

September 26, 2025

Sean O'Keefe
Town Manager
Town of Howey-in-the-Hills
101 N. Palm Avenue
Howey-in-the-Hills, Florida 34737

Re: Municipal Advisory Services

Dear Mr. O'Keefe:

The purpose of this engagement letter (the "Agreement") is to document the relationship between Public Resources Advisory Group, Inc. ("PRAG") and the Town of Howey-in-the-Hills, Florida (the "Town"). The Town desires to utilize the services of PRAG to assist with developing and implementing a capital plan for funding the construction of a new water treatment plant, connections to the existing main plant and upgrades to the water system (the "Project"). The Town estimates the cost of the Project to be approximately \$11.5 million and has received funding from the State of Florida for \$5.75 million, leaving a funding need of approximately \$5.75 million. PRAG has the experience and capabilities to serve the Town as its Independent Registered Municipal Advisor as defined by the US Securities and Exchange Commission (the SEC").

It is our understanding that the Town has decided to use the Florida Municipal Loan Council's ("FMLC") financing programs to access the bank loan or bond markets. PRAG currently serves as the independent registered municipal advisor to the Florida League of Cities ("FLC") and the FMLC. At this time we are not aware of any divergence of interest between the Town and the FLC or FMLC.

Scope of Services

The Town has awarded the construction contract for the Project and anticipates starting construction within the next 30-60 days. The Town has funded design costs and expects to fund initial construction draws from cash of hand until the closing of the financing. The Town may reimburse itself from the proceeds of the financing.

PRAG will provide the following services in connection with the Project:

- a) Review existing Town loan documents, historical financial statements, budgets, and recent and planned development;
- b) Evaluate the various FMLC financing programs available to the Town which include bank loans and publicly offered bond issues sold on a competitive or negotiated basis. The evaluation will include:
 - i. the financial condition of the Town in regards to the financing;
 - ii. the expected issuance costs and interest rates of the options;
 - iii. the variety of maturities available (10 years, 20 years, etc.) and the impact on the debt service;



- iv. prepayment options; and
- v. a written presentation of the financing options with a recommended course of action for the Town.

Upon determination of the financing program best suited to meet the Town's needs:

- c) Develop a timetable and task list assigned to the working group;
- d) Assist in the development and preparation of financing documents;
- e) Assist the Town in negotiating final terms and pricing of the debt; and,
- f) Perform functions to facilitate the closing of the financing.
- g) For a bank loan transaction utilizing the FMLC's Bank Loan Program:
 - i. Assist in the development of a request for bank proposals that is sent directly to banks and posted on the Town's website; and,
 - ii. Summarize all bank proposals received indicating key terms of each to assist the Town in selecting the appropriate bank;
- h) For a publicly offered bond issue with the FMLC as the conduit issuer:
 - i. Evaluate and make a recommendation as to the method of sale (competitive or negotiated);
 - ii. For a negotiated sale, assist the Town in selecting one or more underwriters from the FMLC's underwriting pool;
 - iii. For a competitive sale, develop the Notice of Sale and related documents to ensure a bond sale that meets the Town's needs and is acceptable to the municipal bond market;
 - iv. Review the Official Statement drafted by FMLC's Disclosure Counsel; and,
 - v. Assemble a package for rating agencies and/or bond insurance firms and participate in communications and presentations with rating agencies and/or bond insurance firms.

While PRAG will review the Town's Official Statements developed in connection with a bond issue, PRAG will not undertake independent verification of the accuracy or completeness of the information contained in any Official Statement.

Compensation

PRAG's fees are presented in Attachment I – Compensation Schedule as approved by the FMLC.

PRAG's compensation for the Project will be based on the transactional fee schedule, billed at closing of the financing and paid from the proceeds of the debt instrument. Expenses shall include, but are not limited to, reasonable and necessary travel-related expenses (reimbursed pursuant to Section 112.061, Florida Statutes). In no event will expenses exceed \$1,000 without the approval of the Town. All transactional fees and expenses will be paid at closing from the proceeds of the debt issuance and will be contingent upon the closing.

We understand that the Town is considering additional debt related to the acquisition and/or construction of a wastewater treatment plant and the financing for the Project should allow for additional debt in the future. Additional services for other financing planning needs or other debt



issuances will be agreed to by both parties in writing and may include compensation under the hourly rate schedule or the transaction fee schedule as appropriate.

