

In accordance with SEC Rule 15c2-12 (b)(5)(i)(C)(10) and Section 5(a)(10) of the City of Vero Beach's Continuing Disclosure Agreement, the City hereby reports the occurrence of a Notice Event with regard to the 'release, substitution or sale of property securing repayment of the Series 2003A Bonds' as follows:

On May 16, 2017, the City Council of the City of Vero Beach approved a non-binding Letter of Intent (LOI) between the City of Vero Beach (as Seller) and Florida Power & Light Company (as Buyer) for the purchase of the City's Electric Utility. The LOI establishes a gross purchase price of \$185.0 million which includes funds for the retirement of the City's outstanding utility bonds, the termination of the City's contractual obligations to Florida Municipal Power Agency (FMPA) and the Orlando Utilities Commission (OUC), the lease of a substation, an amount with respect to pension liabilities associated with transferred employees, and a cash payment to the City. The LOI has a target closing date no later than December 31, 2018 unless extended by the parties. The closing is dependent, among other matters, upon various regulatory approvals by the Federal Energy Regulatory Commission and the Florida Public Service Commission, and agreements being entered into with FMPA and OUC with respect to the termination of the City's contractual obligations referenced above.

The referenced Letter of Intent may be found on the City's website at:

http://www.covb.org/index.asp?SEC=D5ECFBBA-1BBF-4950-992E-9D8BC3C0000A&Type=B_BASIC