

The Palace at Coral Gables Community Development District

12051 Corporate Boulevard Orlando, FL 32817; Phone: 407-382-3256

The following is the proposed agenda for the upcoming The Palace at Coral Gables Community Development District Board of Supervisors' Meeting, scheduled to be held in the offices located at **10850 SW 113 Place, Miami, FL 33176 on Thursday, January 24, 2019 at 11:00 a.m.** A quorum will be confirmed prior to the start of the meeting.

For those unable to attend in person, you may participate by telephone:

Phone: 1-866-398-2885

Participant Code: 275521#

BOARD OF SUPERVISORS' MEETING AGENDA

A. Organizational Matters

- Call to Order
- Roll Call
- Public Comment Period
- 1. Swearing in Newly Elected Board Member
- 2. Consideration of Minutes of the July 26, 2018 Board of Supervisors' Meeting
- 3. Consideration of Minutes of the July 26, 2018 Auditor Selection Committee
- 4. Consideration of Minutes of the November 15, 2018 Landowners' Election Meeting
- 5. Consideration of Resolution 2019-01, Canvassing and Certifying Results of the 2018 Landowners' Election
- 6. Consideration of Resolution 2019-02, Declaring Board Vacancies
- 7. Consideration of Resolution 2019-03, Election of Officers
- 8. Consideration of Resolution 2019-04, Designating District Manager, Assessment Consultant and Financial Advisor
- 9. Ratification of FY 2018 Audit Engagement Letter
- 10. Consideration of Funding Request 83 & 84 and 87 - 89
- 11. Ratification of Funding Requests 85 & 86
- 12. Review of District's Financial Position

B. Other Business

- Staff Reports
 - District Counsel
 - District Manager
 - District Engineer
- Supervisors Requests and Audience Comments

C. Adjournment

**PALACE AT CORAL GABLES
COMMUNITY DEVELOPMENT DISTRICT**

**Minutes of the July 26,2018
Board of Supervisors' Meeting**

**PALACE AT CORAL GABLES
COMMUNITY DEVELOPMENT DISTRICT**

BOARD OF SUPERVISORS' MEETING MINUTES

FIRST ORDER OF BUSINESS

Call to Order and Roll Call

The Board of Supervisors' Meeting for the Palace at Coral Gables Community Development District was called to order on Thursday, July 26, 2018 at 11:15 a.m. at 10850 SW 113 Place, Miami, FL 33176. Board Members listed below constituted a quorum:

Board Members present:

Oscar Roiz	Board Member
Sam Montenegro	Board Member
Missy Somers	Board Member

Also present were:

Hank Fishkind	Fishkind & Associates, Inc.
Vanessa Steinerts	Billing, Cochran, Lyles, Mauro & Ramsey, P.A.

SECOND ORDER OF BUSINESS

Public Comment Period

Dr. Fishkind noted that there were no members of the public present.

THIRD ORDER OF BUSINESS

**Consideration of the
Minutes of the April 26,
2018 Board of Supervisors'
Meeting.**

Board Members reviewed the minutes of the April 26, 2018 Board of Supervisors' Meeting.

On motion by Mr. Roiz, second by Mr. Montenegro, with all in favor, the Board of Supervisors' for the Palace at Coral Gables Community Development District approved the minutes of the April 26, 2018 Board of Supervisors' Meeting.

FOURTH ORDER OF BUSINESS

**Consideration of the
Minutes of the April 26,
2018 Auditor Selection
Committee Meeting**

Board Members reviewed the minutes of the April 26, 2018 Auditor Selection Committee Meeting.

On motion by Ms. Somers, second by Mr. Montenegro, with all in favor, the Board of Supervisors' for the Palace at Coral Gables Community Development District approved the minutes of the April 26, 2018 Auditor Selection Committee Meeting.

FIFTH ORDER OF BUSINESS

**Letter from Supervisor of
Elections – Miami-Dade
County**

Dr. Fishkind explained that each year the District is required to state on the record how many registered voters reside in the District. The letter from the Supervisor of Elections for Miami-Dade County outlines that there are 204 registered voters living in the District. No action was required by the Board.

SIXTH ORDER OF BUSINESS

**Consideration of Resolution
2018-03, Setting a Date,
Time, and Location of
Landowners' Election**

Dr. Fishkind explained that the District is required to give a 60-day notice to set a Landowners' Election. District staff suggested November 15, 2018 at 11:00 a.m. as the date and time of the Landowners' Election.

On motion by Mr. Montenegro, second by Mr. Roiz, with all in favor, the Board of Supervisors' for the Palace at Coral Gables Community Development District approved Resolution 2018-03, Setting November 15, 2018 at 11:00 a.m. at 10850 SW 113 Place, Miami, FL 33176, as the Date, Time, and Location of the Landowners' Election.

SEVENTH ORDER OF BUSINESS

Public Hearing of the Adoption of the District's Annual Budget

- a) **Public Comments and Testimony**
- b) **Board Comments**
- c) **Consideration of Resolution 2018-04, Adopting the Fiscal Year 2019 Budget and Appropriating Funds**

Dr. Fishkind opened the public hearing. There were no members of the public present. Dr. Fishkind closed the public hearing. Dr. Fishkind called for questions or comments from the Board Members. Hearing none, Dr. Fishkind requested a motion to approve Resolution 2018-04, Adopting the Fiscal Year 2019 Budget and Appropriating Funds..

On motion by Mr. Roiz, second by Ms. Somers, with all in favor, the Board of Supervisors' for the Palace at Coral Gables Community Development District approved Resolution 2018-04, Adopting the Fiscal Year 2019 Budget and Appropriating Funds.

EIGHTH ORDER OF BUSINESS

Consideration of Fiscal Year 2019 Funding Agreement

Dr. Fishkind explained that this District's budget is Developer funded and this agreement is the same as the agreement from last year.

On motion by Mr. Roiz, second by Mr. Montenegro, with all in favor, the Board of Supervisors' for the Palace at Coral Gables Community Development District approved the Fiscal Year 2019 Funding Agreement.

NINTH ORDER OF BUSINESS

Review of Auditor Selection Committee Rankings & Selection of Auditor

Dr. Fishkind stated that the rankings are provided from the Auditor Selection Committee so the Board can select the Auditor. He suggested that the Board appoint CRI as the District Auditor.

On motion by Mr. Roiz, second by Mr. Montenegro, with all in favor, the Board of Supervisors' for the Palace at Coral Gables Community Development District approved the Auditor Selection Committee Rankings and Appointed CRI as the District Auditor.

TENTH ORDER OF BUSINESS

**Review and Acceptance of
Fiscal Year 2017 Audit**

Dr. Fishkind explained that the District's financial position improved a little bit with increased parking revenues. He stated that the Auditor brought forward a negative balance and they show a negative balance for the District but it is not material. He clarified that the District has more than sufficient funds and it is a clean Audit. Dr. Fishkind requested a motion from the Board to accept the Audit.

On motion by Mr. Roiz, second by Ms. Somers, with all in favor, the Board of Supervisors' for the Palace at Coral Gables Community Development District accepted the Fiscal Year 2017 Audit.

ELEVENTH ORDER OF BUSINESS

**Review of Legislative
Memo from District
Counsel**

Ms. Steinerts explained the legislative session and that very few items were passed that would affect Special Districts. She noted that there were three items and the first is a change to the Statute that deals with procurement of contracts and requirements that any companies that a District or a Public Agency does business with cannot be on certain lists like the Scrutinized Companies that Boycott Israel List, the Scrutinized Companies with Activities in Sudan List, the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, and businesses engaged in operations in Cuba or Syria. She noted that it is the responsibility of the Contractor to assert that they have met the Chapter 287 requirements and are able to bid on these procurement projects.

She stated that there is a change to the Chapter 119 Public Records Law that now fire safety systems are included as a public record exclusion. This means that, that information is not to be made public along with security systems.

She stated there was also a change where Special Districts that are building, improving or expanding public facilities that are addressed by a development order can use the local government report submitted by the Developer as its public facilities report as long as it meets certain Statutory criteria.

TWELFTH ORDER OF BUSINESS

Ratification of Funding Requests 79 – 82

Board Members reviewed Funding Requests 79 – 82. Dr. Fishkind noted that on Funding Request No. 82 item 5 is the Bond Disclosure. Dr. Fishkind requested a motion to ratify the funding requests.

On motion by Mr. Roiz, second by Ms. Somers, with all in favor, the Board of Supervisors' for the Palace at Coral Gables Community Development District ratified Funding Requests 79 – 82.

THIRTEENTH ORDER OF BUSINESS

Review of the District's Financial Position

Board Members reviewed the District's financial statements. No action was required.

FOURTEENTH ORDER OF BUSINESS

Staff Reports

Attorney – No Report

Manager – Dr. Fishkind stated that the Board must set the meeting schedule for Fiscal Year 2019. The Board agreed that the 4th Thursday of the first month of each quarter at 11:00 a.m. at 10850 SW 113 Place, Miami, FL 33176 was good.

Dr. Fishkind updated the Board about the class action lawsuits being brought against Districts due to their websites not being compliant with ADA requirements. He explained that the District Manager has acted to protect all of their Districts against these lawsuits. A page has been added to all of the District websites that indicates that District staff is revamping the website and that it is being improved and brought into compliance with what is now deemed to be the regulations. He explained that his company has engaged the website Developer and all Districts got a very significant discount to bring all of the District websites into compliance. Mr. Roiz asked how the websites go against ADA requirements and if it relates to text to speech for individuals who cannot see. Dr. Fishkind responded yes and that it is the pdf files which are the problem.

Ms. Steinerts stated that the Plaintiff is asking for the Districts to come into compliance but she is also asking for Attorney's fees and costs which is more expensive than the \$500.00 it would cost to fix the problem.

FIFTEENTH ORDER OF BUSINESS

**Supervisor Requests,
Adjournment**

With no further business to discuss, Dr. Fishkind suggested a motion to adjourn.

On Motion by Mr. Roiz, seconded by Ms. Somers, with all in favor, the July 26, 2018 Board of Supervisors Meeting of the Palace at Coral Gables CDD was adjourned.

Secretary/Assistant Secretary

Chairperson/Vice-Chairperson

**PALACE AT CORAL GABLES
COMMUNITY DEVELOPMENT DISTRICT**

**Minutes of the July 26,2018
Auditor Selection Committee**

**PALACE AT CORAL GABLES
COMMUNITY DEVELOPMENT DISTRICT**

AUDITOR SELECTION COMMITTEE MEETING MINUTES

FIRST ORDER OF BUSINESS

Call to Order and Roll Call

The Auditor Selection Committee Meeting for the Palace at Coral Gables Community Development District was called to order on Thursday, July 26, 2018 at 11:15 a.m. at 10850 SW 113 Place, Miami, FL 33176. Board Members listed below constituted a quorum:

Board Members present:

Oscar Roiz	Committee Member
Sam Montenegro	Committee Member
Missy Somers	Committee Member

Also present were:

Hank Fishkind	Fishkind & Associates, Inc.
Vanessa Steinerts	Billing, Cochran, Lyles, Mauro & Ramsey, P.A.

