



April 20, 2021

Memorandum

To: Frank Abbate, County Manager
Christine M. Schverak, Assistant County Attorney

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

Re: Review of Financing Structure for the Not to Exceed \$42,000,000 Health Facilities Authority Refunding Revenue Bonds, Series 2021 (Buena Vida Estates Project)

It is our understanding that Buena Vida Estates, Inc. (the "Corporation") and B.V. Assisted Living, Inc. ("BVAL", and together with the Corporation, the "Borrower") has requested the Brevard County Health Facilities Authority (the "Authority") issue not to exceed \$42,000,000 Refunding Revenue Bonds, Series 2021 (Buena Vida Estates Project) (the "2021 Bonds") to (i) refund the outstanding Authority's Revenue Note, Series 2016 (Buena Vida Estates, Inc.), (ii) finance the costs of constructing and equipping certain residential care facilities located in Brevard County, Florida (the "County"), including 24 independent living units and related facilities to be located on Woodland Avenue in West Melbourne and capital improvements to existing facilities located on West New Haven Road in West Melbourne, (iii) capitalize a portion of the interest, (iv) fund a debt service reserve fund and (v) pay the costs of issuing the 2021 Bonds (collectively, the "Project").

As financial advisor to the County, PFM Financial Advisors LLC ("PFM") has been asked to certify that the issuance of the 2021 Bonds meets or exceeds the County's debt issuance guidelines, which require an investment grade underlying credit rating for publicly offered bonds, provided however that unrated bonds may be approved by the County provided that they are sold only to accredited investors in minimum denominations of \$100,000. We have also been asked to ensure that the proposed transaction will not have a negative financial impact on the County, impair the County's credit ratings or impact the County's ability to issue debt in the future.

The Borrower and its' representatives have indicated that the 2021 Bonds will be sold as unrated bonds via a limited offering in minimum denominations of \$100,000. Therefore, it is PFM's opinion that the 2021 Bonds meets the criteria of being sold to an accredited investor as required by the County. Based on the proposed structure of the 2021 Bonds, their issuance will not have a negative financial impact on the County. Prior to the closing of the 2021 Bonds, we requested that the Borrower and its' counsel provide final documents to PFM for our review to confirm they are consistent with the terms of the transaction as outlined in this memorandum.

PFM did not prepare or review any type of feasibility report related to the Borrower's ability to pay debt service on the 2021 Bonds and has no responsibility to do so. PFM also bears no liability for potential errors in the information provided by the Borrower or its' representatives.

Cc: Angela Abbott, Brevard County Health Facilities Authority