Term

The engagement will end thirty (30) days after the closing of the financing for the Project unless extended in writing by both parties, however either party can terminate the engagement without cause upon thirty (30) days' notice.

Contacts

The PRAG contacts that will work with the Town on this engagement will include:

- Mickey Johnston, Senior Managing Director, 813-898-4187, mjohnston@pragadvisors.com (Primary Contact)
- Wendell Gaertner, Senior Managing Director, 813-898-4183, wgaertner@pragadvisors.com (Project Supervisor)

Other Matters

PRAG is not providing any legal or accounting advice or counsel under this engagement. Without limiting the foregoing, PRAG is not providing any interpretation of any laws or regulations that may be applicable to the Town or that are otherwise related to the work hereunder.

Required Disclosures

MSRB Rule G-42 requires that municipal advisors provide to their clients certain disclosures of legal events or disciplinary history material to its client's evaluation of the municipal advisor or the integrity of the municipal advisor's management or advisory personnel. MSRB Rule 10 requires municipal advisors to provide certain written information to their clients. Accordingly, PRAG has provided Attachment II attached hereto which includes the required disclosures.

We look forward to working with you on these exciting projects.

Sincerely,

Accepted by:

PUBLIC RESOURCES ADVISORY
GROUP, INC.

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

Wendell G. Gaertner
Senior Managing Director

Town of Howey-in-the-Hills, Florida
Sean O'Keefe, Town Manager

Date: _____



ATTACHMENT I

COMPENSATION SCHEDULE

AS APPROVED BY THE FLORIDA MUNICIPAL LOAN COUNCIL

PRAG Transaction Fees for Single Borrower Transactions through the Florida Municipal Loan Council			
<u>Public Offering/Private Placement</u>		<u>Bank Loan</u>	
<u>Par Range</u>	<u>Fee</u>	<u>Par Range</u>	<u>Fee</u>
First \$50 million	\$1.00 per \$1,000	First \$30 million	\$0.60 per \$1,000
Amount Above \$50 million	\$0.75 per \$1,000	Amount Above \$30 million	\$0.25 per \$1,000
Minimum	\$20,000	Minimum	\$12,500
Maximum	\$75,000	Maximum	\$20,000

Category	Hourly Rate	Billing Policy
Chairman/President/Director	\$375	No clerical or secretarial time is to be billed
Senior Managing Director	\$275	
Managing Director	\$200	
Vice President	\$175	
Assistant Vice President	\$150	
Other	\$150	



ATTACHMENT II

REQUIRED DISCLOSURES

Required Disclosure Pursuant to MSRB Rule G-42

The Town of Howey-in-the-Hills, Florida (the “Town”) is participating as a Borrower in the Florida Municipal Loan Council Financing Program (the “FMLC Program” or the “Program”) and has retained Public Resources Advisory Group (“PRAG”) as an independent registered municipal advisor to assist with the financing pursuant to the letter agreement dated September 26, 2025 and attached hereto (the “Agreement”). Certain of the services PRAG may provide the Town qualify as municipal advisory activities pursuant to Section 15B of the Securities Exchange Act of 1934. As a registered municipal advisor, PRAG is required to have written documentation of its agreement with you and must provide certain information to you. This letter will serve as the written documentation required under MSRB Rule G-42 of certain specific terms, disclosures and other items of information relating to our municipal advisory relationship as of the date this letter is signed by PRAG.

1. Scope of Services

(a) *Services to be provided:* The scope of services with respect to PRAG’s engagement with the Town (the “Scope of Services”) are as described in the attached Agreement.

2. Term. The term is stated in the Agreement. In addition, we understand that our engagement may be terminated with or without cause by either party. In case of any termination, we believe that the terminating party should endeavor to provide reasonable notice of such termination to the other party so as to permit an orderly transition.

3. Municipal Advisor’s Regulatory Duties When Servicing the Town. MSRB Rule G-42 requires that PRAG make a reasonable inquiry as to the facts that are relevant to the Town’s determination whether to proceed with a course of action or that form the basis for the advice provided by PRAG to the Town with respect to municipal financial products or the issuance of municipal securities, including with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues, based on all the facts and circumstances. The rule also requires that PRAG undertake a reasonable investigation to determine that it is not basing any recommendation on materially inaccurate or incomplete information. PRAG is also required under the rule to use reasonable diligence to know the essential facts about the Town and the authority of each person acting on the Town’s behalf.

