

# **CITIZENS PROPERTY INSURANCE CORPORATION**

## **Summary of Resolution Authorizing Defeasance and Redemption of Coastal Account Senior Secured Bonds, Series 2015A-1**

*(proposed for approval by Board of Governors on September 27, 2023)*

### **I. Board Resolution**

- A. Approves and authorizes defeasance and redemption of all outstanding Coastal Account Senior Secured Bonds, Series 2015A-1 scheduled to mature on June 1, 2025 (\$275,000,000).
- B. Defeasance – on or after December 4, 2023.
- C. Redemption – on or after December 2, 2024.
- D. Available Moneys:
  - 1. Portion of bond proceeds in Series 2015A Bonds Proceeds Subaccount.
  - 2. Other moneys available in the Coastal Account.
- E. Approves Escrow Deposit Agreement.
  - 1. Appoints Regions Bank as Escrow Agent.
- F. Appoints Raymond James & Associates, Inc. as Structuring Agent.
- G. Appoints Integrity Public Finance Consulting LLC as Verification Agent.
- H. Authorizes payment of all fees and costs associated with defeasance and redemption of Series 2015A-1 Bonds.
- I. Authorizes Notice of Defeasance and Notice of Redemption.
- J. Authorizes any additional required actions.

## **II. Escrow Deposit Agreement**

- A. Provides for deposit of Available Moneys in Escrow Deposit Trust Account held by Escrow Agent to defease Series 2015A-1 Bonds.
- B. Defeasance escrow to be gross funded.
  - 1. Available Moneys to be invested in Government Obligations, with investment earnings received to be released to Citizens.
- C. Establishes redemption date of Series 2015A-1 Bonds – on or after December 2, 2024.
- D. Contains forms of Notice of Defeasance and Notice of Redemption.

**A RESOLUTION OF THE BOARD OF GOVERNORS OF CITIZENS PROPERTY INSURANCE CORPORATION (“CITIZENS”), AUTHORIZING THE APPLICATION OF CERTAIN AVAILABLE MONEYS DESCRIBED HEREIN TO DEFEASE AND OPTIONALLY REDEEM CERTAIN OUTSTANDING BONDS PREVIOUSLY ISSUED BY CITIZENS FOR ITS COASTAL ACCOUNT; AUTHORIZING THE DEFEASANCE OF SUCH BONDS TO THEIR FIRST OPTIONAL CALL DATE AND THE REDEMPTION THEREOF ON SUCH DATE AS PROVIDED HEREIN; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT; APPOINTING THE TRUSTEE AS ESCROW AGENT; APPOINTING A VERIFICATION AGENT; APPOINTING A STRUCTURING AGENT; AUTHORIZING OFFICERS AND AGENTS OF CITIZENS TO DO ALL THINGS DEEMED NECESSARY IN CONNECTION WITH THE DEFEASANCE AND OPTIONAL REDEMPTION OF SAID BONDS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, Citizens Property Insurance Corporation (hereinafter referred to as the “Issuer” or “Citizens”) is a statutorily created corporation established pursuant to Chapter 627, Part I, section 627.351(6), Florida Statutes, as amended (the “Act”);

**WHEREAS**, pursuant to that certain Trust Indenture, dated as of August 6, 1997, as amended and supplemented, particularly as amended and supplemented by that certain Tenth Supplemental Indenture (the “Tenth Supplemental Indenture”), dated as of June 1, 2015 (collectively, the “Original Indenture”), by and between the Issuer and Regions Bank, as successor indenture trustee, the Issuer has previously issued its \$700,000,000 original aggregate principal amount of Coastal Account Senior Secured Bonds, Series 2015A-1, \$275,000,000 aggregate principal amount of which is currently outstanding (the “Series 2015A-1 Bonds”); and

**WHEREAS**, the Original Indenture has been amended and restated in its entirety by that certain Master Trust Indenture, dated as of August 3, 2020 (the “Master Indenture” and, together with the Original Indenture, the “Indenture”), entered into by and between the Issuer and Regions Bank, as trustee (the “Trustee”); and

