

§ _____
Town of Palm Beach, Florida
General Obligation Bonds (Underground Utility Project),
Series 2018 (the “Bonds”)

BOND PURCHASE AGREEMENT

September __, 2018

Town of Palm Beach, Florida
360 South County Road
Palm Beach, Florida 33480

Ladies and Gentlemen:

The undersigned, Citigroup Global Markets Inc. (the “Underwriter”), hereby offers to enter into this Bond Purchase Agreement (the “Purchase Agreement”) with you as the governing body of the Town of Palm Beach, Florida (the “Town” or the “Issuer”), for the purchase by the Underwriter and sale by the Town of the Town’s Bonds as specified herein. This offer is made subject to written acceptance by the Town prior to 11:59 P.M., Palm Beach, Florida time on the date hereof, and upon such acceptance this Purchase Agreement shall remain in full force and effect in accordance with its terms and shall be binding upon the Town and the Underwriter.

The above-captioned bonds (collectively, the “Bonds”) are being issued by the Town for the purposes of (i) financing or refinancing a portion of the cost of acquiring, constructing, reconstructing and equipping of the Underground Utility Project, (ii) retiring the Town’s Public Improvement Commercial Paper Revenue Notes, Series 2017 (the “Notes”), and (iii) paying the costs of issuance with respect to the Bonds. The Bonds are general obligations of the Town secured by the full faith and credit and taxing power of the Town. The Bonds shall be dated the date of their issuance, the principal of the Bonds shall be payable on July 1 of each year as set forth on Exhibit “C” hereto, interest on the Bonds shall be payable on each January 1 and July 1, beginning January 1, 2019, at the rates set forth on said Exhibit “C,” and the Bonds shall be subject to redemption prior to maturity as set forth on said Exhibit “C.”

All capitalized terms used in this Purchase Agreement that are defined in the Resolution (hereinafter defined) and not defined herein shall have the respective meanings set forth in the Resolution.

1. **Purchase and Sale of Bonds.** Upon the terms and conditions and upon the basis of the representations, warranties and covenants herein set forth, the Underwriter hereby agrees to purchase from the Town for re-offering to the public, and the Town hereby agrees to sell to the Underwriter for such purpose all (but not less than all) of the aggregate principal amount of the Bonds, as more fully described in the Preliminary Official Statement hereinafter identified and maturing on the dates and bearing interest at the rates set forth as part of Exhibit C attached hereto.

The purchase price which shall be paid by the Underwriter in immediately available funds for the Bonds shall be \$ _____ (representing the par amount of the Bonds of \$ _____, **[plus/minus premium/discount]** of \$ _____, less Underwriter's discount of \$ _____).

The Bonds are being issued pursuant to that certain resolution of the Town adopted on August 15, 2018 (the "Resolution"), authorizing the execution and delivery by the Town of the Official Statement (as hereinafter defined) and this Purchase Agreement and authorizing the sale of the Bonds and containing the Town's commitment to provide continuing disclosure. The Underwriter agrees to make a bona fide public offering of the Bonds, solely pursuant to the Official Statement, at the initial offering prices set forth in the Official Statement, reserving, however, the rights to (i) change such initial offering prices as the Underwriter shall deem necessary in connection with the marketing of the Bonds and (ii) offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) at concessions to be determined by the Underwriter. The Underwriter also reserves the right to over-allot or effect transactions that stabilize or maintain the market prices of the Bonds at levels above that which might otherwise prevail in the open market and to discontinue such stabilizing, if commenced, at any time.

2. **Good Faith Check.** The Underwriter herewith delivers to the Town a corporate check payable to the Town in the amount of \$ _____ as security for the performance by the Underwriter of its obligation to accept and pay for the Bonds at the Closing (as hereinafter defined) in accordance with the provisions of this Purchase Agreement. In the event the Town does not accept this offer, such check shall be returned to the Underwriter promptly. If this offer is accepted, such check shall be held uncashed in trust by the Town until the Closing and, concurrently with the delivery of and payment for the Bonds at the Closing, said check shall be returned to the Underwriter. In the event of the Town's failure to deliver the Bonds at the Closing, or if the Town shall be unable to satisfy the conditions precedent for the Underwriter to purchase and accept delivery of the Bonds as set forth in this Purchase Agreement, or if the obligation of the Underwriter with respect to the Bonds shall be terminated for any reason permitted by this Purchase Agreement, the Town shall return such check immediately to the Underwriter and such return shall constitute a full release and discharge of all claims by the Underwriter against the Town arising out of the transactions contemplated hereby. In the event the Underwriter fails (other than for a reason permitted hereunder) to accept and pay for the Bonds at the Closing as herein provided, said check shall be retained and cashed by the Town as full liquidated damages for such failure and for any and all defaults hereunder on the part of the Underwriter, and thereupon all of the Town's claims and rights hereunder against the Underwriter shall be fully released and discharged. The Underwriter and the Town understand that in such event the Town's actual damages may be greater or may be less than such sum. Accordingly, the Underwriter hereby waives any right to claim that the Town's actual damages are less than such sum, and the Town's acceptance of this offer shall constitute a waiver of any right the Town may have to additional damages from the Underwriter.

