Securities and Exchange Commission from time to time to act as a repository for purposes of complying with the Rule. As of the date hereof, the Repository recognized by the Securities and Exchange Commission for such purpose is the MSRB, which currently accepts continuing disclosure submissions through EMMA.

"Rule" shall mean the continuing disclosure requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of Florida.

SECTION 3. PROVISION OF ANNUAL REPORTS.

(a) The Issuer shall, or shall cause the Dissemination Agent to, by not later than April 30th, following the end of the prior fiscal year, commencing April 30, 2025 with respect to the report for the fiscal year ended September 30, 2024, provide to any Repository, in the electronic format as required and deemed acceptable by such Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date provided, further, in such event unaudited financial statements are required to be delivered as part of the Annual Report in accordance with Section 4(a) below. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5.

(b) If on the fifteenth (15th) day prior to the annual filing date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Issuer by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 3(a). Upon such reminder, the Issuer shall either (i) provide the

Dissemination Agent with an electronic copy of the Annual Report no later than two (2) business days prior to the annual filing date, or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Certificate, state the date by which the Annual Report for such year will be provided and instruct the Dissemination Agent that a failure to file has occurred and to immediately send a notice to the Repository in substantially the form attached as Exhibit A, accompanied by a cover sheet completed by the Dissemination Agent in the form set forth in Exhibit B.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of any Repository;

(ii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing any Repository to which it was provided; and

(iii) if the Dissemination Agent has not received an Annual Report by 6:00 p.m. Eastern time on the annual filing date (or, if such annual filing date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a failure to file shall have occurred and the Issuer irrevocably directs the Dissemination Agent to immediately send a notice to the Repository in substantially the form attached as Exhibit A without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Dissemination Agent in the form set forth in Exhibit B.

SECTION 4. CONTENT OF ANNUAL REPORTS. The Issuer's Annual Report shall contain or include by reference the following:

(a) the audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement dated _____, 2024 (the "Official Statement"), and the audited financial statements shall be filed in the same manner as the Annual Report when they become available; and

(b) updates of the following historical financial and operating data set forth in the Official Statement, in tabular form in the section entitled "THE SYSTEM AND THE CAPITAL IMPROVEMENTS PROGRAM."

1. Historical Revenues and Expenses of System and Debt Service Coverage;
2. Water System Permitted Capacity and Actual Demand;
3. Wastewater System Permitted Capacity and Actual Flows;
4. Water Rates then in effect;

5. Sewer Rates then in effect;
6. Reclaimed Water Rates then in effect;
7. Utilities Service Charges; and
8. Ten Largest Water/Sewer Consumers.

The information provided under Section 4(b) may be included by specific reference to documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the Repository's Internet website or filed with the Securities and Exchange Commission.

The Issuer reserves the right to modify from time to time the specific types of information provided in its Annual Report or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Issuer; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule and Section 9 hereof.

SECTION 5. REPORTING OF SIGNIFICANT EVENTS.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds. Such notice shall be given in a timely manner not in excess of ten (10) business days after the occurrence of the event, with the exception of the event described in number 17 below, which notice shall be given in a timely manner:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. modifications to rights of the holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. defeasances;

10. release, substitution, or sale of property securing repayment of the Bonds, if material;
11. ratings changes;
12. an Event of Bankruptcy or similar event of an Obligated Person;
13. the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. incurrence of a Financial Obligation of the Issuer or Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or Obligated Person, any of which affect security holders, if material;
16. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the Issuer or Obligated Person, any of which reflect financial difficulties; and
17. notice of any failure on the part of the Issuer to meet the requirements of Section 3 hereof.

(b) The notice required to be given in paragraph 5(a) above shall be filed with any Repository, in electronic format as prescribed by such Repository.

SECTION 6. IDENTIFYING INFORMATION. In accordance with the Rule, all disclosure filings submitted in pursuant to this Disclosure Certificate to any Repository must be accompanied by identifying information as prescribed by the Repository. Such information may include, but not be limited to:

- (a) the category of information being provided;
- (b) the period covered by any annual financial information, financial statement or other financial information or operation data;
- (c) the issues or specific securities to which such documents are related (including CUSIPs, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate);
- (d) the name of any Obligated Person other than the Issuer;
- (e) the name and date of the document being submitted; and
- (f) contact information for the submitter.

SECTION 7. TERMINATION OF REPORTING OBLIGATION. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, so long as there is no remaining liability of the Issuer, or if the Rule is repealed or no longer in effect. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5.

SECTION 8. DISSEMINATION AGENT. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be Digital Assurance Certification, LLC.

SECTION 9. AMENDMENT; WAIVER. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3, 4, or 5, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the holders or Beneficial Owners of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of holders or Beneficial Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or Beneficial Owners of the Bonds.

Notwithstanding the foregoing, the Issuer shall have the right to adopt amendments to this Disclosure Certificate necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. ADDITIONAL INFORMATION. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. DEFAULT. The continuing disclosure obligations of the Issuer set forth herein constitute a contract with the holders of the Bonds. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate; provided, however, the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with the provisions of this Disclosure Certificate shall be an action to compel performance. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution.

SECTION 12. DUTIES, IMMUNITIES AND LIABILITIES OF DISSEMINATION AGENT.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Dissemination Agent as required by this Disclosure Certificate. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the holders of the Bonds or any other party. The Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Certificate. The Dissemination Agent may conclusively rely upon certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Certificate shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 13. GOVERNING LAW. The construction of this Disclosure Certificate shall be governed by the laws of the State of Florida.

SECTION 14. BENEFICIARIES. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated as of _____, 2024

(SEAL)

POLK COUNTY, FLORIDA

By: _____
Chairman
Board of County Commissioners

ATTESTED:

By: _____
Clerk of the Circuit Court and
County Comptroller

ACKNOWLEDGED BY:

DIGITAL ASSURANCE CERTIFICATION, LLC,
as Dissemination Agent

By: _____
Name: _____
Title: _____

EXHIBIT A
NOTICE OF FAILURE TO FILE ANNUAL REPORT

Issuer: _____

Obligated Person: _____

Name(s) of Bond Issue(s): _____

Date(s) of Issuance: _____

Date(s) of Disclosure
Certificate: _____

CUSIP Number: _____

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate between the Issuer and Digital Assurance Certification, LLC, as Dissemination Agent. The Issuer has notified the Dissemination Agent that it anticipates that the Annual Report will be filed by _____.

Dated: _____

Digital Assurance Certification, LLC, as Dissemination
Agent, on behalf of the Issuer

cc:

EXHIBIT B
EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

Number of pages attached: ____

____ Description of Notice Events (Check One):

1. ____ "Principal and interest payment delinquencies;"
2. ____ "Non-Payment related defaults, if material;"
3. ____ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. ____ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. ____ "Substitution of credit or liquidity providers, or their failure to perform;"
6. ____ "Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;"
7. ____ "Modifications to rights of securities holders, if material;"
8. ____ "Bond calls, if material, and tender offers;"
9. ____ "Defeasances;"
10. ____ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. ____ "Rating changes;"
12. ____ "An Event of Bankruptcy or similar event of an Obligated Person;"
13. ____ "The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;"
14. ____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material."
15. ____ "Incurrence of a Financial Obligation of the Issuer or Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or Obligated Person, any of which affect security holders, if material;" and

16. ____ "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the Issuer or Obligated Person, any of which reflect financial difficulties."

