

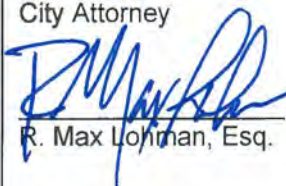
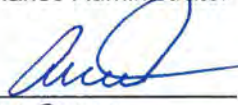


**CITY OF PALM BEACH GARDENS
CITY COUNCIL
Agenda Cover Memorandum**

**Meeting Date: January 14, 2021
Resolution 7 2021**

Subject/Agenda Item: Authorizing the issuance of the City of Palm Beach Gardens, Florida, Public Improvement Bond, Series 2021, in an amount not to exceed \$14,000,000 to finance construction of an 18-hole par-3 golf course and related facilities.

Recommendation to APPROVE

Recommendation to DENY

<p>Reviewed by:</p> <p>City Attorney  R. Max Lohman, Esq.</p> <p>Finance Administrator  Allan Owens</p>	<p>Originating Dept.: Finance</p> <p>Allan Owens Finance Administrator</p> <p>Advertised: N/A</p> <p>Date:</p> <p>Paper:</p> <p><input checked="" type="checkbox"/> Not Required</p>	<p>Costs: <u>\$3,379,161</u> (20-year Interest Expense Total)</p> <p style="text-align: center;">\$0</p> <p>Current FY (No impacts in FY 2021 – payments begin 10/1/2021)</p> <p>Funding Source:</p> <p><input checked="" type="checkbox"/> Operating</p> <p><input type="checkbox"/> Other</p> <p>Contract/Agreement:</p> <p>Effective Date: <u>N/A</u></p> <p>Expiration Date: <u>N/A</u></p> <p>Budget Acct.#: 001.0900.519.7210</p>	<p>Council Action:</p> <p><input type="checkbox"/> Approved</p> <p><input type="checkbox"/> Approved w/ Conditions</p> <p><input type="checkbox"/> Denied</p> <p><input type="checkbox"/> Continued to:</p> <p>Attachments:</p> <ul style="list-style-type: none"> • Resolution 7, 2021 - Exhibit "A": Professional Bank's RFP Response and Offer - Exhibit "B": Professional Bank's Commitment Letter, Public Improvement Bond, Series 2021
<p>Submitted by:</p> <p>Department Director  Allan Owens Finance Administrator</p>	<p>Affected parties</p> <p><input type="checkbox"/> Notified</p> <p><input checked="" type="checkbox"/> Not required</p>		
<p>Approved by:</p> <p>City Manager  Ronald M. Ferris</p>			

BACKGROUND: As a condition of development approval, the developers of Avenir conveyed 115 acres of land to the City to be used for recreational purposes. Staff has researched potential uses for this property, and as part of this analysis, engaged True Club Solutions to prepare a market analysis and feasibility study on several golf-related projects on the property. Based on this analysis, staff recommends the construction of an 18-hole par-3 golf course, clubhouse, and driving range on this parcel. To finance the construction of this project, staff recommends issuing non-ad valorem revenue bonds, to be repaid with impact fees from western development and revenues generated from the project, not ad valorem taxes.

A Request for Proposal (“RFP”) for financing of this project was issued on November 12, 2020, and responses were due on December 10, 2020. A total of four proposals were received and reviewed by PFM, Inc. (the “Financial Advisor”) and staff. Based on the review of the terms of the four proposals, it was determined by staff and the Financial Advisor that Professional Bank provided the best combination of interest rate and terms most favorable to the City. A summary of Professional Bank’s proposal is as follows: (i) the original aggregate principal amount of the Bond is \$14,000,000; (ii) the interest rate per annum on the Bond is fixed at 2.15 percent; (iii) the maximum annual debt service on the Bond is \$900,000; (iv) the final maturity date of the Bond is October 1, 2040; (v) the purchase price of the Bond is 100 percent of the original aggregate principal amount; (vi) the repayment schedule for the Bond provides for principal payments in such amounts as will result in roughly equal annual debt service payments; and (vii) the Bond is subject to optional redemption or prepayment without penalty.

Closing on the Bond will occur on or before January 22, 2021. An amendment will be presented to Council at a later date to properly record the transactions in the budget.

STAFF RECOMMENDATION: Staff recommends approval of Resolution 7, 2021 as presented.