3. **The Official Statement.** Prior to the date hereof, the Town has provided to the Underwriter for its review the preliminary official statement dated September __, 2018 (the "Preliminary Official Statement"). The Preliminary Official Statement is hereby deemed final as of its date, except for certain permitted omissions ("Permitted Omissions") in connection with the pricing of the Bonds as permitted by Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"). The Preliminary Official Statement with

only such other changes therein as shall have been accepted by the Underwriter, Bond Counsel and Underwriter's Counsel, and including the cover page and all appendices attached thereto, together with such amendments or supplements thereto as are adopted by the Town in accordance herewith subsequent to the date hereof, shall be herein called the "Official Statement." The Town shall provide, or cause to be provided, at its expense, to the Underwriter at the time of the Town's acceptance of this Purchase Agreement or as soon as practicable thereafter (but, in any event, not later than seven (7) business days after the Town's acceptance of this Purchase Agreement and in sufficient time to accompany any confirmation that requests payment from any customer) copies of the final printed Official Statement (herein the "Final Official Statement"), complete as of its date of delivery to the Underwriter and in form satisfactory to the Underwriter in sufficient quantity to comply with the requirements of the Rule and the applicable rules of the Municipal Securities Rulemaking Board (the "MSRB"). The Town authorizes the Underwriter to use copies of the Final Official Statement, any amendments or supplements thereto, and the information contained therein, and copies of the Resolution in connection with the public offering and sale of the Bonds and the Town agrees not to supplement or amend, or cause to be supplemented or amended, the Final Official Statement or the Resolution at any time prior to the Closing, without the prior written consent of the Underwriter, which consent shall not be unreasonably withheld. The Town ratifies and approves the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Bonds.

The Underwriter agrees to file the Final Official Statement with the MSRB's Electronic Municipal Market Access system ("EMMA") within one business day after receipt from the Town, but by no later than the Closing, in such manner and accompanied by such forms as are required by the MSRB, in accordance with Rule G-32 of the MSRB, and shall maintain such books and records as required by Rule G-8 of the MSRB with respect to the filing of the Final Official Statement.

In order to assure compliance with the requirements of the Rule for the continuing disclosure to the public of information regarding the Town (for this purpose a/k/a the "Obligor") and the Bonds, the Town as part of the Resolution will provide an undertaking as required by the Rule (the "Undertaking"). A description of the Undertaking is set forth in "APPENDIX A – TOWN OF PALM BEACH RESOLUTION NO. ____-2018" to the Preliminary Official Statement and the Final Official Statement. Failure by the Town to deliver a certified copy of the Resolution at Closing will be grounds for the Underwriter to terminate this Purchase Agreement since failure to provide continuing disclosure covenants will cause the Underwriter to violate the Rule.

The Underwriter shall give notice to the Town on the date which is one day after the "end of the underwriting period," as such term is defined in the Rule, and the date after which the Underwriter no longer remains obligated to deliver the Final Official Statement pursuant to paragraph (b)(4) of the Rule.

4. **Town Representations and Warranties.** The Town represents to and agrees with the Underwriter that:

(a) the Preliminary Official Statement as of its date is deemed final, and, except for Permitted Omissions, was true and correct in all material respects, and did not contain any untrue or misleading 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 and the Final Official Statement, as of its date, and as it may be amended or supplemented prior to the date of delivery of the Bonds to the Underwriter and at the Closing, will be true and correct in all material respects and the Final Official Statement, as it may be amended or supplemented prior to the date of delivery of the Bonds to the Underwriter and at the Closing, will not contain any untrue or misleading 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. In addition, any amendments or supplements to the Final Official Statement prepared and furnished by the Town 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 light of the circumstances under which they were made, not misleading;

(b) from the date hereof if, until the earlier of (i) 90 days from the end of the underwriting period or (ii) the time when the Final Official Statement is available to any person from EMMA (but in no case less than 25 days following the end of the underwriting period), any event occurs as a result of which it may be necessary to amend or supplement the Final Official Statement in order to make the statements therein, in light of the circumstances under which they were made, not misleading, the Town shall notify the Underwriter and, if in the reasonable opinion of the Town or the Underwriter, such event requires the preparation and publication of an amendment or supplement to the Final Official Statement, the Town, at its expense (unless such amendment or supplement is a result of information provided by the Underwriter), promptly will prepare an appropriate amendment or supplement thereto (and file, or cause to be filed, the same with EMMA, if required) so that the statements in the Final Official Statement as so amended or supplemented will not, in light of the circumstances under which they were made, be misleading as to a material fact, in a form and in a manner approved by the Underwriter;

(c) the Town is and will be at the date of Closing duly organized and existing as a municipal corporation of the State of Florida, with the powers and authority of a Town as set forth in the Act;

(d) the Town has full legal right, power and authority to (i) adopt the Resolution, (ii) enter into and assume its obligations under this Purchase Agreement and (iii) sell, issue and deliver the Bonds to the Underwriter as provided herein; and the adoption of the Resolution, and compliance with the provisions of it under the circumstances contemplated hereby, do not and will not in any material respect conflict with or constitute on the part of the Town a breach of or default under any agreement or other instrument to which the Town is a party or any existing law, administrative regulation, court order or consent decree to which the Town is subject;