____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, LLC
315 E. Robinson Street, Suite 300
Orlando, FL 32801
407-515-1100

Date:

EXHIBIT E TO RESOLUTION
ESCROW DEPOSIT AGREEMENT

FORM OF
ESCROW DEPOSIT AGREEMENT

This is an Escrow Deposit Agreement dated as of _____, 2024, by and between **POLK COUNTY, FLORIDA**, a political subdivision of the State of Florida (the "Issuer"), and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, a national banking association and a member of the Federal Deposit Insurance Corporation, organized and existing under the laws of the United States of America and having its designated corporate trust office in which its duties hereunder are to be performed in Dallas, Texas, as the escrow agent and as paying agent with respect to the Refunded Bonds, as hereinafter defined (the "Escrow Agent"):

WITNESSETH:

WHEREAS, the Issuer has previously issued its [Utility System Revenue Refunding Bonds, Series 2012 (the "2012 Bonds")] [Utility System Revenue and Refunding Bonds, Series 2013 (the "2013 Bonds")] [Utility System Revenue Refunding Bonds, Series 2014A (the "2014A Bonds")] [Utility System Revenue Refunding Bonds, Series 2014C (the "2014C Bonds")], of which \$ _____ in aggregate principal amount remain outstanding prior to the date hereof; and

WHEREAS, the Issuer wishes to make provision for the payment of the outstanding [2012 Bonds] [2013 Bonds] [2014A Bonds] [2014C Bonds] [maturing on October 1 in the years 20__ through and including 20__] (the "Refunded Bonds") by irrevocably depositing in escrow moneys in an amount which, together with investment earnings thereon will be sufficient to pay the principal of and interest and redemption premium, if any, on the Refunded Bonds as the same become due or are called for redemption as herein provided; and

WHEREAS, in order to deposit such amount of money in trust, the Issuer has authorized and issued its Utility System Revenue and Revenue Refunding Bonds, Series 2024 (the "Refunding Bonds") in the aggregate principal amount of \$ _____, and has made available certain proceeds of such Refunding Bonds (including net original issue premium thereon, if any); and

WHEREAS, upon deposit in escrow as herein contemplated, a portion of the proceeds derived from the sale of the Refunding Bonds will be applied to the purchase of certain noncallable direct obligations of the United States of America ("Government Obligations"), the principal of which, together with investment earnings thereon and a cash deposit, will be sufficient to pay when due, or when called for redemption, the principal of and interest and redemption premium, if any, on the Refunded Bonds; and

WHEREAS, in order to provide for the proper and timely application of the moneys deposited in said escrow to the payment of the Refunded Bonds, it is necessary to enter into this Escrow Deposit Agreement with the Escrow Agent on behalf of the holders from time to time of the Refunded Bonds.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein set forth and in order to secure the payment of the principal of, interest and redemption premium, if any, on the Refunded Bonds according to their tenor and effect, the Issuer does hereby deliver

to and give, grant, mortgage, assign and pledge to the Escrow Agent, and to its successors and its assigns forever, all and singular the property hereinafter described:

I.

All right, title and interest of the Issuer in and to \$ _____ derived from the proceeds of the Refunding Bonds, \$ _____ from the debt service fund allocable to the Refunded Bonds and \$ _____ from the release of funds from the debt service reserve fund allocable to the Refunded Bonds.

II.

All right, title and interest of the Issuer in and to the Government Obligations purchased from the moneys described in Clause I above and more particularly described in Schedule "A" hereto.

III.

All right, title and interest of the Issuer in and to all cash balances held from time to time hereunder and all income and earnings derived from or accruing to the Government Obligations described in Clause II above and more particularly described in Schedule "A" attached hereto and made a part hereof, and all proceeds of any of the foregoing.

IV.

All property which is by the express provisions of this Agreement required to be subject to the pledge hereof and any additional property of every kind and nature that may, from time to time hereafter, by delivery or by writing of any kind, be conveyed, pledged, assigned, or transferred as and for additional security hereunder or to be subject to the pledge hereof, by the Issuer or by anyone in its behalf, and the Escrow Agent is hereby authorized to receive the same at any time as additional security hereunder.

TO HAVE AND TO HOLD, all the same, including all additional property which by the terms hereof has or may become subject to the encumbrances of this Agreement given, granted, pledged and assigned or agreed or intended so to be, with all privileges and appurtenances hereby to the Escrow Agent, and its successors and assigns, forever;

IN ESCROW NEVERTHELESS, upon the terms herein set forth, for the equal and proportionate benefit, security and protection, as herein described, of the holders or owners from time to time of the Refunded Bonds in the manner herein provided; but if the Refunded Bonds shall be fully and promptly paid when due or redeemed in accordance with the terms thereof, then this Agreement shall be and become null and void and of no further force and effect, otherwise the same shall remain in full force and effect, and subject to the covenants and conditions hereinafter set forth.

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions. Words used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Resolution (defined below). In addition to words and terms elsewhere defined in this Agreement, as used herein, unless some other meaning is plainly intended, the following terms and phrases shall have the following meanings:

"**Agreement**" means this Escrow Deposit Agreement between the Issuer and the Escrow Agent.

"**Chairman**" means the Chairman or Vice Chairman of the Board of County Commissioners of the Issuer.

"**Escrow Funds**" shall mean the funds deposited by the Issuer pursuant to Section 201(b).

"**Escrow Agent**" means The Bank of New York Mellon Trust Company, N.A., a national banking association having trust powers and a member of the Federal Deposit Insurance Corporation, organized and existing under and by virtue of the laws of the United States and being duly qualified to accept and administer the escrow hereby created, and its successors in such capacity.

"**Escrow Deposit Fund**" means the fund so designated and established under Section 2.01(a) of this Agreement and entitled "Escrow Deposit Fund."

"**Fiscal Year**" means that period of time commencing on October 1 and continuing to and including the next succeeding September 30, or such other annual period as may be prescribed by law.

"**Government Obligations**" means the noncallable direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America described in Schedule "A" attached hereto in which the Escrow Agent is instructed to invest pursuant to Section 201(c).

"**Issuer**" means Polk County, Florida.

"**Paying Agent**" means The Bank of New York Mellon Trust Company, N.A., and its successors as paying agent for the Refunded Bonds.

"**Redemption Date**" shall mean October 1, 20__.

"**Refunded Bonds**" means the outstanding [Utility System Revenue Refunding Bonds, Series 2012] [Utility System Revenue and Refunding Bonds, Series 2013] [Utility System Revenue Refunding Bonds, Series 2014A] [Utility System Revenue Refunding Bonds, Series 2014C] [maturing on October 1 in the years 20__ through and including 20__].

"**Refunding Bonds**" means the \$ _____ Utility System Revenue and Revenue Refunding Bonds, Series 2024, dated _____, 2024.

"**Resolution**" means Resolution No. 91-03 adopted by the Issuer on September 24, 1991, as amended and restated in its entirety by Resolution No. 04-157 adopted by the Issuer on November 3, 2004, as supplemented and amended, including, without limitation, as supplemented by Resolution No. 2024-___ adopted on _____, 2024.

"**Written Request**" with respect to the Issuer means a request in writing signed by the Chairman or any other officer or official of the Issuer duly authorized by the Issuer to execute such request and satisfactory to the Escrow Agent.

SECTION 1.02. Uses of Phrases. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa. The word "person" shall include corporations, associations, natural persons and public bodies unless the context shall otherwise indicate. Reference to a person other than a natural person shall include its successors.

ARTICLE II

ESTABLISHMENT OF FUNDS; FLOW OF FUNDS

SECTION 2.01. Creation of Escrow Deposit Fund.

(a) There is hereby created and established with the Escrow Agent a special and irrevocable escrow fund designated the "Escrow Deposit Fund" to be held in the custody of the Escrow Agent separate and apart from other funds of the Issuer or of the Escrow Agent.