SECOND ORDER OF BUSINESS

Public Comment Period

There were no public comments at this time.

THIRD ORDER OF BUSINESS

**Review of Auditing Services
Proposal from CRI**

Dr. Fishkind stated that CRI is the District's current Auditor and they are the only ones who submitted a proposal.

FOURTH ORDER OF BUSINESS

**Ranking of Auditing
Services Proposals**

Dr. Fishkind asked if there were any questions regarding the rankings. He stated that the rankings were pursuant to the selection of the Audit Committee at the last meeting. The rankings names CRI as the top proposer with high scores.

FIFTH ORDER OF BUSINESS

Adjournment

With no further business to discuss, Dr. Fishkind suggested a motion to adjourn.

On Motion by Mr. Roiz, seconded by Ms. Somers, with all in favor, the July 26, 2018 Auditor Selection Committee Meeting of the Palace at Coral Gables CDD was adjourned.

Secretary/Assistant Secretary

Chairperson/Vice-Chairperson

**PALACE AT CORAL GABLES
COMMUNITY DEVELOPMENT DISTRICT**

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**Minutes of the November 15, 2018
Landowners' Election Meeting**

MINUTES OF MEETING

***PALACE AT CORAL GABLES
COMMUNITY DEVELOPMENT DISTRICT
LANDOWNERS' ELECTION
Thursday, November 15, 2018
11:00 a.m.***

Present:

Oscar Roiz
Lynne Mullins
Venessa Steinerts

Proxy Holder
District Manager (via phone)
District Counsel

FIRST ORDER OF BUSINESS

Call to Order and Roll Call

The meeting was called to order at 11:01 a.m.

SECOND ORDER OF BUSINESS

Appointment of Meeting Chairman

Lynne Mullins as District Manager, was appointed chair of the landowners' meeting.

Identification of Landowners and/or Landowner's Proxy Holder(s)

Oscar Roiz is the appointed proxy holder for Palace Management Group, LLC which owns 2.5 acres within the District. Mr. Roiz is authorized to cast 3 votes for each seat.

Call for Nominations, Election of Supervisors

Mr. Roiz cast his votes as per the Official Ballot:

- Seat 1 – Oscar Roiz – 3 Votes

Ms. Mullins stated that Mr. Roiz will serve a four-year term.

THIRD ORDER OF BUSINESS

Adjournment

The Landowner's Election was adjourned.

Secretary / Assistant Secretary

Chairperson / Vice Chairperson

**PALACE AT CORAL GABLES
COMMUNITY DEVELOPMENT DISTRICT**

**Resolution 2019-01,
Canvassing and Certifying Results of the
2018 Landowners' Election**

RESOLUTION 2019-01

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE PALACE AT CORAL GABLES COMMUNITY DEVELOPMENT DISTRICT CANVASSING AND CERTIFYING THE RESULTS OF LANDOWNERS ELECTION OF SUPERVISORS HELD PURSUANT TO SECTION 190.006(2), FLORIDA STATUTES.

WHEREAS, the Palace at Coral Gables Community Development District (“District”) is a local unit of special-purpose government established pursuant to Chapter 190, Florida Statutes, and is validly existing under the Constitution and laws of the State of Florida; and

WHEREAS, following proper publication and notice thereof, on November 15, 2018 the owners of land within the District held a meeting for the purpose of electing supervisors to the District’s Board of Supervisors (“Board”); and

WHEREAS, at the November 15, 2018 meeting, the below recited persons were duly elected by virtue of the votes cast in their respective favor; and

WHEREAS, the Board by means of this Resolution desires to canvas the votes and declare and certify the results of said election;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE PALACE AT CORAL GABLES COMMUNITY DEVELOPMENT DISTRICT;

1. The following persons are found, certified, and declared to have been duly elected as Supervisors of and for the District, having been elected by the votes cast in their favor as shown, to wit:

Seat 1 – Oscar Roiz	Votes 3
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2. In accordance with said statute, and by virtue of the number of votes cast for the respective Supervisors, they are declared to have been elected for the following terms of office:

Oscar Roiz	Years 4
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3. Said terms of office commenced on November 15, 2018.

PASSED AND ADOPTED THIS 24th DAY OF JANUARY, 2019.

Chair/Vice-Chair

Secretary/Assistant Secretary

**PALACE AT CORAL GABLES
COMMUNITY DEVELOPMENT DISTRICT**

**Resolution 2019-02,
Declaring Board Vacancies**

RESOLUTION 2019-02

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE PALACE AT CORAL GABLES COMMUNITY DEVELOPMENT DISTRICT DECLARING A VACANCY IN SEATS 2 AND SEATS 5 OF THE BOARD OF SUPERVISORS PURSUANT TO SECTION 190.006(3)(b), FLORIDA STATUTES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, The Palace at Coral Gables Community Development District (“**District**”) is a local unit of special-purpose government created and existing pursuant to Chapter 190, Florida Statutes; and

WHEREAS, on November 6, 2018, two (2) members of the Board of Supervisors (“**Board**”) are to be elected by “**Qualified Electors**,” as that term is defined in Section 190.003, Florida Statutes; and

WHEREAS, the District published a notice of qualifying period set by the Supervisor of Elections; and

WHEREAS, at the close of the qualifying period, no one qualified to run for the two (2) seats available for election by the Qualified Electors of the District; and

WHEREAS, pursuant to Section 190.006(3)(b), Florida Statutes, the Board shall declare the remaining seats vacant, effective the second Tuesday following the general election; and

WHEREAS, Qualified Electors are to be appointed to the vacant seats within 90 days thereafter; and

WHEREAS, the Board finds that it is in the best interests of the District to adopt this Resolution declaring the seats available for election as vacant.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE PALACE AT CORAL GABLES COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. The following seats are hereby declared vacant effective as of November 20, 2018:

- Seat #2 (currently held by Sam Montenegro)
- Seat #5 (currently held by Melissa Somers)

SECTION 2. Until such time as the District Board nominates Qualified Electors to fill the vacancy declared in Section 1 above, the incumbent Board Supervisors of those respective seats shall remain in office.

SECTION 3. This Resolution shall become effective upon its passage.

PASSED AND ADOPTED this 24th day of January, 2019.

ATTEST:

**THE PALACE AT CORAL GABLES
COMMUNITY DEVELOPMENT DISTRICT**

Print Name: _____

Chairman/Vice Chairman

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**PALACE AT CORAL GABLES
COMMUNITY DEVELOPMENT DISTRICT**

**Resolution 2019-03,
Election of Officers**

**RESOLUTION 2019-03
ELECTION OF OFFICERS**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE PALACE AT
CORAL GABLES COMMUNITY DEVELOPMENT DISTRICT ELECTING
THE OFFICERS OF THE DISTRICT, AND PROVIDING FOR AN
EFFECTIVE DATE**

WHEREAS, THE PALACE AT CORAL GABLES COMMUNITY DEVELOPMENT DISTRICT (the "District") is a local unit of special-purpose government created and existing pursuant to Chapter 190, Florida Statutes; and

WHEREAS, pursuant to Section 190.006(6), Florida Statutes, as soon as practicable after each election or appointment to the Board of Supervisors (the "Board"), the Board shall organize by electing one of its members as chair and by electing a secretary, and such other officers as the Board may deem necessary.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF
THE PALACE AT CORAL GABLES COMMUNITY DEVELOPMENT DISTRICT:**

Section 1. _____ is elected Chair.

Section 2. _____ is elected Vice Chair.

Section 3. _____ is elected Secretary.

_____ is elected Assistant Secretary.

_____ is elected Assistant Secretary.

_____ is elected Assistant Secretary.

_____ is elected Assistant Secretary.

Section 4. _____ is elected Treasurer.

Section 5. _____ is elected as Assistant Treasurer.

Section 6. All Resolutions or parts of Resolutions in conflict herewith are hereby repealed to the extent of such conflict.

Section 7. This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED THIS 24TH DAY of JANUARY, 2019

**THE PALACE AT CORAL GABLES
COMMUNITY DEVELOPMENT
DISTRICT**

CHAIR/VICE-CHAIRMAN

SECRETARY/ASSISTANT SECRETARY

**PALACE AT CORAL GABLES
COMMUNITY DEVELOPMENT DISTRICT**

**Resolution 2019-04,
Designating District Manager, Assessment
Consultant and Financial Advisor**

RESOLUTION 2019-04

A RESOLUTION DESIGNATING FISHKIND & ASSOCIATES, INC., AS DISTRICT MANAGER OF AND ASSESSMENT CONSULTANT FOR AND FINANCIAL ADVISOR TO THE PALACE AT CORAL GABLES COMMUNITY DEVELOPMENT DISTRICT, AUTHORIZING COMPENSATION, AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Palace at Coral Gables Community Development District (“District”) is a local unit of special-purpose government created and existing pursuant to Chapter 190, *Florida Statutes*, being situated in the Miami-Dade County, Florida; and

WHEREAS, the Board of Supervisors (“Board”) of the District has previously appointed Fishkind & Associates, Inc. as District Manager and Assessment Consultant (hereinafter, collectively, the “District Manager”) and Financial Advisor; and

WHEREAS, the Board of Supervisors and Fishkind & Associates, Inc. desire to enter into a revised [District Management Agreement and Financial Advisor Agreement (collectively, the “Fishkind Agreement”)], which shall be dated effective as of the date of this Resolution, the form(s) of which are attached hereto as **Exhibit A**; and

WHEREAS, pursuant to the terms of the Fishkind Agreement, Fishkind & Associates, Inc. may, upon notice to the District, assign its rights and obligations under such agreement to any subsidiary, affiliate, or successor in connection with the sale of all or substantially all of Fishkind & Associates, Inc.’s assets; and

WHEREAS, Fishkind & Associates, Inc. has recently advised the Board of Supervisors of the District of its intent to enter into a proposed transaction (the “Transaction”) with PFM Financial Advisors LLC or PFM Consulting Services, LLC or its affiliate(s) (collectively, “PFM”) whereby Fishkind will sell all or substantially all of its assets to PFM; and

WHEREAS, in connection with the Transaction and pursuant to the Fishkind Agreement, Fishkind & Associates, Inc. desires to assign its rights and obligations as [District Manager and Financial Advisor] under the Fishkind Agreement to PFM upon and after the date the Transaction is consummated, and the Board is amenable to such assignment upon the consummation of the Transaction.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE PALACE AT CORAL GABLES COMMUNITY DEVELOPMENT DISTRICT:

1. Fishkind & Associates, Inc. has previously been appointed the District Manager and Financial Advisor to the District.

2. Fishkind & Associates, Inc., shall be compensated for services in such capacity in the manner prescribed set forth in the Fishkind Agreement attached hereto as **Exhibit A**, which agreement is approved as to form and substance. Upon execution of the Fishkind Agreement(s) attached hereto as **Exhibit A**, all prior agreements relating to the services contemplated in the Fishkind Agreement attached hereto as **Exhibit A** are hereby rescinded by the parties and shall be of no further force and effect.
3. The assignment by Fishkind & Associates, Inc. of all of its rights and obligations as [District Manager and Financial Advisor] under the Fishkind Agreement to PFM is approved by the Board in connection with, and shall become effective upon, consummation of the Transaction referenced hereinabove.
4. This Resolution shall become effective immediately upon its adoption.