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RESOLUTION 7, 2021

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM BEACH GARDENS, FLORIDA, AUTHORIZING THE ISSUANCE OF NOT-TO-EXCEED \$14,000,000 CITY OF PALM BEACH GARDENS, FLORIDA, PUBLIC IMPROVEMENT BONDS, SERIES 2021, TO FINANCE THE COST OF AN 18-HOLE PAR-THREE GOLF COURSE AND RELATED FACILITIES; APPROVING THE AWARD OF THE SERIES 2021 BONDS BY NEGOTIATED SALE; FIXING THE PARAMETERS FOR THE MATURITY, INTEREST RATE, REDEMPTION PROVISIONS, AND OTHER DETAILS WITH RESPECT TO THE SERIES 2021 BONDS; DESIGNATING THE CITY AS THE PAYING AGENT AND REGISTRAR FOR THE SERIES 2021 BONDS; PROVIDING AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

WHEREAS, the City Council (the "Governing Body") of the City of Palm Beach Gardens, Florida (the "City") has, by Resolution 174, 2003, duly adopted on November 6, 2003 (the "Authorizing Resolution"), authorized the issuance of its Public Improvement Bonds in one or more Series, and now desires to issue pursuant to the Authorizing Resolution its not-to-exceed \$14,000,000 Public Improvement Bonds, Series 2021 (the "Series 2021 Bonds") in one or more series, as more particularly described herein; and

WHEREAS, the City desires to supplement the Authorizing Resolution by adoption of this Resolution (the "Supplemental Resolution, and together with the Authorizing Resolution, the "Resolution"); and

WHEREAS, the City hereby finds that the present favorable rates in the municipal bond market and the present volatility of such rates require that the terms of the Series 2021 Bonds be negotiated at private sale rather than offered by competitive bid at a public sale, and therefore has determined to sell the Series 2021 Bonds at a private, negotiated sale; and

WHEREAS, the City, through its Financial Advisor, PFM Financial Advisors LLC (the "Financial Advisor"), disseminated a Request for Proposals dated November 12, 2020, requesting offers to provide to the City a fixed-rate term loan (the "RFP"), which shall be evidenced in part by the Series 2021 Bonds; and

WHEREAS, Professional Bank (the "Lender") has provided the offer to the City to purchase the Series 2021 Bonds, which offer is attached hereto as Exhibit "A" (the "Offer"), which, based on the recommendation of the Financial Advisor and subject to the "Parameters" (as defined herein), provides the overall borrowing cost and terms most favorable to the City; and

1 **WHEREAS**, in response to the Financial Advisor’s recommendation of award, the
2 Lender subsequently provided a Commitment letter to the City, committing to purchase the
3 Series 2021 Bonds, which is attached hereto as Exhibit “B” (the “Commitment”) and, subject to
4 the Parameters, commits the Lender to extending the most favorable borrowing cost and terms
5 to the City; and
6

7 **WHEREAS**, the City Council deems approval of this Resolution to be in the best
8 interests of the health, safety, and welfare of the residents and citizens of the City of Palm
9 Beach Gardens and the public at large.
10

11
12 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF**
13 **PALM BEACH GARDENS, FLORIDA, that:**
14

15 **SECTION 1. RECITALS; DEFINITIONS.**
16

17 The foregoing recitals are hereby affirmed and ratified. All capitalized terms used in this
18 Supplemental Resolution that are not defined shall have the meaning ascribed to such terms
19 in the Authorizing Resolution, unless the context otherwise requires.
20

21 **SECTION 2. AUTHORIZATION AND DESCRIPTION OF THE SERIES 2021**
22 **BONDS; PARAMETERS.**
23

24 The City hereby authorizes the issuance of Bonds in one or more Series pursuant to the
25 Authorizing Resolution in the aggregate principal amount not to exceed \$14,000,000 to be
26 known as the “City of Palm Beach Gardens, Florida, Public Improvement Bonds, Series 2021”
27 for the purpose of providing funds that, together with other available funds of the City, will be
28 used to finance the costs of an 18-hole par-three golf course and related facilities that will be
29 owned and operated by the City, or such other or additional capital improvement projects as
30 the City may determine to undertake, including the costs of issuance of the Series 2021 Bonds
31 (collectively, the “Series 2021 Project”).
32