(b) Concurrently with the execution of this Agreement, the Issuer hereby deposits or has caused to be deposited with the Escrow Agent, and the Escrow Agent acknowledges receipt of, immediately available moneys in the amount of \$ _____ from the proceeds of the Refunding Bonds, \$ _____ from the debt service fund allocable to the Refunded Bonds and \$ _____ from the release of funds from the debt service reserve fund allocable to the Refunded Bonds, for a total of \$ _____ to be deposited in the Escrow Deposit Fund.

(c) The Escrow Funds deposited in the Escrow Deposit Fund pursuant to subsection (b) above shall be immediately invested by the Escrow Agent in the noncallable Government Obligations described in Schedule "A" hereto, except \$ _____ of the Escrow Funds shall be initially held uninvested as a cash balance and the Escrow Agent hereby acknowledges its receipt of such Government Obligations. The Issuer hereby represents and warrants that the Government Obligations described in Schedule "A" together with the earnings to be received thereon, and the initial cash balance, will provide sufficient funds to pay the principal of and interest and redemption premium, if any, on the Refunded Bonds as the same become due or are called for redemption on the Redemption Date. The total aggregate receipts from such investments pursuant to Schedule "A" is shown on Schedule "B" attached hereto. The debt service on the Refunded Bonds, including the redemption premium, if any, is shown on Schedule "C" hereto.

SECTION 2.02. Irrevocable Escrow Created. Except as provided in Section 4.01 hereof with respect to certain amendments, the deposit of Escrow Funds in the Escrow Deposit Fund and the investments as described in Schedule "A" shall constitute an irrevocable escrow fund deposit of said moneys and Government Obligations for the benefit of the registered owners of the Refunded Bonds and such registered owners shall have an express lien on all moneys and the principal of and interest on all such Government Obligations and all cash balances therein, until used and applied according to this Escrow Deposit Agreement. Such moneys and investments, and the matured principal of the Government Obligations and the interest thereon, shall be held in escrow by the Escrow Agent in the Escrow Deposit Fund created hereunder for the benefit of the registered owners of the Refunded Bonds as herein provided, and shall be kept separate and distinct from all other funds of the Issuer and the Escrow Agent and used only for the purposes and in the manner provided in this Escrow Deposit Agreement.

SECTION 2.03. Purchase of Government Obligations. The Escrow Agent is hereby directed to immediately purchase the Government Obligations listed on Schedule "A" hereto solely from the moneys deposited in the Escrow Deposit Fund as hereinabove described and to retain the initial cash balance of \$_____ uninvested in the Escrow Deposit Fund. Except as otherwise provided below, cash balances received from the Government Obligations as described in Schedule "A" as shown on Schedule "B" shall be held uninvested until applied in accordance with the terms hereof.

SECTION 2.04. Redemption of Bonds; Use of Moneys in the Escrow Deposit Fund.

(a) The Issuer hereby irrevocably instructs the Escrow Agent to instruct the Paying Agent to call the Refunded Bonds for redemption on the Redemption Date in accordance with the terms of the Resolution and to provide a timely notice of redemption in compliance with the requirements of the Resolution, substantially in the form attached hereto as Exhibit One and is further instructed to file such notice of redemption on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website. Notwithstanding anything to the contrary herein, the Issuer acknowledges and agrees that the Escrow Agent is not acting as the disclosure/dissemination agent for purposes of Rule 15c2-12 of the Securities Exchange Act of 1934 in connection with any notice required by this Agreement to be posted on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website.

(b) As any principal of and interest on the Government Obligations set forth in Schedule "A" shall mature and is received as shown on Schedule "B," the Escrow Agent shall no later than the principal and interest payment dates and the redemption date with respect to the Refunded Bonds (unless any such date shall not be a business day, in which case, the next succeeding date which is a business day), transfer from the Escrow Deposit Fund to the Paying Agent for the Refunded Bonds amounts sufficient to pay the principal of and interest and redemption premium, if any, on the Refunded Bonds on the next principal and interest payment date and redemption payment date, as shown on Schedule "C." Such amounts shall be applied by the Paying Agent to pay the principal of and interest and redemption premium, if any, on the Refunded Bonds. Except as otherwise provided herein, all cash balances remaining from time to time in the Escrow Deposit Fund, as described in Schedule "B," shall be held uninvested until needed for the purposes hereof.

(c) Any moneys remaining after payment in full of the Refunded Bonds shall also be transferred to the Issuer as contemplated in Section 2.06 below.

SECTION 2.05. Investment of Moneys remaining in Escrow Deposit Fund. The Escrow Agent shall have no power or duty to invest any moneys held hereunder or to make substitutions of the Government Obligations held hereunder or to sell, transfer or otherwise dispose of the Government Obligations acquired hereunder except as provided in this Agreement. At the Written Request of the Issuer, the Escrow Agent shall invest and reinvest any moneys remaining from time to time in the Escrow Deposit Fund until such time that they are needed in direct obligations of the United States of America maturing at such time and bearing interest at such rates as, in the opinion of Holland & Knight LLP or other nationally recognized bond counsel, based upon an independent verification by a nationally recognized independent certified public accounting firm (which such verification report shall also be delivered to the Escrow Agent), will not, under the statutes, rules and regulations then in force and applicable to the Refunding Bonds cause the interest on such Refunding Bonds not to be excluded from gross income for federal income tax purposes. The Escrow Agent will not make any investments or reinvestments not expressly contemplated herein and in the Schedules hereto without such an opinion and verification report. Any interest income resulting from reinvestment of moneys pursuant to this Section 2.05 shall be transferred to the Issuer, at the Written Request of the Issuer, and used by the Issuer for any lawful purpose, unless the opinion referred to above shall dictate otherwise.

SECTION 2.06. Transfer of Funds after all Payments Required by this Agreement are Made. After all of the transfers by the Escrow Agent to the Paying Agent for payment of the principal of and interest and redemption premium, if any, on the Refunded Bonds on the Redemption Date have been made, all remaining moneys and Government Obligations, together with any income and interest thereon, in the Escrow Deposit Fund shall be transferred to the Issuer by the Escrow Agent pursuant to the Issuer's written direction and (i) deposited into the Debt Service Fund created under the Resolution and used to pay interest on the Refunding Bonds or (ii) used by the Issuer for any lawful purpose which, in the opinion of Holland & Knight LLP or other nationally recognized bond counsel, will not cause the interest on the Refunding Bonds not to be excludable from gross income for federal income tax purposes and applied to the payment of Bonds (as defined in the Resolution); provided, however, that no such transfer (except transfers made in accordance with Sections 2.04C, 2.05 and 4.01 hereof) to the Issuer shall be made until all of the principal of and interest and redemption premium, if any, on the Refunded Bonds have been paid.

ARTICLE III

CONCERNING THE ESCROW AGENT

SECTION 3.01. Appointment of Escrow Agent. The Issuer hereby appoints The Bank of New York Mellon Trust Company, N.A., as Escrow Agent under this Agreement.