(e) by all necessary official action, the Town has: (i) duly adopted the Resolution, (ii) duly ratified and approved the prior distribution of the Preliminary Official Statement, (iii) duly authorized and approved the execution and delivery of the Final Official Statement, (iv) duly authorized and approved the execution and delivery of the Bonds, and the performance by the Town of the obligations on its part in connection with the issuance of the Bonds contained in the Bonds, the Resolution and this Purchase Agreement and (v) consummated all other transactions contemplated by this Purchase Agreement in connection with the issuance of the Bonds;

(f) when delivered to and paid for by the Underwriter at the Closing in accordance with the provisions of this Purchase Agreement, the Bonds will have been duly authorized, executed, issued and delivered and will constitute valid and binding general obligations of the Town in conformity with, and entitled to the benefit of the respective provisions of the Act and the Resolution, and when executed and delivered, this Purchase Agreement will constitute a valid, binding and enforceable obligation of the Town, except such enforceability may be subject to bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting the enforcement of creditors' rights generally or by such principles of equity as the court having jurisdiction may impose with respect to certain remedies which require or may require enforcement by a court of equity;

(g) the Town will advise the Underwriter promptly of any reason to amend, supplement or otherwise change the Final Official Statement prior to or at the Closing;

(h) the Town is not in material breach of or material default under any applicable constitutional provision, law, or administrative regulation of the State or the United States or any applicable judgment or decree, or any loan agreement, indenture, bond, note, or material resolution, agreement or other material instrument to which the Town is a party or to which the Town or any of its property or assets is otherwise subject, and to its best knowledge, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a material default or event of default under any such instrument, except as disclosed in the Final Official Statement;

(i) as of the date hereof, except as specifically disclosed in the Final Official Statement, 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 the best knowledge of the officials of the Town, after having made due inquiry with respect thereto, threatened against the Town, (i) affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the application of the revenues of the Town, including but not limited to the Town's ad valorem revenues or non-ad valorem special assessments imposed by the Town in connection with the Underground Utility Project pursuant to Chapter 90, Town Code of Ordinances (the "Special Assessments") to pay principal of and interest on the Bonds, (ii) contesting or affecting as to the Town the validity or enforceability of the Act in any respect relating to authorization for the issuance of the Bonds, the Resolution and this Purchase Agreement, (iii) contesting the conduct of the bond referendum held by the Town on March 15, 2016 or the results thereof, (iv) contesting the tax-exempt status of interest on the Bonds, (v) contesting the completeness or accuracy of the Preliminary Official Statement or the Final Official Statement or any supplement or amendment thereto, or (vi) contesting the powers of the Town or its authority for the issuance of the Bonds, the adoption of the Resolution, or the execution and delivery by the Town of this Purchase Agreement;

(j) the financial statements of the Town contained in the Final Official Statement present fairly the financial condition and results of the Town at the dates and for the periods set forth therein, and there are no material liabilities, contingent or otherwise, of the Town other than in the ordinary course of business, that are not disclosed in the Final Official Statement;

(k) the Town has not been notified by the Internal Revenue Service to the effect that its arbitrage certifications cannot be relied upon;

(l) any certification signed by an official of the Town and delivered to the Underwriter shall be deemed a representation and warranty by the Town to the Underwriter as to the truth of the statements therein contained;

(m) the Town will not knowingly take or omit to take any action which action or omission will in any way cause the proceeds from the sale of the Bonds to be applied in a manner other than as provided in the Resolution or which would cause the interest on the Bonds to be includable in gross income for federal income tax purposes;

(n) between the time of the Town's acceptance hereof and the Closing, the Town will not have executed or issued any bonds or notes or incurred any other obligations for borrowed money;

(o) between the time of the Town's acceptance hereof and the Closing, there will not have been any material adverse change in the financial position, method of operation or personnel of the Town;

(p) no material event has occurred which, with the lapse of time or the giving of notice or both, would constitute a default under the Resolution, and the Resolution is in full force and effect and has not been amended or modified except as disclosed in the Final Official Statement;

(q) no debt obligations of the Town, interest on which is intended to be tax-exempt, are being examined by the Internal Revenue Service nor have such debt obligations been examined by the Internal Revenue Service other than in connection with an examination that was closed without adjustment;

(r) the Town has no bonds or other obligations issued and outstanding with a lien on and pledge of the ad valorem revenues of the Town or the Special Assessments other than as described in the Final Official Statement;

(s) the Town has not been in default at any time after December 31, 1975 as to principal or interest with respect to any obligations issued or guaranteed by the Town, except as disclosed in the Final Official Statement;

(t) the Town represents that during the last five (5) years, to its knowledge after due inquiry, it has complied in all material respects with each of its previous continuing disclosure undertakings pursuant to the Rule;

(u) all authorizations, consents, approvals and reviews of governmental bodies or regulatory authorities required for the Town's adoption, execution or performance of the Bonds, the Resolution and this Purchase Agreement have been obtained or effected, or will be obtained or effect at or prior to Closing; and

(v) the Town will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter, at the Underwriter's expense, as the

Underwriter may reasonably request to qualify the Bonds for offer and sale and to determine the eligibility of the Bonds for investment under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States of America as the Underwriter may designate, provided that the Town shall not be required to file a general consent to service of process or qualify to do business in any jurisdiction or become subject to service of process in any jurisdiction in which the Town is not now subject to such service. It is understood that the Town is not responsible for compliance with or the consequences of failure to comply with applicable Blue Sky or other securities laws and regulations or the legality of the Bonds for investment under the laws of the various states or for the cost of Blue Sky filing fees, if any.