33 For purposes of this Resolution, the “Parameters” shall be as follows: (i) the original
34 aggregate principal amount of the Series 2021 Bonds shall not exceed \$14,000,000; (ii) the
35 true interest cost rate per annum on the Series 2021 Bonds shall not exceed 2.25%, subject to
36 adjustment in the event of taxability or default; (iii) the maximum annual debt service on the
37 Series 2021 Bonds shall not exceed \$900,000; (iv) the final maturity date of the Series 2021
38 Bonds shall not be later than December 31, 2040; (v) the purchase price of the Series 2021
39 Bonds shall not be less than 100% of the original aggregate principal amount thereof; (vi) the
40 maturity or redemption schedule for the Series 2021 Bonds shall provide for principal payments
41 in such amounts as will result in roughly equal annual debt service payments; and (vii) the
42 Series 2021 Bonds may be subject to optional redemption or prepayment, if at all, in such
43 manner and at such times as set forth in the offer that produces the overall borrowing cost and
44 terms most favorable to the City.
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1 The Series 2021 Bonds will be issued as one (1) typewritten certificate in fully registered
2 form without coupons, shall be numbered R-1, and shall be dated the date of their issuance.
3 Interest will be calculated based upon a 360-day year consisting of twelve (12) 30-day months.
4 Principal of and interest on the Series 2021 Bonds shall be paid by check or wire transfer by
5 the Paying Agent without presentation of the Series 2021 Bonds to the address or account
6 provided to the Paying Agent by the Holder of the Series 2021 Bonds. Alternatively, if agreed
7 upon by the City and the Holder, payment of principal and interest may be made by ACH Direct
8 Debit.

9
10 Accrued interest on the Series 2021 Bonds will be payable on April 1 and October 1 of
11 each year, beginning October 1, 2021. The principal of the Series 2021 Bonds will be payable
12 on October 1 of each year, with the first installment due October 1, 2021.

13
14 The Series 2021 Bonds shall be in substantially the form attached as Exhibit "A" to the
15 Authorizing Resolution, with such omissions, insertions, and variations as may be appropriate.
16 Registration and transfer of the Series 2021 Bonds shall not be by the Book-Entry System. The
17 Series 2021 Bonds shall constitute a series of "Bonds" as defined in the Authorizing Resolution
18 and shall be secured on a pari passu basis as to sources and security for payment (Pledged
19 Revenues, as defined in the Authorizing Resolution) pledged under the Authorizing Resolution
20 with respect to any other Bonds of the City issued under the Authorizing Resolution that are
21 Outstanding during the same period the Series 2021 Bonds are Outstanding. Issuance of the
22 Series 2021 Bonds shall be subject to the conditions set forth in the Authorizing Resolution,
23 including, without limitation, the requirement set forth in Article II, Section 9(b) of the Authorizing
24 Resolution.

25
26 The Series 2021 Bonds and the Resolution shall supersede all prior agreements
27 between the City and the Holder, including, but not limited to, the provisions of the Commitment
28 and the Offer. If the terms of the Series 2021 Bonds conflict with the terms of the Resolution,
29 the Commitment, or the Offer, the terms of the Series 2021 Bonds shall control.

30
31 **SECTION 3. APPROVAL OF RFP; AWARD OF THE SERIES 2021 BONDS BY**
32 **NEGOTIATED SALE.**

33
34 The City hereby approves the use and distribution of the RFP by the Financial Advisor
35 on behalf of the City in connection with the award of the Series 2021 Bonds. The City hereby
36 finds, determines, and declares that because of the size, nature, and maturity of the Series
37 2021 Bonds and the prevailing market conditions, the negotiated sale of the Series 2021 Bonds
38 to the Lender in substantial accordance with the Commitment, based on the recommendation
39 of the Financial Advisor, provides the overall borrowing cost and terms most favorable to the
40 City, and therefore the City awards the Series 2021 Bonds to the Lender. The Lender shall
41 provide the City with the information required by Section 218.385, *Florida Statutes*, in
42 connection with the negotiated sale of the Series 2021 Bonds. If for any reason the Lender
43 and the City cannot agree on the final terms of the Series 2021 Bonds, the Series 2021 Bonds
44 shall be awarded to Sterling National Bank (the "Alternate Lender"), in substantial accordance
45 with the offer provided by the Alternate Lender.