Adopted this 24TH day of January, 2019.

ATTEST:

**PALACE AT CORAL GABLES COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/ Assistant Secretary

Chairman/ Vice Chairman

EXHIBIT A

DISTRICT MANAGEMENT AGREEMENT

This District Management Agreement (this “Agreement”), made and entered into this 24th day of January, 2019 (the “Effective Date”) by and between **Palace at Coral Gables Community Development District** (“DISTRICT”) and Fishkind & Associates, Inc. (hereinafter called the “MANAGER”) sets forth the terms and conditions under which MANAGER shall provide services.

WHEREAS, the DISTRICT desires to obtain the services of a MANAGER to provide District Management Services; and

WHEREAS, MANAGER is capable of providing the necessary services.

NOW, THEREFORE, in consideration of the above mentioned premises and intending to be legally bound hereby, the DISTRICT and MANAGER agree as follows:

I. SCOPE OF SERVICES

MANAGER shall provide District Management Services as set forth in Exhibit A to this Agreement. Any material changes in or additions to the scope of services described in Exhibit A shall be promptly reflected in a written supplement or amendment to this Agreement. Services provided by MANAGER which are not specifically referenced in the scope of services set forth in Exhibit A of this Agreement shall be completed as agreed in writing in advance between the DISTRICT and MANAGER. Upon request of DISTRICT, MANAGER or an affiliate of MANAGER may agree to additional services to be provided by MANAGER or an affiliate of MANAGER, by a separate agreement between the DISTRICT and MANAGER or its respective affiliate.

II. WORK SCHEDULE

The services of MANAGER are to commence as soon as practicable after the execution of this Agreement and a request by the DISTRICT for such service.

III. COMPENSATION

For the services provided under this Agreement, MANAGER’s professional fees shall be paid as provided in Exhibit B to this Agreement and DISTRICT shall pay expenses and fees for other services not set forth in Exhibit A as provided below.

1. Reimbursable Expenses

In addition to fees for services, MANAGER will be reimbursed for necessary, reasonable, and documented out-of-pocket expenses incurred, including travel, meals, lodging, telephone, mail, and other ordinary cost and any actual extraordinary cost for graphics, printing, data processing and computer time which are incurred by MANAGER only as authorized by the DISTRICT’s approved budget. Documentation of such expenses will be provided to the

DISTRICT upon request. Reimbursement for travel, meals, and lodging is subject to Section 112.061, Florida Statutes.

2. Other Services

Any services which are not included in the scope of services set forth in Exhibit A of this Agreement will be subject to separate, mutually acceptable fee structures.

IV. TERM AND TERMINATION

This Agreement shall be effective from the Effective Date and shall continue until terminated by either party as provided herein. The DISTRICT has the right to terminate this Agreement for “good cause” which shall include misfeasance, malfeasance, nonfeasance or dereliction of duties by the MANAGER which, in each case, the MANAGER fails to cure within 10 days of notice thereof. Termination for “good cause” shall be effected immediately by provision of written notice to MANAGER. Either party hereto shall have the right to terminate this Agreement, at any time and for any reason whatsoever, upon (i) the DISTRICT providing to the MANAGER a minimum of thirty (30) days advance written notice of its intention to terminate or (ii) the MANAGER providing to the DISTRICT a minimum of sixty (60) days advance written notice of its intention to terminate. All notices shall be mailed to the person and address specified for use in the giving of notice, in Section VII, hereof. Should the relationship be terminated, MANAGER will be paid for all services performed and costs and expenses incurred up to the termination date.

V. ASSIGNMENT

Neither party may assign this Agreement or its rights or obligations hereunder without the prior written consent of the other; provided, however, that MANAGER may, upon notice to the DISTRICT, assign MANAGER’s rights and obligations under this Agreement to any subsidiary or affiliate of MANAGER or a successor of MANAGER in connection with the sale of all or substantially all of MANAGER’s assets. Subject to the foregoing, this Agreement shall be binding on the parties hereto and their respective successors and assigns.

VI. OWNERSHIP OF INFORMATION, REPORTS, AND DATA

All information, data, reports, and records in the possession of the DISTRICT or any third party necessary for carrying out any services to be performed under this Agreement (“Data”) shall be furnished to MANAGER and the DISTRICT shall, and shall cause its agent(s) to, cooperate with MANAGER in its conduct of reasonable due diligence in performing the services, including with respect to the facts that are necessary in its recommendation(s) to the DISTRICT in connection with a transaction or financial product and/or relevant to a DISTRICT’s determination whether to proceed with a course of action. To the extent DISTRICT requests that MANAGER provide advice with regard to any recommendation made by a third party, DISTRICT will provide to MANAGER written direction to do so as well as any Data it has received from such third party relating to its recommendation. DISTRICT acknowledges and agrees that while MANAGER is relying on the Data in connection with its provision of the services under this Agreement, MANAGER makes no representation with respect to and shall not be responsible for the accuracy or completeness of such Data.

VII. NOTICES

All notices given under this Agreement shall be in writing, sent by registered United States mail, with return receipt requested, addressed to the party for whom it is intended, at the designated below. The parties designate the following as the respective places for giving notice, to-wit:

Palace at Coral Gables Community Development District
12051 Corporate Boulevard
Orlando, FL 32817
Attention: District Manager

With copy to:

Billing, Cochran, Lyles, Mauro & Ramsey, P.A.
515 E. Las Olas Blvd., 6th Floor
Fort Lauderdale, FL 33301
Attention: Vanessa Steinerts

Fishkind & Associates
12051 Corporate Boulevard
Orlando, FL 32817
Attention: Hank Fishkind, President

VIII. TITLE TRANSFER

All materials, except functioning or dynamic financial models, prepared by MANAGER pursuant exclusively to this Agreement shall be the property of the DISTRICT. Subject to the foregoing exception, upon termination of this Agreement, at DISTRICT's reasonable request no later than three (3) years after the termination of this Agreement, MANAGER shall deliver to the DISTRICT copies of any and all materials or documents prepared, kept or maintained in accordance with this Agreement.

IX. MANAGER'S REPRESENTATIVES

1. Assignment of Named Individuals

The professional employees of MANAGER set forth below will provide the services set forth in this Agreement; provided that MANAGER may, from time to time, supplement or otherwise amend the team members set forth below.

- Jennifer Walden

- Lynne Mullins

2. Changes in Staff Requested by the DISTRICT

The DISTRICT has the right to request, for any reason, MANAGER to replace any member of the MANAGER staff. Should the DISTRICT make such a request, MANAGER shall promptly suggest a substitute for approval by the DISTRICT.

X. INSURANCE

MANAGER shall maintain insurance coverage with policy limits not less than as stated in Exhibit C.

XIII. GENERAL PROVISIONS

1. MANAGER Not to Participate as Underwriter

The MANAGER is precluded from being an underwriter of any debt obligations issued by the DISTRICT and shall not participate, in any manner, in the initial offering for the issuance of any of the DISTRICT's debt obligations.

2. Limitation of Liability

Except to the extent caused by willful misconduct, bad faith, gross negligence or reckless disregard of obligations or duties under this Agreement on the part of MANAGER or any of its associated persons, neither MANAGER nor any of its associated persons shall have liability to any person for any act or omission in connection with performance of its services hereunder, or for any error of judgment or mistake of law, or for any loss arising out of any financial or other damages resulting from DISTRICT's election to act or not to act, as the case may be, contrary to or, absent negligence on the part of MANAGER or any of its associated persons, upon any advice or recommendation provided by MANAGER to DISTRICT.

3. Disclaimer of MANAGER

The DISTRICT acknowledges that the MANAGER is not an attorney and may not render legal advice or opinions. Although the MANAGER may participate in accumulating information necessary for documents required by the DISTRICT to finalize any particular financing, such information shall be verified by the DISTRICT as to its correctness; provided, however, that the DISTRICT shall not be required to verify the correctness of any information originated by the MANAGER or the correctness of any information originated by the MANAGER which the MANAGER has used to formulate its opinions and advice given to the DISTRICT.

4. Attorney Fees and Governing Law

MANAGER and the DISTRICT agree that, should a disagreement arise as to the terms or enforcement of any provision of this Agreement, each party will in good faith attempt to resolve said disagreement prior to pursuing other action. This Agreement shall be construed, enforced, and administered in accordance with the laws of the State of Florida. In the event either party is

required to take any action to enforce this Agreement, the substantially prevailing party shall be entitled to attorney's fees and costs, including fees and costs incurred in determining entitlement to and reasonableness of such fees and costs.