SECTION 3.02. Acceptance by Escrow Agent. By execution of this Agreement, the Escrow Agent accepts the duties and obligations as Escrow Agent hereunder for the fee set forth on Exhibit Two hereto. The Escrow Agent further represents that it has all requisite power, and has taken all corporate actions necessary to execute this Escrow Agreement. The Issuer shall pay the Escrow Agent's fees and expenses for services rendered hereunder described on Exhibit Two

hereto and reasonable expenses from funds of the Issuer other than those held hereunder. If the Escrow Agent is required by a governmental agency or court proceeding initiated by a third party to undertake efforts beyond that which is set forth herein but related thereto (other than due to the Escrow Agent's negligence or willful misconduct), the Escrow Agent shall notify the Issuer of the same in writing and the Issuer shall promptly pay the Escrow Agent for such extraordinary fees, costs and expenses reasonably incurred in connection therewith. The Escrow Agent shall have no lien whatsoever upon any of the moneys or investments in either the Escrow Deposit Fund for the payment of fees and expenses for services rendered by the Escrow Agent under this Agreement. To the extent authorized under applicable law, the Issuer shall indemnify and hold harmless Escrow Agent and each director, officer, employee and affiliate of Escrow Agent (each, an "Indemnified Party") upon demand against any and all claims, actions and proceedings (whether asserted or commenced by Issuer or any other person or entity and whether or not valid), losses, damages, liabilities, penalties, costs and expenses of any kind or nature (including without limitation reasonable attorneys' fees, expenses and costs incurred in the enforcement of Issuer's obligations hereunder) (collectively, "Losses") arising from this Agreement or Escrow Agent's actions hereunder, except to the extent such Losses are finally determined by a court of competent jurisdiction, which determination is not subject to appeal, to have been directly caused solely by the negligence or willful misconduct of such Indemnified Party.

SECTION 3.03. Liability of Escrow Agent. The Escrow Agent shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct. The Escrow Agent shall not be liable for any loss resulting from any investment made pursuant to the terms and provisions of this Agreement.

The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of moneys and of the principal amount of the Government Obligations, and the earnings thereon to pay the Refunded Bonds. In the event of the Escrow Agent's failure to account for any of the Government Obligations, or moneys received by it hereunder, said Government Obligations, or moneys shall be and remain the property of the Issuer in escrow for payments of its obligations to the holders of the Refunded Bonds, as herein provided.

SECTION 3.04. Permitted Acts. The Escrow Agent and its affiliates may become the owner of or may deal in any obligations of the Issuer described herein as fully and with the same rights as if it were not the Escrow Agent.

SECTION 3.05. Resignation of Escrow Agent. The Escrow Agent at the time acting hereunder may at any time resign and be discharged from the escrow hereby created by giving not less than sixty (60) days' advance written notice to the Issuer, but no such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the holders of the Refunded Bonds or by the Issuer or otherwise as hereinafter provided and such successor Escrow Agent shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent, and the transfer to such successor Escrow Agent of the funds and accounts held by the Escrow Agent hereunder.

SECTION 3.06. Removal of Escrow Agent.

(a) The Escrow Agent may be removed by Issuer at any time if the holders of a majority in aggregate principal amount of the Refunded Bonds then outstanding file a request for removal

in writing with the Issuer, but the Escrow Agent shall remain in office until the appointment and taking office of a successor Escrow Agent in accordance with the provisions of this Agreement. A copy of such request shall be delivered by the Issuer to the Escrow Agent.

(b) The Escrow Agent may also be removed at any time for any violation of this Agreement either by the Issuer or by a court of competent jurisdiction upon the application of the Issuer or the holders of not less than five percent (5%) in aggregate principal amount of the Refunded Bonds then outstanding.

(c) The Escrow Agent shall be deemed to have been removed if it is dissolved, becomes incapable of exercising the powers necessary to carry out its obligations hereunder or is taken over by any governmental action.

SECTION 3.07. Successor Escrow Agent.

(a) When the position of the Escrow Agent becomes or is about to become vacant, the Issuer shall appoint a successor Escrow Agent to fill such vacancy.

(b) If no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this Section within sixty (60) days of (i) the date of the resignation of the Escrow Agent or (ii) the date the vacancy occurs, the Issuer shall, or the holder of any Refunded Bond then outstanding, or any Escrow Agent retiring or being removed from office may, apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Upon the deposit by the retiring or removed Escrow Agent of all funds and securities held by it under the provisions hereof into the registry of such court, such retiring or removed Escrow Agent shall be relieved of all future duties hereunder.

SECTION 3.08. Receipt of Proceedings. Receipt of true and correct copies of the proceedings of the Issuer authorizing the issuance of the Refunded Bonds and the proceedings of the Issuer authorizing the issuance of the Refunding Bonds are hereby acknowledged by the Escrow Agent, and reference herein to or citation herein of any provision of said documents shall be deemed to incorporate the same as a part thereof in the same manner and with the same effect as if they were fully set forth herein but only to the extent that such incorporation shall be necessary to the performance by the Escrow Agent of its duties and obligations set forth herein. Except as otherwise provided in the preceding sentence, no such incorporation shall be deemed or construed to place upon the Escrow Agent any duties or obligations not otherwise expressly set forth herein.

SECTION 3.09. Responsibilities of Escrow Agent.

(a) The Escrow Agent and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Agreement, the acceptance of the funds and securities deposited in the Escrow Deposit Fund, the purchase of the Government Obligations in accordance with the terms hereof, the establishment of the Escrow Deposit Fund, the retention of the Government Obligations or the proceeds thereof or any payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Agreement or by reason of any act, omission or error of the Escrow Agent made in good faith in the conduct of its duties except to the extent that a court of competent jurisdiction determines that such act, omission or error constituted negligence or willful misconduct. In no event will Escrow Agent be liable for

acting in accordance with or conclusively relying upon any Written Request, instruction, notice, demand, certificate or document believed by Escrow Agent to have been created by or on behalf of the Issuer. The duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement and no implied covenants or obligations should be read into this Agreement against the Escrow Agent. Escrow Agent has no fiduciary or discretionary duties of any kind. Escrow Agent's permissive rights will not be construed as duties.

(b) Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the Issuer. The Escrow Agent may conclusively rely, as to the correctness of statements, conclusions and opinions therein, upon any certificate, report, opinion or other document furnished to the Escrow Agent pursuant to any provision of this Agreement; the Escrow Agent shall be fully protected and shall not be liable for acting or proceeding in good faith upon such reliance; and the Escrow Agent shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument. The Escrow Agent may consult with counsel, who may be counsel to the Issuer or independent counsel, with regard to legal questions, and the advice of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance herewith. The Escrow Agent may act through its agents and attorneys and shall not be responsible for any misconduct or negligence on the part of any such person so appointed with due care. Any payment obligation of the Escrow Agent hereunder shall be paid from, and is limited to funds available, established and maintained hereunder; the Escrow Agent shall not be required to expend its own funds for the performance of its duties hereunder.

ARTICLE IV

MISCELLANEOUS

SECTION 4.01. Amendments to this Agreement. This Agreement is made for the benefit of the Issuer and the holders from time to time of the Refunded Bonds. The Issuer warrants that it will take no action to repeal, revoke, alter or amend this Agreement without the written consent of all holders of the Refunded Bonds and the Escrow Agent; provided, however, that the Issuer further warrants that the Issuer and the Escrow Agent may, without the consent of, or notice to, such holders, enter into such agreements supplemental to this Agreement that, as the Issuer determines, shall not adversely affect the rights of such holders and not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;
- (b) to grant to, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded Bonds, additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and
- (c) to subject to this Agreement additional funds, securities or properties.

The Escrow Agent shall be entitled to rely conclusively upon an unqualified opinion of Holland & Knight LLP or other nationally recognized attorneys on the subject of municipal bonds and the exclusion of the interest thereon from gross income for federal income tax purposes with

respect to compliance with this section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Refunded Bonds, or that any instrument executed hereunder complies with the conditions and provisions of this Section.