1 **SECTION 4. USE OF PROCEEDS.**
2

3 All of the proceeds of the Series 2021 Bonds shall be deposited into the Project Fund
4 created by the Authorizing Resolution and used to pay the Cost of the Series 2021 Project.
5 The establishment of the Series 2021 Project Account of the Project Fund is hereby authorized
6 for such purpose. There shall be no Debt Service Reserve Requirement with respect to the
7 Series 2021 Bonds.
8

9 **SECTION 5. EXECUTION OF SERIES 2021 BONDS AND AUTHORIZATION OF**
10 **ALL OTHER NECESSARY ACTION.**
11

12 The officers of the City designated in the Authorizing Resolution are hereby authorized
13 and directed to execute the Series 2021 Bonds when prepared and deliver the same to the
14 Lender. The Mayor, the City Manager and any other proper officers of the City designated by
15 the City Manager, and Greenspoon Marder LLP, Bond Counsel for the City, are each
16 designated agents of the City in connection with the issuance and delivery of the Series 2021
17 Bonds and are hereby authorized and directed to execute and deliver any and all instruments,
18 documents, and contracts on behalf of the City that are necessary or desirable in connection
19 with the execution and delivery of the Series 2021 Bonds and that are not inconsistent with the
20 terms and provisions of this Resolution and other actions relating to the Series 2021 Bonds
21 heretofore taken by the City, including, but not limited to, an agreement locking the interest rate
22 on the Series 2021 Bonds until the closing date.
23

24 **SECTION 6. DESIGNATION OF PAYING AGENT AND REGISTRAR.**
25

26 The City is hereby designated and approved as the Paying Agent and Registrar for the
27 Series 2021 Bonds.
28

29 **SECTION 7. ADDITIONAL COVENANTS OF THE CITY RELATING TO THE**
30 **SERIES 2021 BONDS.**
31

32 A. Notwithstanding anything in Article II, Section 5 of the Authorizing Resolution to
33 the contrary, notice of redemption need only be given by the City to the Holder at least two (2)
34 Business Days prior to the redemption date.
35

36 B. The City shall provide the Holder with (i) the City's annual audited financial
37 statements within 270 days of the end of each Fiscal Year, beginning with the Fiscal Year
38 ending September 30, 2020, (ii) the City's annual budget within thirty (30) days of its adoption,
39 and (iii) such other financial information as the Holder may reasonably request from time to
40 time.
41

42 **SECTION 8. CONTINUING DISCLOSURE.**
43

44 The Continuing Disclosure requirements contained in Section 11 of Article III of the
45 Authorizing Resolution shall not apply to the Series 2021 Bonds.
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PASSED AND ADOPTED this ____ day of _____, 2021.

CITY OF PALM BEACH GARDENS, FLORIDA

BY: _____
Carl W. Woods, Mayor

ATTEST:

BY: _____
Patricia Snider, CMC, City Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

BY: _____
R. Max Lohman, City Attorney

VOTE:

AYE NAY ABSENT

MAYOR WOODS	_____	_____	_____
VICE MAYOR LITT	_____	_____	_____
COUNCILMEMBER MARCIANO	_____	_____	_____
COUNCILMEMBER REED	_____	_____	_____

EXHIBIT "A"



December 10, 2020

Recommendation Memorandum

To: Allan Owens, Finance Administrator
Km! Ra, Purchasing and Contracts Director

From: Jay Glover, Managing Director – PFM Financial Advisors LLC

Re: Recommendation Memo – Public Improvement Bond, Series 2021

PFM Financial Advisors LLC (“PFM”) was engaged by the City of Palm Beach Gardens, Florida (the “City”) to serve as financial advisor for the City’s proposed issuance of a Public Improvement Bond, Series 2021 (the “2021 Bond”) to finance the cost of a Jack Nicklaus designed 18 hole par 3 course; 10,000 square foot clubhouse; and a two-story driving range in an amount not to exceed \$14,000,000. Based on the desire to move in an expediated manner to take advantage of historically low interest rates, reduced cost of issuance and recent aggressive bids received from banks for comparable transactions, PFM recommended the City pursue a privately placed direct bank loan, which in today’s market was expected to be an efficient and cost effective method of financing.

At the City’s direction, PFM distributed a request for proposals (“RFP”) on November 12, 2020 to a list of local, regional and national financial institutions to identify the qualified financial institution that could provide the City with a fixed rate, non-bank qualified term loan at the lowest overall borrowing cost, pursuant to certain conditions as determined by the City. Prior to the submittal deadline (2:00 pm on December 9, 2020) the City received four (4) proposals from the following institutions: Capital One, Professional Bank, Sterling National Bank, and Truist. A summary of each proposal is included as **Exhibit A**.