5. Indemnification

- a. The MANAGER shall indemnify and hold the DISTRICT, its respective officers, directors, supervisors, employees, agents, successors and assigns harmless from and against any and all damages, losses, settlement payments, deficiencies, liabilities, costs and expenses, including without limitation, reasonable attorney's fees, resulting from any claim asserted by a third party against the DISTRICT, but only to the extent caused by the negligence or willful misconduct of the MANAGER. If the MANAGER receives notice of or undertakes the defense or the prosecution of any action, claim, suit, administrative or arbitration proceeding or investigation consistent with MANAGER's indemnity obligations hereunder, the MANAGER shall give the DISTRICT prompt notice of such proceedings and shall inform the DISTRICT in advance of all hearings regarding such action, claim, suit, proceeding, or investigation. MANAGER agrees that nothing in this Agreement shall serve as or be construed as a waiver of the DISTRICT's limitations on liability contained in Section 768.28, Florida Statutes or any other laws.
- b. To the extent allowable under applicable law and except and to the extent caused by the negligence or willful misconduct of the MANAGER, the DISTRICT agrees to indemnify and hold the MANAGER and its respective officers, directors, employees, agents, successors and assigns harmless from and against any and all damages, losses, settlement payments, deficiencies, liabilities, costs, and expenses, including without limitation, reasonable attorney's fees, suffered, sustained, incurred or required to be paid related to or arising out of the subject services and/or the engagement of MANAGER pursuant to this Agreement. Additionally, under no circumstances shall the MANAGER be responsible for any damages, losses, settlement, payments, deficiencies, liabilities, or costs and expenses arising out of or related to the execution or implementation of instruction or directions provided by the DISTRICT or any of its duly designated agents or representatives. If the DISTRICT receives notice of or undertakes the defense or the prosecution of any action, claim, suit, administrative or arbitration proceeding or investigation consistent with DISTRICT's indemnity obligations hereunder, the DISTRICT shall give the MANAGER prompt notice of such proceedings and shall inform the MANAGER in advance of all hearings regarding such action, claim, suit, proceeding, or investigation.
- c. Notwithstanding any provision to the contrary contained in this Agreement, in no event shall either party be liable, either directly or as an indemnitor, to the other, for any special, punitive, indirect and/or consequential damages, including damages attributable to loss of use, loss of income or loss of profit even if the other party has been advised of the possibility of such damages.
- d. In the event that claims(s) raised against the MANAGER because this Agreement, or because the Services performed hereunder, including claims for indemnification under this Section 5 is/are covered under MANAGER's insurance policies required hereunder, the MANAGER shall not be responsible for any loss, damage or liability

beyond the policy limits contractually required hereunder and actually paid pursuant to the limits and conditions of such policies. With respect to any other cause of action and/or claim arising under this Agreement, or otherwise arising because of, or because, the services provided hereunder, MANAGER's liability shall not exceed an amount equal to twice the amount of the annual compensation for such services during the Agreement year in which such cause of action and/or claim against the MANAGER arose.

6. Time of the Essence

The DISTRICT and the MANAGER agree that time is of the essence and that the services of the MANAGER shall be performed expeditiously.

7. Entire Agreement

This Agreement represents the entire agreement between DISTRICT and MANAGER for District Management Services contemplated hereby and supersedes all prior agreements, contracts, arrangements, or communications between the parties with respect to the subject matter addressed herein, whether oral or written. This Agreement may not be amended or modified except in writing signed by both parties. For the sake of clarity, any separate agreement between DISTRICT and MANAGER or any affiliate of MANAGER shall not in any way be deemed an amendment or modification of this Agreement. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision.

8. Authority to Execute and Counterparts

Each party to this Agreement represents, warrants, and covenants to the other that the person or persons signing this Agreement on behalf of such party is authorized and empowered to sign and deliver this Agreement for such party, that such party has the lawful authority to enter into this relationship, and that the governing or managing body of each party has approved this relationship and has similarly authorized the execution of this Agreement. This Agreement may be signed in any number of counterparts, each of which shall be an original and all of which when taken together shall constitute one and the same document.

9. Public Records Disclosure

MANAGER understands and agrees that all documents of any kind provided to the DISTRICT in connection with this Agreement may be public records, and, accordingly, MANAGER agrees to comply with all applicable provisions of Florida law in handling such records, including but not limited to Section 119.0701, Florida Statutes. Consultant acknowledges that the designated public records custodian for the DISTRICT is Fishkind & Associates, Inc. ("Public Records Custodian"). Among other requirements and to the extent applicable by law, the MANAGER shall 1) keep and maintain public records required by the DISTRICT to perform the service; 2) upon request by the Public Records Custodian, provide the DISTRICT with the requested public records or allow the records to be inspected or copied within a reasonable time period at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes; 3) ensure that public records which are exempt or confidential, and exempt from public records disclosure requirements, are not disclosed except as authorized by law for the duration of the Agreement term and following the Agreement term if the MANAGER does not transfer the records to the Public Records Custodian of the DISTRICT; and 4) upon completion of the Agreement, transfer to the DISTRICT, at no cost, all public records in MANAGER's possession or, alternatively, keep, maintain and meet all applicable requirements

for retaining public records pursuant to Florida laws. When such public records are transferred by the MANAGER, the MANAGER shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the DISTRICT in a format that is compatible with Microsoft Word or Adobe PDF formats.

10. Independent Contractor

MANAGER, its employees, officers and representatives at all times shall be independent contractors and shall not be deemed to be employees, agents, partners, servants and/or joint venturers of DISTRICT by virtue of this Agreement or any actions or services rendered under this Agreement. Nothing in this Agreement is intended or shall be construed to give any person, other than the Parties hereto, their successors and permitted assigns, any legal or equitable rights, remedy or claim under or in respect of this Agreement or any provisions contained herein. In no event will MANAGER be liable for any act or omission of any third party or for any circumstances beyond MANAGER's reasonable control including, but not limited to, fire, flood, or other natural disaster, war, riot, strike, act of terrorism, act of civil or military authority, software and/or equipment failure, computer virus, or failure or interruption of electrical, telecommunications or other utility services.

11. Sovereign Immunity

Nothing herein shall be interpreted or construed as a waiver of the protections, immunities, and limitation of liability afforded the DISTRICT pursuant to Section 768.28, Florida Statutes, the doctrine of Sovereign Immunity.

In witness whereof, the parties hereto have executed this Agreement, in duplicate, as of the Effective Date above written.

Board of Supervisors:

Palace at Coral Gables Community Development District

Sign _____

Print Name _____

Fishkind & Associates, Inc.

Hank Fishkind, Ph.D., President

EXHIBIT A

SCOPE OF SERVICES

I. General Management Services

General Consultation, Meetings, and DISTRICT Representation

The Manager shall organize the DISTRICT meetings. This includes, but is not limited to, providing the agenda and Board packages, scheduling, notification, publication and related matters. The service to be provided shall also include, but not be limited to planning, scheduling, production and quality control, coordination, and administration of various professional service elements.

The manager shall prepare and submit to the DISTRICT's Board of Supervisors a proposed annual budget and administer the adopted budget of the DISTRICT.

As the DISTRICT's Manager, we will consult with the DISTRICT Board of Supervisors and its designated representatives, and when necessary, participate in such meetings, discussions, project site visits, workshops, and hearings as may pertain to the administration, accomplishment and fulfillment of the professional services with regard to the projects and general interest of the DISTRICT.

The Manager shall consult with and advise the DISTRICT on matters related to the operation and maintenance of the DISTRICT and assist the DISTRICT to ensure compliance with all statutes and applicable law affecting the DISTRICT. The Manager will maintain the DISTRICT's website in compliance with applicable law and ensure an e-mail system is in place which provides a separate "CDD e-mail address" for all Board members with an archiving system which will allow the Manager to respond to public records requests and maintain e-mails in compliance with applicable records retention law.

II. Accounting Services

The Manager shall define and implement an integrated management reporting system which will allow the DISTRICT to represent fairly and with full disclosure the financial position of the DISTRICT. Monthly financial statements will be provided in addition to a year-end audited financial statement to be prepared by a certified public accounting firm selected by the DISTRICT. These services will be coordinated with the DISTRICT's auditors to assure a smooth and efficient audit of the DISTRICT's books.

III. Minutes and Records

The Manager shall define and implement a system of record management for the DISTRICT, including a concise and accurate record of the official actions of the Board of

Supervisors and any appointed boards or committees, and shall oversee the maintenance and disclosure of DISTRICT's records pursuant to Florida law.

IV. Annual Assessments, Lien Book Maintenance and Dissemination Agent

The Manager will maintain the tax roll for the DISTRICT and coordinate and report to the Tax Assessor and Tax Collector for the jurisdiction in which the DISTRICT exists.

The Manager will administer the DISTRICT's assessment methodology during platting and maintain the DISTRICT's lien book and release of liens at closings.

The Manager will provide continuing disclosure filing coordination and assistance for DISTRICT debt issues on EMMA as required by the MSRB and other regulatory agencies.

EXHIBIT B
COMPENSATION FOR SERVICES

The table below outlines the minimum management fees. The fees depend upon the type of district, the website selected, and the number of debt issues outstanding for the DISTRICT. Fees are reviewed and adjusted annually pursuant to the DISTRICT's budget process. Our fees include the provision of the services described in Exhibit A, as well as the reimbursable expenses set forth in Section III(1).

<i>Type of District</i>	<i>Management Fee</i>	
Inactive	\$5,000	
Developer Control	\$35,000	
Resident Control	\$60,000	
Website	Set Up	Annual
Minimum	\$2,000	\$1,000
Standard	\$3,000	\$1,500
Deluxe	\$5,000	\$5,000
Lien Book, Tax Roll, and Continuing Disclosure Services	Amount	
Base Fee	\$5,000	
Fee per debt issue	\$7,500	

EXHIBIT C
INSURANCE

MANAGER shall provide and maintain the following levels of insurance coverage at all times subsequent to the execution of this Agreement:

- a) Worker's Compensation insurance to cover full liability under worker's compensation laws in effect in Florida.
- b) General Liability insurance with limit of one million dollars (\$1,000,000.00) per each occurrence.
- c) Professional Liability insurance with limit of one million dollars (\$1,000,000.00) per each occurrence. Claims-made policies shall have at least a three-year reporting period.
- d) Employment Practices Liability insurance with limit of two million dollars (\$2,000,000.00) per each occurrence.
- e) Commercial Crime insurance with limit of two million dollars (\$2,000,000.00) per each occurrence.
- f) Comprehensive Automobile Liability insurance for all hired and non-owned vehicles used by the Consultant's staff with a combined single limit of one million dollars (\$1,000,000.00).

The DISTRICT (and its staff, consultants, and supervisors as applicable) will be listed as additional insureds on the General Liability and Automobile insurance policies described above. The DISTRICT (and its staff, consultants, and supervisors as applicable) will be listed as a joint loss payee on the Commercial Crime insurance. None of the policies above may be canceled during the term of this Agreement (or otherwise cause the DISTRICT to not be named as an additional insured or joint loss payee where applicable) without sixty (60) days written notice to the DISTRICT. MANAGER will furnish the DISTRICT with a Certificate of Insurance evidencing compliance with this section prior to Agreement commencement and upon request.

FINANCIAL ADVISORY AGREEMENT

This agreement (“Agreement”), made and entered into this 24th day of January, 2019, (the “Effective Date”) by and between **Palace at Coral Gables Community Development District** (“DISTRICT”) and Fishkind & Associates, Inc. (hereinafter called “FA”), sets forth the terms and conditions under which FA shall provide services.