Accordingly, PRAG will seek the Town’s assistance and cooperation, and the assistance and cooperation of the Town’s agents, with the carrying of these regulatory duties, including providing PRAG with accurate and complete information and reasonable access to relevant documents, other information and personnel needed to fulfill such duties. In addition, if the Town provides direction to PRAG to review a recommendation made by a third party, PRAG requests that the Town provide any information it has received from such third party relating to its recommendation.

4. Compensation. The form and basis of compensation for PRAG’s services as municipal advisor are as provided in the Agreement.

5. Disclosures of Conflicts of Interest. MSRB Rule G-42 requires that municipal advisors provide to their clients disclosures relating to any actual or potential material conflicts of interest, including certain categories of potential conflicts of interest identified in Rule G-42, if applicable. Accordingly, PRAG makes the following disclosures with respect to material conflicts of interest in connection with the Scope



of Services under this Agreement, together with explanations of how PRAG addresses or intends to manage or mitigate each conflict.

With respect to all of the conflicts disclosed below, PRAG mitigates such conflicts through its adherence to its fiduciary duty to the Town, which includes a duty of loyalty to the Town in performing all municipal advisory activities for the Town. This duty of loyalty obligates PRAG to deal honestly and with the utmost good faith with the Town and to act in the Town's best interests without regard to PRAG's financial or other interests.

(a) Compensation-Based Conflicts: PRAG's compensation may include a single or a variety of fee structures. Each of these arrangements may create a conflict as defined by MSRB Rule G-42. PRAG's fees may be based on the size of the issue, and the payment of such fees may be contingent upon the delivery of the issue. While this form of compensation is customary in the municipal securities market, this may present a potential conflict of interest because it could create an incentive for PRAG to recommend unnecessary financings or financings that are disadvantageous to the Town.

PRAG may also charge fees in a fixed amount as a retainer for services or as a transaction fee, and this arrangement could provide PRAG an incentive to recommend less time-consuming alternatives or fail to do a thorough analysis of the alternatives. In addition, fees may be paid based on hourly fees of PRAG's personnel, with the aggregate amount equaling the number of hours worked by such personnel times agreed-upon hourly billing rate(s). This presents a potential conflict of interest because PRAG may have the incentive to spend more time than necessary on an engagement. If the hourly fees are subject to a maximum amount, the potential conflict of interest arises because of the incentive for PRAG to fail to do a thorough analysis of alternatives and/or recommend alternatives that would be less time-consuming for PRAG staff.

(b) Other Municipal Advisor Relationships: PRAG serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of the Town. For example, PRAG serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to the Town under this Agreement. These other clients may, from time to time and depending on the specific circumstances, have competing interests. In acting in the interests of its various clients, PRAG could potentially face a conflict of interest arising from these competing client interests. PRAG currently serves as an independent registered municipal advisor to the Florida League of Cities ("FLC") and the FMLC. At this time we are not aware of any divergence of interest between the Town and the FLC or FMLC and, as such, we have no conflicts in connection with providing services to the Town.

6. Disclosures of Information Regarding Legal Events and Disciplinary History. MSRB Rule G-42 requires that municipal advisors provide to their clients certain disclosures of legal events or disciplinary history material to its client's evaluation of the municipal advisor or the integrity of the municipal advisor's management or advisory personnel. Accordingly, PRAG sets out below required disclosures and related information in connection with such disclosures.

On September 17, 2024, PRAG filed an amendment to its Form MA disclosing the firm's settlement with the SEC of matters relating to failure to maintain and preserve text communications. The Form MA filing may be electronically accessed at the following link:

https://www.sec.gov/Archives/edgar/data/1612223/000161222324000008/xslFormMA_X01/primary_doc.xml.

7. Future Supplemental Disclosures. As required by MSRB Rule G-42, this letter may be supplemented or amended, from time to time as necessary, to reflect changed circumstances resulting in new conflicts of



interest or changes in the conflicts of interest described above, or to provide updated information with regard to any legal or disciplinary events of PRAG. PRAG will provide the Town with any such supplement or amendment as it becomes available throughout the term of the Agreement.

Required Disclosure Pursuant to MSRB Rule G-10

Public Resources Advisory Group, Inc. is currently registered as a Municipal Advisor with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board (“MSRB”).

As a Municipal Advisor, we are required to provide the following written information to our municipal entity and obligated person clients in accordance with MSRB Rule G-10:

The MSRB website at www.msrb.org, includes the Municipal Advisory client brochure that describes the protections that may be provided by the MSRB Rules and how to file a complaint with an appropriate regulatory authority.