**WHEREAS**, pursuant to the terms of the Original Indenture, certain provisions of the Tenth Supplemental Indenture, including, among others, the redemption provisions contained in Section 301 thereof and the provisions governing the funds, accounts and subaccounts established for the Series 2015A-1 Bonds contained in Article IV thereof, survived the amendment and restatement of the Original Indenture by the Master Indenture; and

**WHEREAS**, the Issuer desires to apply certain available moneys in or to the credit of its Coastal Account, which may include but shall not be limited to, certain moneys available in the Series 2015A Bonds Proceeds Subaccount within the Proceeds Account established pursuant to the Indenture (the “Available Moneys”), to defease the Series 2015A-1 Bonds to their first optional redemption date and redeem such Series 2015A-1 Bonds on such date; and

**WHEREAS**, the Board of Governors of the Issuer (the “Board”) finds and determines that it is in the Issuer’s best interests to deposit the Available Moneys in a defeasance escrow pursuant to the Escrow Deposit Agreement hereinafter described and apply such Available Moneys to defease the Series 2015A-1 Bonds to their first optional redemption date and redeem such Series 2015A-1 Bonds on such date, all in accordance with the provisions of the Indenture and the Escrow Deposit Agreement, and as more specifically described herein; and

**WHEREAS**, the Board finds and determines that it is in the best interests of the Issuer to delegate to the Chairman, who shall be entitled to rely upon the recommendations of and consult with the Chief Financial Officer of the Issuer, its General Counsel, the Financial Advisor and Bond Counsel (as such terms are defined herein), the taking of any additional actions necessary to defease and redeem the Series 2015A-1 Bonds, including, without limitation, the purchase of Defeasance Obligations (as defined herein) for deposit with the escrow agent under the Escrow Deposit Agreement, and such other actions as may be necessary in connection with the defeasance and redemption of the Series 2015A-1 Bonds, all as provided and subject to the limitations contained in the Indenture, the Escrow Deposit Agreement and this Resolution;

**Section 1. Authority for Resolution.** This Resolution is adopted pursuant to the constitution and laws of the State of Florida, including, particularly, the Act.

**Section 2. Recitals as Findings.** The recitals in the “Whereas” clauses above are incorporated herein as findings of the Board.

**Section 3. Definitions.** Terms not defined herein shall have the meanings assigned to such terms in the Indenture. In addition to words and terms defined in the recitals above, the Indenture or elsewhere defined in this Resolution, the following words and terms as used in this Resolution shall have the following meanings, unless some other meaning is plainly intended:

“Authorized Citizens Representative” means, in connection with the defeasance and redemption of the Series 2015A-1 Bonds, (a) the Chairman, or (b) the Executive Director of the Issuer, or (c) the Chief Financial Officer of the Issuer, or (d) such other officers, employees or agents of the Issuer as shall be from time to time designated by a certificate executed by the Chairman or the Executive Director.

“Available Moneys” means any moneys in or to the credit of the Coastal Account of the Issuer that may be used to defease the Series 2015A-1 Bonds, which may include but shall not be limited to, amounts on deposit to the credit of the Series 2015A Bonds Proceeds Subaccount within the Proceeds Account pursuant to the Indenture authorized by Section 4 of this Resolution and the proviso of clause (i) of Section 201(a) of the Tenth Supplemental Indenture to be transferred to the Escrow Deposit Agreement to defease and redeem the Series 2015A-1 Bonds.

The specific source of Available Moneys shall be determined as set forth in Section 4 of this Resolution.

“Board” means the Board of Governors of the Issuer.

“Bond Counsel” means a firm of nationally recognized bond counsel knowledgeable in matters of municipal finance, selected by the Board to serve as the Issuer’s Bond Counsel. Currently, the Issuer’s Bond Counsel is the law firm of Greenberg Traurig, P.A.

“Chairman” means the Chairman or, in the Chairman’s absence or inability to act, the Vice Chairman of the Board.