Notwithstanding the foregoing or any other provision of this Agreement, at the Written Request of the Issuer and upon compliance with the conditions hereinafter stated, the Escrow Agent shall have the power to and shall, in simultaneous transactions, sell, transfer, otherwise dispose of or request the redemption of the Government Obligations held hereunder and to substitute therefor noncallable direct obligations of, or obligations the principal of and interest on which is fully guaranteed by the United States of America, subject to the condition that such moneys or securities held by the Escrow Agent shall be sufficient to timely pay the principal of, interest on and redemption premium, if any, with respect to the Refunded Bonds in accordance with the schedules attached hereto. The Issuer hereby covenants and agrees that it will not request the Escrow Agent to exercise any of the powers described in the preceding sentence in any manner which will cause the Refunding Bonds to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the regulations thereunder in effect on the date of such request and applicable to obligations issued on the issue date of the Refunding Bonds. The Escrow Agent shall purchase such substituted securities with the proceeds derived from the maturity, sale, transfer, disposition or redemption of the Government Obligations held hereunder or from other moneys available in accordance with the written directions of the Issuer. The transactions may be effected only if there shall have been obtained: (1) an independent verification by a nationally recognized independent certified public accounting firm acceptable to the Escrow Agent concerning the adequacy of such substituted securities with respect to principal and the interest thereon and redemption premium, if any, with respect thereto and any other moneys or securities held for such purpose to meet the principal, applicable redemption premium, if any, and interest when due of the Refunded Bonds as contemplated by the schedules hereto; and (2) an opinion from Holland & Knight LLP or other nationally recognized bond counsel to the Issuer and the Escrow Agent to the effect that the disposition and substitution or purchase of such securities will not, under the statutes, rules and regulations then in force and applicable, to obligations issued on the date of issuance of the Refunding Bonds, cause the interest on such Refunding Bonds not to be excluded from gross income for Federal income tax purposes.

If Schedules "D-1" and "D-2" have been attached hereto at the time of execution hereof, the noncallable Government Obligations described in Schedule "A" (the "Substituted Securities") have been provided to the Issuer by the supplier thereof (the "Supplier") under a contract pursuant to which (i) the Supplier may at any time substitute the Government Obligations listed in Schedule "D-1" (the "Original Securities"), for the Substituted Securities without cost or expense to either party and (ii) the Supplier is entitled to amounts received on the Substituted Securities in excess of the amounts that would have been received on the Original Securities, to the extent not needed to pay principal of and interest and redemption premium on the Refunded Bonds at the time and the manner contemplated by the terms of this Escrow Agreement. Under such circumstances, the Escrow Agent shall deliver to the Supplier amounts received on the Substituted Securities that, as certified by the Issuer to the Escrow Agent are in excess of the amounts that would have been received on the Original Securities, to the extent not needed to pay principal of and interest and redemption premium on the Refunded Bonds. In addition, if the Escrow Agent receives delivery from the Supplier of the Original Securities in substitution for the Substituted Securities, the Escrow Agent shall promptly deliver to the Supplier the Substituted Securities in exchange for the

Original Securities without regard to the market value thereof at the time of substitution, provided that no payment of any principal of or interest on the Original Securities or the Substituted Securities has been made to the Escrow Agent. Immediately upon such substitution, Schedules "D-1" and "D-2" shall be substituted for Schedule "A" and "B," respectively, for all purposes hereof.

If securities are substituted pursuant to this Section 4.01, any surplus moneys resulting from the sale, transfer, other disposition or redemption of the Government Obligations held hereunder and the substitutions therefor of noncallable direct obligations of, or obligations the principal of and interest on which are fully guaranteed by, the United States of America, shall be released from the Escrow Deposit Fund and shall be transferred to the Issuer pursuant to the Issuer's written direction and may be used by the Issuer for any lawful purpose which, in the opinion of Holland & Knight LLP or other nationally recognized bond counsel, will not cause the interest on the Refunding Bonds not to be excluded from gross income for federal income tax purposes.

Prior to any repeal, revocation, alteration or amendment of this Agreement, the Issuer shall provide written notice of such proposed repeal, revocation, alteration or amendment, if the Refunded Bonds are then rated by Moody's Investors Service, Inc. ("Moody's") or Standard & Poor's Ratings Service ("S&P") or Fitch Ratings ("Fitch"), to Moody's, S&P and Fitch, as applicable, at the following addresses, respectively:

Moody's Investors Service, Inc.
99 Church Street
New York, New York 10007
Attn: Municipal Rating Desk/Refunded Bonds

Standard & Poor's Ratings Service
55 Water Street
New York, New York 10041

Fitch Ratings
One State Street Plaza
New York, New York 10004

SECTION 4.02. Severability. If any one or more of the covenants or agreements provided in this Agreement should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed to be separate and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 4.03. Agreement Binding. All the covenants, promises and agreements in this Agreement contained by or on behalf of the Issuer or by or on behalf of the Escrow Agent shall bind and inure to the benefit of their respective successors and assigns, and shall be for the benefit of the holders of the Refunded Bonds and the Refunding Bonds, whether so expressed or not.

SECTION 4.04. Termination. This Agreement shall terminate when all transfers and payments required to be made by the Escrow Agent under the provisions hereof shall have been made.

SECTION 4.05. Governing Law. This Agreement shall be governed by the applicable laws of the State of Florida without regard to conflict of law principles.

SECTION 4.06. Execution by Counterparts. This Agreement may be executed in several counterparts, each of which shall be regarded for all purposes as an original, and all of which, together, shall constitute and be but one and the same instrument.

SECTION 4.07. Notices. All notices and communications required to be delivered pursuant to this Agreement shall be given in writing, or by telegram, telex, or cable or first class mail, postage prepaid, addressed to the following parties, at the following addresses:

The Issuer: Polk County, Florida
Post Office Box 988
Bartow, Florida 33831
Attention: Clerk

The Escrow Agent: The Bank of New York Mellon Trust
Company, N.A.
2001 Bryan Street, 10th Floor
Dallas, Texas 75201
Attention: Corporate Trust Department

[Signature page follows]

IN WITNESS WHEREOF, the Issuer and the Escrow Agent have duly executed this Agreement as of the ____ day of _____, 2024.

POLK COUNTY, FLORIDA

By: _____
Chairman, Board of County
Commissioners

Attested and countersigned:

By: _____
Clerk of the Circuit Court and
Ex-Officio Clerk of the Board
of County Commissioners

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Escrow Agent

By: _____
Authorized Officer

#240427150_v3
12487-

EXHIBIT ONE

NOTICE OF REDEMPTION

Polk County, Florida
[Utility System Revenue Refunding Bonds, Series 2012]
[Utility System Revenue and Refunding Bonds, Series 2013]
[Utility System Revenue Refunding Bonds, Series 2014A]
[Utility System Revenue Refunding Bonds, Series 2014C]

Notice is hereby given to the holders of the outstanding Polk County, Florida [Utility System Revenue Refunding Bonds, Series 2012, originally issued on and dated December 19, 2012,] [Utility System Revenue and Refunding Bonds, Series 2013, originally issued on and dated December 19, 2013] [Utility System Revenue Refunding Bonds, Series 2014A, originally issued on and dated March 6, 2014] [Utility System Revenue Refunding Bonds, Series 2014C, originally issued on and dated March 6, 2014] that all of said Bonds described below (the "Refunded Bonds"), have been called for redemption prior to maturity, on October 1, 20__ (the "Redemption Date"), at a redemption price equal to 100% of the principal amount of each bond to be redeemed and without premium (the "Redemption Price").