5. **Closing.** At 10:00 A.M., Palm Beach, Florida time on October __, 2018 or at such other time or on such later date as mutually agreed upon by the Town and the Underwriter (the “Closing”), the Town will deliver or cause to be delivered to the Underwriter, at the offices of Locke Lord LLP, 777 South Flagler Drive, Suite 215 East Tower, West Palm Beach, Florida 33401 or at such other place as mutually agreed upon, the Bonds in definitive form, duly executed and authenticated, together with the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price thereof in immediately available funds, to the order of the Town. Unless the Bonds are delivered pursuant to the DTC FAST system, the Bonds will be made available for checking and packaging one business day prior to the Closing at the office of The Depository Trust Company, New York, New York (the “DTC”) or such other place as may be designated by the Underwriter. It is anticipated that CUSIP identification numbers will be printed on the Bonds, but the failure to print such number on any of the Bonds shall not constitute cause for failure or refusal by the Underwriter to accept delivery of and pay for the Bonds in accordance with the terms of this Purchase Agreement.

6. **Closing Conditions.** The Underwriter has entered into this Purchase Agreement in reliance upon the Town’s representations and agreements herein and the performance by the Town of the Town’s obligations hereunder, both as of the date hereof and as of the date of the Closing. The Underwriter’s obligations under this Purchase Agreement are and shall be subject to the following further conditions:

(a) the representations and warranties of the Town contained herein shall be true, complete and correct on the date hereof and on and as of the date of Closing, as if made on the date of Closing; and, between the time of the Town’s acceptance of this Purchase Agreement and the Closing, there will not have been any material adverse change in the financial position, method of operation or personnel of the Town;

(b) at the time of Closing, this Purchase Agreement, the Resolution and the Final Official Statement shall be in full force and effect; this Purchase Agreement, the Resolution and the Final Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter; and the Town shall have duly adopted and there shall be in full force and effect such other resolutions as, in the opinion of Locke Lord LLP (“Bond Counsel”) shall be necessary in connection with the transactions contemplated hereby;

(c) at or prior to Closing, the Underwriter shall receive the following documents:

(1) sufficient copies of the Final Official Statement and each supplement or amendment, if any, thereto, manually executed on behalf of the Town by the appropriate Town officers;

(2) the approving opinion of Bond Counsel, dated the date of Closing, in the form included in the Final Official Statement. The delivery at Closing of the opinion of Bond Counsel will be conditioned upon receipt by Bond Counsel of all necessary or desirable certificates, representations and opinions in each case in a form acceptable to Bond Counsel, upon which Bond Counsel shall rely in rendering its opinion;

(3) a supplemental opinion or opinions of Bond Counsel addressed to the Underwriter to the effect that (i) the information in the Preliminary Official Statement and the Final Official Statement under the captions “DESCRIPTION OF THE BONDS”, “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS,” “TAX MATTERS” and “CONTINUING DISCLOSURE,” and in “APPENDIX A – TOWN OF PALM BEACH RESOLUTION NO. ____ - 2018,” insofar as such information purports to be descriptions or summaries of portions of the Resolution, the Bonds, or the Internal Revenue Code of 1986, as amended (the “Code”), are fair and accurate statements of the matters set forth therein, and (ii) the Bonds are not required to be registered under the Securities Act of 1933, as amended and the Resolution is not required to be registered under the Trust Indenture Act of 1939, as amended.

(4) an opinion of the Town Attorney dated the date of the Closing and addressed to the Town, Bond Counsel and the Underwriter, to the effect that (i) this Purchase Agreement has been duly authorized, executed, and delivered by the Town and constitutes a legal, valid and binding agreement of the Town enforceable in accordance with its terms except such enforceability may be subject to bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting the enforcement of creditors’ rights generally or by such principles of equity as the court having jurisdiction may impose with respect to certain remedies which require or may require enforcement by a court of equity; (ii) the Town has authorized, executed, and delivered the Final Official Statement and ratified the prior use of the Preliminary Official Statement by the Underwriter; (iii) the information in the Preliminary Official Statement and the Final Official Statement as to legal matters relating to the Town, the Act, the Bonds, the Resolution and the Special Assessments (including but not limited to the information under the caption “LITIGATION”) is correct in all material respects and does not omit any statement which, in his opinion, should be included or referred to therein, and, in addition, such counsel shall state that, based upon his participation in the preparation of the Preliminary Official Statement and the Final Official Statement as Town Attorney and without having undertaken to determine the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement, as of its date, and the Final Official Statement, as of its date and as of the date of the Closing, nothing has come to his attention causing him to believe that the Preliminary Official Statement (excluding Permitted Omissions), as of its date, or the Final Official Statement as of its date or as of the date of the Closing contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except for the financial and statistical information and information contained in the Final Official Statement under the caption “BOOK-ENTRY ONLY SYSTEM” as to all of which no opinion need be expressed); (iv) to the best of his knowledge after reasonable inquiry, the Town is not in material breach of or material default under