WHEREAS, the DISTRICT desires to obtain the services of a financial advisor to develop and assist in implementing the DISTRICT’s strategies to meet its current and long-term operations, financial obligations, capital financing needs and render assistance in respect to debt transactions; and

WHEREAS, FA is capable of providing the necessary financial advisory services.

NOW, THEREFORE, in consideration of the above mentioned premises and intending to be legally bound hereby, DISTRICT and FA agree as follows:

I. SCOPE OF SERVICES

FA shall provide, upon request of the DISTRICT, services related to financial planning, budget and strategic advice and planning, policy development and services related to debt issuance, as applicable and set forth in Exhibit A to this Agreement. DISTRICT acknowledges and agrees that most tasks requested by DISTRICT will not require all services provided for in Exhibit A and as such the specific scope of services for such task shall be limited to just those services required to complete the task. Any material changes in or additions to the scope of services described in Exhibit A shall be promptly reflected in a written supplement or amendment to this Agreement. Services provided by FA which are not specifically referenced in the scope of services set forth in Exhibit A of this Agreement shall be completed as agreed in writing in advance between the DISTRICT and FA. Upon request of DISTRICT, FA or an affiliate of FA may agree to additional services to be provided by FA or an affiliate of FA, by a separate agreement between the DISTRICT and FA or its respective affiliate.

II. WORK SCHEDULE

The services of FA are to commence as soon as practicable after the execution of this Agreement and a request by the DISTRICT for such service.

III. REGISTERED MUNICIPAL ADVISOR; REQUIRED DISCLOSURES

1. FA is a registered municipal advisor with the Securities and Exchange Commission (the “SEC”) and the Municipal Securities Rulemaking Board (the “MSRB”), pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2. If DISTRICT has designated FA as its independent registered municipal advisor (“IRMA”) for purposes of SEC Rule 15Ba1-1(d)(3)(vi) (the “IRMA exemption”), then services provided pursuant to such designation shall be the services described in Exhibit A hereto, subject to any limitations provided herein. FA shall not be responsible for, or have any liability in connection with, verifying that FA is independent from any other party seeking to rely on the IRMA exemption (as such independent

status is required pursuant to the IRMA exemption, as interpreted from time to time by the SEC). DISTRICT acknowledges and agrees that any reference to FA, its personnel and its role as IRMA, including in the written representation of DISTRICT required under SEC Rule 15Ba1-1(d)(3)(vi)(B) shall be subject to prior approval by FA. DISTRICT further agrees not to represent that FA is DISTRICT's IRMA with respect to any aspect of a municipal securities issuance or municipal financial product, outside of the scope of services without FA's prior written consent.

2. MSRB Rules require that municipal advisors make written disclosures to their clients of all material conflicts of interest, certain legal or disciplinary events and certain regulatory requirements. Such disclosures are provided in FA's Disclosure Statement delivered to DISTRICT together with this Agreement.

IV. FINANCIAL ADVISORY COMPENSATION

For the services provided under this Agreement, FA's professional fees shall be paid as provided in Exhibit B to this Agreement and DISTRICT shall pay expenses and fees for other services not set forth in Exhibit A as provided below.

1. Reimbursable Expenses

In addition to fees for services, FA will be reimbursed for necessary, reasonable, and documented out-of-pocket expenses incurred, including travel, meals, lodging, telephone, mail, and other ordinary cost and any actual extraordinary cost for graphics, printing, data processing and computer time which are incurred by FA subject to the limitations of Chapter 112.061, F.S. Upon request of DISTRICT, documentation of such expenses will be provided.

2. Other Services

Any services which are not included in the scope of services set forth in Exhibit A of this Agreement will be subject to separate, mutually acceptable fee structures.

V. TERMS AND TERMINATION

This Agreement shall be effective as of the Effective Date until January 24, 2020 (the "Initial Term") and shall automatically renew for additional one (1) year periods (each a "Renewal Term" and together with the Initial Term, the "Term"), unless terminated in writing by either party upon thirty (30) days written notice to the other party without cause, or immediately upon written notice for good cause. For purposes of this Agreement, the term "good cause" shall include misfeasance, malfeasance, nonfeasance or dereliction of duties by FA which, in each case, FA fails to cure within 10 days of notice thereof. Upon such termination, FA will be paid for all services performed and costs and expenses incurred up to the termination date.

VI. ASSIGNMENT

Neither party may assign this Agreement or its rights or obligations hereunder without the prior written consent of the other party; except that upon notice to DISTRICT, (i) FA may assign this Agreement or any interests hereunder to a municipal advisor entity registered with the

SEC that directly or indirectly controls, is controlled by, or is under common control with, FA, or (ii) to any subsidiary or affiliate of FA or a successor of FA in connection with the sale of all or substantially all of FA's assets. Subject to the foregoing, this Agreement shall be binding on the parties hereto and their respective successors and assigns.

VII. INFORMATION TO BE FURNISHED TO FA

All information, data, reports, and records in the possession of the DISTRICT or any third party necessary for carrying out any services to be performed under this Agreement ("Data") shall be furnished to FA and the DISTRICT shall, and shall cause its agent(s) to, cooperate with FA in its conduct of reasonable due diligence in performing the services, including with respect to the facts that are necessary in its recommendation(s) to the DISTRICT in connection with a municipal securities transaction or municipal financial product and/or relevant to the DISTRICT's determination whether to proceed with a course of action. To the extent DISTRICT requests that FA provide advice with regard to any recommendation made by a third party, DISTRICT will provide to FA written direction to do so as well as any Data it has received from such third party relating to its recommendation. DISTRICT acknowledges and agrees that while FA is relying on the Data in connection with its provision of the services under this Agreement, FA makes no representation with respect to and shall not be responsible for the accuracy or completeness of such Data.

VIII. NOTICES

All notices given under this Agreement shall be in writing, sent by registered United States mail, with return receipt requested, addressed to the party for whom it is intended, at the designated below. The parties designate the following as the respective places for giving notice, to wit:

DISTRICT:

Palace at Coral Gables Community Development District
12051 Corporate Boulevard
Orlando, FL 32817
Attention: District Manager

Copy to:

Billing, Cochran, Lyles, Mauro & Ramsey, P.A.
515 E. Las Olas Blvd., 6th Floor
Fort Lauderdale, FL 33301
Attention: Dennis E. Lyles, Esq.

FA

12051 Corporate Boulevard
Orlando, FL 32801
Attention: Hank Fishkind, President

IX. TITLE TRANSFER

All materials, except functioning or dynamic financial models, prepared by FA pursuant exclusively to this Agreement shall be the property of the DISTRICT. Subject to the exception described above, upon termination of this Agreement, at DISTRICT's reasonable request no later than three (3) years after the termination of this Agreement, FA shall deliver to the DISTRICT copies of any materials or documents pertaining to or prepared in accordance with this Agreement.

X. FA'S REPRESENTATIVES

1. Assignment of Named Individuals

Professional employees of FA will provide the services set forth in this Agreement and FA may, from time to time, supplement or otherwise amend the team members. The individual listed below shall be the engagement manager for this Agreement.

- Hank Fishkind
- Kevin Plenzler

2. Changes in Staff Requested by the DISTRICT

The DISTRICT has the right to request, for any reason, FA to replace any member of the advisory team. Should the DISTRICT make such a request, FA shall promptly suggest a substitute for approval by the DISTRICT.

XI. INSURANCE

FA shall maintain insurance coverage with policy limits not less than as stated in Exhibit C.

XII. INDEMNIFICATION

- a. The FA shall indemnify and hold the DISTRICT, its respective officers, directors, supervisors, employees, agents, successors and assigns harmless from and against any and all damages, losses, settlement payments, deficiencies, liabilities, costs and expenses, including without limitation, reasonable attorney's fees, resulting from any claim asserted by a third party against the DISTRICT, but only to the extent caused by the negligence or willful misconduct of the FA. If the FA receives notice of or undertakes the defense or the prosecution of any action, claim, suit, administrative or arbitration proceeding or investigation consistent with FA's indemnity obligations hereunder, the FA shall give the DISTRICT prompt notice of such proceedings and shall inform the DISTRICT in advance of all hearings regarding such action, claim, suit, proceeding, or investigation. FA agrees that nothing in this Agreement shall serve as or be construed as a waiver of the

DISTRICT's limitations on liability contained in Section 768.28, Florida Statutes or any other laws.

- b. To the extent allowable under applicable law and except and to the extent caused by the negligence or willful misconduct of the FA, the DISTRICT agrees to indemnify and hold the FA and its respective officers, directors, employees, agents, successors and assigns harmless from and against any and all damages, losses, settlement payments, deficiencies, liabilities, costs, and expenses, including without limitation, reasonable attorney's fees, suffered, sustained, incurred or required to be paid related to or arising out of the subject services and/or the engagement of FA pursuant to this Agreement. Additionally, under no circumstances shall the FA be responsible for any damages, losses, settlement, payments, deficiencies, liabilities, or costs and expenses arising out of or related to the execution or implementation of instruction or directions provided by the DISTRICT or any of its duly designated agents or representatives. If the DISTRICT receives notice of or undertakes the defense or the prosecution of any action, claim, suit, administrative or arbitration proceeding or investigation consistent with DISTRICT's indemnity obligations hereunder, the DISTRICT shall give the FA prompt notice of such proceedings and shall inform the FA in advance of all hearings regarding such action, claim, suit, proceeding, or investigation.
- c. Notwithstanding any provision to the contrary contained in this Agreement, in no event shall either party be liable, either directly or as an indemnitor, to the other, for any special, punitive, indirect and/or consequential damages, including damages attributable to loss of use, loss of income or loss of profit even if the other party has been advised of the possibility of such damages.
- d. In the event that claims(s) raised against the FA because this Agreement, or because the Services performed hereunder, including claims for indemnification under this Article XII is/are covered under FA's insurance policies required hereunder, the FA shall not be responsible for any loss, damage or liability beyond the policy limits contractually required hereunder and actually paid pursuant to the limits and conditions of such policies. With respect to any other cause of action and/or claim arising under this Agreement, or otherwise arising because of, or because, the services provided hereunder, FA's liability shall not exceed an amount equal to twice the amount of the annual compensation for such services during the Agreement year in which such cause of action and/or claim against the FA arose.

XIII. LIMITATION OF LIABILITY

Except to the extent caused by willful misconduct, bad faith, gross negligence or reckless disregard of obligations or duties under this Agreement on the part of FA or any of its associated persons, neither FA nor any of its associated persons shall have liability to any person for (i) any act or omission in connection with performance of its services hereunder; (ii) any error of judgment or mistake of law; (iii) any loss arising out of any issuance of municipal securities, any municipal financial product or any other financial product, or (iv) any financial or other damages resulting from DISTRICT's election to act, or not to act, contrary to or upon any advice or recommendation provided by FA to DISTRICT.