The Refunded Bonds are more particularly described below:

<u>Maturity Date</u> (October 1)	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>CUSIP No.*</u>
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The Redemption Price of and accrued interest on such Refunded Bonds shall be due and payable on the Redemption Date, and on and after the Redemption Date, interest on the principal amount of Refunded Bonds called for redemption will cease to accrue.

In accordance with the provisions of the Jobs and Growth Tax Relief Reconciliation Act of 2003, the Paying Agent may be required to withhold 28% of the payment upon redemption to certain bondholders who have failed to furnish the Paying Agent with a completed Internal Revenue Service Form W-9, entitled "Payer's Request for Taxpayer Identification Number." Therefore, Bondholders should furnish a correctly completed Form W-9 when presenting Refunded Bonds for redemption to avoid any such withholding or penalties.

Bonds held in book-entry form need not be presented. The holders of such Bonds will receive payment of the Redemption Price and accrued interest to which they are entitled upon presentation and surrender thereof at the principal office of The Bank of New York Mellon Trust Company, N.A.

* The CUSIP number is included solely for the convenience of the Bondholders. Neither Polk County, Florida nor the Paying Agent shall be responsible for the selection or the use of the CUSIP number, nor is any representation made as to its correctness on the securities or as indicated on any redemption notice.

Dated this ____ day of _____, 2024.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Paying Agent

EXHIBIT TWO
ESCROW AGENT FEES AND EXPENSES

SCHEDULE A
GOVERNMENT OBLIGATIONS

SCHEDULE B
TOTAL AGGREGATE RECEIPTS

SCHEDULE C
DEBT SERVICE ON REFUNDED BONDS

EXHIBIT F TO RESOLUTION
REGISTRAR AND PAYING AGENT AGREEMENT

REGISTRAR AND PAYING AGENT AGREEMENT

between

POLK COUNTY, FLORIDA

and

THE BANK OF NEW YORK
MELLON TRUST COMPANY, N.A.

Pertaining to

Polk County, Florida

Utility System Revenue and Revenue Refunding Bonds,
Series 2024

Dated

_____, 2024

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REGISTRAR AND PAYING AGENT AGREEMENT

THIS REGISTRAR AND PAYING AGENT AGREEMENT (the or this "Agreement") is by and between Polk County, Florida (the "Issuer") and The Bank of New York Mellon Trust Company, N.A., a national banking association (the "Bank").

WHEREAS, the Issuer has duly authorized and provided for the issuance of its Utility System Revenue and Revenue Refunding Bonds, Series 2024, in an original aggregate principal amount of \$ _____ (the "Bonds") to be issued as registered securities without coupons;

WHEREAS, all things necessary to make the Bonds the valid obligations of the Issuer, in accordance with their terms, will be taken upon the issuance and delivery thereof;

WHEREAS, the Issuer desires that the Bank act as the Paying Agent of the Issuer in paying the principal, redemption premium, if any, and interest on the Bonds, in accordance with the terms thereof, and that the Bank act as Registrar for the Bonds;

WHEREAS, the Issuer has duly authorized the execution and delivery of this Agreement, and all things necessary to make this Agreement the valid agreement of the Issuer, in accordance with its terms, have been done;

NOW, THEREFORE, it is mutually agreed to the following terms:

ARTICLE ONE APPOINTMENT OF BANK AS REGISTRAR AND PAYING AGENT

Section 1.01 Appointment.

(a) The Issuer hereby appoints the Bank to act as Paying Agent with respect to the Bonds, in paying to the Owners of the Bonds the principal, redemption premium, if any, and interest on all or any of the Bonds.

(b) The Issuer hereby appoints the Bank as Registrar and Authenticating Agent with respect to the Bonds. Notwithstanding anything herein to the contrary, the Bank shall carry out all obligations it may have as Paying Agent, Registrar and Authenticating Agent under the Bond Resolution in accordance with the terms of the Bond Resolution.

(c) The Bank hereby accepts its appointment and agrees to act as the Paying Agent, Registrar and Authenticating Agent.

Section 1.02 Compensation. As compensation for Bank's services as Registrar/Paying Agent/Authenticating Agent, the Issuer agrees to pay the Bank the fees and amounts set forth in Annex A hereto for the first year of this agreement and thereafter while this Agreement is in effect, the fees and amounts set forth in the Bank's current fee schedule then in effect for services as Registrar/Paying Agent for municipalities. Issuer agrees to reimburse the Bank for any reasonable expenses disbursements and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agent and counsel). Such fees and expenses shall be paid to the Bank as billed. The Issuer shall

pay the Bank for any extraordinary services or expenses (including but not limited to reasonable attorney's fees, costs and expenses) performed or incurred by the Bank in connection with its duties under this Agreement if notified in writing prior to the performance of those services or the incurring of those expenses so as to allow the Issuer to appropriate sufficient funds for their payment.

ARTICLE TWO DEFINITIONS

Section 2.01 **Definitions.** For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, all terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto by the Bond Resolution and the following terms have the following meanings when used in this Agreement:

"Bank" means The Bank of New York Mellon Trust Company, N.A., Dallas, Texas

"Bank Office" means the corporate trust office of the Bank located at Dallas, Texas. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

"Bond" or "Bonds" mean any or all of the Issuer's Utility System Revenue and Revenue Refunding Bonds, Series 2024, dated _____, 2024.

"Bond Resolution" means the resolution, order or ordinance of the governing body of the Issuer pursuant to which the Bonds are issued, certified by any officer of the Issuer and delivered to the Bank, as the same may be supplemented or amended.

"Fiscal Year" means the 12 month period ending September 30th of each year or such other 12-month period as shall be selected by the Issuer.

"Issuer" means Polk County, Florida.

"Issuer Request" and "Issuer Order" means a written request or order signed in the name of the Issuer by any authorized representative of the Issuer and delivered to the Bank.

"Legal Holiday" means a day on which the Bank is required or authorized to be closed.

"Owner" means the Person in whose name a Bond is registered in the Register.

"Paying Agent" means the Bank when it is performing the functions associated with the terms in this Agreement.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

"Predecessor Bonds" of any particular Bond means every previous Bond evidencing all or a portion of the same obligation as that evidenced by such particular Bond (and, for the purposes of this definition, any Bond registered and delivered under Section 4.06 in lieu of

a mutilated, lost, destroyed or stolen Bond shall be deemed to evidence the same obligation as the mutilated, lost, destroyed or stolen Bond).

"Register" means a register in which the Issuer shall provide for the registration and transfer of Bonds.

"Responsible Officer" means, when used with respect to the Bank, any vice president, assistant vice president, senior associate, associate or other officer of the Bank within the corporate trust office specified in Section 6.03 (or any successor corporate trust office) customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred at the corporate trust office specified in Section 6.03 because of such person's knowledge of and familiarity with the particular subject and having direct responsibility for the administration of this Agreement.

"State" means the State of Florida.

"Stated Maturity" means the date specified in or provided for by the Bond Resolution as the fixed date on which the final payment of principal of the Bond is due and payable or the date fixed in accordance with the terms of the Bond Resolution for redemption of the Bonds, or any portion thereof, prior to the fixed maturity date.

ARTICLE THREE PAYING AGENT

Section 3.01 Duties of Paying Agent.

(a) The Bank, as Paying Agent and on behalf of the Issuer, shall pay to the Owner, at the Stated Maturity and upon the surrender of the Bond or Bonds so maturing at the Bank Office, the principal amount of the Bond or Bonds then maturing, provided that the Bank shall have been provided by or on behalf of the Issuer adequate collected funds to make such payment.