any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable material judgment or decree or any loan agreement, indenture, bond, note, material resolution, material agreement or other material instrument of which the Town is a party or to which the Town or any of its property or assets is otherwise subject, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a material default or material event of default under any such instrument that would be material to the purchasers of the Bonds, except in each case as disclosed in the Final Official Statement and the issuance and delivery of the Bonds will not constitute such a breach or default; (v) to the best of his knowledge after reasonable inquiry, the execution and delivery of the Bonds and this Purchase Agreement and the adoption of the Resolution, and compliance with the provisions on the Town's part contained therein, will not conflict with or constitute a material breach of or material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Town is a party or to which the Town or any of its property or assets is otherwise subject, that would be material to the purchasers of the Bonds; (vi) the Town has the right and power under the Act to adopt the Resolution and the Resolution has been duly and lawfully adopted by the Town, is in full force and effect and constitutes the legal, valid and binding obligation of the Town, enforceable in accordance with its terms, subject to bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting the enforcement of creditors' rights generally or by such principles of equity as the court having jurisdiction may impose with respect to certain remedies which require or may require enforcement by a court of equity and no other authorization is required; (vii) the Town is authorized by the Constitution and laws of the State of Florida to pledge the full faith, credit and taxing power of the Town to the repayment of the Bonds, (viii) the Town has the right and power to impose the Special Assessments, the proceedings of the Town imposing the Special Assessments were duly and lawfully adopted by the Town, and the Special Assessments are in full force and effect; (ix) 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 the best of his knowledge, after having made due inquiry with respect thereto, threatened against or affecting the Town, wherein an unfavorable decision, ruling or finding would have a materially adverse effect upon the transactions contemplated by the Final Official Statement or the validity of the Bonds, the Resolution or this Purchase Agreement, except as described in the Final Official Statement; and (x) all authorizations, consents, approvals and reviews of governmental bodies or regulatory authorities then required for the Town's adoption, execution or performance of the Bonds, the Resolution and this Purchase Agreement have been obtained or effected, and he has no reason to believe that the Town will be unable to obtain or effect any such additional authorization, consent, approval or review that may be required in the future for performance of any of them by the Town. Notwithstanding the foregoing opinions, the Town Attorney shall not be required to express any opinion as to applicable requirements of federal or state securities or "Blue Sky" laws in connection with the issuance of the Bonds;

(5) a certificate, dated the date of Closing, signed by the Mayor of the Town Council and the Town Manager to the effect that, to the best of their knowledge: (i) the representations of the Town herein are true and correct in all material respects as of the date of Closing; (ii) the Town has performed all obligations to be performed hereunder as of the date of Closing; (iii) except as disclosed in the Final Official Statement, no litigation is pending or threatened (A) affecting or seeking to prohibit, restrain or enjoin the sale, the issuance or delivery of the Bonds, (B) in any way contesting or affecting the validity or enforceability of the Act in any respect relating

to the authorization for the issuance of the Bonds, the Resolution or this Purchase Agreement, (C) in any way contesting the existence or powers of the Town or its authority for the issuance of the Bonds, the adoption of the Resolution or the execution and delivery of this Purchase Agreement, (D) which may result in any material adverse change in the business, properties, assets or the financial condition of the Town or (E) asserting that the Preliminary Official Statement or the Final Official Statement contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, but in lieu of such certificate, the Underwriter may in its sole discretion accept an opinion of Bond Counsel (or other counsel acceptable to the Underwriter) in form and substance acceptable to the Underwriter, that in the opinion of Bond Counsel or other counsel acceptable to the Underwriter the issues raised in any such pending or threatened litigation are without substance or that the contentions of any plaintiffs therein are without merit; (iv) since September 30, 2017, no material and adverse change has occurred in the financial position or results of operations of the Town except as set forth in or contemplated by the Final Official Statement; (v) the Town has not, since September 30, 2017, incurred any material liabilities other than in the ordinary course of business or as set forth in or contemplated by the Final Official Statement; (vi) the Preliminary Official Statement and the Final Official Statement each did not, as of its date, and does not as of the date of Closing contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purposes for which the Preliminary Official Statement or the Final 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; and (vii) the Town has not been in default at any time after December 31, 1975 as to principal or interest with respect to any obligations issued or guaranteed by the Town, except as disclosed in the Final Official Statement.

(6) copies of such contracts, agreements and reports referred to in the Preliminary Official Statement and the Final Official Statement as the Underwriter shall have timely requested;

(7) such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter or Bond Counsel may reasonably request to evidence compliance by the Town with legal requirements, the truth and accuracy, as of the time of closing, of the Town's representations herein contained and the performance or satisfaction by the Town at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Town;

(8) the opinion of Greenspoon Marder LLP, counsel for the Underwriter, addressed to the Underwriter, to the effect that (i) based upon their participation in the preparation of the Preliminary Official Statement and the Final Official Statement as counsel for the Underwriter and without having undertaken to determine independently the accuracy or completeness of the statements contained in the Preliminary Official Statement, as of its date, and the Final Official Statement, as of its date and as of the date of Closing, nothing has come to the attention of such counsel causing them to believe that the Preliminary Official Statement, as of its date, or the Final Official Statement, as of its date or as of the date of Closing (excluding in each case therefrom the financial and statistical data included in the Preliminary Official Statement and the Final Official Statement, information in the Appendices or information contained under the caption "BOOK-ENTRY ONLY SYSTEM" as to all of which no opinion need be expressed) contained any untrue statement of a material fact or

omitted to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and (ii) based upon their review of the appropriate documents regarding the Undertaking as it relates to continuing disclosure as required under Rule 15c2-12, the requirements of the Rule have been satisfied;