XIV. INDEPENDENT CONTRACTOR; NO THIRD-PARTY BENEFICIARY

FA, its employees, officers and representatives at all times shall be independent contractors and shall not be deemed to be employees, agents, partners, servants and/or joint venturers of DISTRICT by virtue of this Agreement or any actions or services rendered under this Agreement. Nothing in this Agreement is intended or shall be construed to give any person, other than the Parties hereto, their successors and permitted assigns, any legal or equitable rights, remedy or claim under or in respect of this Agreement or any provisions contained herein. In no event will FA be liable for any act or omission of any third party or for any circumstances beyond FA's reasonable control including, but not limited to, fire, flood, or other natural disaster, war, riot, strike, act of terrorism, act of civil or military authority, software and/or equipment failure, computer virus, or failure or interruption of electrical, telecommunications or other utility services.

XV. APPLICABLE LAW

This Agreement shall be construed, enforced, and administered according to the laws of the State of Florida. FA and the DISTRICT agree that, should a disagreement arise as to the terms or enforcement of any provision of this Agreement, each party will in good faith attempt to resolve said disagreement prior to pursuing other action.

XVI. ENTIRE AGREEMENT; SEVERABILITY

This Agreement represents the entire agreement between DISTRICT and FA and may not be amended or modified except in writing signed by both parties. For the sake of clarity, any separate agreement between DISTRICT and an affiliate of FA shall not in any way be deemed an amendment or modification of this Agreement. This Agreement supersedes all prior agreements, contracts, arrangements, or communications between the parties with respect to the subject matter addressed herein, whether oral or written. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision.

XVII. EXECUTION; COUNTERPARTS

Each party to this Agreement represents and warrants that the person or persons signing this Agreement on behalf of such party is authorized and empowered to sign and deliver this Agreement for such party. This Agreement may be signed in any number of counterparts, each of which shall be an original and all of which when taken together shall constitute one and the same document.

XVIII. SOVEREIGN IMMUNITY.

Nothing herein shall be interpreted or construed as a waiver of the protections, immunities, and limitation of liability afforded the DISTRICT pursuant to Section 768.28, Florida Statutes, the doctrine of Sovereign Immunity.

[Signature Page Follows]

IN WITNESS THEREOF, the DISTRICT and FA have executed this Agreement as of the day and year herein above written.

PALACE AT CORAL GABLES COMMUNITY DEVELOPMENT DISTRICT

By: _____

Name: _____

Title: _____

Date: _____

FA

By: _____

Name: _____

Title: President

Date: _____

EXHIBIT A
SCOPE OF SERVICES

1. Services related to the Financial Planning and Policy Development upon request of the DISTRICT:

- Assist with the formulation of the DISTRICT's special assessment methodology or similar security for debt issuance in consultation with the DISTRICT's counsel, consulting engineer, bond counsel, and other consultants and professionals
- Assist the DISTRICT in the formulation of Financial and Debt Policies and Administrative Procedures.
- Review current debt structure, identifying strengths and weaknesses of structure so that future debt issues can be designed to maximize ability to finance future capital needs. This will include, but not be limited to, reviewing existing debt for the possibility of refunding that debt to provide the DISTRICT with savings.
- Analyze future debt capacity to determine the DISTRICT's ability to raise future debt capital.
- Assist the DISTRICT in the development of the DISTRICT's Capital Improvement Program by identifying sources of capital funding.
- Assist the DISTRICT with the development of the DISTRICT's financial planning efforts and process by assessing capital needs, identifying potential revenue sources, analyze financing alternatives such as pay-as-you-go, lease/purchasing, short-term vs. long-term financings, assessments, user fees, impact fees, developer contributions, public/private projects, and grants and provide analysis of each alternative as required as to the budgetary and financial impact.
- Review the reports of accountants, independent engineers and other project feasibility consultants to ensure that such studies adequately address technical, economic, and financial risk factors affecting the marketability of any proposed revenue debt issues; provide bond market assumptions necessary for financial projections included in these studies; attend all relevant working sessions regarding the preparations, review and completion of such independent studies; and provide written comments and recommendations regarding assumptions, analytic methods, and conclusions contained therein.
- Develop, manage and maintain computer models for long-term capital planning which provide for inputs regarding levels of non-ad valorem special assessment and other revenues growth rates by revenue and expenditure item, timing, magnitude and cost of debt issuance, and project operating and capital balances, selected operating and debt ratios and other financial performance measures as may be determined by the DISTRICT.

- Conduct strategic modeling and planning and related consulting.
- Attend meetings with DISTRICT's staff, consultants and other professionals and the DISTRICT.
- Undertake financial planning and policy development assignments made by the DISTRICT regarding financings, and financial policy including budget, tax, cash management issues and related fiscal policy and programs.
- Assist the DISTRICT in preparing financial presentations for public hearings and/or referendums.
- Provide special financial services as requested by the DISTRICT.

2. Services Related to Debt Transactions (Includes short term financings, notes, loans, letters of credit, line of credit and bonds); provided that if the transaction is competitive, the services of the financial advisor will reflect that process. Upon the request of the DISTRICT:

- Analyze financial and economic factors to determine if the issuance of bonds is appropriate.
- Develop a financing plan in concert with DISTRICT's staff which would include recommendations as to the timing and number of series of bonds to be issued.
- Assist the DISTRICT by recommending the best method of sale, either as a negotiated sale, private placement or a public sale. In a public sale, make recommendation as to the determination of the best bid. In the event of a negotiated sale, assist in the solicitation, review and evaluation of any investment banking proposals, and provide advice and information necessary to aid in such selection.
- Advise as to the various financing alternatives available to the DISTRICT.
- Develop alternatives related to debt transaction including evaluation of revenues available, maturity schedule and cash flow requirements.
- Evaluate benefits of bond insurance and/or security insurance for debt reserve fund.
- If appropriate, develop credit rating presentation and coordinate with the DISTRICT the overall presentation to rating agencies.
- Review underwriter's proposals and submit a written analysis of same to the DISTRICT.
- Assist the DISTRICT in the procurement of other services relating to debt issuance such as printing, paying agent, registrar, etc.

- Identify key bond covenant features and advise as to the financial consequences of provisions to be included in bond indentures, resolutions or other governing documents regarding security, creation of reserve funds, flow of funds, redemption provisions, additional parity debt tests, etc.; review and comment on successive drafts of bond governing documents.
 - Review the requirements and submit analysis to bond insurers, rating agencies and other professionals as they pertain to the DISTRICT's obligation.
 - Review the terms, conditions and structure of any proposed debt offering undertaken by the DISTRICT and provide suggestions, modifications and enhancements where appropriate and necessary to reflect the constraints or current financial policy and fiscal capability.
 - Coordinate with DISTRICT's staff and other advisors as respects the furnishing of data for offering documents, it being specifically understood that FA is not responsible for the inclusion or omission of any material in published offering documents.
 - As applicable, advise the DISTRICT on the condition of the bond market at the time of sale, including volume, timing considerations, competing offerings, and general economic considerations.
 - Assist and advise the DISTRICT in negotiations with investment banking groups regarding fees, pricing of the bonds and final terms of any security offering, and make recommendations regarding a proposed offering to obtain the most favorable financial terms based on existing market conditions.
 - Arrange for the closing of the transaction including, but not limited, to bond printing, signing and final delivery of the bonds.
 - Assist and advise the DISTRICT with investment of proceeds of debt offerings
3. **Special Services.** Upon request of the DISTRICT:

FA may provide other services which shall include, but not be limited to, the following:

1. Impact fee financial analysis
2. Rate analysis
3. Management analysis
4. Referendum assistance
5. Legislative initiatives
6. Project assessment analysis
7. Implementation of revenue enhancement programs
8. Investment advisory services (services to be provided by an affiliate of FA under separate agreement between the DISTRICT and such affiliate))

9. Arbitrage and rebate services (services to be provided by an affiliate of FA under separate agreement between the DISTRICT and such affiliate)
10. Financial analysis of projects being developed by engineer/architect studies
11. Negotiate on behalf of the DISTRICT for proposed projects

EXHIBIT B
COMPENSATION FOR SERVICES (NEOGITABLE)

<u>Description</u>	<u>Unit Price</u>	
TRANSACTIONAL FEE SCHEDULE		
	Investment Grade	Non-investment Grade
A. Conventional Long-Term Fixed Rate Debt		
Up to \$25 Million	<u>\$1.00/ \$1,000</u>	<u>\$1.00/ \$1,000</u>
\$25 Million up to \$50 Million	<u>\$0.85/ \$1,000</u>	<u>\$1.00/ \$1,000</u>
Over \$50 Million up to \$75 Million	<u>\$0.75/ \$1,000</u>	<u>\$0.85/ \$1,000</u>
Over \$75 Million	<u>\$0.50/ \$1,000</u>	<u>\$0.75/ \$1,000</u>
Above Fees Subject To:		
Minimum	<u>\$20,000.00</u>	<u>\$25,000.00</u>
Maximum	<u>\$125,000.00</u>	<u>\$200,000.00</u>
Additional Fee – Refunding Transaction	\$ <u>N/A</u> (excluding escrow structuring if requested)	

B. Notes, Including but not Limited to TANS and RANS \$15,000.00¹

¹Fee for investment grade, publicly offered issues; fee for private placement or non-investment grade public offering will be negotiated prior to the sale.

NON-TRANSACTIONAL FEE SCHEDULE

C. Professional Fees

Managing Director	<u>\$300.00/ Hour</u>
Senior Managing Consultant (other senior staff)	<u>\$250.00/ Hour</u>
Senior Analyst (Analyst)	<u>\$150.00/ Hour</u>
Administrative Staff	<u>\$0.00 / Hour</u>

D. Out of Pocket Expenses (subject to Section 112.061, Florida Statutes)

Not to Exceed	<u>\$2,000.00 per Issue*</u>
Travel	At Cost
Lodging	At Cost
Meals	At Cost
Postage	At Cost
Telephone	At Cost
Copies	0.10 Black & White; 0.50 for Color
Printing	0.10 Black & White; 0.50 for Color

*FA also offers a flat “overhead” fee of \$1,500 per financing to cover all typical expenses (copies, printing, in state travel, etc). Both structures exclude New York and other out of state travel, which is billed at cost.