“Chief Financial Officer” means the Chief Financial Officer of the Issuer or, in the Chief Financial Officer’s absence or inability to act, the interim or acting Chief Financial Officer of the Issuer.

“Defeasance Obligations” means Government Obligations which are not callable or redeemable at the option of the issuer thereof.

“Executive Director” means the President, Chief Executive Officer and Executive Director of the Issuer or, in the President, Chief Executive Officer and Executive Director’s absence or inability to act, the interim or acting President, Chief Executive Officer and Executive Director of the Issuer.

“Financial Advisor” means an entity of favorable reputation knowledgeable in matters of municipal finance, selected by the Board to serve as the Issuer’s financial advisor. Currently, the Issuer’s Financial Advisor is Raymond James & Associates, Inc.

“General Counsel” means the General Counsel of the Issuer or, in the General Counsel’s absence or inability to act, the interim or acting General Counsel of the Issuer.

“Resolution” means this Resolution, duly adopted by the Board on September 27, 2023.

“Series 2015A Bonds Proceeds Subaccount” means the subaccount by such name within the Proceeds Account established pursuant to the Indenture in connection with the issuance of the Series 2015A-1 Bonds.

“Series 2015A-1 Bonds” means the outstanding Series 2015A-1 Bonds as described in the second “Whereas” clause of this Resolution.

“Structuring Agent” means the entity appointed pursuant to Section 7 of this Resolution to assist the Issuer in structuring the defeasance of the Series 2015A-1 Bonds.

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 used herein shall include the plural as well as the singular number.

The captions and headings in this Resolution are for convenience of reference and in no way define, limit or describe the scope or intent of any provision or Sections of this Resolution.

**Section 4. Authorization of Available Moneys to Defeas and Redeem Series 2015A-1 Bonds.** The Board hereby authorizes and approves the application of the Available Moneys to defease the Series 2015A-1 Bonds and to redeem such Bonds on their first optional redemption date as provided in Section 5 hereof. The specific source of Available Moneys shall be determined by the Chairman, in consultation with the Chief Financial Officer and the Financial Advisor, and shall be set forth in a certificate of the Chairman executed and delivered on or before the date of the Escrow Deposit Agreement. To the extent all or any portion of the Available Moneys consist of amounts on deposit to the credit of the Series 2015A Bonds Proceeds Subaccount within the Proceeds Account established pursuant to the Indenture, any Authorized Citizens Representative is hereby authorized and directed to provide written instructions to the Trustee to withdraw from such Series 2015A Bonds Proceeds Subaccount, on the date of execution and delivery of the Escrow Deposit Agreement, and deposit into the Escrow Deposit Trust Account established pursuant to the Escrow Deposit Agreement, the amounts specified in the Escrow Deposit Agreement as coming from such Series 2015A Bonds Proceeds Subaccount and required to defease and redeem the Series 2015A-1 Bonds as provided therein.

**Section 5. Designation of Redemption Date.** The Board hereby authorizes and approves the optional redemption of the 2015A-1 Bonds on December 2, 2024 or as soon thereafter as reasonably practicable taking into account the need to provide notice of redemption to the holders of the Series 2015A-1 Bonds as provided in the Indenture.

**Section 6. Appointment of Escrow Agent; Approval of Form and Authorization of Execution and Delivery of Escrow Deposit Agreement.** Regions Bank, Trustee under the Indenture, is hereby appointed to serve as escrow agent (the “Escrow Agent”) under the Escrow Deposit Agreement. The Chairman is hereby authorized to execute and deliver, and the Executive Director is authorized to attest, an Escrow Deposit Agreement (the “Escrow Deposit Agreement”) to be substantially in the form set forth in Exhibit A hereto, with such changes, additions and deletions as approved by the Chairman, upon such consultation as the Chairman deems necessary with the Chief Financial Officer, the General Counsel, the Financial Advisor and Bond Counsel, such approval to be conclusively established by the Chairman’s execution thereof. The execution and delivery of the Escrow Deposit Agreement by the Chairman shall be conclusive evidence of the Board’s approval of the Escrow Deposit Agreement.