Based on PFM’s review and discussions with the City staff and Bond Counsel, it was determined that Professional Bank provided the best combination of interest rate and terms most favorable to the City. Professional Bank offered a 20-year, fixed interest rate of 2.15%, which would be locked for the entire term of the 2021 Bond. The interest rate is held through a closing date on or before January 22, 2021, thus eliminating any risk associated with rising interest rates. Their proposal also includes the ability to prepay the 2021 Bond in whole or in part at any time at par (no penalty).

Based on the 20-year fixed interest rate, flexible prepayment, and acceptable terms and conditions provided in their proposal, PFM recommends selecting Professional Bank as the loan provider for the 2021 Bond. We anticipate bringing the Resolution to the City Council for consideration at the January 14, 2021 meeting. If you have any questions please feel free to contact me at 407-406-5760 or gloverj@pfm.com.



Exhibit A
Summary of Proposals



City of Palm Beach Gardens, FL

Public Improvement Revenue Bond, Series 2021

RFP Summary

	Capital One	Professional Bank
Contact Information	Jacqueline Bretz Vice President 631-457-9582 jaci.bretz@capitalone.com	Michael Woody Executive Vice President 954-235-9110 MWoody@myprobank.com
Tax-Exempt Non-Bank Qualified Interest Rate	2.290%	2.15%
Final Maturity Date	10/1/2040	10/1/2040
Interest Rate Fixed or Indicative?	Fixed	Fixed
Rate Locked to Closing, or Date to be Set	Rate valid through 1/18/2021	Rate valid through 1/22/2021
Average Annual Debt Service (AADS)	890,930	879,320
Total Debt Service	17,548,838	17,320,161
Increased AADS from Low Bid	11,610	-
Increased Total Debt Service from Low Bid	228,677	-
Prepayment Provisions	Prior to 10/1/27: Non Callable 10/1/2027: 102% 10/1/2028: 101% 10/1/2029: thereafter in whole at par	Prepayable in whole or in part at anytime at par
Legal/Other Fees	\$0	\$8,000
Other Conditions & Notes	A) City responsible for counsel and issuance costs B) City must provide audited financial statements upon request, as soon as available C) Term sheet expires if not accepted by 12/16/2020 and, if accepted, expires if transaction has not closed by 1/18/2021	A) Taxability gross up if results from City's actions or inactions B) CAFR due within 270 days of fiscal year end C) Term sheet expires if not accepted by 12/14/2020 D) Closing must occur within 90 days of approval date E) City must provide Anti-Dilution Test from Resolution



City of Palm Beach Gardens, FL

Public Improvement Revenue Bond, Series 2021

RFP Summary

	SNB	Truist
Contact Information	Mark Cargo Managing Director 704-287-4493 mcargo@snb.com	Christina Tinker 704-417-4004 Christina.Tinker@Truist.com
Tax-Exempt Non-Bank Qualified Interest Rate	2.210%	2.740%
Final Maturity Date	10/1/2040	10/1/2040
Interest Rate Fixed or Indicative?	Fixed	Fixed
Rate Locked to Closing, or Date to be Set	Rate valid through 1/22/2021	Rate valid through 1/23/2021
Average Annual Debt Service (AADS)	884,304	929,123
Total Debt Service	17,418,342	18,301,145
Increased AADS from Low Bid	4,984	49,803
Increased Total Debt Service from Low Bid	98,181	980,984
Prepayment Provisions	Years 1-5: No call Years 6-9: 101% Thereafter: at par	Prepayable in whole at any time at 101% or Non-callable for the 1st half of the term and callable at par thereafter
Legal/Other Fees	\$0	\$10,000
Other Conditions & Notes	A) Funded into escrow fund with SNB at no cost B) City responsible for any maintenance and insurance costs, as well as costs of issuance C) City must provide annual financial statements throughout term of financing D) Lender has ability to transfer loan E) City must provide three (3) most recent audited financial statements, its most recently adopted budget, and any other information that Lender may reasonably require. F) Term sheet expires if not accepted by 12/30/2020	A) Anti-Dilution test: 2x B) City responsible for documentation and counsel costs C) Default Rate: current rate +2% D) Financial statements due within 270 days of fiscal year end throughout term of loan