Other Services

In addition to advising on bond transactions, FA is often called upon to perform many additional duties. These may include structuring and implementation of the refunding escrow, debt service reserve and debt service payment fund investment structuring, arbitrage rebate compliance, investment agreement and float contract bidding, investment liquidation, interest rate swap pricing and implementation, and other related services. These services would be provided via separate contract with the appropriate FA related entity such as FA Asset Management, LLC. If needed or required under this proposal, these services are subject to a separate fee to be negotiated in advance at the time of the service. FA fully discloses all fees related to any transaction.

EXHIBIT C
INSURANCE

Fishkind & Associates, Inc. (“FA”) has a complete insurance program, including property, casualty, comprehensive general liability, automobile liability and workers compensation. FA maintains professional liability and fidelity bond coverages which total \$30 million and \$10 million, respectively. FA also carries a \$10 million cyber liability policy.

Our Professional Liability policy is a “claims made” policy and our General Liability policy claims would be made by occurrence.

Deductibles/SIR:

Automobile \$250 comprehensive & \$500 collision
Cyber Liability \$50,000
General Liability \$0
Professional Liability (E&O) \$1,000,000
Financial Institution Bond \$75,000

Insurance Company & AM Best Rating

Professional Liability (E&O)	Endurance American Specialty Insurance; (A+; XV) XL Specialty Insurance Company; (A; XV) Continental Casualty Company; (A; XV) Starr Indemnity & Liability Company; (A; XIV)
Financial Institution Bond	Federal Insurance Company; (A++; XV)
Cyber Liability	Indian Harbor Insurance Company (A; XV)
General Liability	Great Northern Insurance Company; (A++; XV)
Automobile Liability	Federal Insurance Company; (A++; XV)
Excess /Umbrella Liability	Federal Insurance Company; (A++; XV)
Workers Compensation & Employers Liability	Great Northern Insurance Company; (A++; XV)

**PALACE AT CORAL GABLES
COMMUNITY DEVELOPMENT DISTRICT**

FY 2018 Audit Engagement Letter



Carr, Riggs & Ingram, LLC
Certified Public Accountants
500 Grand Boulevard
Suite 210
Miramar Beach, Florida 32550

November 2, 2018

(850) 837-3141
(850) 654-4619 (fax)
CRlcpa.com

The Palace at Coral Gables Community Development District
Fishkind & Associates, Inc.
12051 Corporate Blvd.
Orlando, FL 32817

We are pleased to confirm our understanding of the services we are to provide The Palace at Coral Gables Community Development District for the year ended September 30, 2018. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of The Palace at Coral Gables Community Development District as of and for the year ended September 30, 2018. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement The Palace at Coral Gables Community Development District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to The Palace at Coral Gables Community Development District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Budgetary Comparison Schedule.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of The Palace at Coral Gables Community Development District and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of The Palace at Coral Gables Community Development District's financial statements. Our report will be addressed to the Board of Supervisors of The Palace at Coral Gables Community Development District. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify

our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that The Palace at Coral Gables Community Development District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility

as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of The Palace at Coral Gables Community Development District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will also assist in preparing the financial statements and related notes of The Palace at Coral Gables Community Development District in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgement, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

We will also examine the District's compliance with the requirements of Section 218.415, Florida Statutes, Local Government Investment Policies, as of September 30, 2018. Our examination will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Accordingly, it will include examining, on a test basis, your records and other procedures to obtain evidence necessary to enable us to express our opinion. Our report will be addressed to the Board of Supervisors of the District. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the examination or are unable to form or have not formed an opinion, we may decline to express an opinion or may withdraw from this engagement.

Management Responsibilities

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our

report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to District; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Carr, Riggs & Ingram, LLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the Florida Auditor General or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of CRI personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may

intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

Public Records. Auditor shall, pursuant to and in accordance with Section 119.0701, Florida Statutes, comply with the public records laws of the State of Florida, and specifically shall:

- a. Keep and maintain public records required by the District to perform the services or work set forth in this Agreement; and
- b. Upon the request of the District's custodian of public records, provide the District with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law; and
- c. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the Agreement if the Auditor does not transfer the records to the District; and
- d. Upon completion of the Agreement, transfer, at no cost to the District, all public records in possession of the Auditor or keep and maintain public records required by the District to perform the service or work provided for in this Agreement. If the Auditor transfers all public records to the District upon completion of the Agreement, the Auditor shall destroy (except as required by regulation or professional standard to maintain such records) any duplicate public records that are exempt or confidential and exempt from public disclosure requirements. If the Auditor keeps and maintains public records upon completion of the Agreement, the Auditor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the District, upon request from the District's custodian of public records, in a format that is compatible with the information technology systems of the District.

Auditor acknowledges that any requests to inspect or copy public records relating to this Agreement must be made directly to the District pursuant to Section 119.0701(3), Florida Statutes. If notified by the District of a public records request for records not in the possession of the District but in possession of the Auditor, the Auditor shall provide such records to the District or allow the records to be inspected or copied within a reasonable time. Auditor acknowledges that should Auditor fail to provide the public records to the District within a reasonable time, Auditor may be subject to penalties pursuant to Section 119.10, Florida Statutes.

IF THE AUDITOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE AUDITOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT/CONTRACT, THE AUDITOR MAY CONTACT THE CUSTODIAN OF PUBLIC RECORDS FOR THE DISTRICT AT:

**Fishkind & Associates, Inc.
12051 Corporate Blvd.
Orlando, FL 32817**

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the Florida Auditor General. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately November 1, 2018 and to issue our reports no later than June 30, 2019. Alan Jowers is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be \$5,250. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Dispute Resolution

In the event of a dispute between the parties which arises out of or relates to this contract or engagement letter, the breach thereof or the services provided or to be provided hereunder, and, if the dispute cannot be settled through negotiation, the parties agree that before initiating arbitration, litigation or some other dispute resolution procedure, they will first to try in good faith to resolve the dispute through non-binding mediation. The mediation will be administered by the American Arbitration Association under its Dispute Resolution Rules for Professional Accounting and Related Services Disputes. The costs of any mediation proceedings shall be shared equally by all parties.

Electronic Data Communication and Storage and Use of Third Party Service Provider

In the interest of facilitating our services to your company, we may send data over the Internet, securely store electronic data via computer software applications hosted remotely on the Internet, or allow access to data through third-party vendors' secured portals or clouds. Electronic data that is confidential to your company may be transmitted or stored using these methods. We may use third-party service providers to store or transmit this data, such as, but not limited to, providers of tax return preparation software. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and data access secure in accordance with our obligations under applicable laws and professional standards. We also require our third-party vendors to do the same.

You recognize and accept that we have no control over the unauthorized interception or breach of any communications or data once it has been sent or has been subject to unauthorized access,

notwithstanding all reasonable security measures employed by us or our third-party vendors. You consent to our use of these electronic devices and applications and submission of confidential client information to third-party service providers during this engagement.

To enhance our services to you, we will use a combination of remote access, secure file transfer, virtual private network or other collaborative, virtual workspace or other online tools or environments. Access through any combination of these tools allows for on-demand and/or real-time collaboration across geographic boundaries and time zones and allows CRI and you to share data, engagement information, knowledge, and deliverables in a protected environment. In order to use certain of these tools and in addition to execution of this acknowledgement and engagement letter, you may be required to execute a separate client acknowledgement or agreement and agree to be bound by the terms, conditions and limitations of such agreement. You agree that CRI has no responsibility for the activities of its third-party vendors supplying these tools and agree to indemnify and hold CRI harmless with respect to any and all claims arising from or related to the operation of these tools. While we may back up your files to facilitate our services, you are solely responsible for the backup of your files and records; therefore, we recommend that you also maintain your own backup files of these records.

We appreciate the opportunity to be of service to The Palace at Coral Gables Community Development District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC
Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of The Palace at Coral Gables Community Development District.

Management signature: *Jeff L. Walden*

Title: DISTRICT MANAGER

Governance signature: *[Signature]*

Title: Chairman

**PALACE AT CORAL GABLES
COMMUNITY DEVELOPMENT DISTRICT**

Funding Request 83 & 84 and 87 - 89

Oscar Roiz
The Palace Management Group LLC
11355 SW 84th Street
Miami, FL 33173
TEL.: 305-270-7010
Oscar@thepalaceus.com

Palace at Coral Gables CDD
7/24/2018
Funding Request # 83

	<u>Vendor</u>	<u>Invoice Number</u>	<u>Invoice Date</u>	<u>Fiscal Year</u>	<u>Category</u>	<u>Amount</u>
1	Cochran, Lyles, Mauro & Ramsey, P.A	150583	6/30/2018	FY18	Legal Services thru 06.30.2018	500.00
2	Daily Business Review	I0000330752-0709	7/16/2018	FY18	Legal Ad - Notice of Public Hearing	189.44
3	Fishkind & Associates, Inc.	23034	7/12/2018	FY18	DM Fees and Reimb. - 2018.07	2,993.08
					TOTAL	<u>3,682.52</u>

Secretary/Assistant Secretary

Chairman / Vice Chairman

Oscar Roiz
 The Palace Management Group LLC
 11355 SW 84th Street
 Miami, FL 33173
 TEL.: 305-270-7010
Oscar@thepalaceus.com

Palace at Coral Gables CDD
 8/23/2018
 Funding Request # 84

	<u>Vendor</u>	<u>Invoice Number</u>	<u>Invoice Date</u>	<u>Fiscal Year</u>	<u>Category</u>	<u>Amount</u>
1	Billing, Cochran, Lyles, Mauro & Ramsey, P.A	151213	7/31/2018	FY18	Legal Services thru 07.31.2018	1,016.00
2	U.S. Bank	5063810	7/25/2018	FY18	Annual Administration Fees and Expenses	4,336.94
3	Fishkind & Associates, Inc.	23208	8/14/2018	FY18	DM Fees and Reimb. - 2018.08	2,993.08
					TOTAL	<u>8,346.02</u>

Secretary/Assistant Secretary

Chairman / Vice Chairman

Oscar Roiz
 The Palace Management Group LLC
 11355 SW 84th Street
 Miami, FL 33173
 TEL.: 305-270-7010
Oscar@thepalaceus.com

Palace at Coral Gables CDD
 10/18/2018
 Funding Request # 87

<u>Vendor</u>	<u>Invoice Number</u>	<u>Invoice Date</u>	<u>Fiscal Year</u>	<u>Category</u>	<u>Amount</u>
1 Department of Economic Opportunity	72768	10/1/2018	FY19	FY 2018/2019 District Fees	175.00
2 Fishkind & Associates, Inc.	23568	10/15/2018	FY18	Reimbursables - 2018.09	0.94
	23568	10/15/2018	FY19	DM and Website Fees - 2018.10	2,991.67
TOTAL					<u>3,167.61</u>

