

August 13, 2018

The Honorable Chair and
Board of County Commissioners
Manatee County, Florida
1112 Manatee Avenue
Bradenton, Florida 34205

Ladies and Gentlemen:

Public Resources Advisory Group ("PRAG") is serving as Financial Advisor in connection with the County's issuance of not to exceed \$75,000,000 Public Utilities Revenue Improvement Bonds, Series 2018 ("Series 2018 Bonds"). The Series 2018 Bonds are being issued for the purposes of (i) funding certain improvements in the utility system CIP and (ii) paying costs of issuance.

As Financial Advisor, PRAG recommends that the Series 2018 Bonds be sold on a competitive basis. With a competitive sale the County does not select a broker/dealer firm to underwrite the bonds in advance, but instead the County offers the bonds to the entire underwriting market through a formal Official Notice of Sale. This document describes the process under which the County will award the bonds to the firm or group of firms that provides the lowest True Interest Cost bid for the bonds.

We are recommending a competitive sale based on the strong credit ratings we expect to receive on the Series 2018 Bonds, the positive market reception of the County's most recent utility bonds last December and the relative lack of supply currently in the municipal market. Under the terms of the Official Notice of Sale, the True Interest Cost on the Series 2018 Bonds cannot exceed 5% and the par amount cannot exceed \$75 million.

We have requested ratings on the Series 2018 bonds from Moody's and Fitch and we expect ratings to be such that credit enhancement will not add value; however, under the terms of the Official Notice of Sale bidders will have the right to purchase credit enhancement at their own expense if they believe credit enhancement would provide economic benefits to their bid.

Sincerely,

PUBLIC RESOURCES ADVISORY GROUP

A handwritten signature in blue ink that reads "Wendell G. Gaertner".

Wendell Gaertner
Senior Managing Director