EXHIBIT "B"

December 21, 2020

City of Palm Beach Gardens, Florida

Attention: Allan Owens, Finance Administrator – City of Palm Beach Gardens;
Kml Ra, Purchasing and Contracts Director – City of Palm Beach Gardens;
Jay Glover, PFM; and,
Aurora Pavlish-Carpenter, PFM
CC: Skip Miller, Greenspoon Marder; and,
Joe Stanton, Nelson Mullins
Delivered Electronically to: aowens@pbgfl.com; kmra@pbgfl.com; gloverj@pfm.com; and, pavlish-carpentera@pfm.com
Re: Professional Bank's Commitment Letter to the City of Palm Beach Gardens

Dear Mr. Owens and Mr. Ra:

We are pleased to inform you that Professional Bank ("Bank", "Lender", "PB", or "Bondholder") has approved the financing opportunity to the City of Palm Beach Gardens, Florida. This Commitment Letter contains the approved terms and conditions of the financing, subject to the acceptance of and compliance with the terms and conditions described herein.

Borrower: The City of Palm Beach Gardens, Florida ("City")

Facility Type: Tax-Exempt, Bank-Qualified Term Loan
(The "City's Public Improvement Revenue Bond, Series 2021")

Loan Amount: Not to exceed \$14,000,000
(The Facility to be referred to as the "2021 Bond" or the "Loan")

Purpose: To provide funds, together with other available funds of the City, to (i) pay for the cost of a Jack Nicklaus designed 18 hole par 3 course; 10,000 square foot clubhouse; and a two-story driving range and (ii) pay the related costs of issuance.

Maturity: October 1, 2040

Rate of Interest: Per annum, tax-exempt fixed rate of 2.15%*.
*The quoted tax-exempt interest rate will be in effect so long as the Loan closes on or before January 22, 2021. Should the financing not close on or before January 22, 2021, the Bank reserves the right to amend the per annum, tax-exempt fixed rate.

Interest Calculation: Interest on the Loan will be calculated on the basis of a 360-day year comprised of 30-day months.

Fees and Costs: Bank Fee = \$0.
The City shall pay all costs relating to financing, preparing and printing the loan documents, etc. The City shall also pay the Lender's Counsel Fees, which are not expected to exceed \$8,000 (barring any material delays or changes in the structure). The Bank has engaged Nelson Mullins to serve as Lender's Counsel.

Repayment Schedule: Principal payments due annually based on the following, preliminary loan amortization schedule (which is subject to change; PFM to provide final amortization schedule prior to Closing):

10/1/2021	\$330,000
10/1/2022	\$570,000
10/1/2023	\$585,000
10/1/2024	\$600,000
10/1/2025	\$615,000
10/1/2026	\$630,000
10/1/2027	\$645,000
10/1/2028	\$660,000
10/1/2029	\$680,000
10/1/2030	\$695,000
10/1/2031	\$715,000
10/1/2032	\$730,000
10/1/2033	\$750,000
10/1/2034	\$770,000
10/1/2035	\$785,000
10/1/2036	\$805,000
10/1/2037	\$825,000
10/1/2038	\$850,000
10/1/2039	\$870,000
10/1/2040	\$890,000
TOTAL	\$14,000,000

Interest payments due semi-annually on April 1 and October 1 of each year, commencing October 1, 2021.

Security: The 2021 Bond will be issued pursuant to Resolution 174, 2003, adopted by the City Council on November 6, 2003 (the "Authorizing Resolution"), as supplemented by Resolution 7, 2021, which is expected to be adopted by the City Council on or about January 14, 2021 (the "Supplemental Resolution" and together with the Authorizing Resolution, collectively, the "Bond Resolution"). Pursuant to the Bond Resolution, the payment of the principal of and interest on the 2021 Bond shall be secured by a covenant to budget and appropriate from all general fund revenues of the City not derived from ad valorem taxation and which are lawfully available to be used to pay debt service on amounts due under the 2021 Bond.

Anti-Dilution: The Bank will require the Anti-Dilution Test as provided on page 29 of the Authorizing Resolution.

Tax-Exempt Status: If the 2021 Bond ceases to be tax-exempt resulting from the City's inactions or actions, the Bank will have the ability to gross-up its interest rate to account for the change from tax-exempt to taxable. PB will not require a Capital Adequacy Provision or a Yield Maintenance Covenant.