(b) The Bank, as Paying Agent and on behalf of the Issuer, shall pay interest when due on the Bonds to each Owner of the Bonds (or their Predecessor Bonds) as shown in the Register at the close of business on the record date provided for in the Bond Resolution, provided that the Bank shall have been provided by or on behalf of the Issuer adequate collected funds to make such payments; such payments shall be made by computing the amount of interest to be paid each Owner, preparing the checks, and mailing the checks on each interest payment date addressed to each Owner's address as it appears on the Register.

(c) In the case of registered Owner of \$1,000,000 or more of Bonds, the payments to be made to such Owner may be by wire transfer to a domestic bank account specified in writing by such Owner.

Section 3.02 Payment Dates. The Issuer hereby instructs the Bank to pay the principal of, premium, if any, and interest on the Bonds at the dates specified in the Bond Resolution.

ARTICLE FOUR REGISTRAR

Section 4.01 **Transfer and Exchange.**

(a) The Issuer shall keep the Register at the Bank Office, and subject to such reasonable written regulations as the Issuer may prescribe, which regulations shall be furnished the Bank herewith or subsequent hereto by Issuer Order, the Issuer shall provide for the registration and transfer of the Bonds. The Bank is hereby appointed "Registrar" and "Authenticating Agent" for the purpose of registering and transferring the Bonds as herein provided. The Bank agrees to maintain the Register while it is Registrar.

(b) The Bank hereby agrees that at any time while any Bond is outstanding, the Owner may deliver such Bond to the Bank for transfer or exchange, accompanied by written instructions from the Owner, or the duly authorized designee of the Owner, designating the persons, the maturities, and the principal amounts to and in which such Bond is to be transferred and the addresses of such persons; the Bank shall thereupon, within not more than three (3) business days, register and deliver such Bond or Bonds as provided in such instructions. The provisions of the Bond Resolution shall control the procedures for transfer or exchange set forth herein to the extent such procedures are in conflict with the provisions of the Bond Resolution.

(c) Every Bond surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfers, in form satisfactory to the Bank, duly executed by the Owner thereof or his attorney duly authorized in writing.

(d) The Bank may request any supporting documentation necessary to effect a re-registration.

(e) No service charge shall be made to the Owner for any registration, transfer, or exchange of Bond, but the Issuer or the Bank may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

Section 4.02 **The Bonds.** The Issuer shall provide at the written request of the Bank, an adequate inventory of unregistered Bonds to facilitate transfers. The Bank covenants that it will maintain the unregistered Bonds in safekeeping, which shall be not less than the care it maintains for debt securities of other governments or corporations for which it serves as registrar, or which it maintains for its own securities.

Section 4.03 **Form of Register.** The Bank as Registrar will maintain the records of the Register in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Register in any form other than a form which the Bank has currently available and currently utilizes at the time.

Section 4.04 **List of Owners.**

(a) The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the actual cost, if any, of reproduction, a copy of the information contained in the Register. The Issuer may also inspect the information in the Register at any time the Bank is

customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

(b) The Bank will not release or disclose the content of the Register to any person other than to, an authorized officer or employee of the Issuer, except upon receipt of a subpoena or court order; provided that, notwithstanding anything herein to the contrary, the foregoing shall not be construed to prohibit disclosure of any such information (A) if required to do so by any applicable rule or regulation, (B) to any governmental agency or regulatory body having or claiming authority to regulate or oversee any aspects of the Bank's business or that of its affiliates, (C) pursuant to any civil investigative demand, regulatory authority, arbitrator or arbitration to which the Bank or any affiliate or an officer, director, employer or shareholder thereof is a party, or (D) to any affiliate, independent or internal auditor, agent, employee or attorney of the Bank having a need to know the same, provided that the Bank advises such recipient of the confidential nature of the information being disclosed. Upon receipt of a subpoena or court order or other demand and if permitted by law, the Bank will notify the Issuer so that the Issuer may contest the subpoena, court order or demand.

Section 4.05 **Cancellation of Bonds.** All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Bank, shall be promptly canceled by it and, if surrendered to the Issuer, shall be delivered to the Bank and, if not already canceled, shall be promptly canceled by the Bank. The Issuer may at any time deliver to the Bank for cancellation any Bonds previously certified or registered and delivered which the Issuer may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly canceled by the Bank. All canceled Bonds held by the Bank shall be disposed of by the Bank as directed in writing by the Issuer or as otherwise provided by the Bond Resolution. The Bank will surrender to the Issuer, at its written request, certificates of destruction, in lieu of which or in exchange for which other bonds have been issued or which have been paid.

Section 4.06 **Mutilated, Destroyed, Lost, or Stolen Bonds.**

(a) Subject to the provisions of this Section 4.06, the Issuer hereby instructs the Bank to deliver fully registered Bonds in exchange for or in lieu of mutilated, destroyed, lost or stolen Bonds, all in conformance with the requirements of the Bond Resolution.

(b) If (i) any mutilated Bond is surrendered to the Bank, or the Issuer and the Bank receives evidence to their satisfaction of the destruction, loss, or theft of any Bond, and (ii) there is delivered to the Issuer and the Bank such security or indemnity as may be required by the Bank to save and hold each of them harmless, then, in the absence of notice to the Issuer or the Bank that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and upon its request the Bank shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Bond, a new Bond of the same stated maturity and of like tenor and principal amount bearing a number not contemporaneously outstanding.

(c) Every new Bond issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Bond shall constitute a replacement of the prior obligation of the Issuer, whether or not the mutilated, destroyed, lost, or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the benefits of the Bond Resolution equally and ratably with all other outstanding Bonds.

(d) Upon the satisfaction of the Bank and the Issuer that a Bond has been mutilated, destroyed, lost or stolen, and upon receipt by the Bank and the Issuer of such indemnity or security as they may require, the Bank shall cancel the Bond number on the Bond registered with a notation in the Register that said Bond has been mutilated, destroyed, lost or stolen, and a new Bond shall be issued of the same series and of like tenor and principal amount bearing a number, according to the Register not contemporaneously outstanding.

(e) The Bank may charge the Owner the Bank's fees and expenses (including reasonable attorney's fees, costs and expenses, if any) in connection with issuing a new Bond in lieu of or exchange for a mutilated, destroyed, lost or stolen Bond.

(f) The Issuer hereby accepts the Bank's current blanket bond for lost, stolen, or destroyed bonds and any future substitute blanket bond for lost, stolen, or destroyed Bonds that the Bank may arrange, and agrees that the coverage under any such blanket bond is acceptable to it and meets the Issuer's requirements as to security or indemnity. The Bank need not notify the Issuer of any changes in the security or other company giving such bond or the terms of any such bond, provided that the amount of such bond is not reduced below the amount of the bond on the date of execution of this Agreement. The blanket bond then utilized by the Bank for lost, stolen or destroyed Bonds by the Bank is available for inspection by the Issuer on request.

Section 4.07 **Transaction Information to Issuer.** The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Bonds it has paid pursuant to Section 3.01, Bonds it has delivered upon the transfer or exchange of any Bonds pursuant to Section 4.01, and Bonds it has delivered in exchange for or in lieu of mutilated, destroyed, lost or stolen Bonds pursuant to Section 4.06.

ARTICLE FIVE THE BANK

Section 5.01 **Duties of Bank.** The Bank undertakes to perform the duties set forth herein and in accordance with the Bond Resolution and agrees to use reasonable care in the performance thereof and no implied covenants or obligations shall be read into this Agreement against the Bank. The Bank hereby agrees to use the funds deposited with it for payment of the principal of, redemption premium, if any, and interest on the Bonds to pay the Bonds as the same shall become due and further agrees to establish and maintain all accounts and funds as may be required for the Bank to function as Paying Agent.