**Section 7. Appointment of Structuring Agent; Purchase of Defeasance Obligations.** Raymond James & Associates, Inc. is hereby appointed to serve as Structuring Agent to assist the Issuer in structuring the defeasance of the Series 2015A-1 Bonds, including, without limitation, purchasing from time to time the required Defeasance Obligations. The purchase of Defeasance Obligations with the Available Moneys deposited with the Escrow Agent in order to provide for the defeasance of the Series 2015A-1 Bonds is hereby authorized and approved. The Chairman, the Executive Director and any other Authorized Citizens Representative are hereby authorized and directed to take such actions, including, without limitation, the execution and delivery of any other agreements, instruments and certificates, required or deemed advisable, in connection with the submission from time to time of applications for and purchase of Defeasance Obligations for the defeasance of the Series 2015A-1 Bonds.

**Section 8. Appointment of Verification Agent.** The Issuer hereby appoints Integrity Public Finance Consulting LLC, as verification agent, to provide a verification report as required under the Indenture and the Escrow Deposit Agreement in connection with the defeasance of the Series 2015A-1 Bonds.

**Section 9. Notices of Defeasance and Redemption.** The Board hereby authorizes and approves the giving of notice of defeasance of the Series 2015A-1 Bonds and notice of redemption of the Series 2015A-1 Bonds in accordance with the requirements of the Indenture and the Escrow Deposit Agreement, and directs the Escrow Agent to give such notices of defeasance and redemption. The notice of defeasance of the Series 2015A-1 Bonds and the notice of redemption of the Series 2015A-1 Bonds shall be substantially in the respective forms thereof set forth as exhibits to the Escrow Deposit Agreement, with such changes, additions or deletions as approved by an Authorized Citizens Representative.

**Section 10. Payment of Fees and Costs.** The Board hereby approves the payment of all fees and costs required to be paid in connection with the defeasance and redemption of the Series 2015A-1 Bonds.

**Section 11. Additional Assurances and Actions.** The Issuer shall at any and all times cause to be done all further acts and things and cause to be executed and delivered all such further instruments as may be necessary to carry out the purposes of this Resolution and the defeasance and redemption of the Series 2015A-1 Bonds.

The Chairman, the Executive Director, the Chief Financial Officer, the General Counsel, Bond Counsel, the Financial Advisor, and the other officers, agents and employees of the Issuer are hereby authorized and directed to do all acts and things necessary to carry into effect the provisions of this Resolution and to defease and redeem the Series 2015A-1 Bonds. All of the acts and doings of the Chairman, Executive Director, Chief Financial Officer, General Counsel, Bond Counsel, Financial Advisor or any other officer, agent or employee of the Issuer which are in conformity with the intent and purpose of this Resolution and the defeasance and redemption of the Series 2015A-1 Bonds, whether heretofore or hereafter taken or done, shall be and the same are hereby ratified, confirmed and approved.

**Section 12. Severability.** In case any one or more of the provisions of this Resolution shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Resolution and this Resolution shall be construed and enforced as if such illegal or invalid provisions had not been contained herein.

**Section 13. Compliance with Open Meeting Requirements.** It is hereby found and determined that all formal actions of this Board concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Board, and that all deliberations of this Board, and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

**Section 14. Repealing Clause.** All resolutions or parts thereof in conflict with the provisions hereof are, to the extent of such conflict, hereby superseded and repealed.

**Section 15. Effective Date.** This Resolution shall take effect and be in force immediately upon its adoption.

Passed this 27th day of September, 2023.

[SEAL]

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Chairman  
Board of Governors  
Citizens Property Insurance Corporation

ATTEST: \_\_\_\_\_  
Executive Director  
Citizens Property Insurance Corporation

**EXHIBIT “A”**

**FORM OF ESCROW DEPOSIT AGREEMENT**

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