(9) written evidence that the Bonds have received a **["AAA" rating from S&P Global Ratings, a division of S&P Global, Inc. ("S&P") and an "Aaa" rating from Moody's Investors Service, Inc. ("Moody's")]**, respectively, and that such ratings are in effect as of the date of Closing;

(10) such additional legal opinions, certificates and other documents as the Underwriter may reasonably request, to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the Town's representations and warranties contained herein and of the statements and information contained in the Final Official Statement and the due performance or satisfaction by the Town on or prior to the Closing Date of all the agreements then to be performed and conditions then to be satisfied by it.

If the Town shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Purchase Agreement or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Town nor the Underwriter shall have further obligations hereunder, except that the amount of the check referred to in Section 2 hereof, shall be returned to the Underwriter and the costs set forth in Section 9 herein shall be paid in accordance with said section.

7. **Termination.** The Underwriter shall have the right in its absolute discretion to cancel its obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds, by notifying the Town in writing of its election to do so, if, in the sole and reasonable judgment of the Underwriter, between the date hereof and the date of Closing any of the following shall occur:

(i) an event shall occur which makes untrue or incorrect in any material respect, as of the time of such event, any statement or information contained in the Official Statement or which is not reflected in the Official Statement but should be reflected therein in order to make the statements contained therein not misleading in any material respect and, in either such case, the Town refuses to permit the Official Statement to be supplemented to supply such statement or information in a manner satisfactory to the Underwriter or the effect of the Official Statement as so supplemented, in the judgment of the Underwriter, would materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Bonds; or

(ii) legislation shall be introduced in, enacted by, reported out of committee, or recommended for passage by the State of Florida, either House of Congress, or recommended to the Congress or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the

Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation is proposed for consideration by either such committee by any member thereof or presented as an option for consideration by either such committee by the staff or such committee or by the staff of the Joint Committee on Taxation of the Congress of the United States, or a bill to amend the Code (which, if enacted, would be effective as of a date prior to the Closing) shall be filed in either House, or a decision by a court of competent jurisdiction shall be rendered, or a regulation or filing shall be issued or proposed by or on behalf of the Department of the Treasury or the Internal Revenue Service of the United States, or other agency of the federal government, or a release or official statement shall be issued by the President, the Department of the Treasury or the Internal Revenue Service of the United States, in any such case with respect to or affecting (directly or indirectly) the federal or state tax exemption of interest received on obligations of the general character of the Bonds which, in the opinion of the Underwriter, materially adversely affects the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale, at the contemplated offering prices (or yields of the Bonds; or

(iii) a stop order, ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering, sale or distribution of obligations of the general character of the Bonds is in violation or would be in violation of any provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended or the Trust Indenture Act of 1939, as amended; or

(iv) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended (the "Securities Act"), or that the Resolution is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering, or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect;

(v) there shall have occurred (1) any outbreak or escalation of hostilities, declaration by the United States of a national or international emergency or war or other calamity or crisis in the financial markets of the United States or elsewhere, (2) a downgrade of the sovereign debt rating of the United States by any major credit rating agency or payment default on United States Treasury obligations; or (3) a default with respect to the debt obligations of, or the institution of proceedings under any federal bankruptcy laws by or against any state of the United States or any city, county or other political subdivision located in the United States having a population of over 1,000,000 which, in the judgment of the

Underwriter, materially adversely affects the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Bonds; or

(vi) there shall have occurred a general suspension of trading, minimum or maximum prices for trading shall have been fixed and be in force or maximum ranges or prices for securities shall have been required on the New York Stock Exchange or other national stock exchange whether by virtue of a determination by that Exchange or by order of the Securities and Exchange Commission or any other governmental agency having jurisdiction or any national securities exchange shall have: (A) imposed additional material restrictions not in force as of the date hereof with respect to trading in securities generally, or to the Bonds or similar obligations; or (B) materially increased restrictions now in force with respect to the extension of credit by or the charge to the net capital requirements of underwriters or broker-dealers which, in the judgment of the Underwriter, materially adversely affects the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Bonds; or

(vii) a general banking moratorium shall have been declared by federal or New York state authorities or a material disruption in commercial banking or securities settlement or clearances services shall have occurred which, in the judgment of the Underwriter, materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Bonds; or

(viii) a downgrading or suspension of any rating (without regard to credit enhancement) by Moody's or S&P of any debt securities issued by the Town, or there shall have been any official statement as to a possible downgrading (such as being placed on "credit watch" or "negative outlook" or any similar qualification) of any rating by Moody's or S&P of any debt securities issued by the Town, including the Bonds; or

(ix) any litigation shall be instituted or pending to restrain or enjoin the issuance, sale or delivery of the Bonds or in any way contesting or affecting any authority for or the validity of the Bonds or this Purchase Agreement, the security and sources of payment of the Bonds, or any of the proceedings of the Town taken with respect to the issuance or sale of the Bonds or the execution of and performance of this Purchase Agreement, except as described in the Final Official Statement; or

(xi) the occurrence, after the signing hereof, of a default with respect to the debt obligations of the Town, or the institution of proceedings under federal or State bankruptcy laws by or against the Town.