Section 5.02 **Reliance on Documents, etc.**

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank, reasonably believed by the Bank to be genuine and relied upon by the Bank in good faith.

(b) The Bank shall not be liable for any error of judgment or any act or steps taken or permitted to be taken in good faith, or for any mistake in law or fact, or for anything it may do or refrain from doing in connection herewith, except for its own willful misconduct or negligence.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may concisely rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, certificate, note, security, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Bonds, but is fully protected in acting upon receipt of Bonds containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Owner or an attorney-in-fact of the Owner. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, direction, consent, order, certificate, note, security paper or document supplied by Issuer.

(e) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

(f) The Bank may consult with counsel, and the advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

(g) The Bank undertakes to perform such duties and only such duties as are specifically set forth in this Agreement and the Bond Resolution, and no implied covenants or obligations shall be read into this Agreement against the Bank.

(h) Whenever in the administration of the provisions of this Agreement the Bank shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action to be taken hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or bad faith on the part of the Bank, be deemed to be conclusively provided and established by a certificate signed by one of the officers of the Issuer, and delivered to the Bank and such certificate, in the absence of negligence or bad faith on the part of the Bank, shall be full warrant to the Bank for any action taken, suffered or omitted by it under the provisions of this Agreement upon the faith thereof.

(i) The Bank shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Bank and could not have been avoided by exercising due care. Force majeure includes acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

(j) The Bank agrees to accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, facsimile transmission or other unsecured electronic methods, provided, however, that the Bank shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of

such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Issuer elects to give the Bank e-mail or facsimile instructions (or instructions by a similar electronic method) and the Bank in its discretion elects to act upon such instructions, the Bank's understanding of such instructions shall be deemed controlling. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a prior written instruction. The Issuer agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Bank, including without limitation the risk of the Bank acting on unauthorized instructions, and the risk of interception and misuse by third parties.

(k) The Bank is also authorized to transfer funds relating to the closing and initial delivery of the investments in the manner disclosed in the closing memorandum as prepared by the Issuer's financial advisor, bond counsel or other agent. The Bank may act on a facsimile or email transmission of the closing memorandum acknowledged by the financial advisor or the Issuer as the final closing memorandum. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

Section 5.03 **Recitals of Issuer.**

(a) The recitals contained herein, in the Bond Resolution and in the Bonds shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

(b) The Bank shall in no event be liable to the Issuer, any Owner or Owners or any other Person for any amount due on any Bond.

Section 5.04 **May Hold Bonds.** The Bank, in its individual or any other capacity, may become the owner or pledgee of Bonds and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

Section 5.05 **Money Held by Bank.**

(a) Money held by the Bank hereunder need not be segregated from any other funds provided appropriate accounts are maintained.

(b) The Bank shall be under no liability for interest on any money received by it hereunder.

(c) Except as otherwise required by applicable law, any money deposited with the Bank for the payment of the principal, redemption premium, if any, or interest on any Bond and remaining unclaimed for five years after the date on which such Bonds have become payable shall be returned to the Issuer, and thereafter the Owner shall look only to the Issuer for payment, and then only to the extent of the amounts so received, without any interest thereon and the Bank shall have no further responsibility with respect to such money.

Section 5.06 **Mergers of Consolidations.** Any corporation into which the Bank, or any successor to it in the trusts created by this Agreement, may be merged or converted or with which

it or any successor to it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation resulting from any merger, conversion, consolidation or tax-free reorganization to which the Bank or any successor to it shall be a party shall be the successor Bank under this Agreement without the execution or filing of any paper or any other act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 5.07 **Interpleader**. The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its persons as well as funds on deposit, waive personal service of any process, and agree that service of process by certified or registered mail, return receipt requested, to the address set forth in Section 6.03 hereof shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction to determine the rights of any person claiming any interest herein.

ARTICLE SIX MISCELLANEOUS PROVISIONS

Section 6.01 **Amendment**. This Agreement may be amended only by an agreement in writing signed by both of the parties hereof.

Section 6.02 **Assignment**. Except as provided in Section 5.06 above, this Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03 **Notices**. Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed first class postage prepaid or hand delivered to the Issuer or the Bank, or sent by facsimile transmission if confirmed in writing and sent as specified above, respectively, at the addresses shown below:

- (a) if to the Issuer: Polk County, Florida
 Post Office Box 988
 Bartow, Florida 33831

 Attention: Clerk of Circuit Court

- (b) if to the Bank: The Bank of New York Mellon
 Trust Company, N.A.
 2001 Bryan Street, 10th Floor
 Dallas, Texas 75201

 Attn: Corporate Trust Department

Section 6.04 **Effect of Headings**. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 6.05 **Successors and Assigns**. All covenants and agreements herein by the Issuer shall bind its successors and assigns whether so expressed or not.

Section 6.06 **Severability**. In case any provision herein shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 6.07 **Benefits of Agreement**. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy or claim hereunder.

Section 6.08 **Entire Agreement**. This Agreement and the Bond Resolution constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Bond Resolution, the Bond Resolution shall in all events govern and control.

Section 6.09 **Counterparts**. This Agreement may be executed in any number of counterparts, each which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.10 **Termination**.

(a) This Agreement will terminate on the date of final payment by the Bank issuing its checks for the final payment of principal and interest of the Bonds.

(b) This Agreement may be earlier terminated with or without cause upon 60 days written notice by either party. Upon such termination, the Issuer reserves the right to appoint a successor Paying Agent and Registrar. If such appointment is not made within sixty (60) days from the date of written notice, the Bank shall deliver all records and any unclaimed funds to the Issuer and this Agreement shall terminate. However, the Bank is entitled to payment of all outstanding fees and expenses before delivering records to the Issuer. In the event this Agreement is terminated by giving written notice, then the Bank agrees, upon written request by the Issuer, to give notice by first-class mail to all registered holders of the name and address of the successor Paying Agent and Registrar. Expenses for such notice shall be paid by the Issuer.

(c) The provision of section 1.02 and of Article Five shall survive, and remain in full force and effect following the termination of this Agreement.

Section 6.11 **Governing Law**. This Agreement shall be construed in accordance with and governed by the laws of the State without regard to conflict of law principles.

Section 6.12 **Waiver of Jury Trial**. Each party hereto hereby agrees not to elect a trial by jury of any issue triable of right by jury, and waives any right to trial by jury fully to the extent that any such right shall now or hereafter exist with regard to this Agreement, or any claim, counterclaim or other action arising in connection therewith. This waiver of right to trial by jury is given knowingly and voluntarily by each party, and is intended to encompass individually each instance and each issue as to which the right to a trial by jury would otherwise accrue.

Section 6.13 **Patriot Act Compliance**. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust or other legal entity we will ask for

documentation to verify its formation and existence as a legal entity. The Bank may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

Section 6.14 **Prohibition Against Contracting with Scrutinized Companies**. This Agreement is subject to termination at the option of the Issuer in accordance with Section 287.135, Florida Statutes.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the ____ day of _____, 2024.

POLK COUNTY, FLORIDA

ATTEST:

By: _____
Chairman, Board of County
Commissioners

Ex-Officio Clerk, Board of County
Commissioners

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Registrar and
Paying Agent

By: _____
Authorized Officer

#240428276_v3
12487-

ANNEX A

Fee for services as Registrar and Paying Agent will be \$_____ per year for each outstanding series of Bonds payable annually in advance.

Out-of-pocket expenses will be reimbursed but shall not exceed reasonable amounts.