Prepayment Penalty: None

Ongoing Terms and Conditions:

1. While the City is not required to establish or maintain a depository relationship with PB, the Bank requests the opportunity to meet with the City to present depository products with the goal of earning depository business from the City. If the City does establish a depository relationship with PB, those funds will not be tied in any way to the proposed Loan.
2. The Comprehensive Annual Financial Report ("CAFR") of the Borrower to be made available to the Bank within two hundred seventy (270) days of the end of the Borrower's fiscal year.
3. Other miscellaneous conditions that the Bank may require in connection with closing of the Loan.

Miscellaneous: The Bank has a present intent to hold the 2021 Bond subject to this transaction to maturity or earlier redemption for its loan portfolio and has no present intention of reselling or otherwise disposing of all or part of such 2021 Bond. The Bank acknowledges that PFM is relying on the foregoing representation and based on this representation PFM determines that this transaction meets the requirements for being a qualifying exception for purposes of MSRB Rule G-34, and PFM is released from the requirement to request a CUSIP assignment on behalf of the City pursuant to MSRB Rule G-34 for the 2021 Bond.

Waiver of Jury Trial: The City and the Bank knowingly, intentionally and voluntarily waive any right which either of them may have to a trial by jury in connection with any matter directly or indirectly relating to the 2021 Bond or any bond document executed in connection herewith.

Exculpation / Indemnity: If, as a result of further investigation and/or analysis by the Bank or its legal counsel, information which the Bank is not aware of and/or certain other impediments to closing come to the Bank's attention, as the case may be, the Borrower covenants and agrees to duly execute and deliver whatever instruments, documents, certificates, opinions, and assurances, and do whatever else, the Bank may reasonably request to effectuate the purposes of the transactions described in this Letter. All proceedings, agreements, instruments, documents and other matters relating to the making of the Loan and all other transactions contemplated by this Letter must be satisfactory to the Bank and its counsel and shall be executed and delivered by the Borrower before the Bank shall have any obligation to close and fund the Loan. The Borrower shall indemnify and hold harmless the Bank and its directors, officers, agents and employees from any suits, claims, damages, and expenses (including legal fees) on account of any matter or thing, whether in suit or not, arising out of or in connection with this Commitment Letter unless the suits, claims, or damages are caused by the Bank's material breach of contract, gross negligence or willful malfeasance.

Documentation: The documentation for the Loan shall be prepared by Bond Counsel. Generally, all documentation of the Loan must be acceptable to the Bank (in its sole discretion and judgment) and the Bank's legal counsel and may contain whatever provisions (whether or not covered or referred to explicitly in this Letter) the Bank considers necessary or desirable that does not patently conflict with this Letter.

Commitment Expiration: Once this Commitment Letter has been issued, unless this transaction is closed and full disbursement of funds has occurred on or before March 17, 2021, the Commitment shall be terminated at the option of the Lender.

Borrowers' Responsibility for Fees and Costs: Acceptance of this Commitment shall constitute Borrower's unconditional agreement to pay all fees and expenses, including the legal costs and charges in respect to the Loan or in any way connected therewith, whether the Loan shall close or not. Bank's Counsel's fees and costs (Joe Stanton of Nelson Mullins to serve as Bank's Counsel) shall not exceed \$8,000 (barring any material delays or changes in the loan structure).

Professional Bank reserves the right to withdraw this Commitment if there is any material misrepresentation by the Borrower, or should subsequent information reveal facts or information contrary to the Lender's knowledge of the security or purpose of Loan.

This Commitment and all of the Lender's obligations hereunder shall become null and void at the option of the Lender, unless you sign and return to the Lender the enclosed copy of this Commitment Letter on or before **January 15, 2021**.

In closing, I would like to thank you for your consideration of Professional Bank's financing proposal. If you have any questions, please do not hesitate to contact me at 561.868.1270. I look forward to hearing from you soon.

Sincerely,



J. Michael Woody, Jr.
Executive Vice President
mwoody@probankfl.com

Acknowledgement and Acceptance by Borrower:

I/We have read, understood and agree to the terms, conditions and provisions contained in this Commitment Letter dated December 21, 2020.

BORROWER:

For: City of Palm Beach Gardens, Florida

_____ Date: January _____, 2021

Signer's Printed Name and Title: _____

Tax ID of Borrower: _____