

Citizens Property Insurance Corporation

**SUMMARY
OF
AUTHORIZING RESOLUTION**

(PERSONAL LINES ACCOUNT LINE OF CREDIT FINANCINGS)

(proposed for approval by Board of Governors on May 16, 2023)

I. General

- A. Authorizes and approves not to exceed \$1,250,000,000 of liquidity financings for the Personal Lines Account (“PLA”) to be provided in two separate tax-exempt revolving lines of credit, as follows (Section 4):
 - 1. Bank of America, N.A. (“BANA”) - \$750,000,000
 - 2. Wells Fargo Municipal Capital Strategies, LLC (“Wells Fargo”) - \$500,000,000
- B. Delegation of authority to Chairman, upon consultation with Chief Financial Officer, General Counsel and such other financing consultants of Citizens as Chairman deems advisable, to approve principal amounts of each Line of Credit and final documentation. (Sections 4, 5, 6)
- C. Provides that obligations under the Credit Agreements and the Notes issued thereunder are special and limited obligations of Citizens’ Personal Lines Account only; no claim against Commercial Lines Account or Coastal Account. (Section 4)
- D. Designates “Responsible Officers” for purposes of the financings – principally, the Chairman, the Executive Director and the Chief Financial Officer. (Section 7)
- E. Combination of Accounts – subject to certain restrictions.

II. Documents Approved

- A. Revolving Credit Agreement Template. (Section 5)
 - 1. Separate Credit Agreements (BANA/Wells Fargo) to be in substantially the form of the Revolving Credit Agreement Template.
 - 2. Ability to draw (request loans) for one year from date of execution – June 2024.
 - 3. Must repay all amounts drawn two years after date of execution – June 2025.

4. Amounts drawn bear interest at variable rate equal to: [80% of Daily Simple SOFR (Secured Overnight Financing Rate)] plus a spread based on existing credit rating of the PLA (currently expected to be 50 bps).
 5. Loans constitute “Senior Secured Obligations” under 2012 Master Trust Indenture, as amended by Second Supplemental Indenture.
 6. Pledged Revenues consist of Citizens Policyholder Assessments, Emergency Assessments and FHCF Reimbursements. Net Premiums are included only if there is an Event of Default.
 - a. Augmentation of Pledged Revenues upon combination of accounts.
 7. Commitment fee payable at closing and unused facility fee payable quarterly in arrears in total amount of 33.5 bps.
- B. Second Supplemental Indenture (Section 6)
1. Amends 2012 Master Trust Indenture to delete all references to the Commercial Lines Account.
 2. Amends 2012 Master Trust Indenture to (i) provide certain rights to BANA and Wells Fargo and (ii) clarify the relationship between the two lenders for purposes of exercising rights and remedies if Event of Default occurs.
 3. Amends 2012 Master Trust Indenture to address potential combination of accounts.
- C. Additional Assurances and Action. (Section 9)
- Authorizes any further actions and documents required to implement intended purposes of the Lines of Credit, the Credit Agreements, the Second Supplemental Indenture and the Resolution.