Secretary/Assistant Secretary

Chairman / Vice Chairman

Oscar Roiz
The Palace Management Group LLC
11355 SW 84th Street
Miami, FL 33173
TEL.: 305-270-7010
Oscar@thepalaceus.com

Palace at Coral Gables CDD
11/27/2018
Funding Request # 88

	<u>Vendor</u>	<u>Invoice Number</u>	<u>Invoice Date</u>	<u>Fiscal Year</u>	<u>Category</u>	<u>Amount</u>
1	Fishkind & Associates, Inc.	23747	11/16/2018	FY19	DM Fees & Reimbursables - 2018.11	2,993.08
2	Daily Business Review	10000355537-1024	10/31/2018	FY19	Legal Advertising 10/31/18	251.82
3	Billing, Cochran, Lyles, Mauro & Ramsey	152465	9/30/2018	FY18	Legal Services Period Ending 9/30/18	500.00
					TOTAL	<u>3,744.90</u>

Secretary/Assistant Secretary

Chairman / Vice Chairman

Oscar Roiz
The Palace Management Group LLC
11355 SW 84th Street
Miami, FL 33173
TEL.: 305-270-7010
Oscar@thepalaceus.com

Palace at Coral Gables CDD
1/3/2019
Funding Request # 89

<u>Vendor</u>	<u>Invoice Number</u>	<u>Invoice Date</u>	<u>Fiscal Year</u>	<u>Category</u>	<u>Amount</u>
1 Billing, Cochran, Lyles, Mauro & Ramsey	153523	11/30/2018	FY19	Legal Services Period Ending 11/30/18	877.50
	153005	10/31/2018	FY19	Legal Services Period Ending 10/31/18	500.00
2 Fishkind & Associates	23858	12/11/2018	FY19	District Mgmt Fees for December 2018	2,993.57
3 Daily Business Review	10000354104-1018	10/18/2018	FY19	Legal Advertising 10/18/18	69.38
				TOTAL	<u>4,440.45</u>

Secretary/Assistant Secretary

Chairman / Vice Chairman

**PALACE AT CORAL GABLES
COMMUNITY DEVELOPMENT DISTRICT**

Funding Request 85 & 86

Oscar Roiz
The Palace Management Group LLC
11355 SW 84th Street
Miami, FL 33173
TEL.: 305-270-7010
Oscar@thepalaceus.com

Palace at Coral Gables CDD
9/26/2018
Funding Request # 85

	<u>Vendor</u>	<u>Invoice Number</u>	<u>Invoice Date</u>	<u>Fiscal Year</u>	<u>Category</u>	<u>Amount</u>
1	Billing, Cochran, Lyles, Mauro & Ramsey, P.A	151871	8/31/2018	FY18	Legal Services thru 08.31.2018	500.00
2	Fishkind & Associates, Inc.	23386	9/17/2018	FY18	DM Fees and Reimb. - 2018.09	2,994.24
					TOTAL	<u><u>3,494.24</u></u>

Secretary/Assistant Secretary

Chairman / Vice Chairman

Oscar Roiz
The Palace Management Group LLC
11355 SW 84th Street
Miami, FL 33173
TEL.: 305-270-7010
Oscar@thepalaceus.com

PLEASE RUSH

Palace at Coral Gables CDD
9/21/2018
Funding Request # 86

<u>Vendor</u>	<u>Invoice Number</u>	<u>Invoice Date</u>	<u>Fiscal Year</u>	<u>Category</u>	<u>Amount</u>
Egis Insurance Advisors LLC	7727	9/11/2018	FY 19	Package Policy 10/1/2018 to 10/1/2019	2,550.00
				TOTAL	<u>2,550.00</u>

Secretary/Assistant Secretary

Chairman / Vice Chairman

**PALACE AT CORAL GABLES
COMMUNITY DEVELOPMENT DISTRICT**

District's Financial Position

Palace at Coral Gables
Statement of Activities
As of 12/31/2018

	General Fund	Debt Service Fund	Capital Projects Fund	General Fixed Asset Group	Long-Term Debt Group	Total
Revenues						
Developer Contributions	\$16,420.77	\$124,428.06				\$16,420.77
Off-Roll Assessments		\$124,428.06	\$0.00	\$0.00	\$0.00	124,428.06
Total Revenues	\$16,420.77	\$124,428.06	\$0.00	\$0.00	\$0.00	\$140,848.83
Expenses						
Insurance	\$2,550.00					\$2,550.00
Trustee Services	3,018.75					3,018.75
Management	8,750.01					8,750.01
District Counsel	1,377.50					1,377.50
Telephone	0.47					0.47
Postage & Shipping	2.84					2.84
Legal Advertising	321.20					321.20
Web Site Maintenance	225.00					225.00
Dues, Licenses, and Fees	175.00					175.00
Interest Payments		\$221,731.25				221,731.25
Total Expenses	\$16,420.77	\$221,731.25	\$0.00	\$0.00	\$0.00	\$238,152.02
Other Revenues (Expenses) & Gains (Losses)						
Interest Income		\$362.02				\$362.02
Total Other Revenues (Expenses) & Gains (Losses)	\$0.00	\$362.02	\$0.00	\$0.00	\$0.00	\$362.02
Change In Net Assets	\$0.00	(\$96,941.17)	\$0.00	\$0.00	\$0.00	(\$96,941.17)
Net Assets At Beginning Of Year	\$9,355.10	\$826,458.85	\$0.00	\$7,173,300.00	\$0.00	\$8,009,113.95
Net Assets At End Of Year	\$9,355.10	\$729,517.68	\$0.00	\$7,173,300.00	\$0.00	\$7,912,172.78

Palace at Coral Gables
Statement of Financial Position
As of 12/31/2018

	General Fund	Debt Service Fund	Capital Projects Fund	General Fixed Asset Group	Long-Term Debt Group	Total
<u>Assets</u>						
<u>Current Assets</u>						
General Checking Account	\$9,285.72					\$9,285.72
Accounts Receivable - Due from Developer	4,440.45					4,440.45
Debt Service Reserve Bond		\$633,312.50				633,312.50
Revenue Bond		325.89				325.89
Parking Revenue Bond		95,879.29				95,879.29
Total Current Assets	<u>\$13,726.17</u>	<u>\$729,517.68</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$743,243.85</u>
<u>Investments</u>						
Amount Available in Debt Service Funds					\$729,517.68	\$729,517.68
Amount To Be Provided					7,728,692.32	7,728,692.32
Total Investments	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$8,458,210.00</u>	<u>\$8,458,210.00</u>
<u>Property, Plant & Equipment</u>						
Other Fixed Assets (2013)				\$7,173,300.00		\$7,173,300.00
Total Property, Plant & Equipment	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$7,173,300.00</u>	<u>\$0.00</u>	<u>\$7,173,300.00</u>
Total Assets	<u><u>\$13,726.17</u></u>	<u><u>\$729,517.68</u></u>	<u><u>\$0.00</u></u>	<u><u>\$7,173,300.00</u></u>	<u><u>\$8,458,210.00</u></u>	<u><u>\$16,374,753.85</u></u>
<u>Liabilities and Net Assets</u>						
<u>Current Liabilities</u>						
Accounts Payable	\$4,371.07					\$4,371.07
Total Current Liabilities	<u>\$4,371.07</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$4,371.07</u>
<u>Long Term Liabilities</u>						
Revenue Bonds Payable LongTerm					\$8,435,000.00	\$8,435,000.00
Bond Premium					23,210.00	23,210.00
Total Long Term Liabilities	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$8,458,210.00</u>	<u>\$8,458,210.00</u>
Total Liabilities	<u><u>\$4,371.07</u></u>	<u><u>\$0.00</u></u>	<u><u>\$0.00</u></u>	<u><u>\$0.00</u></u>	<u><u>\$8,458,210.00</u></u>	<u><u>\$8,462,581.07</u></u>
<u>Net Assets</u>						
Net Assets - General Government	\$9,355.10					\$9,355.10
Net Assets, Unrestricted		\$826,458.85				826,458.85
Current Year Net Assets, Unrestricted		(96,941.17)				(96,941.17)
Net Assets, Unrestricted			\$1,223,456.96			1,223,456.96
Net Assets - General Government			(1,223,456.96)			(1,223,456.96)
Net Assets, Invd in Capital, Net of Debt				\$7,173,300.00		7,173,300.00
Total Net Assets	<u>\$9,355.10</u>	<u>\$729,517.68</u>	<u>\$0.00</u>	<u>\$7,173,300.00</u>	<u>\$0.00</u>	<u>\$7,912,172.78</u>
Total Liabilities and Net Assets	<u><u>\$13,726.17</u></u>	<u><u>\$729,517.68</u></u>	<u><u>\$0.00</u></u>	<u><u>\$7,173,300.00</u></u>	<u><u>\$8,458,210.00</u></u>	<u><u>\$16,374,753.85</u></u>

Palace at Coral Gables
Income Statement
Budget to Actual
For the period of 12/1/2018 Through 12/31/2018

	Actual	Year To Date Budget	Variance	FY 19 Budget
<u>Revenues</u>				
Developer Contributions	\$16,420.77	\$17,537.49	\$(1,116.72)	\$70,150.00
Net Revenues	\$16,420.77	\$17,537.49	\$(1,116.72)	\$70,150.00
<u>General & Administrative Expenses</u>				
Insurance	\$2,550.00	\$750.00	\$(1,800.00)	\$3,000.00
Trustee Services	3,018.75	1,250.01	(1,768.74)	5,000.00
Management	8,750.01	8,750.01	0.00	35,000.00
Dissemination Agent	0.00	375.00	375.00	1,500.00
District Counsel	1,377.50	3,750.00	2,372.50	15,000.00
Audit	0.00	1,312.50	1,312.50	5,250.00
Travel and Per Diem	0.00	125.01	125.01	500.00
Telephone	0.47	37.50	37.03	150.00
Postage & Shipping	2.84	125.01	122.17	500.00
Copies	0.00	62.49	62.49	250.00
Legal Advertising	321.20	500.01	178.81	2,000.00
Miscellaneous	0.00	62.49	62.49	250.00
Web Site Maintenance	225.00	375.00	150.00	1,500.00
Dues, Licenses, and Fees	175.00	62.49	(112.51)	250.00
Total General & Administrative Expenses	\$16,420.77	\$17,537.52	\$1,116.75	\$70,150.00
Total Expenses	\$16,420.77	\$17,537.52	\$1,116.75	\$70,150.00
Net Income (Loss)	\$0.00	\$(0.03)	\$0.03	\$0.00