8. **Amendments and Supplements.** After the Closing, so long as the Underwriter and dealers, if any, participating in the distribution of the Bonds are offering Bonds which constitute the whole or a part of their unsold participation, if any event shall occur as a result of which it is necessary, in the opinion of Bond Counsel or the Town Attorney, to amend or supplement the Final

Official Statement in order to make the Final Official Statement not misleading in light of the circumstances existing at the time it was delivered to a purchaser, the Town, at its expense (unless the amendment or supplement is a result of information provided by the Underwriter), shall forthwith prepare and furnish to the Underwriter a reasonable number of copies of an amendment of or supplement to the Final Official Statement (in form and substance satisfactory to Bond Counsel, the Town Counsel and the Underwriter) which will amend or supplement the Final Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances existing at the time the Final Official Statement is delivered to a purchaser, not misleading. For the purpose of this Section, the Town will furnish to the Underwriter such information the Underwriter may from time to time reasonably request.

9. **Expenses.** All of the Town's expenses and costs incident to the performance of the Town's obligations in connection with the authorization, issuance and sale of the Bonds to the Underwriter, including the costs of printing and preparation for printing and distributing the Bonds, the Resolution, adequate amounts of the Preliminary and Final Official Statement (including any amendment or supplement thereto) and fees and disbursements of Bond Counsel and other attorneys, accountants, financial advisors, consultants and experts retained by the Town, shall be paid by the Town. The Town shall pay for expenses, if any (included in the expense component of the Underwriter's discount) incurred by the Underwriter on behalf of the Town's employees and representatives in connection with this Purchase Agreement, including, but not limited to, meals, transportation and lodging of those employees and representatives. Except as indicated in this paragraph, all out-of-pocket expenses of the Underwriter, including its travel, the fees of Digital Assurance Certification, L.L.C., for a continuing disclosure compliance review, Underwriter's Counsel fees and other expenses, shall be paid by the Underwriter, which expenses may be included in the expense component of the Underwriter's discount.

10. **Notices.** Any notice or other communication to be given to the Town under this Purchase Agreement may be given by delivering the same in writing at the Town's address set forth above to the attention of the Town Manager and any such notice or other communication to be given to the Underwriter may be given by delivering the same in writing to Citigroup Global Markets Inc., 11780 U.S. Highway One, Suite 201 - North Tower, North Palm Beach, Florida 33408, Attention: Public Finance, Department Manager.

11. **No Advisory or Fiduciary Role; Parties In Interest.** The Town acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm's length commercial transaction between the Town and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent or fiduciary of the Town, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the Town with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Town on other matters) and the Underwriter has no obligation to the Town with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Agreement, and (iv) the Town has consulted its own legal, financial and other advisors to the extent it has deemed appropriate.

This Purchase Agreement is made solely for the benefit of the Town and the Underwriter (including the successors or permitted assigns thereof) and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. This Purchase Agreement may not be assigned by the Underwriter unless either the Town consents thereto or such assignment is made pursuant to a merger, consolidation or transfer of all or substantially all the assets of any of the Underwriter. All representations and agreements by the Town in this Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of any payment of the Bonds.

12. **Document Approval.** The approval of the Underwriter when required hereunder or the determination of its satisfaction as to any document referred to herein shall be in writing signed by a duly authorized representative of the Underwriter.

13. **Establishment of Issue Price.** [NOTE: language in brackets to be included if the 10% test has not been satisfied for any maturity(ies) as of the sale date.]

(a) The Underwriter agrees to assist the Town in establishing the issue price of the Bonds and shall execute and deliver to the Town at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, in such form as may be deemed appropriate or necessary, in the reasonable judgment of the Underwriter, the Town 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 Bonds.

(b) [Except for the maturities set forth on Exhibit C attached hereto,] the Town will treat the first price at which 10% of each maturity of the 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 Underwriter has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth on Exhibit C attached hereto. Exhibit C also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Town and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Town to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price-rule”). So long as the hold-the-offering-price-rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold 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:

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

(2) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the Town or the Town's municipal advisor when the Underwriter has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.]

The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields set forth on Exhibit C hereto. As of the date of this Purchase Agreement there are no maturities of the Bonds for which the 10% test has not been satisfied.

(d) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter 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,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Town (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 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 Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),
- (iii) 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 (i) at least 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), (ii) 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 (iii) 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 Agreement by both parties.

14. **Underwriter Representation.** The Underwriter represents to the Town that it is registered under the Securities Exchange Act of 1934, as amended as a municipal securities dealer and is, and at all times during the offer and sale of the Bonds will be, a member of the Financial Industry Regulatory Authority ("FINRA"), and is or will be licensed, to the extent required by applicable law, to offer and sell the Bonds in each jurisdiction in which it offers to sell the Bonds, and is or will be in compliance with the rules and regulations of FINRA and other regulatory agencies with jurisdiction

over it or any of its activities.

15. **Truth-In-Bonding and Disclosure Statement.** Attached hereto as Exhibit “A” is the Truth-In-Bonding Statement required by Section 218.385(2) and (3), Florida Statutes, as amended and as Exhibit “B” the disclosure statement of the Underwriter required by Section 218.385(6), Florida Statutes, as amended.

16. **Counterparts.** This Purchase Agreement 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.

17. **Entire Agreement.** This Purchase Agreement embodies the entire agreement and understanding between the parties relating to the subject matter hereof and supersedes all prior agreements and understandings related to such subject matter, and it is agreed that there are no terms, understandings, representations or warranties, express or implied, other than those set forth herein.

Very truly yours,
Citigroup Global Markets Inc.

By: _____
Its: Managing Director

[Remainder of page intentionally left blank]

Accepted:
Town of Palm Beach, Florida

By: _____
Town Manager

Date: September ____, 2018

ATTEST:

By: _____
Town Clerk

Approved as to form and legal sufficiency

By: _____
Town Attorney

EXHIBIT “A”

TRUTH-IN-BONDING DISCLOSURE STATEMENT

1. The Town of Palm Beach, Florida (the “Town”) is proposing to issue \$_____ of debt or obligation (the “Bonds”) for the purpose of purposes of (i) financing or refinancing a portion of the cost of acquiring, constructing, reconstructing and equipping of the Town’s underground utility project, (ii) retire the Town’s Public Improvement Commercial Paper Revenue Notes, Series 2017, and (iii) paying the costs of issuance with respect to the Bonds. This debt or obligation is expected to be repaid over a period of approximately ____ years. At a true interest cost (TIC) of ____%, total interest paid over the life of the Bonds will be \$_____.

2. The Bonds are general obligations of the Town secured by the full faith and credit and taxing power of the Town. Authorizing the debt or obligation will result in as much as \$_____ of the Town’s monies not otherwise available to finance the other services of the Town each year for ____ years.

3. The foregoing statement is prepared pursuant to the Florida Statutes for information purposes only and shall not affect or control the actual terms and conditions of the Bonds.

EXHIBIT "B"
DISCLOSURE STATEMENT REQUIRED BY FLORIDA STATUTES
SECTION 218.385

\$ _____
Town of Palm Beach, Florida
General Obligation Bonds (Underground Utility Project),
Series 2018 (the "Bonds")

1. The Underwriter has estimated the various expenses incurred and to be incurred in connection with the issuance of the above-captioned Bonds (the "Bonds") by the Underwriter designated in the Bond Purchase Agreement, dated the date hereof, between the Town of Palm Beach (the "Town"), and the Underwriter. Such expenses are detailed in the attached Schedule A.

2. No person or persons have any understanding regarding promised compensation or consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the Town and the Underwriter or to exercise or attempt to exercise any influence to effect any transaction in the purchase of the captioned Bonds, except as disclosed in paragraph 5 hereto.

3. The Underwriter's Total Underwriting Spread is \$ _____/\$1,000 of Bonds, equivalent to \$ _____.

4. The Management Fee is \$0/\$1,000 of Bonds, equivalent to \$0.

5. The Underwriter's Expenses are \$ _____/\$1,000 of Bonds, equivalent to \$ _____.

No fee, bonus or other compensation will be paid by the Underwriter in connection with the Bond issue to any person not regularly employed or retained by the Underwriter. The Underwriter will pay the fee of Greenspoon Marder LLP, Underwriter's Counsel, as shown on Schedule A hereto.

6. The names and address of the Underwriter is:

Citigroup Global Markets Inc.
11780 U.S. Highway 1
Suite 201 North Tower
North Palm Beach, FL 33408

Respectfully submitted,
Citigroup Global Markets Inc.

By: _____
Michael Hole
Managing Director

Date: September __, 2018

SCHEDULE A
DISCLOSURE STATEMENT REQUIRED BY FLORIDA STATUTES
SECTION 218.385

\$ _____
Town of Palm Beach, Florida
General Obligation Bonds (Underground Utility Project),
Series 2018 (the "Bonds")

| <u>Underwriter's Expenses</u> | <u>Amount</u> | <u>Per \$1,000*</u> |
|-------------------------------|---------------|---------------------|
| Underwriter's Counsel | | |
| Dalcomp | | |
| CUSIP Fee | | |
| Day Loan | | |
| DTC Fee | | |
| Miscellaneous | | |
| TOTAL | | |

* Totals may not add due to rounding.

EXHIBIT “C”

MATURITY SCHEDULE

\$ _____
Town of Palm Beach, Florida
General Obligation Bonds (Underground Utility Project),
Series 2018 (the “Bonds”)

Redemption Provisions

The Bonds are subject to redemption prior to maturity as described below:

Optional Redemption. The Bonds maturing on or before July 1, _____ will not be subject to optional redemption prior to maturity. The Bonds maturing on or after July 1, _____ are subject to redemption prior to maturity at the option of the Town, in whole or in part, at any time on or after July 1, _____, and if in part, in maturities determined by the Town and by lot within a maturity, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption.

Mandatory Redemption. The Bonds maturing on July 1, _____ (the “Term Bonds”) are subject to mandatory redemption in part prior to maturity by lot, at redemption prices equal to 100% of the principal amount thereof plus interest accrued to the redemption date in the following principal amounts and on the following dates:

