



City of Deltona

REGULAR CITY COMMISSION MEETING MONDAY, AUGUST 19, 2013 6:30 P.M.

Mayor
John Masiarczyk

Vice Mayor
Zenaida Denizac
District 1

Commissioners:

Webster Barnaby
District 2

Heidi Herzberg
District 3

Nancy Schleicher
District 4

Fred Lowry
District 5

Chris Nabicht
District 6

Acting City Manager
Dave Denny

DELTONA COMMISSION CHAMBERS 2345 PROVIDENCE BLVD. DELTONA, FLORIDA



AGENDA

1. CALL TO ORDER:
2. ROLL CALL – CITY CLERK:
3. INVOCATION AND PLEDGE TO THE FLAG:
 - A. Invocation Presented by Commissioner Schleicher.
4. APPROVAL OF MINUTES & AGENDA:
 - A. Additions or Deletions to Agenda.
 - B. Approval of Minutes - Regular City Commission Meeting of August 5, 2013.
5. PRESENTATIONS/AWARDS/REPORT:
 - A. Presentation of Certificates - West Volusia Youth Baseball League (WVYB) AA All-Star Team (Requested by: Mayor Masiarczyk).

B. Presentation of Meritorious Service Awards and Unit Citations for a Trench Rescue in Orange City on July 23rd, 2013.

C. Presentation of Certificates in Recognition of Educational Achievement.

**6. PUBLIC FORUM - Citizen comments for any items.
(4 minute maximum length)**

CONSENT AGENDA: All items marked with an * will be considered by one motion unless removed from the Consent Agenda by a member of the City Commission.

7. CONSENT AGENDA:

***A. Request for approval of budget amendment to purchase various trees in accordance with the Tree Replacement Fund.**

***B. Request for approval to award Bid # PW 13-13, Acadian Sidewalk Construction.**

8. ORDINANCES AND PUBLIC HEARINGS:

A. Public Hearing - Ordinance No. 14-2013, Adding an additional homestead exemption as permitted under F.S. 196.075(2)(b), and providing a method for computing income limitations for qualifications, at second and final reading.

9. OLD BUSINESS:

10. NEW BUSINESS:

A. Request for approval to terminate the Swaption and award the sale of bonds to the Underwriters.

B. Request for approval of budget amendment and award of bid for removing and replacing the batting cage roof at Dewey O. Boster Sports Complex .

11. CITY COMMISSION COMMENTS:

12. CITY ATTORNEY COMMENTS:

13. CITY MANAGER COMMENTS:

14. ADJOURNMENT:

NOTE: If any person decides to appeal any decision made by the City Commission with respect to any matter considered at this meeting or hearing, he/she will need a record of the proceedings, and for such purpose he/she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based (F.S. 286.0105).

Individuals with disabilities needing assistance to participate in any of these proceedings should contact the City Clerk, Joyce Raftery 48 hours in advance of the meeting date and time at (386) 878-8500.



AGENDA MEMO

TO: Mayor & City Commission **AGENDA DATE:** 8/19/2013
FROM: William D. Denny, Acting City Manager **AGENDA ITEM:** 3 - A
SUBJECT: Invocation Presented by Commissioner Schleicher.

LOCATION:	N/A
BACKGROUND:	At the Regular City Commission Meeting on Monday, October 17, 2011, the City Commission approved to have each Commissioner by District schedule someone to present the invocation at each Regular City Commission meeting rotating each Commissioner by District starting with District #1, #2, #3, #4, #5, #6 and the Mayor.
ORIGINATING DEPARTMENT:	City Clerk's Office
SOURCE OF FUNDS:	N/A
COST:	N/A
REVIEWED BY:	City Clerk
STAFF RECOMMENDATION PRESENTED BY:	N/A - Invocation Only.
POTENTIAL MOTION:	N/A - Invocation Only.
AGENDA ITEM APPROVED BY:	<hr/> William D. Denny, Acting City Manager



AGENDA MEMO

TO: Mayor & City Commission **AGENDA DATE:** 8/19/2013
FROM: William D. Denny, Acting City Manager **AGENDA ITEM:** 4 - A
SUBJECT: Approval of Minutes - Regular City Commission Meeting of August 5, 2013.

LOCATION:	N/A
BACKGROUND:	N/A
ORIGINATING DEPARTMENT:	City Clerk's Office
SOURCE OF FUNDS:	N/A
COST:	N/A
REVIEWED BY:	City Clerk
STAFF RECOMMENDATION PRESENTED BY:	City Clerk Joyce Raftery - To approve the minutes of the Regular City Commission Meeting of August 5, 2013.
POTENTIAL MOTION:	"I move to approve the minutes of the Regular City Commission Meeting of August 5, 2013."
AGENDA ITEM APPROVED BY:	<hr/> William D. Denny, Acting City Manager
ATTACHMENTS:	<ul style="list-style-type: none">• RCM Minutes 8-5-2013

**CITY OF DELTONA, FLORIDA
REGULAR CITY COMMISSION MEETING
MONDAY, AUGUST 5, 2013**

1 A Regular Meeting of the Deltona City Commission was held on Monday, August 5, 2013 at the
2 City Hall Commission Chambers, 2345 Providence Boulevard, Deltona, Florida.

3
4 **1. CALL TO ORDER:**

5
6 The meeting was called to order at 6:30 p.m. by Mayor Masiarczyk.

7
8 **2. ROLL CALL:**

9			
10	Mayor	John Masiarczyk	Present
11	Vice Mayor	Zenaida Denizac	Present
12	Commissioner	Webster Barnaby	Present
13	Commissioner	Heidi Herzberg	Present
14	Commissioner	Fred Lowry	Present
15	Commissioner	Chris Nabicht	Present
16	Commissioner	Nancy Schleicher	Present
17	Acting City Manager	Dave Denny	Present
18	City Attorney	Becky Vose	Present
19	City Clerk	Joyce Raftery	Present
20			

21 Also present: Human Resource Director Tom Acquaro; Planning and Development Services
22 Director Chris Bowley; Economic Development Manager Jerry Mayes; Building and Enforcement
23 Services Director/Acting Deputy City Manager Dale Baker; Deputy Fire Chief Robert Rogers; and
24 VCSO Captain Dave Brannon.

25
26 **3. INVOCATION AND PLEDGE TO THE FLAG:**

27
28 Invocation Presented by Commissioner Herzberg - Nick Pizza, from Nick Pizza Incorporated.

29
30 The National Anthem was sung by Haley Cooper, a junior from Deltona High School.

31
32 **4. APPROVAL OF MINUTES & AGENDA:**

33
34 **A. Minutes:**

35
36 **1. Approval of Minutes – Special City Commission Meeting of July 15, 2013 and Regular
37 City Commission Meeting of July 15, 2013.**

38
39 **Motion by Commissioner Herzberg, seconded by Commissioner Schleicher to approve the
40 minutes of the Special City Commission Meeting of July 15, 2013 and Regular City Commission
41 Meeting of July 15, 2013.**

42
43 **Motion carried unanimously with members voting as follows: Commissioner Barnaby, For;
44 Commissioner Herzberg, For; Commissioner Lowry, For; Commissioner Nabicht, For;
45 Commissioner Schleicher, For; Vice Mayor Denizac, For; and Mayor Masiarczyk, For.**

46
47 **B. Additions or Deletions to Agenda:**

1 **5. PRESENTATIONS/AWARDS/REPORTS:**

2
3 **A. Presentation of Certificates – West Volusia Youth Baseball League (WVYB) Single A All-**
4 **Star Team (Requested by Mayor Masiarczyk).**

5
6 Mayor Masiarczyk and the Commission presented certificates of recognition to the West Volusia Youth
7 Baseball League Single A All Star Team and their coaches for winning the District 1 Championship,
8 taking third place in the State Tournament, and bringing home the prestigious “Sportsmanship” Award.
9

10 **B. Presentation by Captain Brannon – Disabled Parking Permit Rules (Requested by**
11 **Mayor Masiarczyk).**

12
13 Captain Brannon presented a brief presentation regarding Florida’s disabled parking permit
14 requirements and fines which included how to obtain a permit, the number of handicapped permits in
15 Florida and Deltona for the year 2012, handicap parking space requirements, number of required
16 spaces, required handicap signage, enforcement, challenges to enforcing handicap parking, and
17 solutions to assist with enforcing handicap parking laws.
18

19 Vice Mayor Denizac asked who was responsible to make sure the businesses mark their handicap
20 spaces with the appropriate signs and if Citizens on Patrol (COP) can issue tickets. Captain Brannon
21 replied that Code Enforcement is responsible to make sure Deltona businesses comply with the
22 requirements for handicap parking signs and yes, a COP can issue tickets for handicap parking and
23 fire lane violations.
24

25 Commissioner Schleicher asked if Captain Brannon’s presentation could be placed on Deltona TV
26 (DTV) and provided to the Chamber of Commerce. Acting City Manager Dave Denny replied that
27 he would check into it.
28

29 Commissioner Herzberg asked if the COP actively look for handicap parking violators or were they
30 just discovering violators on random patrol. Captain Brannon replied that violators were found
31 mostly on random patrol but that COP and VCSO deputies always have it on their radar.
32

33 Mayor Masiarczyk emphasized the point that it is against the law for anyone but the handicapped
34 individual to use a Florida handicap tag and Captain Brannon replied that’s correct.
35

36 Captain Brannon reminded everyone about the upcoming VCSO National Night Out event on
37 Tuesday, August 6, 2013 from 6:30 to 8:30 p.m. at City Hall, and he thanked the Commission and
38 staff for their assistance with the event and with event marketing.
39

40 Mayor Masiarczyk encouraged parents to bring their children out to attend the VCSO National Night
41 Out, reminded everyone that school starts on Monday, August 19, 2013, and that Bethune
42 Cookman’s Marching Band would be at Dewey O. Boster Sports Complex on August 19, 2013 at
43 3:45 p.m. and he encouraged everyone to attend.
44

45 **C. Presentation – Quarterly Board Reports of City Advisory Boards and Committees.**

46
47 Deltona Economic Development Advisory Board (DEDAB) Chairman Joseph Cerrato presented the
48 DEDAB Second Quarter report, discussing project status of the Educational Campus and Medical

1 Complex Sub-Committee and the Micro-Incubator and Lakeshore Eco-Economic Research Sub-
 2 Committee.

3
 4 Planning and Zoning Board 2nd Quarter Report was a written report only.

5
 6 Mayor Masiarczyk called for a recess at 7:22 p.m. and reconvened at 7:55 p.m.

7
 8 **6. PUBLIC FORUM** – Citizen comments for items not on the agenda.

9
 10 a) Charlie Vance, 2270 Asbury Road, stated that Deltona Youth Soccer Club just ended their 21st
 11 season, that DYSC has a tournament in October, thanked Deltona for having over 800 soccer
 12 participants, he thanked the Parks and Recreation Department for taking such good care of Deltona's
 13 parks, he discussed economic development and sports complexes in Florida, and he encouraged Deltona
 14 to put in an all-purpose stadium.

15
 16 **7. CONSENT AGENDA:**

17
 18 Mayor Masiarczyk read the title of each item on the Consent Agenda.

19
 20 **Motion by Commissioner Schleicher, seconded by Commissioner Nabicht to approve Consent**
 21 **Agenda Items 7-A through 7-F.**

22
 23 **Motion carried unanimously with members voting as follows: Commissioner Barnaby, For;**
 24 **Commissioner Herzberg, For; Commissioner Lowry, For; Commissioner Nabicht, For;**
 25 **Commissioner Schleicher, For; Vice Mayor Denizac, For; and Mayor Masiarczyk, For.**

26
 27 ***A. Request for approval to use Life Extension Clinics, Inc. for Firefighters Physical and**
 28 **Medical Exams.**

29
 30 **Approved by Consent Agenda – to approve using Life Extension Clinics, Inc. to provide**
 31 **firefighter physical and medical examinations for 72 firefighters at a total cost of \$33,725.52.**

32
 33 ***B. Request for approval to piggyback Volusia County Contract #13-B-98KW with Cypress**
 34 **Supply, Inc., 835 Glem Inc. and Dade Paper Company for Janitorial Supplies.**

35
 36 **Approved by Consent Agenda – to approve piggybacking Volusia County Contract #13-B-98KW**
 37 **with Cypress Supply Inc., 835 Glem Inc. and Dade Paper Company for janitorial supplies as**
 38 **needed for a period of three years with the option to renew for two additional year periods upon**
 39 **mutual agreement of both parties up to the Commission appropriated amount for each fiscal**
 40 **year.**

41
 42 ***C. Request for approval to have Volusia County provide an Emergency Signal Device at**
 43 **Station 64.**

44
 45 **Approved by Consent Agenda – to have Volusia County perform the work needed to install an**
 46 **Emergency Signal Device at Fire Station 64 at a total cost of \$33,019.**

1 ***D. Request for approval to award RFP 13008 for Property and Casualty Insurance to**
 2 **PRIA.**

3
 4 **Approved by Consent Agenda – to make award of RFP 13008 for Property and Casualty**
 5 **Insurance to PRIA at a total annual cost of \$1,000,746 and renewed annually, upon**
 6 **Commission appropriation of funds, for three years with the option to renew for two**
 7 **additional one year periods.**

8
 9 ***E. Request for approval of the purchase of expanded storage equipment using GSA**
 10 **Contract through Promark Technologies.**

11
 12 **Approved by Consent Agenda – to approve the purchase of expanded storage through**
 13 **Promark Technologies using the GSA Contract for a total cost of \$58,600.**

14
 15 ***F. Request for approval to use Nexus IS for the purchase of our Cisco Smartnet renewal**
 16 **through Florida State Contract #250-000-09-1 and 730-000-09-1.**

17
 18 **Approved by Consent Agenda – to approve utilizing Nexus IS for the purchase of our Cisco**
 19 **Smartnet renewal through Florida State Contract #250-000-09-1 and 730-000-09-1.**

20
 21 **8. ORDINANCES AND PUBLIC HEARINGS:**

22
 23 **A. Public Hearing – Ordinance No. 11-2013, Provision for Non-Profit Organization Flea**
 24 **Markets, at second and final reading.**

25
 26 Mayor Masiarczyk opened and closed the public hearing as there were no public comments.

27
 28 **Motion by Commissioner Nabicht, seconded by Commissioner Herzberg to adopt Ordinance No.**
 29 **11-2013, at second and final reading, that amends Chapter 22, Businesses, Article V, Garage**
 30 **Sales, and Section 155, Flea Markets, to permit non-profit organizations to have up to two (2) flea**
 31 **markets per year.**

32
 33 City Attorney Becky Vose read the title of Ordinance No. 11-2013.

34
 35 **AN ORDINANCE OF THE CITY OF DELTONA, FLORIDA, AMENDING CHAPTER 22,**
 36 **“BUSINESSES,” ARTICLE V, “GARAGE SALES,” SECTION 155, “FLEA MARKETS,”**
 37 **TO PERMIT NON-PROFIT ORGANIZATIONS TO HAVE TWO FLEA MARKETS PER**
 38 **CALENDAR YEAR, PROVIDING FOR CONFLICTS, CODIFICATION, SEVERABILITY,**
 39 **AND FOR AN EFFECTIVE DATE.**

40
 41 **Motion carried unanimously with members voting as follows: Commissioner Barnaby, For;**
 42 **Commissioner Herzberg, For; Commissioner Lowry, For; Commissioner Nabicht, For;**
 43 **Commissioner Schleicher, For; Vice Mayor Denizac, For; and Mayor Masiarczyk, For.**

44
 45 Ordinance No. 11-2013 was adopted at second and final reading at 7:28 p.m.

46
 47 **B. Public Hearing – Resolution No. 2013-26, Community Development Block Grant (CDBG)**
 48 **for Program Year (PY) 2013-17, Annual Action Plan PY 2013-14, and for submittal to the U.S.**

1 **Department of Housing and Urban Development (HUD).**

2 **Motion by Commissioner Barnaby, seconded by Commissioner Herzberg to approve**
3 **Resolution No. 2013-26 for the City of Deltona's Five-Year Consolidated Plan for Program**
4 **Years 2013-2017, for the Annual Action Plan for Program Years 2013-2014, and to authorize**
5 **transmittal of the documents to HUD.**

6 Vice Mayor Denizac stated that the plan looks very different than the past few years where the City
7 spent over 65% of what they received on stormwater and drainage issues, and the new plan calls for
8 around 20% to be spent on stormwater and drainage issue. She commented that she liked the old
9 five-year plan better and she asked the Planning and Development Services Director to comment on
10 the change. Mr. Bowley replied that in the past that the City has spent quite a bit on public works
11 and stormwater management and will continue to do so. He stated that in the next program year of
12 2013-2014 that the City would carry over \$220 thousand dollars and would be spending another
13 \$100 thousand on top of that, for a total of around \$320 thousand dollars on stormwater which is
14 about half of what they receive from CDGB funding.

15 Vice Mayor Denizac asked about awarding funds to non-profits, which benefits residents and she
16 asked if there was a way to measure the success of the non-profit organizations. Mr. Bowley stated
17 that over the years staff has conducted interviews of those non-profits that apply for CDGB funds
18 and he asked the respondents what their criteria was for measuring success. He stated that some
19 organizations have not come up with measurement criteria and for that reason staff tries to stay with
20 the larger, more established non-profit organizations that have accounting methods in place and that
21 monitor themselves internally.

22 Vice Mayor Denizac asked if CDBG funds can be used to pay water and sewer bills. Mr. Bowley
23 replied that the range of eligible expenditures of CDBG funding is much more than the City uses it
24 for and that one of the eligible activities is called "housing activities" and which can be used for
25 owner occupied home repair and subsidies for electric bills to keep people in their homes. He stated
26 that interested individuals would stop by City Hall and apply with the Housing and Community
27 Development.

28 Mayor Masiarczyk stated that in last year's budget the CDBG fund account shows \$88 dollars in the
29 Home Repair line item and he thanked Mr. Bowley for monitoring the CDGB budget. He asked if
30 CDBG funds could be used for sidewalk repairs and he requested that a portion of next year's
31 CDGB funds be set aside for putting in sidewalks.

32 Commissioner Herzberg stated that CDGB funds are a good tool in the City's "toolbox" to keep
33 from having to raise revenue to fund some of the City's activities and projects and the City should be
34 grateful for receiving \$500 thousand dollars in revenue from CDGB funding.

35 Mayor Masiarczyk opened and closed the public hearing as there were no public comments.

36 **Motion carried unanimously with members voting as follows: Commissioner Barnaby, For;**
37 **Commissioner Herzberg, For; Commissioner Lowry, For; Commissioner Nabicht, For;**
38 **Commissioner Schleicher, For; Vice Mayor Denizac, For; and Mayor Masiarczyk, For.**

39
40 City Attorney Becky Vose stated that the title of the Resolution needed to be read into the record.

1 City Attorney Beck Vose read Resolution No. 2013-26.

2
3 **Mayor Masiarczyk asked if the Commission was in favor of the motion and the Commission**
4 **concurred.**

5
6 Resolution No. 2013-26 was adopted at 7:38 p.m.

7
8 **C. Ordinance No. 14-2013, Adding an additional homestead exemption as permitted under**
9 **F.S. 196.075(2)(b), and providing a method for computing income limitations for**
10 **qualifications, at first reading and to schedule second and final reading.**

11 Mayor Masiarczyk discussed the requirements for qualifying for the benefits of the additional
12 homestead exemption that is permitted under F.S. §196.075(2) (b).

13 **Motion by Commissioner Nabicht, seconded by Commissioner Barnaby to approve Ordinance**
14 **No. 14-2013 at first reading and to schedule second and final reading for August 19, 2013.**

15 Vice Mayor Denizac asked the City Attorney if it was mandated for cities to adopt an additional
16 homestead ordinance. Ms. Vose replied that participation is totally voluntary for both counties and
17 cities to participate and that the motion has to pass by a super-majority vote.

18 Vice Mayor Denizac stated that she was not sure if a real vote was taken for Agenda Item 8-B and
19 she asked the City Attorney if the procedures followed in adopting Resolution No. 2013-26 were
20 legal and if the Commission followed procedures. Ms. Vose replied that if there was an issue than
21 she suggested the Commission do a voice vote again.

22 Mayor Masiarczyk replied that after completing the proceedings for Agenda Item 8-C that he would
23 call for another vote for the motion made for Agenda Item 8-B.

24 Mayor Masiarczyk opened and closed the public hearing as there were no public comments.

25
26 City Attorney Becky Vose read the title of Ordinance No. 14-2013.

27
28 **AN ORDINANCE OF THE CITY OF DELTONA, FLORIDA, ADDING SECTIONS 62-2**
29 **AND 62-3 TO THE DELTONA CODE OF ORDINANCES ADDING AN ADDITIONAL**
30 **HOMESTEAD EXEMPTION AS PERMITTED UNDER F.S. §196.075(2)(b), AND**
31 **PROVIDING A METHOD FOR COMPUTING INCOME LIMITATIONS FOR**
32 **QUALIFICATIONS, PROVIDING FOR CONFLICTS, CODIFICATION, SEVERABILITY**
33 **AND FOR AN EFFECTIVE DATE.**

34
35 **Motion carried unanimously with members voting as follows: Commissioner Barnaby, For;**
36 **Commissioner Herzberg, For; Commissioner Nabicht, For; Commissioner Schleicher, For;**
37 **Commissioner Lowry, For; Vice Mayor Denizac, For; and Mayor Masiarczyk, For.**

38
39 Ordinance No. 14-2013 was approved at first reading at 7:42 p.m.

40
41 Mayor Masiarczyk called for another vote on the motion made for Agenda Item 8-B.

1 **Motion carried unanimously with members voting as follows: Commissioner Barnaby, For;**
2 **Commissioner Herzberg, For; Commissioner Nabicht, For; Commissioner Schleicher, For;**
3 **Commissioner Lowry, For; Vice Mayor Denizac, For; and Mayor Masiarczyk, For.**

4
5 **9. OLD BUSINESS:**

6
7 **A. Consideration of appointment of one (1) alternate member to the City's Charter Review**
8 **Committee.**

9
10 **Motion by Commissioner Nabicht, seconded by Commissioner Schleicher to confirm the**
11 **appointment of the following alternate member Carolyn Carbonel to the City's Charter Review**
12 **Committee.**

13
14 Mayor Masiarczyk opened and closed the public hearing as there were no public comments.

15
16 **Motion carried unanimously with members voting as follows: Commissioner Barnaby, For;**
17 **Commissioner Herzberg, For; Commissioner Nabicht, For; Commissioner Schleicher, For;**
18 **Commissioner Lowry, For; Vice Mayor Denizac, For; and Mayor Masiarczyk, For.**

19
20 **10. NEW BUSINESS:**

21
22 **A. Consideration of appointment of one (1) member to the City's Planning and Zoning**
23 **Advisory Board.**

24
25 **Motion by Vice Mayor Denizac, seconded by Commissioner Schleicher to confirm the**
26 **following Commission member's appointment of the citizen member Wendi Hickey to the**
27 **Planning and Zoning Advisory Board for the remainder of a term to expire on March 15, 2014.**

28
29 Mayor Masiarczyk opened and closed the public hearing as there were no public comments.

30
31 **Motion carried unanimously with members voting as follows: Commissioner Barnaby, For;**
32 **Commissioner Herzberg, For; Commissioner Nabicht, For; Commissioner Schleicher, For;**
33 **Commissioner Lowry, For; Vice Mayor Denizac, For; and Mayor Masiarczyk, For.**

34
35 **B. Request for approval of award of Bid #13015 for a Commercial Real Estate Broker to**
36 **sell Dupont Lakes Park.**

37
38 **Motion by Commissioner Herzberg, seconded by Vice Mayor Denizac to enter into an**
39 **agreement with Coldwell Banker Commercial to provide Commercial Real Estate Broker**
40 **Services at a commission fee of 4.5%.**

41
42 Mayor Masiarczyk opened and closed the public hearing as there were no public comments.

43
44 **Motion carried unanimously with members voting as follows: Commissioner Barnaby, For;**
45 **Commissioner Herzberg, For; Commissioner Nabicht, For; Commissioner Schleicher, For;**
46 **Commissioner Lowry, For; Vice Mayor Denizac, For; and Mayor Masiarczyk, For.**

47
48 **11. CITY COMMISSION COMMENTS:**

1 a) Commissioner Barnaby stated that he and Commissioner Herzberg were attending the Florida
2 League of Cities annual conference in Orlando next week, that he was doing everything that he could to
3 represent Deltona in Florida, that he has been listening and gathering information being a visionary
4 leader, building infrastructure to support economic development and attracting businesses to come to
5 Deltona and that he is doing everything possible to be in places to raise the profile of Deltona in some
6 places where the results are not seen immediately, but they are seen. Economic development takes
7 patience and faith in the Commission to do the right things for the residents and that he sees hope and
8 optimism for the future of Deltona, he thanked Mr Nick Pizza and that prayer does change things in a
9 good way. He reminded everyone about the VCSO National Night Out, he thanked Deputy Fire Chief
10 Rogers and the Deltona Fire Department for keeping residents safe, he thanked residents for attending
11 Commission meetings, acknowledged Mrs. Vicky Wailes' return to Deltona from Chicago, and that it
12 was a pleasure to work with the Mayor and the Commissioners of Deltona.

13
14 b) Commissioner Lowry stated that there was another baseball team that would soon be coming
15 before the Commission for winning the State Championship and the Southeast Regional Titles and that
16 he hopes Deltona becomes a baseball mecca. He reminded everyone about the Back to School
17 Backpack give-away event this coming Saturday at Deltona Lakes Baptist Church starting at 9:00 a.m.,
18 and he thanked Deltona Lakes Baptist Church, Pastor Ricardo Rodriguez from Centro Mundial, the
19 Volusia County Hispanic Association, Walmart, and Representative David Santiago for organizing and
20 sponsoring the event. He reminded everyone about school starting again, and that this coming Saturday
21 there would be a concert with 1980's music at the Deltona Amphitheater.

22
23 c) Commissioner Herzberg concurred with Commissioner Barnaby's comments concerning
24 Deltona, she discussed the need for the City to develop a business plan, economic development
25 improvements, and that a Dunkin Donuts was opening in Deltona. She stated that there have been three
26 (3) Deltona Spay and Neuter transport days with Halifax Humane Society and the next one is scheduled
27 for September 5, 2013, and anyone interested should contact Code Enforcement. She mentioned the
28 University of Central Florida (UCF) incubator, the amount of businesses incubated, and the possibility
29 of Deltona establishing their own business Incubator. She gave kudos to Captain Brannon and the
30 VCSO for their prompt and thorough response to a bomb scare incident at a local shopping plaza.

31
32 d) Commissioner Schleicher thanked Parks and Recreation Director Steve Moore for coordinating
33 the Senior Breakfast event, that tomorrow would be a very busy day with the opening of the Dunkin
34 Donuts in Deltona at 4:00 a.m., that Baskin Robins ice cream shop was along with the Dunkin Donuts,
35 that tomorrow night at 5:30 p.m. will be the VCSO's National Night Out event, that Wednesday will
36 also be the kick-off for Deltona's "Think Before You Throw" campaign, that school starts on August
37 19, 2013, she reminded everyone to be careful on the roads, and that she hopes the City can get Captain
38 Brannon's handicap parking presentation uploaded to DTV.

39
40 e) Commissioner Nabicht stated that over the last two (2) to three (3) weeks the City had lost two
41 (2) members of its community. Both of them having served diligently on the City's Firefighter Pension
42 Board, Mr. John Adams and Mr. Earl "Mac" Deyette both helped carry the Firefighter's Pension Plan
43 forward from its original inception to be a very good and solid plan that will be there to protect
44 Deltona's firefighters when they retire. Commissioner Nabicht publicly thanked Mr. Adams and Mr.
45 Deyette and their families, and he expressed condolences for their loss. He stated that he also attended
46 the UCF Incubator's two (2) year anniversary celebration and he stated that it is a great opportunity for
47 business development on the East side of Volusia County and he strongly encouraged the Commission
48 to quickly fast-tracking the establishment of a West Volusia incubator.

49

1 f) Vice Mayor Denizac stated that she concurred with Commissioner Herzberg and Commissioner
 2 Nabicht on the need for a West Volusia incubator and that the Commission should follow-up on the
 3 suggestion at a Commission Workshop. She discussed having another Economic Development
 4 Workshop to discuss the possible development of an incubator, a brown fields update, and to discuss
 5 enterprise zones. She stated that the Commission needs to capitalize on the synergy of the new
 6 businesses opening in Deltona, like Halifax Health and Bethune Cookman University. She stated that
 7 the Commission has shown it has the political will to support economic development, that there is a lot
 8 of energy in Deltona right now, and that it is time for the Commission to re-access economic
 9 development in Deltona. She also mentioned the “Think Before You Throw” campaign kick-off and
 10 the need to invite businesses to open in a clean City.

11
 12 g) Mayor Masiarczyk thanked Vice Mayor Denizac for taking the lead on Deltona’s “Think Before
 13 You Throw” anti-littering campaign and he encouraged residents to attend kick-off event on
 14 Wednesday, August 7, 2013 at 10:00 a.m. He also mentioned that Congressman John Mica would be
 15 attending a Veterans luncheon at Sterling Park on Thursday and he encouraged attendance when
 16 Bethune Cookman Marching Band performs on August 19, 2013 at Dewey O’ Boster Sports Complex.
 17 He gave his condolences to the passing of Mr. John Adams and Mr. Earl “Mac” Deyette, stating that
 18 they were both pillars in the Deltona community. He stated that Saturday Sterling Park will host an
 19 outward bound Veterans event and that Saturday night was a free concert at the Deltona Amphitheater.
 20 He stated that he had received several calls from residents concerning the landscaping of Rosetta Drive
 21 and he asked the Commissioners to let any residents who contact them about this know that it is going
 22 to be finished, that more trees need to be delivered. Mayor Masiarczyk stated that he did send the
 23 letters out to the other West Volusia cities concerning the next West Volusia County Summit and he
 24 checked with Sterling Park about holding the Summit at their location, but that the facility does not
 25 have the resources to support the number of attendees. Mayor Masiarczyk encouraged Commissioners
 26 to take Captain Brannon’s Disabled Parking presentation from the Agenda Packet, make copies, and
 27 pass the copies out to local businesses.

28
 29 **12. CITY ATTORNEY COMMENTS:** None.

30
 31 **13. ACTING CITY MANAGER COMMENTS:**

32
 33 Mr. Denny stated that the Deltona Employee BBQ Luncheon is scheduled for August 16, 2013 from 11
 34 a.m. until 2 p.m. and invited the Mayor and Commission to attend.

35
 36 **14. ADJOURNMENT:**

37
 38 There being no further business, the meeting adjourned at 8: 13 p.m.

39
 40
 41
 42
 43 _____
John Masiarczyk Sr., Mayor

44 **ATTEST:**

45
 46
 47 _____
 48 **Mitch Honaker, Deputy City Clerk**



AGENDA MEMO

TO: Mayor & City Commission **AGENDA DATE:** 8/19/2013
FROM: William D. Denny, Acting City Manager **AGENDA ITEM:** 5 - A
SUBJECT: Presentation of Certificates - West Volusia Youth Baseball League (WVYB) AA All-Star Team (Requested by: Mayor Masiarczyk).

LOCATION:

N/A

BACKGROUND:

Under the management of Jason Oglageo and Coaches Mike Maples, Ben Coppen and Justin Privett, the AA All-Stars team consists of WVYB's top 7 and 8 year-old players. In their first outing at the District Championships held June 13-June 15, West Volusia swept the tournament in 3 games, winning 17-2; 8-4; and 14-8.

During the weeklong Florida Dixie Youth AA State Tournament, held June 28-July 4 in Wildwood, Florida, the West Volusia Youth Baseball AA Team was crowned State Champion, finishing the week with a record of 5-1 and outscoring their opponents 31-16. They also had 3 players named MVP of individual games.

As the Florida AA State Champion, West Volusia moved on to the Dixie Youth AA Region 2 World Series – the final stop in this age division, held July 26-July 30, 2013, in Walterboro, South Carolina. West Volusia finished the 5-day tournament with a record of 7-0, outscoring their opponents an astounding 86-7 and earning the Dixie Youth AA Region 2 World Series Championship Trophy. Such an honor is the first for the league at any age level. Also, West Volusia's Rafael Betancourt won the Home Run Derby contest with 8 home runs.

While the team's accomplishments are certainly noteworthy, the player families are equally proud of the manner in which these young players carried themselves--always showing respect to other players, coaches and officials, and displaying excellent teamwork and sportsmanship.

**ORIGINATING
DEPARTMENT:**

Deputy City Manager

SOURCE OF FUNDS:

N/A

COST:

N/A

REVIEWED BY:

City Clerk

**STAFF
RECOMMENDATION
PRESENTED BY:**

N/A - Presentations only.

**POTENTIAL
MOTION:**

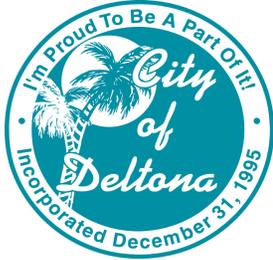
N/A - Presentations only.

**AGENDA ITEM
APPROVED BY:**

William D. Denny, Acting City
Manager

ATTACHMENTS:

- WVYB AA All-Star Baseball Team



City of Deltona

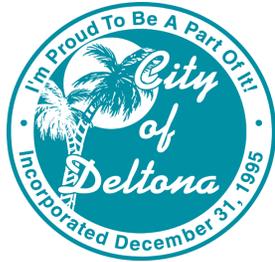
*Certificate of Recognition
to*

**Jason Oglageo, Head Coach
West Volusia Youth Baseball AA All-Stars**

In recognition of your coaching and leadership abilities in winning
the 2013 District Championships, the Florida Dixie Youth AA
State Tournament & the Dixie Youth AA Region 2 World Series.

August 19, 2013

John Masiarczyk, Mayor



City of Deltona

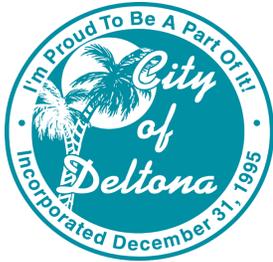
*Certificate of Recognition
to*

**Mike Maples Jr., Assistant Coach
West Volusia Youth Baseball AA All-Stars**

In recognition of your coaching and leadership abilities in winning
the 2013 District Championships, the Florida Dixie Youth AA
State Tournament & the Dixie Youth AA Region 2 World Series.

August 19, 2013

John Masiarczyk, Mayor



City of Deltona

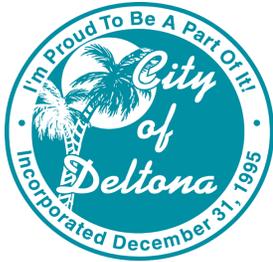
*Certificate of Recognition
to*

**Ben Coppen, Assistant Coach
West Volusia Youth Baseball AA All-Stars**

In recognition of your coaching and leadership abilities in winning
the 2013 District Championships, the Florida Dixie Youth AA
State Tournament & the Dixie Youth AA Region 2 World Series.

August 19, 2013

John Masiarczyk, Mayor



City of Deltona

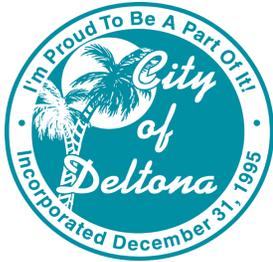
*Certificate of Recognition
to*

**Justin Privett, Assistant Coach
West Volusia Youth Baseball AA All-Stars**

In recognition of your coaching and leadership abilities in winning
the 2013 District Championships, the Florida Dixie Youth AA
State Tournament & the Dixie Youth AA Region 2 World Series.

August 19, 2013

John Masiarczyk, Mayor



City of Deltona

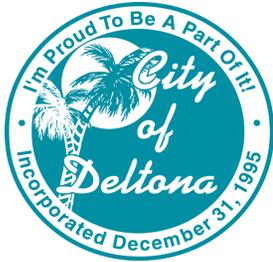
*Certificate of Recognition
to*

**Frank Verdi, Assistant Coach
West Volusia Youth Baseball AA All-Stars**

In recognition of your coaching and leadership abilities in winning
the 2013 District Championships, the Florida Dixie Youth AA
State Tournament & the Dixie Youth AA Region 2 World Series.

August 19, 2013

John Masiarczyk, Mayor



City of Deltona

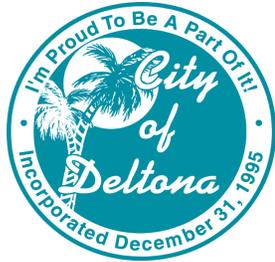
*Certificate of Recognition
to*

**George Quinones, Assistant Coach
West Volusia Youth Baseball AA All-Stars**

In recognition of your coaching and leadership abilities in winning
the 2013 District Championships, the Florida Dixie Youth AA
State Tournament & the Dixie Youth AA Region 2 World Series.

August 19, 2013

John Masiarczyk, Mayor



City of Deltona

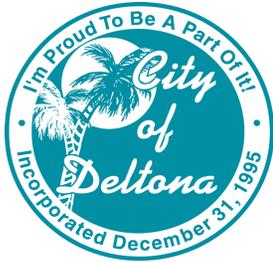
*Certificate of Recognition
to*

Carter Oglageo
West Volusia Youth Baseball AA All-Stars

In recognition of you and your team winning
the 2013 District Championships, the Florida Dixie Youth AA
State Tournament & the Dixie Youth AA Region 2 World Series.

August 19, 2013

John Masiarczyk, Mayor



City of Deltona

*Certificate of Recognition
to*

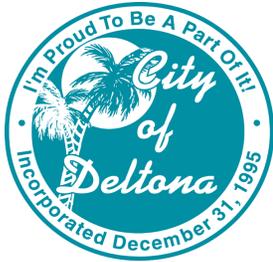
Kyle Maples

West Volusia Youth Baseball AA All-Stars

In recognition of you and your team winning
the 2013 District Championships, the Florida Dixie Youth AA
State Tournament & the Dixie Youth AA Region 2 World Series.

August 19, 2013

John Masiarczyk, Mayor



City of Deltona

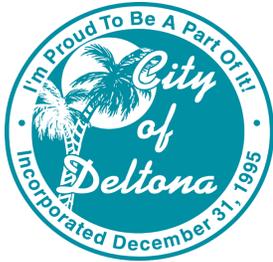
*Certificate of Recognition
to*

Jonathan Coppen
West Volusia Youth Baseball AA All-Stars

In recognition of you and your team winning
the 2013 District Championships, the Florida Dixie Youth AA
State Tournament & the Dixie Youth AA Region 2 World Series.

August 19, 2013

John Masiarczyk, Mayor



City of Deltona

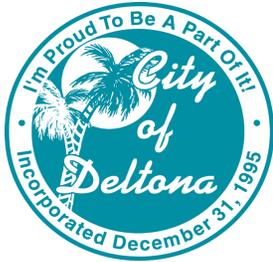
*Certificate of Recognition
to*

Colten Privett
West Volusia Youth Baseball AA All-Stars

In recognition of you and your team winning
the 2013 District Championships, the Florida Dixie Youth AA
State Tournament & the Dixie Youth AA Region 2 World Series.

August 19, 2013

John Masiarczyk, Mayor



City of Deltona

*Certificate of Recognition
to*

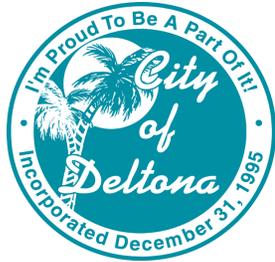
Ryan Verdi

West Volusia Youth Baseball AA All-Stars

In recognition of you and your team winning
the 2013 District Championships, the Florida Dixie Youth AA
State Tournament & the Dixie Youth AA Region 2 World Series.

August 19, 2013

John Masiarczyk, Mayor



City of Deltona

Certificate of Recognition

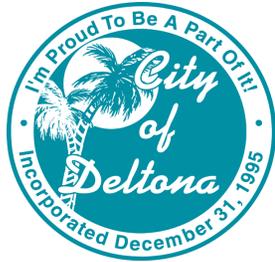
Cristian Quinones

West Volusia Youth Baseball AA All-Stars

In recognition of you and your team winning
the 2013 District Championships, the Florida Dixie Youth AA
State Tournament & the Dixie Youth AA Region 2 World Series.

August 19, 2013

John Masiarczyk, Mayor



City of Deltona

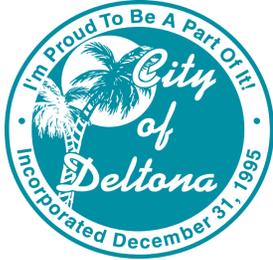
*Certificate of Recognition
to*

Rafael Betancourt
West Volusia Youth Baseball AA All-Stars

In recognition of you and your team winning
the 2013 District Championships, the Florida Dixie Youth AA
State Tournament & the Dixie Youth AA Region 2 World Series.

August 19, 2013

John Masiarczyk, Mayor



City of Deltona

*Certificate of Recognition
to*

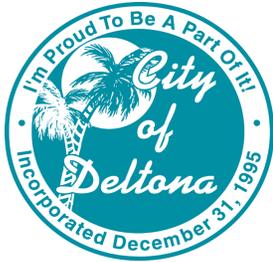
Andy Perez

West Volusia Youth Baseball AA All-Stars

In recognition of you and your team winning
the 2013 District Championships, the Florida Dixie Youth AA
State Tournament & the Dixie Youth AA Region 2 World Series.

August 19, 2013

John Masiarczyk, Mayor



City of Deltona

*Certificate of Recognition
to*

Erwin Cabassa
West Volusia Youth Baseball AA All-Stars

In recognition of you and your team winning
the 2013 District Championships, the Florida Dixie Youth AA
State Tournament & the Dixie Youth AA Region 2 World Series.

August 19, 2013

John Masiarczyk, Mayor



City of Deltona

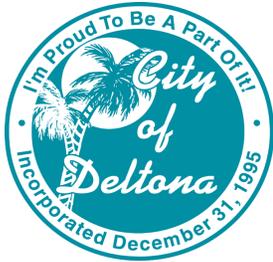
*Certificate of Recognition
to*

Nick Morrissette
West Volusia Youth Baseball AA All-Stars

In recognition of you and your team winning
the 2013 District Championships, the Florida Dixie Youth AA
State Tournament & the Dixie Youth AA Region 2 World Series.

August 19, 2013

John Masiarczyk, Mayor



City of Deltona

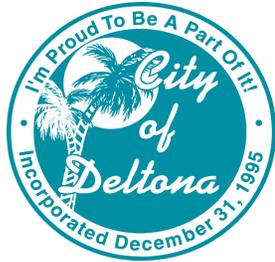
*Certificate of Recognition
to*

Jacob Hoppe
West Volusia Youth Baseball AA All-Stars

In recognition of you and your team winning
the 2013 District Championships, the Florida Dixie Youth AA
State Tournament & the Dixie Youth AA Region 2 World Series.

August 19, 2013

John Masiarczyk, Mayor



City of Deltona

*Certificate of Recognition
to*

Anthony Ruocco
West Volusia Youth Baseball AA All-Stars

In recognition of you and your team winning
the 2013 District Championships, the Florida Dixie Youth AA
State Tournament & the Dixie Youth AA Region 2 World Series.

August 19, 2013

John Masiarczyk, Mayor



AGENDA MEMO

TO: Mayor & City Commission

AGENDA DATE: 8/19/2013

FROM: William D. Denny, Acting City Manager

AGENDA ITEM: 5 - B

SUBJECT: Presentation of Meritorious Service Awards and Unit Citations for a Trench Rescue in Orange City on July 23rd, 2013.

LOCATION:

N/A

BACKGROUND:

On Tuesday, July 23rd Engine Company 62 responded to a possible Trench Collapse in Orange City. Engine 62 was on a coverage assignment while Orange City personnel were engaged in another alarm requiring a majority of their resources.

Engine 62, staffed by Lt. Bryan Maples, Engineer Randy Sievert and Firefighter Keith Wyche responded to the alarm to find an Orange City Utilities employee that had become entrapped under heavy soil while locating a water line on Veterans Memorial Parkway. Recognizing this as a serious alarm, Lt. Maples requested additional resources including Engine 65, Squad 65, Battalion 61 and Orange City Chief 68. He also request VCSO Air-1 be put on standby.

Upon arrival the crew was directed to the patient that was trapped underneath the dirt in a hole that was approximately 16 inches wide, 80 inches long and 6 feet deep. Without due regard to their safety and without all of the standard equipment to perform a trench rescue, the crew recognized that the patient may only have minutes to live if action was not immediately taken to free him from the soil. The crew jumped into action, climbing down into the 6-foot deep, partially collapsed trench, that could cave in at any moment and started digging by hand to reach the patient. After transgressing through approximately 2 feet of soil, they noticed the dirt moving slightly, identifying where the patient was located. After exposing the patient's back and neck using their hands and hand tools they assessed the patient that was no longer moving, making any noises and

did not appear to be breathing.

As back-up units arrived, the crew was secured with a rescue line and continued to remove dirt from around the patient's face. The patient did not appear to be breathing and the crew began to stimulate the patient to breath using various medical procedures and methods. The patient began breathing with snoring respirations and oxygen was delivered to the now cleared patient's face. As the patient became more awake and tried to self-extricate, he was calmed by the crew of Engine 62 and assured him they would get him out.

As additional personnel and Squad 65 arrived on scene, shoring using backboards and ground pads were put into place to stabilize the hole from further collapse. The patient was then extricated from the hole, assessed completely and transported to the Trauma Center, Halifax Medical Center for treatment by Volusia County EMS/EVAC Ambulance.

Without the immediate actions by Lt. Bryan Maples, Engineer Randy Sievert and Firefighter Keith Wyche, the patient would have surely succumbed to his injuries. It is for this act of unselfishness that I award Lt. Maples, Engineer Sievert and Firefighter Wyche the Meritorious Service Award.

During this rescue, Engine 62 was assisted by the crews of Engine 65 / Squad 65 and Chief Snyder on Battalion 61. For their part in this rescue I proudly award a Unit Citation to Division Chief Bill Snyder, Lt. Daniel Bowen, Engineer John Motley and Firefighter John Morgan.

**ORIGINATING
DEPARTMENT:**

Fire Administration

SOURCE OF FUNDS:

N/A

COST:

N/A

REVIEWED BY:

Fire Chief

**STAFF
RECOMMENDATION
PRESENTED BY:**

N/A - Presentation Only.

**POTENTIAL
MOTION:**

N/A - Presentation Only.

AGENDA ITEM

APPROVED BY:

William D. Denny, Acting City
Manager

ATTACHMENTS:

- Meritorious Service Awards

Meritorious Service Award

Presented to

Lt. Bryan Maples

who, under adverse conditions and with some degree of hazard of bodily harm, saved the life of another during a trench rescue in Orange City on July 23, 2013.

Fire Chief

Date

Meritorious Service Award

Presented to

Eng. Randy Sievert

who, under adverse conditions and with some degree of hazard of bodily harm, saved the life of another during a trench rescue in Orange City on July 23, 2013.

Fire Chief _____

Date _____

Meritorious Service Award

Presented to

FF. Keith Wyche

who, under adverse conditions and with some degree of hazard of bodily harm, saved the life of another during a trench rescue in Orange City on July 23, 2013.

Fire Chief

Date

Unit Citation Award

Presented to

Lt. Daniel Bowen

*Who, under adverse conditions assisted in saving the life of
another during a trench rescue in Orange City on
July 23, 2013*

Fire Chief

Date

Unit Citation Award

Presented to

Eng. John Motley

*Who, under adverse conditions assisted in saving the life of
another during a trench rescue in Orange City on
July 23, 2013*

Fire Chief

Date

Unit Citation Award

Presented to

FF. John Morgan

*Who, under adverse conditions assisted in saving the life of
another during a trench rescue in Orange City on
July 23, 2013*

Fire Chief

Date

Attachment number 1 in Page 4

Unit Citation Award

Presented to

Div. Chief Frank Snyder

*who, under adverse conditions assisted in saving the life of
another during a trench rescue in Orange City on
July 23, 2013.*

Fire Chief

Date



AGENDA MEMO

TO: Mayor & City Commission **AGENDA DATE:** 8/19/2013
FROM: William D. Denny, Acting City Manager **AGENDA ITEM:** 5 - C
SUBJECT: Presentation of Certificates in Recognition of Educational Achievement.

LOCATION:

N/A

BACKGROUND:

Recently, five members of the fire department completed a Masters program in Emergency Management through the Jacksonville State University Jacksonville, AL. This program's concentration in Emergency Management has prepared the graduates to handle natural and manmade disasters by providing conceptual knowledge and skill acquisition in crisis management, hazard assessment and other analytic and management skills.

The graduates completed 30 graduate semester hours including a capstone project in Emergency Management.

The following individuals have achieved this distinction: Division Chief Bill Snyder, Division Chief Chris Sievert, Lieutenant Daniel Bowen, Lieutenant Jonathan Littell and Lieutenant John Sabia. Therefore, it is my pleasure to provide them with an educational achievement award which can be displayed on their uniform.

ORIGINATING DEPARTMENT:

Fire Administration

SOURCE OF FUNDS:

N/A

COST:

N/A

REVIEWED BY:

Fire Chief

STAFF RECOMMENDATION PRESENTED BY:

N/A - Presentation Only.

**POTENTIAL
MOTION:**

N/A - Presentation Only.

**AGENDA ITEM
APPROVED BY:**

William D. Denny, Acting City
Manager

ATTACHMENTS:

- Educational Achievement Awards

Attachment number 1 InPage

Educational Achievement Award

Presented to

Div. Chief Frank Snyder

*For obtaining your Master's Degree in
Emergency Management*

Fire Chief

Date

Educational Achievement Award

Presented to

Div. Chief Chris Sievert

*For obtaining your Master's Degree in
Emergency Management*

Fire Chief

Date

Educational Achievement Award

Presented to

Lt. Daniel Bowen

*For obtaining your Master's Degree in
Emergency Management*

Fire Chief

Date

Educational Achievement Award

Presented to

Lt. John Sabia

*For obtaining your Master's Degree in
Emergency Management*

Fire Chief

Date

Educational Achievement Award

Presented to

Lt. Jon Littell

*For obtaining your Master's Degree in
Emergency Management*

Fire Chief

Date



AGENDA MEMO

TO: Mayor & City Commission **AGENDA DATE:** 8/19/2013
FROM: William D. Denny, Acting City Manager **AGENDA ITEM:** 7 - A
SUBJECT: Request for approval of budget amendment to purchase various trees in accordance with the Tree Replacement Fund.

LOCATION:	City Wide
BACKGROUND:	A Budget Amendment of \$25,000.00 is requested to cover the cost of the planting and maintenance of assorted trees at various locations throughout the City. Originally, funds were not budgeted in the 2012/2013 Fiscal Year. The source of the funding will be from the Tree Replacement Fees Fund fund balance and will be transferred to 110-525213 (Landscaping, Seed and Sod). This amendment results in a net decrease in Budgetary Fund Balance of \$25,000.00.
ORIGINATING DEPARTMENT:	Finance
SOURCE OF FUNDS:	Tree Replacement Fees Fund
COST:	\$25,000.00
REVIEWED BY:	Public Works Director, Finance Director
STAFF RECOMMENDATION PRESENTED BY:	Gerald Chancellor, Public Works Director - That the City Commission approve the budget amendment in the amount of \$25,000.00 to pay for the planting and maintenance of assorted trees in various City wide locations.
POTENTIAL MOTION:	"I move to approve the budget amendment in the amount of \$25,000.00 to pay for the planting and maintenance of assorted trees in various City wide locations."

**AGENDA ITEM
APPROVED BY:**

William D. Denny, Acting City
Manager

ATTACHMENTS:

- Budget Amendment



AGENDA MEMO

TO: Mayor & City Commission **AGENDA DATE:** 8/19/2013
FROM: William D. Denny, Acting City Manager **AGENDA ITEM:** 7 - B
SUBJECT: Request for approval to award Bid # PW 13-13, Acadian Sidewalk Construction.

LOCATION:

Acadian Drive

BACKGROUND:

The City of Deltona has been approved, through the Florida Department of Transportation, for the design and construction of a sidewalk on portions of Acadian Drive. This project has been approved through the Local Agency Program (LAP) which provides funding for this type of work and coincides with the Safe Routes to School Program which encourages the construction of sidewalks around schools. This sidewalk has been designed using LAP funding and now funds have been allocated through LAP for the construction portion of this project.

The Public Works Division solicited bids for the Acadian Sidewalk Construction project. The bid was solicited on Demandstar and went out to 460 Contractors. There were 29 planholders for this bid and 2 bids were received as follows:

1. Conpilog International Company \$48,322.60
2. Tomoka Construction Services \$61,329.00

The low bidder, Conpilog International Company, Inc., is verified as a Disadvantaged Business Enterprise by F.D.O.T standards and has proven past positive references for similar work. Conpilog International Company has the appropriate license for this project and has been verified through the Department of Business and Professional Regulation.

ORIGINATING DEPARTMENT:

Public Works/Deltona Water

SOURCE OF FUNDS:

Florida Department of Transportation - Local Agency Program

COST:	\$48,322.60
REVIEWED BY:	Public Works Director
STAFF RECOMMENDATION PRESENTED BY:	Gerald Chancellor, Public Works Director - Recommendation is being made to approve award of Bid #PW-13-13 for the Acadian Drive Sidewalk Construction Project to Conpilog International Company.
POTENTIAL MOTION:	"I move to award Bid #PW-13-13 for the Acadian Drive Sidewalk Construction Project to Conpilog International Company at a total cost of \$48,322.60."
AGENDA ITEM APPROVED BY:	<hr/> William D. Denny, Acting City Manager
ATTACHMENTS:	<ul style="list-style-type: none"> • Map of Location • Draft Agreement pre-approved by Legal • Bid Tabulation Sheet • Letter of Concurrence to FDOT • Background check on Conpilog • Conpilog Submittal • Tomoka Construction Services Submittal

MAP OF LOCATION



**AGREEMENT BETWEEN CITY OF DELTONA AND
CONPILOG INTERNATIONAL COMPANY
PER ITB NO. PW 13-13**

THIS AGREEMENT is made and entered into this ____ day of _____, 2013 by and between the CITY OF DELTONA, a municipality of the State of Florida, whose address is 2345 Providence Boulevard, Deltona, Florida 32725, hereinafter called the "City" and **CONPILOG INTERNATIONAL COMPANY**, duly authorized to conduct business in the State of Florida, whose principal address is **2800 S. Orange Blossom Trail, Orlando, Florida 32805**, hereinafter called the "Contractor".

WHEREAS, the City desires to obtain services related to **the Acadian Sidewalk Construction project** per ITB No. **PW 13-13**. The work generally involves all work as described in the ITB documents, specifications, drawings and any addendum issued for this project.

WHEREAS, the City requested and received expressions of interest from several companies to provide these services; and

WHEREAS, Contractor is competent and qualified to furnish said services to the City and desires to provide its services for this project, and

WHEREAS, the Commission of the City of Deltona has approved award of this agreement on **{DATE}**.

NOW, THEREFORE, IN CONSIDERATION of the mutual terms, understandings, conditions, premises, covenants and payment hereinafter set forth, and intending to be legally bound, the parties hereby agree as follows:

Article 1. Recitals

The foregoing recitals are true and correct and incorporated herein by reference.

Article 2. Scope of Services

2.1 Pursuant to the terms and conditions set forth in this Agreement, City hereby engages Contractor to perform services related to **the Acadian Sidewalk Construction project** per ITB No. **PW 13-13**, attached hereto and incorporated herein by reference, and Contractor's Proposal dated **July 30, 2013**.

2.2 The services, as described in ITB No. **PW 13-13**, to be rendered by the Contractor, shall commence upon issuance of a Notice to Proceed and be completed within **120** days.

2.3 City and Contractor recognize that time is of the essence of this Agreement and that City will suffer financial loss if the Work is not completed within the times specified above. They also recognize the delays, expense and difficulties in proving the actual loss suffered by City if the Work is not completed on time. Accordingly, instead of requiring any such proof, City and Contractor agree that as liquidated damages for delay (but not as a penalty), Contractor shall pay the City **one thousand dollars (\$1,000.00)** for each day that goes beyond the agreed upon completion date as stated on the Notice to Proceed. This amount represents an estimate of City's damages for loss of use and administrative costs associated with the delay.

2.4 The services to be rendered by the Contractor shall include all labor, materials, equipment and incidentals necessary to perform all work indicated and specified in the ITB documents.

2.5 Contractor has familiarized itself with the nature and extent of the contract documents, work, site, locality, and all local conditions and laws and regulations that in any manner may affect cost, progress, performance or furnishing of the work.

2.6 Contractor has obtained and carefully studied (or assumes responsibility for obtaining and carefully studying) all examinations, investigations, explorations, tests, reports and studies which pertain to the subsurface or physical conditions at or contiguous to the site or otherwise may affect the cost, progress, performance or furnishing of the work as Contractor considers necessary for the performance or furnishing of the work at the contract price, within the contract time and in accordance with the other terms and conditions of the contract documents and no additional examinations, investigations, explorations, tests, reports, studies or similar information or data are or will be required by Contractor for such purposes.

2.7 Contractor acknowledges that nothing herein shall be deemed to preclude the City from retaining the services of other persons or entities undertaking the same or similar services as those undertaken by the Contractor or from independently developing or acquiring materials or programs that are similar to or competitive with, the services provided under this Agreement.

2.8 Contractor shall be responsible for obtaining all required federal, state or local permits required to complete the scope of work under this agreement.

2.9 Contractor shall be responsible for the quality of work performed. Contractor shall, without additional compensation, correct or revise any errors or deficiencies in his services.

2.10 Contractor agrees to provide a one year maintenance period to correct any defective work that may be found within the one year period from the time of completion.

Article 3. Payment

3.1 The City agrees to compensate Contractor for work performed, completed and accepted by the City's representative for services provided for this project at a total cost not to exceed **Forty eight thousand, three hundred twenty two dollars and 60/100 (\$48,322.60)**. Fees for any additional work needed will be agreed upon in writing prior to any service being completed.

3.2 Invoices shall be submitted in duplicate to the City of Deltona, Accounts Payable, 2345 Providence Blvd., Deltona, FL 32725. Each invoice shall contain the purchase order number and a detailed description of services and fees.

3.3 The City shall make payment on all invoices in accordance with the Florida Prompt Payment Act, sections 218.70 through 218.79, Florida Statutes.

3.4 The City shall make progress payments on account of the Contract Price on the basis of Contractor's monthly Applications for Payment, as recommended by the City, which shall be submitted by the Contractor between the first (1st) and the tenth (10th) day after the end of each calendar month for which payment is requested. All progress payments will be made on the basis of the progress of the work completed and accepted by the City.

3.5 Progress payments will be made in an amount equal to the percentage indicated below, but in each case, less the aggregate of payments previously made.

3.5.1. Ninety percent (90%) of the value of work completed, with the balance being retainage.

3.5.2. Final Payment. Upon final completion of the work, City shall pay Contractor an amount sufficient to increase total payments to ninety percent (90%) of the Contract Price. However, not less than ten percent (10%) of the Contract Price shall be retained until Contract Closeout is completed.

3.6 The Contractor shall not be entitled to payment for any other expenses, fees, or other costs it may incur at any time and in any connection with its performance hereunder. The Contractor hereby agrees that the total cost is inclusive of all overhead and administrative expenses.

3.7 In the event a specific project is to be funded by state or federal monies, the Contractor hereby agrees to comply with all requirements of the state or federal government applicable to the use of the monies, including receiving no payment until all required forms are completed, submitted, and approved by the City.

Article 4. Special Terms and Conditions

4.1 Qualifications. Firms or individuals shall be registered with the State of Florida and have obtained at least the minimum thresholds of education and professional experience required by Florida Statutes to perform the services contained herein.

4.2 Termination. This Agreement may be terminated by the City upon thirty (30) days advance written notice to the Contractor; but if any work is in progress but not completed as of the date of termination, then this Agreement may be extended upon written approval of the City until said work is completed by the Contractor and accepted by the City.

- A. Upon notification to the Contractor of termination by the City, Contractor will immediately discontinue all services affected unless the notice directs otherwise.
- B. Termination for Convenience. In the event this Agreement is terminated or cancelled upon the request and for the convenience of City, City shall reimburse Contractor for actual work satisfactorily completed.
- C. Termination for Cause. If the termination of this Agreement is due to the failure of the Contractor to fulfill his contractual obligations, City shall reimburse Contractor for actual work satisfactorily completed, and City may take over the work and prosecute the same to completion by Agreement or otherwise.
- D. In the event of termination of this Agreement, all work, reports, and other work product produced by Contractor in connection with the Agreement shall be returned to the City and become and remain the property of the City.

4.3 Assignment. This Agreement may not be assigned or transferred in any manner by Contractor and any such assignment is expressly prohibited. Any attempt to assign this Agreement shall render this Agreement null and void.

4.4 Insurance and Bond. Contractor shall provide and maintain, during the entire term of this Agreement, without cost to the City, insurance in the following types and limits with a company or companies authorized to do business in the State of Florida and rated "Class A" or better by A. M. Best or some other form of assurance approved by the City's Risk Manager. Contractor shall not commence work under the Agreement until City has received an acceptable certificate or certificates of insurance and endorsement evidencing the required insurance, which is as follows:

(A) General Liability insurance on forms no more restrictive than the latest edition of the Commercial General Liability policy (CG 00 01 or CG 00 02) of the Insurance Services Office or equivalent without restrictive endorsements, with the following minimum limits and coverage available:

General Liability	
Each Occurrence/General Aggregate	\$1,000,000
Products-Completed Operations	\$1,000,000
Premises Operation	\$1,000,000
Personal & Adv. Injury	\$1,000,000
Blanket Contractual Liability	\$1,000,000
Fire Damage	\$50,000
Medical Expense	\$5,000

(B) Automobile liability insurance, including owned, non-owned and hired autos with the following minimum limits and coverage:

Combined Single Limit	\$1,000,000
Or	
Bodily Injury (per person)	\$1,000,000
Bodily Injury (per accident)	\$1,000,000
Property Damage	\$100,000

(C) Workers' compensation insurance in accordance with Florida Statute, Chapter 440, and/or any other applicable law requiring workers' compensation (Federal, maritime, etc).

(D) Additional Requirements:

(1) **City of Deltona shall be named and endorsed as an additional insured on the General liability policy.**

(2) The General Liability policy is to contain or be endorsed to name the City, its officers, officials and employees as additional insureds as respects to the liability arising out of the activities performed under this Agreement. Such coverage shall be primary to the extent of Contractors negligent acts or omissions or willful misconduct, and shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. In addition, a waiver of subrogation by the commercial liability insurer shall be provided that lists or names the additional insured as subject to the waiver. **Coverage shall be on an "occurrence" basis and not "claims made".**

(3) Certificates of insurance shall provide for a minimum of thirty (30) days prior written notice to the City of any material change or cancellation of the required insurance, with ten (10) day written notice of cancellation due to non-payment of premium.

(4) Certificates of insurance shall identify the Bid number, contract, project, etc. in the Description of Operations section of the Certificate.

(5) Contractor shall be responsible for subcontractors and their insurance.

(6) The Certificate holder section of each policy shall state: City OF DELTONA, 2345 PROVIDENCE BOULEVARD, DELTONA, FLORIDA 32725.

(7) Contractor shall be solely responsible for all deductibles and self-insurance retention on Contractor Liability Insurance policies. All of the policies of insurance so required to be purchased and maintained shall contain a provision or endorsement that the coverage afforded shall not be canceled, materially changed or renewal refused without thirty (30) calendar days written notice, or without ten (10) days written notice of cancellation due to non-payment of premium, being given to City by certified mail.

(E) A payment and performance bond for 100% of the contract price will be required from the Contractor for this project.

4.5 Indemnity. Contractor shall indemnify and hold City and its agents, officers, commission, or employees harmless for any damages resulting from failure of Contractor to take out and maintain the above insurance. Additionally, Contractor agrees to indemnify, defend and hold the City, and its officers, commission, employees and agents free and harmless from and against any and all losses, penalties, damages, settlements, costs, charges, professional and attorney fees, court costs, other expenses and liabilities to the extent resulting from the negligent act, error or omission of Contractor, its agents, employees or representative, in the performance of Contractor's duties set forth in this Agreement, including any act alleged to give rise to an action in inverse condemnation.

4.6 Independent Contractor. Contractor agrees that it shall be acting as an independent contractor and shall not be considered or deemed to be an agent, employee, joint venturer, or partner of City. Contractor shall have no authority to contract for or bind City in any manner and shall not represent itself as an agent of City or as otherwise authorized to act for or on behalf of City.

4.7 Ownership of Deliverables.

(a) Title to all work product produced by Contractor pursuant to this Agreement shall be and remain the sole and exclusive property of City when produced. Contractor shall deliver all such original work product to City upon completion thereof unless it is necessary for Contractor, in City's sole discretion to retain possession for a longer period of time.

(b) The documents, reports, and similar materials provided or created by Contractor are public records and Contractor shall abide by applicable requirements of Florida law. Contractor shall notify the City within 24 hours of receiving the request to release the information concerning the subject project to a member of the media and/or to the public. The City's notification shall to the extent possible provide the name, date, time and type of information requested to be released prior to the Contractor's release or disclosure of information to the media or to the public.

4.8 Return of Materials. Upon the request of the City, but in any event upon termination of this Agreement, Contractor shall surrender to the City all memoranda, notes, records, and other documents or materials pertaining to the services hereunder, that were furnished to the Contractor by the City pursuant to this Agreement. Contractor may keep copies of all work products for its records.

4.9 NO CLAIM FOR DAMAGES OR ANY CLAIM OTHER THAN FOR AN EXTENSION OF TIME SHALL BE MADE OR ASSERTED AGAINST THE CITY BY REASON OF ANY DELAYS. No interruption, interference, inefficiency, suspension or delay in the commencement or progress of the work from any cause whatsoever, shall relieve the Contractor of his duty to perform or give rise to any right to damages or additional compensation from the City. The Contractor expressly acknowledges and agrees that the Contractor shall receive no damages for delay. The Contractor's sole remedy, if any, against the City shall be the right to seek an extension to the contract time.

4.10 Retaining Other Contractors by City. Nothing herein shall be deemed to preclude the City from retaining the services of other persons or entities undertaking the same or similar services as those undertaken by the Contractor or from independently developing or acquiring materials or programs that are similar to or competitive with, the services provided under this Agreement.

4.11 Accuracy. The Contractor is responsible for the professional quality, technical accuracy, timely completion and coordination of all the services furnished hereunder. The Contractor shall, without additional compensation, correct or revise any errors, omissions or other deficiencies in its services.

4.12 Codes and Regulations. All work completed under this Agreement shall at all times comply with all applicable federal, state and local statutes, codes, regulations and ordinances.

4.13 Public Entity Crimes. A person or affiliate who has been placed on the convicted vendor list following a conviction of a public entity crime may not be awarded or perform work as a contractor, supplier, subcontractor, or engineer under a contract with any public entity in excess of the threshold amount provided in Florida Statutes, section 287.017 for Category Two for a period of thirty-six (36) months from the date of being placed on the convicted vendor list.

4.14 Prohibition against Contingent Fees. Contractor warrants that they have not employed or retained any company or person, other than a bona fide employee working solely for the Contractor to solicit or secure this Agreement and that they have not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee working solely for the Contractor, any fee, commission, percentage, gift or other consideration contingent upon or resulting from the award or making of this Agreement.

Article 5. General Conditions

5.1 This Agreement is made under, and in all respects shall be interpreted, construed, enforced, and governed by and in accordance with, the laws of the State of Florida. Venue for any legal action resulting from this Agreement shall lie solely in Volusia County, Florida.

5.2 No modification, amendment or alteration in the terms or conditions contained herein shall be effective unless contained in a written document executed with the same formality and of equal dignity herewith. The City may make changes in the services at any time by giving written notice to Contractor. If such changes increase (additional services) or decrease (eliminate any amount of work) in the scope of work, City and Contractor shall modify this agreement through issuance of a change order. All change orders shall be authorized in writing by City prior to commencing or reducing any term of this agreement.

5.3 Neither the City's review, approval or acceptance of, nor payment for, any of the services required shall be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement and the Contractor shall be and remain liable to the City in accordance with applicable law for all damages to the City caused by the Contractor's performance of any of the services furnished under this Agreement.

5.4 In the event Contractor, during the course of the work under this Agreement, requires the services of any Sub-Contractor or other professional associates in connection with service covered by this Agreement, Contractor must secure the prior written approval of the City. If Sub-Contractors or other professional associates are required in connection with the services

covered by this Agreement, Contractor shall remain fully and solely responsible for the services of and monies owed to Sub-Contractors or other professional associates.

5.5 It is recognized that questions in the day-to-day conduct of performance pursuant to this Agreement will arise. The City, upon request by Contractor, shall designate in writing and shall advise Contractor in writing of one (1) or more City employees to whom all communications pertaining to the day-to-day conduct of the Agreement shall be addressed. The designated representative shall have the authority to transmit instructions, receive information and interpret and define the City's policy and decisions pertinent to the work covered by this Agreement.

5.6 No claim for services furnished by the Contractor not specifically provided for herein shall hold the City liable or be honored by the City.

5.7 The Contractor agrees that it will not engage in any action that would create a conflict of interest in the performance of its obligations pursuant to this Agreement with the City or which would violate or cause others to violate the provisions of Part III, Chapter 112, Florida Statutes, relating to ethics in government.

5.8 The Contractor hereby certifies that no officer, agent or employee of the City has any material interest (as defined in Section 112.312(15), Florida Statutes, as over 5%) either directly or indirectly, in the business of the Contractor to be conducted here, and that no such person shall have any such interest at any time during the term of this Agreement.

5.9 The captions utilized in this Agreement are for the purposes of identification only and do not control or affect the meaning or construction of any of the provisions hereof.

5.10 This Agreement shall be binding upon and shall inure to the benefit of each of the parties and of their respective successors and permitted assigns. Nothing in this Agreement is intended or shall be deemed to confer any rights or benefits upon any entity or person other than the parties hereto or to make or render any such other entity or person a third-party beneficiary of this Agreement.

5.11 This Agreement may not be amended, released, discharged, rescinded or abandoned, except by a written instrument duly executed by each of the parties hereto.

5.12 The failure of any party hereto at any time to enforce any of the provisions of this Agreement will in no way constitute or be construed as a waiver of such provision or of any other provision hereof, nor in any way affect the validity of, or the right thereafter to enforce, each and every provision of this Agreement.

5.13 During the term of this Agreement Contractor assures City that it is in compliance with Title VII of the 1964 Civil Rights Act, as amended, and the Florida Civil Rights Act of 1992, in that Contractor does not on the grounds of race, color, national origin, religion, sex, age, disability or marital status, discriminated in any form or manner against Contractor employees or applicants for employment. Contractor understands and agrees that this Agreement is conditioned upon the veracity of this statement of assurance.

Article 6. Severability and Notice

6.1 The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

6.2 Wherever provision is made in this Agreement for the giving, service or delivery of any notice, statement or other instrument, such notice shall be in writing and shall be deemed to have been duly given, served and delivered, if delivered by hand or mailed by United States registered or certified mail or sent by facsimile, addressed as follows:

If to Contractor:

Luis Pinzon
President
Conpilog International Company
2800 S. Orange Blossom Trail
Orlando, Florida 32805

If to City:

Gerald Chancellor
Public Works Director
City of Deltona
2345 Providence Blvd.
Deltona, Florida 32725

Each party hereto may change its mailing address by giving to the other party hereto, by hand delivery, United States registered or certified mail notice of election to change such address.

Article 7. Scope of Agreement

7.1 This Agreement is intended by the parties hereto to be the final expression of their Agreement, and it constitutes the full and entire understanding between the parties with respect to the subject hereof, notwithstanding any representations, statements, or agreements to the contrary heretofore made.

7.2 This Agreement consists of the following:

This Agreement
Notice of Award and Notice to Proceed
ITB Documents, to include Project Manual and Drawings
Addendum, if any
Contractor's Response to ITB

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement for the purposes stated herein.

ATTEST:

CONTRACTOR:

Secretary

President

(CORPORATE SEAL)

Date

ATTEST:

CITY OF DELTONA

JOYCE RAFTERY
City Clerk

WILLIAM "DAVE" DENNY
Acting City Manager

Date

Approved as to Form and Legality:

GRETCHEN R.H. VOSE
City Attorney

ITEMIZED BID TABULATION FOR ITB # PW 13-13 - ACADIAN SIDEWALK CONSTRUCTION

ROADWAY ITEMS				Conpilog Construction		Tomoka Construction	
ITEM	DESCRIPTION	Unit	Quantity	Unit Price	Total Cost	Unit Price	Total Cost
101-1	Mobilization (5%)	LS	1	\$ 1,500.00	\$ 1,500.00	\$ 2,790.00	\$ 2,790.00
102-1	Maintenance of Traffic (5%)	LS	1	\$ 1,500.00	\$ 1,500.00	\$ 2,600.00	\$ 2,600.00
104-10-3	Sediment Barrier	LF	1,000	\$ 1.00	\$ 1,000.00	\$ 2.00	\$ 2,000.00
104-18	Inlet Protection System	EA	2	\$ 100.00	\$ 200.00	\$ 300.00	\$ 600.00
110-1-1	Clearing and Grubbing	AC	0.37	\$ 8,000.00	\$ 2,960.00	\$ 8,900.00	\$ 3,293.00
110-4	Removal of Existing Concrete Pavement	SY	226	\$ 18.00	\$ 4,068.00	\$ 22.00	\$ 4,972.00
120-1	Regular Excavation	CY	235	\$ 16.00	\$ 3,760.00	\$ 32.00	\$ 7,520.00
120-6	Embankment	CY	32	\$ 20.00	\$ 640.00	\$ 45.00	\$ 1,440.00
430-982-123	Furnish & Install Compact Ductile Iron Fittings for Utility Adjustment	EA	1	\$ 400.00	\$ 400.00	\$ 500.00	\$ 500.00
515-2-101	Ped/Bike Railing (NS Material) (42" Type 1 Picket Rail)	LF	10	\$ 60.00	\$ 600.00	\$ 125.00	\$ 1,250.00
520-1-10	Curb & Gutter (Type F)	LF	45	\$ 18.00	\$ 810.00	\$ 37.00	\$ 1,665.00
522-1	Sidewalk Concrete, 4" Thick	SY	605	\$ 27.00	\$ 16,335.00	\$ 30.00	\$ 18,150.00
522-2	Sidewalk Concrete, 6" Thick	SY	225	\$ 34.00	\$ 7,650.00	\$ 38.00	\$ 8,550.00
527-1	Detectable Warning on Walking Surface, Retrofit	EA	2	\$ 960.00	\$ 1,920.00	\$ 450.00	\$ 900.00
570-1-2	Performance Turf (Sod)	SY	1,178	\$ 3.20	\$ 3,769.60	\$ 3.00	\$ 3,534.00
SIGNING AND PAVEMENT MARKING ITEMS				Conpilog Construction		Tomoka Construction	
ITEM	DESCRIPTION	Unit	Quantity	Unit Price	Total Cost	Unit Price	Total Cost
700-20-40	Single Post Sign (Relocate)	AS	2	\$ 45.00	\$ 90.00	\$ 50.00	\$ 100.00
710-11-123	Painted Pavement Markings (STD) (White) (Solid) (12")	LF	230	\$ 2.00	\$ 460.00	\$ 3.00	\$ 690.00
710-11-125	Painted Pavement Markings (STD) (White) (Solid) (24")	LF	35	\$ 6.00	\$ 210.00	\$ 5.00	\$ 175.00
710-11-221	Painted Pavement Markings (STD) (Yellow) (Solid) (6")	LF	300	\$ 1.50	\$ 450.00	\$ 2.00	\$ 600.00
TOTAL BASE BID				\$	48,322.60	\$	61,329.00
SUBMITTED FORMS				Conpilog Construction		Tomoka Construction	
1-03	Bid Response Form				X		X
1-07	Bidders Information Form				X		X
1-09	Bidders Certification form				X		X
1-10	References Form				X		X
1-11	Questionnaire Form				X		X
1-12	Sub-Contractors and Affiliates Form				X		X
1-13	Drug Free Workplace Form				X		X
1-14	Hold Harmless and Indemnity Agreement				X		X
1-16	Bid Bond Form				X		X
1-17	Non-Collusion Affidavit Form				X		X
1-18	Sworn Statement on Public Entity Crimes				X		X
1-19	Trench Safety Affidavit Form				X		X
1-20	Corporate Resolution				X		X
P of A	Payment and Performance Bond				X		X
Federal Form	LAP Certification Form				X		
	Acknowledgement of all addendums				X		X

** BID TABULATION REFLECTS LINE ITEM EXTENDED PRICING

MEMORANDUM

To: Vince Vacchiano

From: Brian Boehs

CC: Gerald Chancellor, Phyllis Wallace, Barry Roy

Date: July 31, 2013

Re: ITB # PW 13-13 – Acadian Drive Sidewalk Construction

Recently a bid was solicited by the City of Deltona, Public Works Division, for the Acadian Drive Sidewalk Construction project (FPN: 430235-1-58-01 / FAN: 777-242-A).

Item 7B

The following companies submitted bids for this project.

1. Conpilog International Company - \$48,322.60
2. Tomoka Construction Services, Inc. - \$61,329.00

The Conpilog International Company was the lowest bid and came in \$13,006.40 less than the next bid.

After review of all submittals and references, the City of Deltona will be making a recommendation to F.D.O.T. and to its City Commission, to award this project to the low bidder, Conpilog International Company.

Attached to this memo is an itemized bid tabulation sheet identifying the responsiveness of the solicitation and each bidder's pricing, a copy of the research conducted on the Florida Sunbiz Corp. check, the Florida DBPR license check, copies of all of the bidders submittals and a draft of the contract to be signed between Conpilog International Company and the City of Deltona.

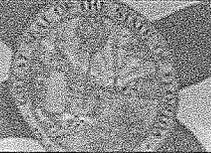
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Once approved by the City Commission, we can move forward with the vendor and schedule a Pre-Construction Conference.

Regards,



Brian Boehs
Purchasing Agent
City of Deltona, Public Works Division

FLORIDA DEPARTMENT OF STATE
DIVISION OF CORPORATIONS**Detail by Entity Name****Florida Profit Corporation**

CONPILOG INTERNATIONAL COMPANY

Filing Information

Document Number	P00000092937
FEI/EIN Number	593673981
Date Filed	10/03/2000
State	FL
Status	ACTIVE

Principal Address2800 S. ORANGE BLOSSOM TRAIL
ORLANDO, FL 32805

Changed: 06/16/2011

Mailing Address2800 S. ORANGE BLOSSOM TRAIL
ORLANDO, FL 32805

Changed: 06/16/2011

Registered Agent Name & AddressGARCIA, JOHN JVP
555 W. SPRINGTREE WAY
LAKE MARY, FL 32746

Name Changed: 05/01/2008

Address Changed: 01/25/2013

Officer/Director Detail**Name & Address**

Title P

PINZON, LUIS F
2800 S. ORANGE BLOSSOM TRAIL
ORLANDO, FL 32805

Title VP

GARCIA, JOHN J

Item 7B

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2800 S. ORANGE BLOSSOM TRAIL
ORLANDO, FL 32805

Title T

LONDONO, LUIS F
2800 S. ORANGE BLOSSOM TRAIL
ORLANDO, FL 32805

Title S

LONDONO, LUIS F
2800 S. ORANGE BLOSSOM TRAIL
ORLANDO, FL 32805

Annual Reports

Report Year	Filed Date
2011	04/12/2011
2012	03/27/2012
2013	01/25/2013

Document Images

01/25/2013 -- ANNUAL REPORT	View image in PDF format
03/27/2012 -- ANNUAL REPORT	View image in PDF format
06/16/2011 -- ANNUAL REPORT	View image in PDF format
04/12/2011 -- ANNUAL REPORT	View image in PDF format
02/04/2010 -- ANNUAL REPORT	View image in PDF format
03/16/2009 -- ANNUAL REPORT	View image in PDF format
05/01/2008 -- ANNUAL REPORT	View image in PDF format
06/07/2007 -- Reg. Agent Change	View image in PDF format
02/07/2007 -- ANNUAL REPORT	View image in PDF format
06/29/2006 -- ANNUAL REPORT	View image in PDF format
02/16/2006 -- ANNUAL REPORT	View image in PDF format
02/21/2005 -- ANNUAL REPORT	View image in PDF format
03/19/2004 -- ANNUAL REPORT	View image in PDF format
01/29/2003 -- ANNUAL REPORT	View image in PDF format
04/17/2002 -- ANNUAL REPORT	View image in PDF format
11/21/2001 -- Reg. Agent Change	View image in PDF format
11/21/2001 -- Off/Dir Resignation	View image in PDF format
11/21/2001 -- Reg. Agent Resignation	View image in PDF format
05/17/2001 -- ANNUAL REPORT	View image in PDF format
10/03/2000 -- Domestic Profit	View image in PDF format

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Licensee Details

Licensee Information

Name: **PINZON, LUIS FERNANDO (Primary Name)**
CONPILOG INTERNATIONAL COMPANY (DBA Name)

Main Address: **704 CHARING PLACE**
DELTONA Florida 32725

County: **VOLUSIA**

License Mailing:

LicenseLocation: **2800 S. ORANGE BLOSSOM TRAIL, SUITE**
ORLANDO FL 32805

County: **ORANGE**

License Information

License Type: **Certified General Contractor**

Rank: **Cert General**

License Number: **CGC1508237**

Status: **Current,Active**

Licensure Date: **12/23/2004**

Expires: **08/31/2014**

Special Qualifications Qualification Effective

Construction Business 12/23/2004

[View Related License Information](#)

[View License Complaint](#)

[1940 North Monroe Street, Tallahassee FL 32399](#) :: Email: [Customer Contact Center](#) :: Customer Contact Center: 850.487.1395

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Under Florida law, email addresses are public records. If you do not want your email address released in response to a public-records request, do not send electronic mail to this entity. Instead, contact the office by phone or by traditional mail. If you have any questions, please contact 850.487.1395. *Pursuant to Section 455.275(1), Florida Statutes, effective October 1, 2012, licensees licensed under Chapter 455, F.S. must provide the Department with an email address if they have one. The emails provided may be used for official communication with the licensee. However email addresses are public record. If you do not wish to supply a personal address, please provide the Department with an email address which can be made available to the public. Please see our [Chapter 455](#) page to determine if you are affected by this change.

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SECTION 1-03 BID RESPONSE FORM BID NO. PW 13-13 Acadian Drive Sidewalk Construction FPN 430235-1-58-01 / FAN: 7777-242-A

DATE SUBMITTED: July 30, 2013

PROJECT IDENTIFICATION: **City of Deltona**
ITB # PW 13-13
Acadian Drive Sidewalk Construction
FPN 430235-1-58-01 / FAN: 7777-242 -A

NAME OF BIDDER: Conpilog International Company

BUSINESS ADDRESS: 2800 S. Orange Blossom Trail Orlando, FL 32805

TELEPHONE NUMBER: 407-265-9784

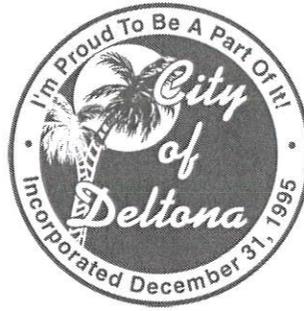
CONTRACTOR'S FLORIDA LICENSE NO.: CGC 1508237

THIS BID IS SUBMITTED TO: **City of Deltona**
Public Works Division
255 Enterprise Road
Deltona, Florida 32725

1. In accordance with the foregoing terms, conditions and specifications, the undersigned bidder, having become familiarized with the conditions affecting the cost of the work and with all requirements of the proposed Bid Documents, and duly issued Addenda to said documents, as acknowledged herein, proposes to furnish and perform all things required in labor, material, necessary tools, expendable equipment, and all services necessary to perform and complete in a workmanlike manner all work required by said documents and Addenda.
2. Bidder accepts all of the terms and conditions of the Advertisement or Invitation to Bid and Instructions to Bidders. This Bid will remain subject to acceptance for ninety (90) days after the day of Bid opening. Bidder will sign and deliver the required number of counterparts of the Agreement with the Bonds and other documents required by the Bidding Requirements within ten (10) days after the date of Owner's Notice of Award.
3. In submitting this bid, Bidder makes all representations required by the Instructions to Bidders and further warrants and represents that:
 - a. Bidder has examined and carefully studied the Bidding Documents and the following Addendum receipt of which is hereby acknowledged:

No. <u>1</u>	Dated <u>July 19, 2013</u>	No. _____	Dated _____
No. _____	Dated _____	No. _____	Dated _____
No. _____	Dated _____	No. _____	Dated _____
No. _____	Dated _____	No. _____	Dated _____

- b. Bidder is aware of the general nature of Work to be performed by Owner and others at the site that relates to Work for which this Bid is submitted as indicated in the Bid Documents, and Addendum.



ADDENDUM # 1
CITY OF DELTONA
ITB # PW 13-13
July 19, 2013
ACADIAN DRIVE SIDEWALK CONSTRUCTION

This addendum is to answer questions and clarify issues that have been brought up by vendors during the solicitation process.

QUESTIONS:

Question # 1 – Do you have to be qualified or registered with F.D.O.T. in order to bid on this project?

Answer # 1 - FDOT contractor prequalification is required on projects located on the State Highway System with a contact value greater than \$250,000 (Section 2-1 of FDOT Standard Specifications). This project does not meet the D.O.T.'s criteria for this requirement.

Question # 2 – Would you be able to advise what the number of calendar days are to completion for the above mentioned project? We do not see that number in the available bid documents?

Answer # 2 – Section 1-05 Supplemental Conditions SP 14 - 120 days from NTP

Question # 3 – What type of license or certification must the contractor hold to bid on this project?

Answer # 3 – At a minimum, the awarded contractor shall be a Certified Building Contractor.

Question # 4 – Is there going to be a need for a temporary pattern, re-route or a path for pedestrians during construction?

Answer # 4 – The Contractor must maintain pedestrian traffic either through or around the work area and ensure that it is a safe zone for all pedestrians. Contractor shall take special precautions prior to, during or after school hours when student traffic is at its highest.

Questions regarding this bid shall be **in writing** to:

Brian Boehs

Purchasing Agent

City of Deltona Public Works Division

Email: bboehs@deltonafl.gov

Or fax at 386-878-8971

The bid due date remains July 30, 2013 at 2:00 p.m. All prospective bidders are hereby instructed not to contact the Engineer of Record or any member of the City of Deltona Commission, City Manager, or City of Deltona Staff members other than the noted contact person regarding this Invitation to Bid or their bid proposal at any time during the bid process, all the way up to an award. Any such contact shall be cause for rejection of your bid proposal.

ALL OTHER SPECIFICATIONS AND CONDITIONS REMAIN UNCHANGED.

RECEIPT OF THIS ADDENDUM IS HEREBY ACKNOWLEDGED

Compilog International Company

NAME OF BUSINESS

BY: _____

SIGNATURE/DATE

Luis F. Razon / President.

NAME & TITLE, TYPED OR PRINTED

2800 S. Orange Blossom Trail

MAILING ADDRESS

Orlando, Florida 32805

CITY, STATE, ZIP CODE

- c. All Bid items shall include all materials, equipment, labor, permit fees, taxes, tests, miscellaneous costs of all types, overhead and profit for the item to be complete, in place, and ready for operation in the manner contemplated by the Bid Documents and addendum.
- d. Bidder declares their bid submittal is genuine and not made in the interest of or on behalf of any undisclosed person, firm or corporation and is not submitted in conformity with any agreement or rules of any group, association, organization or corporation; Bidder has not directly or indirectly induced or solicited any other Bidder to submit a false or sham Bid; Bidder has not solicited or induced any person, firm or corporation to refrain from bidding; and Bidder has not sought by collusion to obtain for itself any advantage over any other Bidder or over Owner.
4. Bidder submits the following unit prices to perform all the work as required by the Bid documents and Specifications for the **City of Deltona, Acadian Drive Sidewalk Construction FPN 430235-1-58-01 / FAN: 7777-242-A**

All bid items shall include all materials, equipment, labor, permit fees, taxes, tests, miscellaneous costs of all types, overhead and profit for the item to be complete, in place and ready for operation in the manner contemplated by the Bid documents and addendum.

Pay Item	Description	Unit	Quantity	Unit Price	Total Cost
Roadway Items					
101-1	Mobilization (5%)	LS	1	\$ 1,500.00	\$ 1,500.00
102-1	Maintenance of Traffic (5%)	LS	1	\$ 1,500.00	\$ 1,500.00
104-10-3	Sediment Barrier	LF	1,000	\$ 1	\$ 1,000.00
104-18	Inlet Protection System	EA	2	\$ 100.00	\$ 200.00
110-1-1	Clearing and Grubbing	AC	0.37	\$ 8,000.00	\$ 2,960.00
110-4	Removal of Existing Concrete Pavement	SY	226	\$ 18.00	\$ 4,068.00
120-1	Regular Excavation	CY	235	\$ 16.00	\$ 3,760.00
120-6	Embankment	CY	32	\$ 20.00	\$ 640.00
430-982-123	Mitered End Section (Round) (15" CD)	EA	1	\$ 400.00	\$ 400.00
515-2-101	Ped/Bike Railing (NS Material) (42" Type 1 Picket Rail)	LF	10	\$ 60.00	\$ 600.00
520-1-10	Curb & Gutter (Type F)	LF	45	\$ 18.00	\$ 810.00
522-1	Sidewalk Concrete, 4" Thick	SY	605	\$ 27.00	\$ 16,335.00
522-2	Sidewalk Concrete, 6" Thick	SY	225	\$ 34.00	\$ 7,650.00
527-1	Detectable Warning on Walking Surface, Retrofit	EA	2	\$ 960.00	\$ 1,920.00
570-1-2	Performance Turf (Sod)	SY	1,178	\$ 3.20	\$ 3,769.60
Signing and Pavement Marking Items					
700-20-40	Single Post Sign (Relocate)	AS	2	\$ 45.00	\$ 90.00
710-11-123	Painted Pavement Markings (STD) (White) (Solid) (12")	LF	230	\$ 2.00	\$ 460.00
710-11-125	Painted Pavement Markings (STD) (White) (Solid) (24")	LF	35	\$ 6.00	\$ 210.00
710-11-221	Painted Pavement Markings (STD) (Yellow) (Solid) (6")	LF	300	\$ 1.50	\$ 450.00
Base Bid Construction Costs Total				\$	\$ 48,322.60

5. The following documents are attached to and made a condition of this Bid:

- ~~a.~~ Bid Response Forms (Bidding Documents, entire Section 1-03).
- ~~b.~~ Bidders Contact and Information Form (Section 1-07).
- ~~c.~~ References (Section 1-10).
- ~~d.~~ Questionnaire Form (Section 1-11)
- ~~e.~~ Sub-Contractors and Affiliates Form (Section 1-12)
- ~~f.~~ Bid Bond or security (surety bond or cashier's check). (Section 1-16).
- ~~g.~~ Power of Attorney (for surety bond only).
- ~~h.~~ Corporate Resolution (any corporate employee other than president or vice-president, 1-20).
- ~~i.~~ Sworn Statement Pursuant to Section 287.133(3)(a), Florida Statutes on Public Entity Crimes (Section 1-18)
- ~~j.~~ Non-collusion Affidavit (Section 1-17).
- ~~k.~~ Trench Safety Affidavit (Section 1-19).

LOCAL AGENCY PROGRAM/FEDERAL-AID CERTIFICATION

The Bidder hereby declares that the undersigned is the person or persons responsible within the firm for the final decision as to the price(s) and amount of this bid and the Bidder further declares that:

1. The price(s) and amount of this bid have been arrived at independently, without consultation, communication, or agreement for the purpose of restricting competition with any other contractor, bidder or potential bidder.
2. Neither the price(s) nor the amount of this bid have been disclosed to any other firm or person who is a bidder or potential bidder on this project, and will not be so disclosed prior to the bid opening.
3. No attempt has been made or will be made to solicit, cause, or induce any firm or person to refrain from bidding on this project, or to submit a bid higher than the bid of this firm, or any intentionally high or non-competitive bid or other form of complementary bid.
4. The bid is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any other firm or person to submit a complementary bid.
5. The Bidder has not offered or entered into a subcontract or agreement regarding the purchase of materials or services from any other firm or person, or offered, promised, or paid cash or anything of value to any other Bidder or person, whether in connection with this or any other project, in consideration for an agreement or promise by any other firm or person to refrain from bidding or to submit a complementary bid on this project.
6. The Bidder has not accepted or been promised any subcontract or agreement regarding the sale of materials or services to any other firm or person, and has not been promised or paid cash or anything of value by any other firm or person, whether in connection with this or any other project, in consideration for the firm's submitting a complementary bid, or agreeing to do so, on this project.
7. The Bidder has made a diligent inquiry of all members, officers, employees, and agents of the Bidder with responsibilities relating to the preparation, approval or submission of the firm's bid on this project and have been advised by each of them that he or she has not participated in any communication, consultation, discussion, agreement, collusion, act, or other conduct inconsistent with any of the statements and representations made in this Declaration.

8. As required by Section 337.165, Florida Statutes, the Bidder has fully informed the CITY in writing of all convictions of the firm, its affiliates (as defined in Section 337.165(1)(a), Florida Statutes), and all directors, officers, and employees of the firm and its affiliates for violation of state or federal antitrust laws with respect to a public contract or for violation of any state or federal law involving fraud, bribery, collusion, conspiracy, or material misrepresentation with respect to a public contract. This includes disclosure of the names of current employees of the firm or affiliates who were convicted of contract crimes while in the employ of another company.
9. The Bidder certifies that, except as noted below, neither the firm nor any person associated therewith in the capacity of owner, partner, director, officer, principal, investigator, project director, manager, auditor, and/or position involving the administration of federal funds:
 - a. is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions, as defined in 49 CFR s29.110(a), by any federal department or agency;
 - b. has within a three-year period preceding this certification been convicted of or had a civil judgment rendered against it for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a federal, state, or local government transaction or public contract; violation of federal or state antitrust statutes; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - c. is presently indicted for or otherwise criminally or civilly charged by a federal, state, or local governmental entity with commission of any of the offenses enumerated in paragraph 9(b) of this certification; and
 - d. has within a three-year period preceding this certification had one or more federal, state, or local government public transactions terminated for cause or default.
10. The Bidder certifies that it shall not knowingly enter into any transaction with any subcontractor, material supplier, or vendor who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this project by any federal agency unless authorized by the CITY.

11. The firm certifies that the bidder is not a nonresident alien, or a foreign corporation/entity formed under the laws of a country other than the United States.
12. The Bidder certifies that no Federally appropriated funds have been paid, or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence any officer or employee of any Federal agency, a Member of Congress an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement.

If any funds other than Federally appropriated funds have been paid by the Agency to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

Where the Bidder is unable to declare or certify as to any of the statements contained in the above stated paragraphs numbered (1) through (12), the Bidder has provided an explanation by attached separate sheet.

Conpilog International Co.
Company Name

[Signature]
Authorized Signature

Luis F. Pinzon. IP.
Printed Name

July 30, 2013
Date

STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION
LAP CERTIFICATION

575-095-05
RIGHT OF WAY
09/07

R/W ITEM/SEGMENT NO.: _____ MANAGING DISTRICT: Five

CONSTRUCTION ITEM/SEGMENT NO.: _____ STATE ROAD: _____

F.A.P. NO. (Construction): _____ DESCRIPTION: _____

COUNTY: Volusia

LETTING DATE: 6/21/2013

The undersigned hereby certifies as follows:

Title to all property and easements needed for the above construction project is vested in the Florida Department of Transportation (Department) or a state or local government. Sufficient authority has been obtained to construct and maintain the proposed improvements on property and easements owned by state or local governments. Further:

Acquisition

- Right of way was not acquired for this project.
- Right of way was acquired for this project in compliance with applicable state and federal law.

Relocation

- No persons or businesses were required to move or move personal property from the project right of way.
- All persons and businesses that were required to move or move personal property from the project right of way have been provided relocation assistance in compliance with applicable state and federal law.

Demolition

- No structures or improvements, including encroachments, required removal from the project right of way.
- All structures and/or improvements, including encroachments, have been removed from the project right of way in compliance with applicable state and federal law, or will be included in the construction contract.

Asbestos Abatement

- No structures or improvements requiring asbestos abatement were located on the project right of way.
- Asbestos abatement of buildings and/or structures, including those to be removed by the construction contractor, has been completed in compliance with applicable state and federal law, or will be included in the construction contract.

Submitted by Local Agency: _____

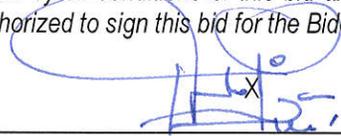
Title: _____ Date: _____

Certified by: _____

Title: FDOT District Right of Way Manager, Shirley Martin Date: _____

SECTION 1-07

BIDDERS CONTACT AND INFORMATION FORM

Bidder (Company) Name: Conpilog International Company	F. E. I. N. or SS Number: 59 367 3981.
Mailing Address: 2800 S. Orange Blossom Trail	Street Address: 2800 S. Orange Blossom Trail
City, State, Zip: Orlando, Florida 32805	City, State, Zip: Orlando, Florida 32805
Type of Entity: (Circle one) <input checked="" type="radio"/> Corporation Partnership Proprietorship <input type="radio"/> Joint Venture	I hereby certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, or person submitting a bid for the same materials, supplies or equipment, and is in all respects fair and without collusion or fraud. I agree to abide by all conditions of this bid and certify that I am authorized to sign this bid for the Bidder.  Authorized Signature (Manual)
Incorporated in the State of: Florida Year: 2000	
Telephone Number: (407) 265-9784	Title: President.
Fax Number: (407) 265-2224.	
Email contact info: luis.pinzon@conpilog.com	

This Form Must Be Completed and Returned with your Submittal

SECTION 1-08

SWORN STATEMENT UNDER SECTION 287.133(3) (A), FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES

THIS FORM MUST BE SIGNED IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER OFFICER AUTHORIZED TO ADMINISTER OATHS.

This sworn statement is submitted to the City of Deltona by Luis F. Rinzon / President.
(Individual's name and title)

For Compilog International Company
(Name of entity submitting sworn statement)

Whose business address is 2800 S. Orange Blossom Trail
Orlando, Florida 32805

And (if applicable) its Federal Employer Identification Number (FEIN) is 59 367 3981
(if the entity has no FEIN, include the Social Security Number of the individual signing this sworn statement)

1. I understand that a "public entity crime" as defined in Section 287.133(1)(g), Florida Statutes, means a violation of any State or Federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or with the United States, including, but not limited to, any bid or contract for goods or services to be provided to any public entity or an agency or political subdivision of any other state or a of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.
2. I understand that "convicted" or "conviction" as defined in Paragraph 287.133(1)(b), Florida Statutes, means a finding of guilt or a conviction of a public entity crimes, with or without an adjudication of guilt, in any Federal or State trial court of record relating to charges brought by indictment or information after July 1, 1989, as a result of a jury verdict, non-jury trial, or entry of a plea of guilty or nolo contendere.
3. I understand that an "affiliate" as defined in Section 287.133(1)(a), Florida Statutes, means:

A predecessor or successor of a person convicted of a public entity crime: or an entity under the control of any natural person who is active in the management of the entity and how has been convicted of a public entity crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in the management of an affiliate. The ownership by one (1) person of shares constituting a controlling interest in another person, or a pooling of equipment or income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding thirty-six (36) months shall be considered an affiliate.
4. I understand that a "person" as defined in Section 287.133(1)(e), Florida Statutes, means any natural person or entity organized under the laws of any state or of the United States with the legal power to enter into a binding contract and which bids or applies to bid on contracts for the provision of goods or services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders employees, members, and agents who are active in management of an entity.

**SECTION 1-09
BIDDER'S CERTIFICATION**

I have carefully examined the Bid Documents, Instructions to Bidders, General and/or Special Conditions, Vendor's Notes, Specifications, proposed agreement and any other documents accompanying or made a part of this Bid.

I hereby propose to furnish the goods or services specified in the Bid Documents at the prices and rates bid in my submittal. I agree that my bid submittal will remain firm for a period of up to one hundred twenty (120) days in order to allow the City adequate time to evaluate the bids submitted.

I agree to abide by all conditions of the Bid Documents and understand that a background investigation may be conducted by the City of Deltona prior to award.

I certify that all information contained in this Bid submittal is truthful to the best of my knowledge and belief. I further certify that I am a duly authorized to submit this bid submittal on behalf of the vendor / contractor as its act and deed and that the vendor / contractor is ready, willing and able to perform if awarded the contract.

I further certify, under oath, that this Bid submittal is made without prior understanding, agreement, connection, discussion, or collusion with any other person, firm or corporation submitting a Bid for the same product or service; no officer, employee or agent of the City of Deltona Government or of any other Bidder interested in said Bid; and that the undersigned executed this Bidder's Certification with full knowledge and understanding of the matters therein contained and was duly authorized to do so.

Name of Business: Conpilog International Company

Sworn to and subscribed before me by: Luis F. Pinzon

This 30 day of July, 2013.

Signature [Signature]

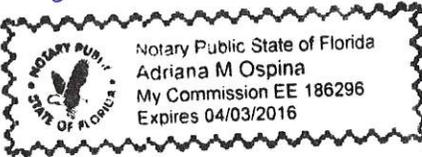
Name & Title, Typed or Printed: Luis F. Pinzon / President

Mailing Address 2800 S. Orange Blossom Trail Orlando, Florida 32805

City, State, Zip Code
(407) 265-9784
Telephone Number

Signature of Notary [Signature]

Notary Public, State of Florida
Personally known
-OR-
Produced Identification _____



This Form Must Be Completed and Returned with your Submittal

SECTION 1-10
References

*References who are located in foreign countries are not acceptable.
The Reference Form Must Be Completed and Returned with your Submittal.*

1. Project Name: Enterprise Road Sidewalk
 Project Value: 44,057.50
 Project Description: Sidewalk Construction / LAP Project.
 Project Owner: Volusia County
 Project Owner's contact info: Jennifer Ditslear 386-736-5935
 Project Location: Enterprise Road - City of Deltona.
 Project Start and End Dates: July -

2. Project Name: Harley Strickland Sidewalk Installation.
 Project Value: 41,780.70
 Project Description: Sidewalk Construction / LAP Project.
 Project Owner: Orange City
 Project Owner's contact info: Paul Johnsons 386-775-5446
 Project Location: Harley Strickland Boulevard, Orange City.
 Project Start and End Dates: 2012

3. Project Name: Wilson Elementary Sidewalk.
 Project Value: 91,419.14
 Project Description: Sidewalk Construction EEO Project.
 Project Owner: Seminole County
 Project Owner's contact info: Skip Graeland 407-665-5666
 Project Location: Wilson Road - Sanford.
 Project Start and End Dates: 2012.

4. Project Name: Altamonte Spring Safe Routes Sidewalk.
 Project Value: 292,000.00
 Project Description: Sidewalk Construction EEO Project.
 Project Owner: Seminole County
 Project Owner's contact info: Skip Graeland 407-665-5666
 Project Location: Various location on Altamonte Springs.
 Project Start and End Dates: 2011.

5. Project Name: Florida Drive & Greynolds street sidewalk
 Project Value: 39,748.70
 Project Description: Sidewalk Construction LAP Project.
 Project Owner: City of Deltona
 Project Owner's contact info: Brian Boehs 386-878-8955
 Project Location: Florida Drive City of Deltona.
 Project Start and End Dates: 2011

6. Project Name: _____
 Project Value: _____
 Project Description: _____
 Project Owner: _____
 Project Owner's contact info: _____
 Project Location: _____
 Project Start and End Dates: _____

7. Project Name: _____
 Project Value: _____
 Project Description: _____
 Project Owner: _____
 Project Owner's contact info: _____
 Project Location: _____
 Project Start and End Dates: _____

8. Project Name: _____
 Project Value: _____
 Project Description: _____
 Project Owner: _____
 Project Owner's contact info: _____
 Project Location: _____
 Project Start and End Dates: _____

SECTION 1-11

QUESTIONNAIRE FORM

DATE: July 30, 2013

PROJECT IDENTIFICATION **CITY OF DELTONA
ACADIAN DRIVE
SIDEWALK CONSTRUCTION
FPN: 430235-1-58-01 FAN: 7777-242-A**

NAME OF BIDDER: Conpilog International Company

BUSINESS ADDRESS: 2800 S. Orange Blossom Trail Orlando, FL 32805

TELEPHONE NO.: 407-265-9784

CONTRACTOR'S FLORIDA LICENSE NO.: CGC 1508237

The undersigned warrants the truth and accuracy of all statements and answers herein contained. Include additional sheets if necessary.

1. How many years has your organization been in business as a General Contractor? 13 years

2. List similar roadway projects that you have undertaken in the most recent three year period. Identify the Owner and a Contact Person:

Project	Municipality / Owner	Contact Name/Number
Continuing exp sidewalk	Seminole County	Eric Ericson 407-865-5666
Tenn Ct. Roadbase, Asphalt	Orange County	Carol A. Hewitt 407-836-7884
Lake Mary Jess Drainage	Orange County	Mike Wehrfritz 407-836-7884
Chapman - Reeves Brkngstr	City of Orlando	Mike Melzer 407-246-2266
Old Winter Garden rd & Mission	Orange County	Mike Wehrfritz 407-836-7884
Removing slabs I-4	FDOT I-4	Carlton Daley 407-977-6530

3. Have you ever failed to complete work awarded to you? If so, where and why? Not.

4. Name three (3) municipalities for which you have performed similar roadway projects and to which you refer:

- Seminole County - City of Deltona
- City of Orlando - Osceola County
- City of Orange city - City of Winter Park

5. Have you personally inspected the site of the proposed Work? Describe any anticipated problems with the site and your proposed solutions.

YES, No problems anticipated.

6. Will you Subcontract any part of this Work? If so, describe which portion(s).

Sod, trucking, thermo-striping.

7. What equipment do you own that is available for the Work?

All equipment

8. What equipment will you purchase for the Work?

N.A.

9. What equipment will you rent for the Work?

May be a skid steer (base on time, necessity).

10. The following is given as a summary of the Financial Statement of the undersigned: (List Assets and Liabilities and use insert sheet if necessary.)

11. State the true and exact, correct, and complete name under which you do business.

Bidder is: Conpilog International Company

END OF SECTION

SECTION 1-12

Sub Contractors and Affiliates

The following are a list of Sub Contractors or Affiliates that will be utilized in this project. Use additional sheets if necessary.

FIRM NAME	TRADE	TELEPHONE AND FAX NUMBER
WINTER GARDEN GRASSIN.	SOD.	(407) 877-0709 ()
SILES TRUCKING.	HAULING.	(407) 247.5187. ()
ANGCO STRIPING.	THERMO-STRIPING	(407) 578 8306 ()
		()
		()

In the event our firm is awarded this bid, the City of Deltona will be notified of any changes made to this Sub Contractors list before and during any and all work performed during this project.

The Sub-Contractor listing Form Must Be Completed and Returned with your Submittal.

SECTION 1-16

ITB # PW 13-13

BID BOND Bid Bond No. 10001866

KNOW ALL MEN BY THESE PRESENTS, that we, the undersigned, Conpilog International Company as Principal, and American Safety Casualty * as Surety, are hereby held and firmly bound unto the City of Deltona, Florida as Owner in the penal sum of, (five percent 5%) of the Contract Bid) 2,500.00 for the payment of which, well and truly to be made, we hereby and severally bind ourselves, successors and assigns to pay Owner upon default of Bidder the penal sum set forth on the face of this Bond.
Signed, this 30th day of July, 2013.

The condition of the above obligation is such that whereas the Principal has submitted to City of Deltona, Florida a certain Bid, attached hereto and hereby made a part hereof, to enter into a contract in writing, for Roadway Improvements,
Acadian Drive Sidewalk Construction

NOW THEREFORE,

1. Default of Bidder shall occur upon the failure of Bidder to deliver within the time required by the Bidding Documents the executed Agreement required by the Bidding Documents and any performance and payment bonds required by the Bidding Documents and Contract Documents.
2. This obligation shall be null and void if:
 - 2.1 Owner accepts Bidder's bid and Bidder delivers within the time required by the Bidding Documents (or an extension thereof agreed to in writing by Owner) the executed Agreement required by the Bidding Documents and any performance and payment bonds required by the Bidding Documents and Contract Documents, or
 - 2.2 All bids are rejected by Owner, or
 - 2.3 Owner fails to issue a notice of award to Bidder within the time specified in the Bidding Documents (or any extension thereof agreed to in writing by Bidder and, if applicable, consented to by Surety when required by paragraph 5 hereof).
3. Payment under this Bond will be due and payable upon default of Bidder and within thirty (30) calendar days after receipt of Bidder and Surety of written notice of default from Owner which notice will be given with reasonable promptness, identifying this Bond and the Project and including a statement of the amount due.

Section 1-16

1-16- 1

*Insurance Company

4. Surety waives notice of any and all defenses based on or arising out of any time extension to issue notice of award agreed to in writing by Owner and Bidder, providing that the time for issuing notice of award including extensions shall not in the aggregate exceed one hundred twenty (120) days from Bid Due without Surety's written consent.
5. No suite or action shall be commenced under this Bond prior to thirty (30) calendar days after the notice of default required in paragraph 3 above is received by Bidder and Surety, and in no case later than one year after Bid Due Date.
6. Any suite or action under this Bond shall be commenced only in a court of competent jurisdiction located in the state in which the Project is located.
7. Notice required hereunder shall be in writing and sent to Bidder and Surety at their respective addresses shown on the face of this Bond. Such notices may be sent by personal delivery, commercial courier or by United States Registered or Certified Mail, return receipt requested, postage pre-paid, and shall be deemed to be effective upon receipt by the part concerned.
8. Surety shall cause to be attached to this Bond a current and effective Power of Attorney evidencing the authority of the officer, agent or representative who executed this Bond on behalf of Surety to execute, seal and deliver such Bond and bind the Surety thereby.
9. This bond is intended to conform to all applicable statutory requirements. Any applicable requirement of any applicable statute that has been omitted from this Bond shall be deemed to be included herein as if set forth at length. If any provision of the Bond conflicts with any applicable provision of any applicable statute, then the provision of said statute shall govern and the remainder of the Bond that is not in conflict therewith shall continue in full force and effect.
10. The term "bid" as used herein includes a bid, offer or proposal as applicable.

IN WITNESS WHEREOF, the Principal and the Surety have hereunto set their hands and seals, and such of them as are corporations have caused their corporate seals to be hereto affixed and these presents to be signed by their proper officers, the day and year first set forth above.

Principal (Print Full Name):

Conpilog International Company

By: W. F. Vinzon (LS)

Title: President

Attest: Patricia L. Slaughter
Signature and Title

Surety (Print Full Name):

American Safety
Casualty Insurance Company (Seal)

Surety's Name and Corporate Seal
By: Cheryl Foley

Signature (attach power of attorney)
Cheryl Foley - Attorney in Fact
Title: & Florida Licensed Resident Agent

Attest: Patricia L. Slaughter
Signature and Title Patricia L. Slaughter, Witness

July 30, 2013
(Date)

IMPORTANT - Surety companies executing bonds must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in the State of Florida. See Article 5 of the General Conditions as amended by Supplementary Conditions.

END OF SECTION

Number 10001866



POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that American Safety Casualty Insurance Company has made, constituted and appointed, and by these presents does make, constitute and appoints

Cheryl Foley, MAITLAND, FL

its true and lawful attorney-in-fact, for it and its name, place, and stead to execute on behalf of the said Company, as surety, bonds, undertaking and contracts of suretyship to be given to

ALL OBLIGEEES

provided that no bond or undertaking or contract of suretyship executed under this authority shall exceed in amount the sum of

\$1,000,000.00

This Power of Attorney is granted and is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company of the 25th day of April, 2012.

RESOLVED, that the President in conjunction with the Secretary or any Assistant Secretary may appoint attorneys-in-fact or agents with authority as defined or limited in the instrument evidencing the appointment in each case, for and on behalf of the Company, to execute and deliver and affix the seal of the Company to bands, undertakings, recognizances, and suretyship obligations of all kinds; and said officers may remove any such attorney-in-fact or agent and revoke any power of attorney previously granted to such persons.

RESOLVED FURTHER, that any bond, undertaking, recognizance, or suretyship obligation shall be valid and binding upon the Company: (i) when signed by the President or any Vice-President and attested and sealed (if a seal is required) by any Secretary or Assistant Secretary or (ii) when signed by the President or any Vice-President or Secretary or Assistant Secretary, and counter-signed and sealed (if a seal is required) by a duly authorized attorney-in-fact or agent; or (iii) when duly executed and sealed (if a seal is required) by one or more attorney-in-fact or agents pursuant to and within the limits of the authority evidenced by the power of attorney issued by the Company to such person or persons.

RESOLVED FURTHER, that the signature of any authorized officer and the seal of the Company may be affixed by facsimile to any power of attorney or certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligations of the Company; and such signature and seal when so used shall have the same force and effects as though manually affixed.

IN WITNESS WHEREOF, American Safety Casualty Insurance Company has caused its official seal to be hereunto affixed, and these presents to be signed by its President and attested by its Secretary this 25th day of April, 2012.

Attest:

Ambuj Jain
Ambuj Jain



Joseph D. Scallo, Jr.
Joseph D. Scallo, Jr.

STATE OF GEORGIA)
COUNTY OF COBB)

On this 25th day of April, 2012, before me personally came Joseph D. Scallo, Jr. to me known, who, being by me duly sworn, did depose and say that he is the President of American Safety Casualty Insurance Company, a corporation described in and which executed the above instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is the corporate seal; that it was so affixed by order of the Board of Directors of said corporation and that he signed his name thereto



Benson Lee Jeffress
Benson Lee Jeffress, Notary Public

I, the undersigned, Secretary of American Safety Casualty Insurance Company, an Oklahoma corporation, DO HEREBY CERTIFY, that the foregoing and attached Power of Attorney remains in full force and has not been revoked; and furthermore that the Resolution of the Board of Directors, set forth in the said Power of Attorney, is now in force.

Signed and sealed in the City of Atlanta, in the State of Georgia

Dated this 30th day of July, 2013



Ambuj Jain
Ambuj Jain

SECTION 1-13

DRUG-FREE WORK PLACE FORM

The undersigned Bidder in accordance with Florida Statute 287.087, hereby certifies that
Compilog International Co. does:
 (Name of Business)

1. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
2. Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
3. Give each employee engaged in providing the commodities or contractual services that are proposed a copy of the statement specified in subsection (1).
4. In the statement specified in subsection (1), notify the employees that, as a condition of working on the commodities or contractual services that are under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 893 or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.
5. Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.
6. Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

As the person authorized to sign the statement, I certify that this firm complies fully with the above requirements.

X


 Bidder's Signature

July 30, 2013
 Date

This Form Must Be Completed and Returned with your Submittal, if applicable

SECTION 1-14

HOLD HARMLESS AND INDEMNITY AGREEMENT

Conpilog International agrees through the signing of this document by an authorized party or agent that it shall defend, indemnify and hold harmless the City of Deltona, and its agents, employees, and public officials from and against all suits, losses, claims, demands, judgments of every name and description arising out of or incidental to the performance of this contract or work performed thereunder, whether or not due to or caused by the negligence of the City of Deltona, its agents, employees, and public officials excluding only the sole negligence of the City of Deltona, its agents, employees, and Public Officials.

This provision shall also pertain to any claims brought against the City of Deltona, its agents, employees, and public officials by an employee of the named Contractor, any Sub-contractor, or anyone directly or indirectly employed by any of them.

The Contractor's obligation to indemnify the City of Deltona, its agents, employees and public officials under this provision shall be limited to \$1,000,000 per occurrence which the parties agree bears a reasonable commercial relationship to the contract.

The Contractor agrees to accept, and acknowledges as adequate remunerations, the consideration of \$10, which is part of the agreed bid price, the promises contained herein, and other good and valuable consideration, the receipt of which is hereby acknowledged, for agreement to enter into this Hold Harmless and Indemnity Agreement.

CONTRACTOR

July 30, 2013

DATE

This Form Must Be Completed and Returned with your Submittal.

SECTION 1-15

Statement of No Bid
Bid No. PW 13-13
Acadian Drive Sidewalk Construction
FPN: 430235-1-58-01 / FAN 7777-242-A

If your company does not intend to bid on this Procurement, please complete and return this form prior to the date shown for receipt of bids to: PUBLIS WORKS DIVISION, CITY OF DELTONA, Purchasing Agent, 255 Enterprise Road, Deltona, FL 32725.

We, the undersigned, have declined to bid on the above referenced Invitation to Bid for the following reason(s) :

- Specifications are too "restrictive." (Please explain below)
- Unable to meet specifications
- Specifications were unclear. (Please explain below)
- Insufficient time to respond
- We do not offer this type of product or equivalent
- Our production schedule would not permit us to perform
- Unable to meet bond requirements
- Other (please explain below)

REMARKS:

N.A.

Company Name		Telephone	
X			
Signature		Fax	
Title		Typed or Printed Name	
Address	City	State	Zip


Item 7B

SECTION 1-17

NON-COLLUSION AFFIDAVIT FORM

STATE OF FLORIDA

COUNTY OF VOLUSIA

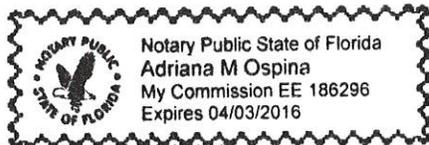
Luis F. Pinzon., being first duly sworn deposes and says that:

1. He (it) is the President of Conpirog International, of _____ the Bidder that has submitted the attached Bid;
2. He is fully informed respecting the preparation and contents of the attached Bid and of all pertinent circumstances respecting such Bid;
3. Such Bid is genuine and is not a collusive or sham Bid;
4. Neither the said Bidder nor any of its officers, partners, owners, agents, representatives, employees, or parties in interest, including this affidavit, have in any way, colluded, conspired, connived or agreed, directly or indirectly, with any other Bidder, firm or person to submit a collusive or sham Bid in connection with the Contract for which the attached Bid has been submitted; or to refrain from bidding in connection with such Contract; or have in any manner, directly or indirectly, sought by agreement or collusion, or communication, or conference with any Bidder, firm, or person to fix the price or prices in the attached Bid or of any other Bidder, or to fix any overhead, profit, or cost elements of the Bid price or the Bid price of any other Bidder, or to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against (Recipient), or any person interested in the proposed Contract;
5. The price or prices quoted in the attached Bid are fair and proper and are not tainted by any collusion, conspiracy, connivance, or unlawful agreement on the part of the Bidder or any other of its agents, representatives, owners, employees or parties in interest, including this affidavit.

By [Signature]

Sworn and subscribed to before me this 30 day of July, 2013, in the State of Florida, County of Orange.

[Signature] Notary Public
My Commission expires: 04-03-2016



This Form Must Be Completed and Returned with Your Submittal

SECTION 1-18

SWORN STATEMENT UNDER SECTION 287.133(3)(A), FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES

THIS FORM MUST BE SIGNED IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER OFFICER AUTHORIZED TO ADMINISTER OATHS.

This sworn statement is submitted to the City of Deltona by Luis F. Pinzon President.
(Individual's name and title)

For Compilog International Company
(Name of entity submitting sworn statement)

Whose business address is 2800 S. Orange Blossom Trail
Orlando, Florida 32805

And (if applicable) its Federal Employer Identification Number (FEIN) is 59 367 3981
(if the entity has no FEIN, include the Social Security Number of the individual signing this sworn statement)

1. I understand that a "public entity crime" as defined in Section 287.133(1)(g), Florida Statutes, means a violation of any State or Federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or with the United States, including, but not limited to, any bid or contract for goods or services to be provided to any public entity or an agency or political subdivision of any other state or a of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.
2. I understand that "convicted" or "conviction" as defined in Paragraph 287.133(1)(b), Florida Statutes, means a finding of guilt or a conviction of a public entity crimes, with or without an adjudication of guilt, in any Federal or State trial court of record relating to charges brought by indictment or information after July 1, 1989, as a result of a jury verdict, non-jury trial, or entry of a plea of guilty or nolo contendere.
3. I understand that an "affiliate" as defined in Section 287.133(1)(a), Florida Statutes, means:

A predecessor or successor of a person convicted of a public entity crime: or an entity under the control of any natural person who is active in the management of the entity and how has been convicted of a public entity crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in the management of an affiliate. The ownership by one (1) person of shares constituting a controlling interest in another person, or a pooling of equipment or income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding thirty-six (36) months shall be considered an affiliate.
4. I understand that a "person" as defined in Section 287.133(1)(e), Florida Statutes, means any natural person or entity organized under the laws of any state or of the United States with the legal power to enter into a binding contract and which bids or applies to bid on contracts for the provision of goods or services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders employees, members, and agents who are active in management of an entity.

SECTION 1-19

TRENCH SAFETY AFFIDAVIT

Trench excavations on this Project are expected to be in excess of 5 feet deep. The Occupational Safety and Health Administration excavation safety standards, 29 CFR 1926.650 Subpart P Trench Safety Standards will be in effect during the period of construction of the Project.

Bidder acknowledges that included in the Bid Price are costs for complying with the Florida Trench Safety Act (90-096, Laws of Florida) effective October 1, 1990, and hereby gives assurance that, if awarded the Contract, the Contractor or Subcontractor performing trench excavation work on the Project will comply with the applicable trench safety standards. The Bidder further identified the costs as follows:

**CITY OF DELTONA
ACADIAN DRIVE
SIDEWALK CONSTRUCTION
FPN: 430235-1-58-01 FAN: 7777-242-A**

<u>Trench Safety Item (description)</u>	<u>Unit Cost</u>
N.A.	0.
(Cost in Words)	
Total: \$ 0.	

FAILURE TO COMPLETE THE ABOVE SHALL RESULT IN THE BID BEING DECLARED NON-RESPONSIVE.

DATE: July 30, 2013 BY: [Signature]
 COMPANY NAME: Compilog International Co.

END OF SECTION

SECTION 1-20

CORPORATE RESOLUTION

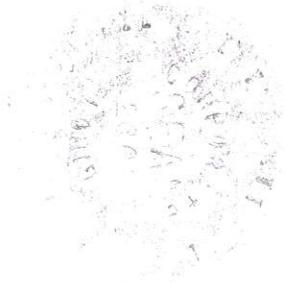
I, Luis F. Londono, Secretary of Compilog International Co, a corporation organized and existing under the laws of the state of Florida, hereby certify that at a meeting of the Board of Directors of the Corporation duly called and held on July 30, 2013 at which a quorum was present and acting throughout, the following resolutions were adopted and are now in full force and effect:

RESOLVED that the following individuals of this corporation are authorized to execute on behalf of this corporation a Bid and Agreement to Luis F. Pinzon for the construction of **ACADIAN DRIVE SIDEWALK CONSTRUCTION FPN: 430235-1-58-01 FAN: 7777-242-A.**

I further certify that the names of the officers of this corporation and any other persons authorized to act under this resolution and their official signatures are as follows:

<u>NAME</u>	<u>OFFICE</u>	<u>OFFICIAL SIGNATURE</u>
<u>Luis F. Londono</u>	<u>Secretary</u>	<u>[Signature]</u>
<u>John J. Garcia</u>	<u>V- President</u>	<u>[Signature]</u>
<u>Luis F. Pinzon</u>	<u>President</u>	<u>[Signature]</u>
<u> </u>	<u> </u>	<u> </u>

IN WITNESS THEREOF, I have hereunto subscribed my name as Secretary and affixed the seal of the corporation this 30 day of July, 20 13.



END OF SECTION

SECTION 1-03 BID RESPONSE FORM BID NO PW 13-13 Acadian Drive Sidewalk Construction FPN 430235-1-58-01 / FAN 7777-242-A

DATE SUBMITTED: July 30, 2013

PROJECT IDENTIFICATION: **City of Deltona**
ITB # PW 13-13
Acadian Drive Sidewalk Construction
FPN 430235-1-58-01 / FAN: 7777-242 -A

NAME OF BIDDER: Tomoka Construction Services Inc.

BUSINESS ADDRESS: 810 Fentress Crt. Ste 140

TELEPHONE NUMBER: 386-274-3120

CONTRACTOR'S FLORIDA LICENSE NO.: _____

THIS BID IS SUBMITTED TO: **City of Deltona**
Public Works Division
255 Enterprise Road
Deltona, Florida 32725

1. In accordance with the foregoing terms, conditions and specifications, the undersigned bidder, having become familiarized with the conditions affecting the cost of the work and with all requirements of the proposed Bid Documents, and duly issued Addenda to said documents, as acknowledged herein, proposes to furnish and perform all things required in labor, material, necessary tools, expendable equipment, and all services necessary to perform and complete in a workmanlike manner all work required by said documents and Addenda.
2. Bidder accepts all of the terms and conditions of the Advertisement or Invitation to Bid and Instructions to Bidders. This Bid will remain subject to acceptance for ninety (90) days after the day of Bid opening. Bidder will sign and deliver the required number of counterparts of the Agreement with the Bonds and other documents required by the Bidding Requirements within ten (10) days after the date of Owner's Notice of Award.
3. In submitting this bid, Bidder makes all representations required by the Instructions to Bidders and further warrants and represents that:

- a. Bidder has examined and carefully studied the Bidding Documents and the following Addendum receipt of which is hereby acknowledged:

No. <u>1</u>	Dated <u>07-19-13</u>	No. _____	Dated _____
No. _____	Dated _____	No. _____	Dated _____
No. _____	Dated _____	No. _____	Dated _____
No. _____	Dated _____	No. _____	Dated _____

- b. Bidder is aware of the general nature of Work to be performed by Owner and others at the site that relates to Work for which this Bid is submitted as indicated in the Bid Documents, and Addendum.

- c. All Bid items shall include all materials, equipment, labor, permit fees, taxes, tests, miscellaneous costs of all types, overhead and profit for the item to be complete, in place, and ready for operation in the manner contemplated by the Bid Documents and addendum.
- d. Bidder declares their bid submittal is genuine and not made in the interest of or on behalf of any undisclosed person, firm or corporation and is not submitted in conformity with any agreement or rules of any group, association, organization or corporation; Bidder has not directly or indirectly induced or solicited any other Bidder to submit a false or sham Bid; Bidder has not solicited or induced any person, firm or corporation to refrain from bidding; and Bidder has not sought by collusion to obtain for itself any advantage over any other Bidder or over Owner.
4. Bidder submits the following unit prices to perform all the work as required by the Bid documents and Specifications for the **City of Deltona, Acadian Drive Sidewalk Construction FPN 430235-1-58-01 / FAN: 7777-242-A**

All bid items shall include all materials, equipment, labor, permit fees, taxes, tests, miscellaneous costs of all types, overhead and profit for the item to be complete, in place and ready for operation in the manner contemplated by the Bid documents and addendum.

Pay Item	Description	Unit	Quantity	Unit Price	Total Cost
Roadway Items					
101-1	Mobilization (5%)	LS	1	\$ 2790.00	\$ 2790.00
102-1	Maintenance of Traffic (5%)	LS	1	\$ 2600.00	\$ 2600.00
104-10-3	Sediment Barrier	LF	1,000	\$ 2.00	\$ 2000.00
104-18	Inlet Protection System	EA	2	\$ 300.00	\$ 600.00
110-1-1	Clearing and Grubbing	AC	0.37	\$ 8900.00	\$ 3293.00
110-4	Removal of Existing Concrete Pavement	SY	226	\$ 22.00	\$ 4972.00
120-1	Regular Excavation	CY	235	\$ 32.00	\$ 7520.00
120-6	Embankment	CY	32	\$ 45.00	\$ 1440.00
430-982-123	Mitered End Section (Round) (15" CD)	EA	1	\$ 500.00	\$ 500.00
515-2-101	Ped/Bike Railing (NS Material) (42" Type 1 Picket Rail)	LF	10	\$ 125.00	\$ 1250.00
520-1-10	Curb & Gutter (Type F)	LF	45	\$ 37.00	\$ 1665.00
522-1	Sidewalk Concrete, 4" Thick	SY	605	\$ 30.00	\$ 18150.00
522-2	Sidewalk Concrete, 6" Thick	SY	225	\$ 38.00	\$ 8550.00
527-1	Detectable Warning on Walking Surface, Retrofit	EA	2	\$ 450.00	\$ 900.00
570-1-2	Performance Turf (Sod)	SY	1,178	\$ 3.00	\$ 3534.00
Signing and Pavement Marking Items					
700-20-40	Single Post Sign (Relocate)	AS	2	\$ 50.00	\$ 100.00
710-11-123	Painted Pavement Markings (STD) (White) (Solid) (12")	LF	230	\$ 3.00	\$ 690.00
710-11-125	Painted Pavement Markings (STD) (White) (Solid) (24")	LF	35	\$ 5.00	\$ 175.00
710-11-221	Painted Pavement Markings (STD) (Yellow) (Solid) (6")	LF	300	\$ 2.00	\$ 600.00
Base Bid Construction Costs Total				\$	\$ 61329.00

STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION
LAP CERTIFICATION

575-085-05
 RIGHT OF WAY
 08/07

R/W ITEM/SEGMENT NO.: _____ MANAGING DISTRICT: Five
 CONSTRUCTION ITEM/SEGMENT NO.: _____ STATE ROAD: _____
 F.A.P. NO. (Construction): _____ DESCRIPTION: _____
 COUNTY: _____
 LETTING DATE: _____

The undersigned hereby certifies as follows:

Title to all property and easements needed for the above construction project is vested in the Florida Department of Transportation (Department) or a state or local government. Sufficient authority has been obtained to construct and maintain the proposed improvements on property and easements owned by state or local governments. Further:

Acquisition

- Right of way was not acquired for this project.
 Right of way was acquired for this project in compliance with applicable state and federal law.

Relocation

- No persons or businesses were required to move or move personal property from the project right of way.
 All persons and businesses that were required to move or move personal property from the project right of way have been provided relocation assistance in compliance with applicable state and federal law.

Demolition

- No structures or improvements, including encroachments, required removal from the project right of way.
 All structures and/or improvements, including encroachments, have been removed from the project right of way in compliance with applicable state and federal law, or will be included in the construction contract.

Asbestos Abatement

- No structures or improvements requiring asbestos abatement were located on the project right of way.
 Asbestos abatement of buildings and/or structures, including those to be removed by the construction contractor, has been completed in compliance with applicable state and federal law, or will be included in the construction contract.

Submitted by Local Agency: _____

Title:

Date:

Certified by: _____

Title: FDOT District Right of Way Manager, Shirley Martin

Date:

SECTION 1-07

BIDDERS CONTACT AND INFORMATION FORM

Bidder (Company) Name: Tomoka Construction Services Inc.	F. E. I. N. or SS Number: 03-0387561
Mailing Address: 810 Fentress Crt Ste 140	Street Address: 810 Fentress Crt Ste 140
City, State, Zip: Daytona Beach, FL 32117	City, State, Zip: Daytona Beach, FL 32117
Type of Entity: (Circle one) <input checked="" type="radio"/> Corporation Partnership Proprietorship <input type="radio"/> Joint Venture	I hereby certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, or person submitting a bid for the same materials, supplies or equipment, and is in all respects fair and without collusion or fraud. I agree to abide by all conditions of this bid and certify that I am authorized to sign this bid for the Bidder.  Authorized Signature (Manual)
Incorporated in the State of: Florida Year: 2002	Typed or Printed Name: Kim K. Babcock
Telephone Number: (386) 274-3120	Title: Vice President
Fax Number: (386) 274-3170	
Email contact info: tomokaconstruct@bellsouth.net	

This Form Must Be Completed and Returned with your Submittal

FLA. 2002

SECTION 1-08

SWORN STATEMENT UNDER SECTION 287.133(3) (A), FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES

THIS FORM MUST BE SIGNED IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER OFFICER AUTHORIZED TO ADMINISTER OATHS.

This sworn statement is submitted to the City of Deltona by Kim K. Babcock, Vice President
(Individual's name and title)

For Tomoka Construction Services, Inc.
(Name of entity submitting sworn statement)

Whose business address is 810 Fentress Crt Ste 140
Daytona Beach, FL 32117

And (if applicable) its Federal Employer Identification Number (FEIN) is 03-0387561
(if the entity has no FEIN, include the Social Security Number of the individual signing this sworn statement)

1. I understand that a "public entity crime" as defined in Section 287.133(1)(g), Florida Statutes, means a violation of any State or Federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or with the United States, including, but not limited to, any bid or contract for goods or services to be provided to any public entity or an agency or political subdivision of any other state or a of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.
2. I understand that "convicted" or "conviction" as defined in Paragraph 287.133(1)(b), Florida Statutes, means a finding of guilt or a conviction of a public entity crimes, with or without an adjudication of guilt, in any Federal or State trial court of record relating to charges brought by indictment or information after July 1, 1989, as a result of a jury verdict, non-jury trial, or entry of a plea of guilty or nolo contendere.
3. I understand that an "affiliate" as defined in Section 287.133(1)(a), Florida Statutes, means:

A predecessor or successor of a person convicted of a public entity crime: or an entity under the control of any natural person who is active in the management of the entity and how has been convicted of a public entity crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in the management of an affiliate. The ownership by one (1) person of shares constituting a controlling interest in another person, or a pooling of equipment or income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding thirty-six (36) months shall be considered an affiliate.
4. I understand that a "person" as defined in Section 287.133(1)(e), Florida Statutes, means any natural person or entity organized under the laws of any state or of the United States with the legal power to enter into a binding contract and which bids or applies to bid on contracts for the provision of goods or services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders employees, members, and agents who are active in management of an entity.

5. Based on information and belief, the statement which I have marked below is true in relation to the entity submitting this sworn statement. (You must indicate which statement applies.)

_____ Neither the entity submitting this sworn statement, nor any officers, directors, executives, partners, shareholders, employees, members, or agent who is active in management of the entity, nor the affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

_____ The entity submitting this sworn statement, or one or more of the officers, directors, executives, partners, shareholders, employees, members or agent who are active in management of the entity, or an affiliate of the entity, has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

_____ The entity submitting this sworn statement, or one or more of the officers, directors, executives, partners, shareholders, employees, members or agents who are active in management of the entity, or an affiliate of the entity, has been charged with and convicted of a public entity crime subsequent to July 1, 1989. However, there has been a subsequent proceeding before an Administrative Law Jury of the State of Florida, Division of Administrative Hearings and the Final Order entered by the Administrative Law Jury determined that it was not in the public interest to place the entity submitting this sworn statement on the convicted vendor list. (You must attach a copy of the final order).

I UNDERSTAND THAT THE SUBMISSION OF THIS FORM TO THE CITY OF DELTONA IS FOR THE CITY ONLY AND, THAT THIS FORM IS VALID THROUGH DECEMBER 31, OF THE CALENDAR YEAR IN WHICH IT IS FILED. I ALSO UNDERSTAND THAT I AM REQUIRED TO INFORM THE CITY PRIOR TO ENTERING IN TO A CONTRACT IN EXCESS OF THE THRESHOLD AMOUNT PROVIDED IN SECTION 287.017, FLORIDA STATUTES, FOR CATEGORY TWO OF ANY CHANGE IN THE INFORMATION CONTAINED IN THIS FORM.

[Handwritten Signature]
SIGNATURE

7-30-13
DATE

State of Florida
County of Volusia

Personally appeared before me, the undersigned authority, Kim K. Barcock (name of individual signing) who, after first being sworn by me, affixed his/her signature in the space provided above on the 30 day of July, 2013.

[Handwritten Signature]
NOTARY PUBLIC



LISA SULLIVAN
Notary Public, State of Florida
My Comm. Expires Aug. 9, 2014
Commission No. DD 996818

My commission expires:

This Form Must Be Completed and Returned with your Submittal

**SECTION 1-09
BIDDER'S CERTIFICATION**

I have carefully examined the Bid Documents, Instructions to Bidders, General and/or Special Conditions, Vendor's Notes, Specifications, proposed agreement and any other documents accompanying or made a part of this Bid.

I hereby propose to furnish the goods or services specified in the Bid Documents at the prices and rates bid in my submittal. I agree that my bid submittal will remain firm for a period of up to one hundred twenty (120) days in order to allow the City adequate time to evaluate the bids submitted.

I agree to abide by all conditions of the Bid Documents and understand that a background investigation may be conducted by the City of Deltona prior to award.

I certify that all information contained in this Bid submittal is truthful to the best of my knowledge and belief. I further certify that I am a duly authorized to submit this bid submittal on behalf of the vendor / contractor as its act and deed and that the vendor / contractor is ready, willing and able to perform if awarded the contract.

I further certify, under oath, that this Bid submittal is made without prior understanding, agreement, connection, discussion, or collusion with any other person, firm or corporation submitting a Bid for the same product or service; no officer, employee or agent of the City of Deltona Government or of any other Bidder interested in said Bid; and that the undersigned executed this Bidder's Certification with full knowledge and understanding of the matters therein contained and was duly authorized to do so.

Name of Business: TOMOKA CONST. SERV. INC.

Sworn to and subscribed before me by: Kim K Babcock

This 30 day of July, 2013

Signature [Handwritten Signature]

Name & Title, Typed or Printed: KIM K. BABCOCK VICE PRESIDENT

Mailing Address 810 FENTRESS CT. # 1410
DATONIA BEACH FL 32117
City, State, Zip Code

386 274-3120
Telephone Number

[Handwritten Signature]
Signature of Notary



LISA SULLIVAN
Notary Public, State of Florida
My Comm. Expires Aug. 9, 2014
Commission No. DD 996818

Notary Public, State of Florida
Personally known
-OR-
Produced Identification _____

This Form Must Be Completed and Returned with your Submittal

SECTION 1-10
References

***References who are located in foreign countries are not acceptable.
The Reference Form Must Be Completed and Returned with your Submittal.***

1. **Project Name:** 30th St. Sidewalks
Project Value: \$590,000
Project Description: Sidewalks, Storm, Grading
Project Owner: City of Edgewater
Project Owner's contact info: Jack Corder 386-424-2485
Project Location: Edgewater, Fl
Project Start and End Dates: May 2012, August 2012

2. **Project Name:** Downtown Parking Improvements
Project Value: \$400,000
Project Description: Sidewalks, Paving, Storm, Curbs, Grading
Project Owner: City of Ormond Beach
Project Owner's contact info: Paul McDonald 386-676-3296
Project Location: Ormond Beach, Fl
Project Start and End Dates: March 2011, September 2011

3. **Project Name:** Raw Water Main
Project Value: \$120,000
Project Description: Install of (2) 24" Valves w/ 200' of DIP
Project Owner: City of Daytona Beach
Project Owner's contact info: Mike Smith 386-671-8000
Project Location: Daytona Beach, Fl
Project Start and End Dates: August 2012, September 2012

4. **Project Name:** Palm Grove
Project Value: \$601,000
Project Description: Install of Storm System (Convert Swales to Piping)
Project Owner: City of South Daytona
Project Owner's contact info: Les Gillis 386-322-3080
Project Location: South Daytona, Fl
Project Start and End Dates: September 2008, Decemeber 2008

5. **Project Name:** Waste Pro Bunnell
Project Value: \$285,000
Project Description: Full Site Work- Storm, Water, Sewer, Ponds, Grading
Project Owner: Waste Pro
Project Owner's contact info: Jimmy Cinelli 386-788-8890
Project Location: Bunnell, Fl
Project Start and End Dates: April 2011, Current (additions in progress)
6. **Project Name:** Waste Pro Sanford
Project Value: \$200,000
Project Description: Storm, Ponds, Grading, Concrete
Project Owner: Waste Pro
Project Owner's contact info: Jimmy Cinelli 386-788-8890
Project Location: Sanford, Fl
Project Start and End Dates: August 2012, May 2013
7. **Project Name:** Central Park Paving
Project Value: \$150,000
Project Description: Paving, Grading, Storm
Project Owner: City of Ormond Beach
Project Owner's contact info: Alex Blake 386-676-3306
Project Location: Ormond Beach, Fl
Project Start and End Dates: October 2012, Jan 2013
8. **Project Name:** Port Orange Police Department
Project Value: \$500,000
Project Description: Full Site Work
Project Owner: City of Port Orange
Project Owner's contact info: Lance Hall 386-527-4552
Project Location: Port Orange, Fl
Project Start and End Dates: May 2008, May 2009

5. Have you personally inspected the site of the proposed Work? Describe any anticipated problems with the site and your proposed solutions.

Yes, none

6. Will you Subcontract any part of this Work? If so, describe which portion(s).

Yes. Concrete, Striping, Survey & As-Builts

7. What equipment do you own that is available for the Work?

see attached

8. What equipment will you purchase for the Work?

none

9. What equipment will you rent for the Work?

none

10. The following is given as a summary of the Financial Statement of the undersigned: (List Assets and Liabilities and use insert sheet if necessary.)

see attached

11. State the true and exact, correct, and complete name under which you do business.

Bidder is: Tomoka Construction Services Inc.

END OF SECTION

SECTION 1-12

Sub Contractors and Affiliates

The following are a list of Sub Contractors or Affiliates that will be utilized in this project. Use additional sheets if necessary.

FIRM NAME	TRADE	TELEPHONE AND FAX NUMBER
Stellar Pavement Markings	Pavement Markings	(386) 846-5002 ()
Greco's Concrete	Concrete	(386) 586-8261 (386) 749-9709
ATS Land Surveying	Survey & As-Builts	(386) 264-8490 (386) 845-9216
On Sight Video	On Sight Videos	(386) 479-7589 (386) 490-4400

In the event our firm is awarded this bid, the City of Deltona will be notified of any changes made to this Sub Contractors list before and during any and all work performed during this project.

The Sub-Contractor listing Form Must Be Completed and Returned with your Submittal.

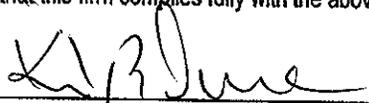
SECTION 1-13

DRUG-FREE WORK PLACE FORM

The undersigned Bidder in accordance with Florida Statute 287.087, hereby certifies that Tomoka Construction Services Inc. does:
(Name of Business)

1. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
2. Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
3. Give each employee engaged in providing the commodities or contractual services that are proposed a copy of the statement specified in subsection (1).
4. In the statement specified in subsection (1), notify the employees that, as a condition of working on the commodities or contractual services that are under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 893 or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.
5. Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.
6. Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

As the person authorized to sign the statement, I certify that this firm complies fully with the above requirements.

x 
 Bidder's Signature Kim K Babcock, VP
07/30/2013
 Date

This Form Must Be Completed and Returned with your Submittal, if applicable


 FLA. 2002

SECTION 1-14

HOLD HARMLESS AND INDEMNITY AGREEMENT

TOMCKA CONST. SERV. INC. agrees through the signing of this document by an authorized party or agent that it shall defend, indemnify and hold harmless the City of Deltona, and its agents, employees, and public officials from and against all suits, losses, claims, demands, judgments of every name and description arising out of or incidental to the performance of this contract or work performed thereunder, whether or not due to or caused by the negligence of the City of Deltona, its agents, employees, and public officials excluding only the sole negligence of the City of Deltona, its agents, employees, and Public Officials.

This provision shall also pertain to any claims brought against the City of Deltona, its agents, employees, and public officials by an employee of the named Contractor, any Sub-contractor, or anyone directly or indirectly employed by any of them.

The Contractor's obligation to indemnify the City of Deltona, its agents, employees and public officials under this provision shall be limited to \$1,000,000 per occurrence which the parties agree bears a reasonable commercial relationship to the contract.

The Contractor agrees to accept, and acknowledges as adequate remunerations, the consideration of \$10, which is part of the agreed bid price, the promises contained herein, and other good and valuable consideration, the receipt of which is hereby acknowledged, for agreement to enter into this Hold Harmless and Indemnity Agreement.



CONTRACTOR

Kim K. BABCOCK VICE PRESIDENT

7-30-13

DATE

This Form Must Be Completed and Returned with your Submittal.



FLA. 2002

SECTION 1-17

NON-COLLUSION AFFIDAVIT FORM

STATE OF FLORIDA

COUNTY OF VOLUSIA

Kim K Basecock being first duly sworn deposes and says that:

1. He (it) is the VICE PRESIDENT of TONOZA CONST. SERV. INC. the Bidder that has submitted the attached Bid;
2. He is fully informed respecting the preparation and contents of the attached Bid and of all pertinent circumstances respecting such Bid;
3. Such Bid is genuine and is not a collusive or sham Bid;
4. Neither the said Bidder nor any of its officers, partners, owners, agents, representatives, employees, or parties in interest, including this affidavit, have in any way, colluded, conspired, connived or agreed, directly or indirectly, with any other Bidder, firm or person to submit a collusive or sham Bid in connection with the Contract for which the attached Bid has been submitted; or to refrain from bidding in connection with such Contract; or have in any manner, directly or indirectly, sought by agreement or collusion, or communication, or conference with any Bidder, firm, or person to fix the price or prices in the attached Bid or of any other Bidder, or to fix any overhead, profit, or cost elements of the Bid price or the Bid price of any other Bidder, or to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against (Recipient), or any person interested in the proposed Contract;
5. The price or prices quoted in the attached Bid are fair and proper and are not tainted by any collusion, conspiracy, connivance, or unlawful agreement on the part of the Bidder or any other of its agents, representatives, owners, employees or parties in interest, including this affidavit.

By Kim K Basecock

Sworn and subscribed to before me this 30 day of July, 2013, in the State of Florida County of Volusia

Lisa Sullivan Notary Public
My Commission expires:



LISA SULLIVAN
Notary Public, State of Florida
My Comm Expires Aug. 9, 2014
Commission No. DD 996818

This Form Must Be Completed and Returned with your Submittal

SECTION 1-18

SWORN STATEMENT UNDER SECTION 287.133(3)(A), FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES

THIS FORM MUST BE SIGNED IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER OFFICER AUTHORIZED TO ADMINISTER OATHS.

This sworn statement is submitted to the City of Deltona by KIM K. BABCOCK VICE PRESIDENT
(Individual's name and title)

For TOMOKA CONST. SERV. INC.
(Name of entity submitting sworn statement)

Whose business address is BIO FENTRESS CT #140
DAYTONA BEACH FL 32117

And (if applicable) its Federal Employer Identification Number (FEIN) is 03-0387561
(if the entity has no FEIN, include the Social Security Number of the individual signing this sworn statement)

1. I understand that a "public entity crime" as defined in Section 287.133(1)(g), Florida Statutes, means a violation of any State or Federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or with the United States, including, but not limited to, any bid or contract for goods or services to be provided to any public entity or an agency or political subdivision of any other state or a of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.
2. I understand that "convicted" or "conviction" as defined in Paragraph 287.133(1)(b), Florida Statutes, means a finding of guilt or a conviction of a public entity crimes, with or without an adjudication of guilt, in any Federal or State trial court of record relating to charges brought by indictment or information after July 1, 1989, as a result of a jury verdict, non-jury trial, or entry of a plea of guilty or nolo contendere.
3. I understand that an "affiliate" as defined in Section 287.133(1)(a), Florida Statutes, means:

A predecessor or successor of a person convicted of a public entity crime: or an entity under the control of any natural person who is active in the management of the entity and how has been convicted of a public entity crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in the management of an affiliate. The ownership by one (1) person of shares constituting a controlling interest in another person, or a pooling of equipment or income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding thirty-six (36) months shall be considered an affiliate.
4. I understand that a "person" as defined in Section 287.133(1)(e), Florida Statutes, means any natural person or entity organized under the laws of any state or of the United States with the legal power to enter into a binding contract and which bids or applies to bid on contracts for the provision of goods or services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders employees, members, and agents who are active in management of an entity.

5. Based on information and belief, the statement which I have marked below is true in relation to the entity submitting this sworn statement. (You must indicate which statement applies.)

Neither the entity submitting this sworn statement, nor any officers, directors, executives, partners, shareholders, employees, members, or agent who is active in management of the entity, nor the affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

The entity submitting this sworn statement, or one or more of the officers, directors, executives, partners, shareholders, employees, members or agent who are active in management of the entity, or an affiliate of the entity, has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

The entity submitting this sworn statement, or one or more of the officers, directors, executives, partners, shareholders, employees, members or agents who are active in management of the entity, or an affiliate of the entity, has been charged with and convicted of a public entity crime subsequent to July 1, 1989. However, there has been a subsequent proceeding before an Administrative Law Jury of the State of Florida, Division of Administrative Hearings and the Final Order entered by the Administrative Law Jury determined that it was not in the public interest to place the entity submitting this sworn statement on the convicted vendor list. (You must attach a copy of the final order).

I UNDERSTAND THAT THE SUBMISSION OF THIS FORM TO THE CITY OF DELTONA IS FOR THE CITY ONLY AND, THAT THIS FORM IS VALID THROUGH DECEMBER 31, OF THE CALENDAR YEAR IN WHICH IT IS FILED. I ALSO UNDERSTAND THAT I AM REQUIRED TO INFORM THE CITY PRIOR TO ENTERING IN TO A CONTRACT IN EXCESS OF THE THRESHOLD AMOUNT PROVIDED IN SECTION 287.017, FLORIDA STATUTES, FOR CATEGORY TWO OF ANY CHANGE IN THE INFORMATION CONTAINED IN THIS FORM.

Kim Babcock
SIGNATURE

July 30 2013
DATE

State of Florida
County of Volusia

Personally appeared before me, the undersigned authority, Kim K Babcock (name of individual signing) who, after first being sworn by me, affixed his/her signature in the space provided above on the 30 day of July, 2013.

Lisa Sullivan
NOTARY PUBLIC

My commission expires:



LISA SULLIVAN
Notary Public, State of Florida
My Comm. Expires Aug. 9, 2014
Commission No. DD 996818

This Form Must Be Completed and Returned with your Submittal

SECTION 1-19

TRENCH SAFETY AFFIDAVIT

Trench excavations on this Project are expected to be in excess of 5 feet deep. The Occupational Safety and Health Administration excavation safety standards, 29 CFR 1926.650 Subpart P Trench Safety Standards will be in effect during the period of construction of the Project.

Bidder acknowledges that included in the Bid Price are costs for complying with the Florida Trench Safety Act (90-096, Laws of Florida) effective October 1, 1990, and hereby gives assurance that, if awarded the Contract, the Contractor or Subcontractor performing trench excavation work on the Project will comply with the applicable trench safety standards. The Bidder further identified the costs as follows:

**CITY OF DELTONA
ACADIAN DRIVE
SIDEWALK CONSTRUCTION
FPN: 430235-1-58-01 FAN: 7777-242-A**

<u>Trench Safety Item (description)</u>	<u>Unit Cost</u>
N/A	
(Cost in Words)	
Total: \$ <u>0.00</u>	

FAILURE TO COMPLETE THE ABOVE SHALL RESULT IN THE BID BEING DECLARED NON-RESPONSIVE.

COMPANY NAME: TOMOKA CONST. SERV. INC.

DATE: 7-30-13

BY: [Signature]

END OF SECTION

[Signature]

FLA 2002



AGENDA MEMO

TO: Mayor & City Commission **AGENDA DATE:** 8/19/2013

FROM: William D. Denny, Acting City Manager **AGENDA ITEM:** 8 - A

SUBJECT: Public Hearing - Ordinance No. 14-2013, Adding an additional homestead exemption as permitted under F.S. 196.075(2)(b), and providing a method for computing income limitations for qualifications, at second and final reading.

LOCATION:

Citywide

BACKGROUND:

At the Regular City Commission Meeting held on Monday, June 17, 2013 Mayor Masiarczyk requested that the City Attorney prepare an Ordinance to support the new Florida Statute which adds an additional homestead exemption for a senior exemption available for low income senior residents who have lived in their home for over 25 years.

ORIGINATING DEPARTMENT:

City Attorney's Office

SOURCE OF FUNDS:

General Fund

COST:

The estimated reduction in annual ad valorem revenue for FY 2013/2014 is approximately under \$1,000.

REVIEWED BY:

City Attorney, Finance Director

STAFF RECOMMENDATION PRESENTED BY:

City Attorney Becky Vose - That the City Commission consider adoption of Ordinance No. 14-2013 adding an additional homestead exemption as permitted under F.S. 196.075(2)(b) and providing a method for computing income limitations for qualifications, at second and final reading.

POTENTIAL MOTION:

"I move to adopt Ordinance No. 14-2013 at second and final reading."

**AGENDA ITEM
APPROVED BY:**

William D. Denny, Acting City
Manager

ATTACHMENTS:

- Ordinance No. 14-2013

ORDINANCE NO. 14-2013

AN ORDINANCE OF THE CITY OF DELTONA, FLORIDA, ADDING SECTIONS 62-2 AND 62-3 TO THE DELTONA CODE OF ORDINANCES ADDING AN ADDITIONAL HOMESTEAD EXEMPTION AS PERMITTED UNDER F.S. §196.075(2)(b), AND PROVIDING A METHOD FOR COMPUTING INCOME LIMITATIONS FOR QUALIFICATIONS, PROVIDING FOR CONFLICTS, CODIFICATION, SEVERABILITY AND FOR AN EFFECTIVE DATE.

WHEREAS, in accordance with s. 6(d), Art. VII of the State Constitution, Florida Statutes, Section 196.075(2)(b) allows the governing authority of any municipality, by supermajority vote, to adopt an ordinance to allow an additional homestead exemption equal to the amount of the assessed value of the property for any person who has the legal or equitable title to real estate with a just value less than \$250,000 and has maintained thereon the permanent residence of the owner for at least 25 years, who has attained age 65, and whose household income does not exceed certain income limitations as prescribed in such Florida Statute; and

WHEREAS, the City Commission of the City of Deltona wishes to make this additional exemption available to qualified City of Deltona residents in the maximum amount permitted by law; and

NOW, THEREFORE, BE IT ENACTED BY THE CITY COMMISSION OF THE CITY OF DELTONA, FLORIDA, AS FOLLOWS:

SECTION 1. Chapter 62, “Taxation,” Article I, “In General,” of the Code of Ordinances of the City of Deltona is hereby amended by adding Sections 62-2 and 62-3 to read as follows:

Sec. 62-2. – Additional homestead exemption permitted by F.S. §196.075(2)(b)

In addition to the additional homestead exemption granted pursuant to Section 62-1 above, the City of Deltona hereby grants an exemption that only applies to ad valorem taxes levied by the City of Deltona, equal to the amount of the assessed value of the property for any person who has the legal or equitable title to real estate with a just value less than \$250,000 and has maintained thereon the permanent residence of the owner for at least 25 years, who has attained age 65, and whose household income does not exceed income limitations as prescribed in Section 62-1 above. A taxpayer claiming this additional exemption shall annually submit to the property appraiser, not later than March 1, a sworn statement of household income on a form prescribed by the Department of Revenue.

Sec. 62-3. – Computation of income limitations under sections 62-1 and 62-2

In accordance with Florida Statutes, Section 196.075(3), beginning January 1, 2001, the \$20,000 income limitation provided under Sections 62-1 and 62-2 shall be adjusted annually, on January 1, by the percentage change in the average cost-of-living index in the period January 1 through December 31 of the immediate prior year compared with the same period for the year prior to that. The index is the average of the monthly consumer-price-index figures for the stated 12-month period, relative to the United States as a whole, issued by the United States Department of Labor.

City of Deltona, Florida
 Ordinance No. 14-2013
 Page 3 of 3

SECTION 3. CONFLICTS. All Ordinances or parts of Ordinances insofar as they are inconsistent or in conflict with the provisions of this Ordinance are hereby repealed to the extent of any conflict.

SECTION 3. CODIFICATION. The provisions of this Ordinance shall be codified as and become and be made a part of the Code of Ordinances of the City of Deltona. The sections of this Ordinance may be renumbered or re-lettered to accomplish such intention.

SECTION 4. SEVERABILITY. In the event that any portion or section of this Ordinance is determined to be invalid, illegal or unconstitutional by a court of competent jurisdiction, such decision shall in no manner affect the remaining portions or sections of this Ordinance which shall remain in full force and effect.

SECTION 5. EFFECTIVE DATE. This Ordinance shall take effect immediately upon its final passage and adoption.

PASSED AND ADOPTED THIS ____ DAY OF _____, 2013.

FIRST READING: _____

ADVERTISED: _____

SECOND READING: _____

JOHN C. MASIARCZYK SR., MAYOR

ATTEST:

JOYCE RAFTERY, CITY CLERK

Approved as to form and legality for use
 and reliance by the City of Deltona, Florida

GRETCHEN R. H. VOSE, CITY ATTORNEY



AGENDA MEMO

TO: Mayor & City Commission **AGENDA DATE:** 8/19/2013
FROM: William D. Denny, Acting City Manager **AGENDA ITEM:** 10 - A
SUBJECT: Request for approval to terminate the Swaption and award the sale of bonds to the Underwriters.

LOCATION:

N/A

BACKGROUND:

The City on August 15, 2006 entered into an interest rate swap option agreement with Citibank N.A (the Swap Provider) relating to the City's outstanding Utility System Revenue Bonds, Series 2003 (The Series 2003) bond issue. Under the terms of the agreement the City sold a onetime option to the Swap Provider that gave them the right to put the City on a fixed payer swap on October 1, 2013. The Swap Provider has sent notice to the City that it intends to exercise this option but the City has decided it is in its best interest to terminate the swap and to incorporate any termination payment as part of a current refunding of the City's Series 2003 Bonds. In order to issue the refunding bonds the City will need to adopt a Bond Resolution that authorizes the issuance of Utility System Refunding Revenue Bonds, Series 2013, in an amount not to exceed \$85,000,000, that authorizes the termination of the Swaption, and that authorizes the Mayor to award the sale of the bonds to the Underwriters consisting of Raymond James and Associates, Merrill Lynch /Bank of America, JP Morgan and RBC Capital Markets pursuant to conditions and terms set forth under a purchase contract and provide for the selection of a paying agent and escrow agent (Bank of New York Mellon Trust Company) and the execution of documents by the Mayor including the Official Statement, Disclosure Documents and the use of bond insurance if cost effective.

ORIGINATING DEPARTMENT:

Finance

SOURCE OF FUNDS:

2013 Refunding Bond Issue

COST:

See attached Sources and Uses of Funds summary

REVIEWED BY:

Acting City Manager

**STAFF
RECOMMENDATION
PRESENTED BY:**

Robert Clinger, Finance Director
Staff recommends authorizing the issuance of not to exceed Utility System Refunding Revenue Bonds, Series 2013 termination of the Swaption, and delegating to the Mayor to award the sale of the bonds to the Underwriters consisting of Raymond James and Associates, Merrill Lynch /Bank of America, JP Morgan and RBC Capital Markets pursuant to conditions and terms set forth in the Resolution under a purchase contract, selection of a paying agent and escrow agent (Bank of New York Mellon Trust Company), the execution of documents by the Mayor including the Official Statement, Disclosure Documents and the use of bond insurance if cost effective.

**POTENTIAL
MOTION:**

"I move to authorize the issuance of not to exceed Utility System Refunding Revenue Bonds, Series 2013, termination of the Swaption, and delegate the Mayor to award the sale of the bonds to the Underwriters consisting of Raymond James and Associates, Merrill Lynch /Bank of America, JP Morgan and RBC Capital Markets pursuant to conditions and terms set forth in the Resolution under a purchase contract, the selection of a paying agent and escrow agent (Bank of New York Mellon Trust Company) and the execution of documents by the Mayor including the Official Statement, Disclosure Documents and the use of bond insurance if cost effective."

**AGENDA ITEM
APPROVED BY:**

William D. Denny, Acting City
Manager

ATTACHMENTS:

- Escrow Deposit Agreement
- Form of Bond Purchase Contract
- Master Utility Bond Resolution
- Deltona Utility Funding 2013
- Deltona 2013 Utility Refunding

ESCROW DEPOSIT AGREEMENT

ESCROW DEPOSIT AGREEMENT, dated as of September 10, 2013, by and between **CITY OF DELTONA, FLORIDA**, a duly constituted and existing municipal corporation of the State of Florida (the “City”), and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.** (the “Escrow Agent”), a national banking association organized and existing under the laws of the United States of America, as Escrow Agent hereunder.

WHEREAS, the City issued on October 23, 2003 its Utility System Revenue Bonds, Series 2003 (the “Refunded Bonds”) pursuant to City Resolution No. 2003-30 as supplemented (the “Refunded Bonds Resolution”); and

WHEREAS, City Resolution 2003-30 provides that the Refunded Bonds shall be deemed to have been paid within the meaning and with the effect expressed in such resolution upon compliance by the City with the provisions of Section 9.01 thereof, which provisions the City hereby represents have not been amended or supplemented; and

WHEREAS, the City has determined to issue, pursuant to its Resolution 2013-____ adopted by the City on August 19, 2013, its \$_____ aggregate principal amount of Utility System Refunding Revenue Bonds, Series 2013 (the “2013 Bonds”); and

WHEREAS, a portion of the proceeds of the 2013 Bonds together with other legally available moneys of the City will be deposited in the Escrow Fund created pursuant to Section 4 hereof in an amount sufficient without reinvestment to pay the Refunded Bonds as provided herein and to discharge and satisfy the covenants, agreements and other obligations of the City in regard to such Refunded Bonds; and

WHEREAS, the issuance of the 2013 Bonds, the deposit of such cash into the Escrow Fund to be held by the Escrow Agent and the discharge and satisfaction of the covenants, agreements and other obligations of the City under the Refunded Bonds Resolution in regard to the Refunded Bonds shall occur as a simultaneous transaction; and

WHEREAS, this Agreement is intended to effectuate such simultaneous transaction;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. The recitals stated above are true and correct and incorporated herein.
2. Receipt of true and correct copies of the above-mentioned Refunded Bonds Resolution is hereby acknowledged by the Escrow Agent. The applicable and necessary provisions of the Refunded Bonds Resolution, in particular Section 9.01 thereof are incorporated herein by reference.

3. In accordance with the Refunded Bonds Resolution, the City by this agreement exercises the option to have the covenants, agreements and other obligations of the City to the holders of the Refunded Bonds discharged and satisfied.

4. There is hereby created and established with the Escrow Agent a special, segregated and irrevocable escrow fund designated the "The City of Deltona Utility System 2003 Escrow Deposit Fund" (the "Escrow Fund"), which Escrow Fund is to be held in the custody of the Escrow Agent as a trust fund for the benefit of the holders of the Refunded Bonds as provided more specifically below, separate and apart from other funds of the City and the Escrow Agent. The Escrow Agent hereby accepts the Escrow Fund and acknowledges the receipt of and deposit thereunder of the sum of \$_____ in immediately available funds received by the City from the sale and delivery of the 2013 Bonds and \$_____ previously held in the funds and accounts securing the Refunded Bonds, which amounts the City directs the Escrow Agent to apply as provided herein (the "Escrow Proceeds").

5. The City represents and warrants that the deposit made pursuant to Section 4 is sufficient to pay the principal of and interest due on the Refunded Bonds as described in **Schedule "A"** attached hereto. If such deposit shall be insufficient to make such payment, the City shall timely deposit in the Escrow Fund, solely from legally available funds of the City, such additional amounts as may be required to pay the Refunded Bonds as described in **Schedule "A"** hereto. Notice of any insufficiency shall be given by the Escrow Agent to the City as promptly as possible, but the Escrow Agent shall in no manner be responsible for the City's failure to make such deposits.

6. The deposit provided for in Section 4 shall constitute a deposit of moneys in irrevocable trust with the Escrow Agent solely for the payment of the principal and interest on the Refunded Bonds at such time and in such amount as set forth in **Schedule "A"** hereto, and such deposit shall be used solely for such purposes. The deposit in the Escrow Fund will be held uninvested.

7. The City hereby directs, and the Escrow Agent hereby agrees, that it will undertake the timely transfer of money to the Paying Agent for the Refunded Bonds or any successors or assigns thereto (collectively, the "Refunded Bonds Paying Agent") in accordance with **Schedule "A"** attached hereto, in order to effectuate this Agreement and to pay the Refunded Bonds in the amount and at the time provided in said **Schedule "A"**. The liability of the Escrow Agent to make such transfer for the payment of the principal of and interest on the Refunded Bonds pursuant to this Agreement shall be limited to the application of amounts available for such purposes in the Escrow Fund.

8. The City hereby irrevocably instructs the Escrow Agent to direct the Refunded Bonds Paying Agent as the registrar for the Refunded Bonds to give, at the appropriate time, the notice or notices required by the Refunded Bonds Resolution in connection with the redemption of the Refunded Bonds. All of the Refunded Bonds maturing October 1, 2014 and thereafter shall be redeemed on October __, 2013 at 100% of the principal amount thereof plus accrued interest to such redemption date.

9. Concurrently with the deposit set forth in Section 4 hereof, the Refunded Bonds are hereby deemed to have been paid within the meaning and with the effect expressed in the Refunded Bonds Resolution.

10. The Escrow Fund hereby created shall be irrevocable and the holders of the Refunded Bonds shall have an express lien on all amounts deposited in the Escrow Fund pursuant to the terms hereof until paid out, used and applied in accordance with this Agreement. Neither the City nor the Escrow Agent shall cause or permit any other lien or interest to be imposed upon the Escrow Funds.

11. This Agreement is made for the benefit of the City and the holders from time to time of the Refunded Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such holders and the written consent of the Escrow Agent provided, however, that the City and the Escrow Agent may, without the consent of, or notice to, such holders enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;
- (b) to grant, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and
- (c) to subject to this Agreement additional funds, securities or properties.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized bond counsel with respect to compliance with this Section 11, including the extent, if any, to which any change, modification or addition affects the rights of the holders of the Refunded Bonds, or that any instrument executed hereunder complies with the conditions and provisions of this Section 11.

12. As long as the amounts on deposit in the Escrow Fund are held uninvested, the Escrow Agent is not charging any amount for performing under this Agreement provided, that such amount shall not include any expenses associated with the performance by the Escrow Agent at the request of the City of any extraordinary services hereunder, which are payable by the City upon presentation of an invoice therefor from the Escrow Agent. The Escrow Agent shall have no lien whatsoever upon any of the amounts on deposit in said Escrow Fund for the payment of such proper fees and expenses.

13. The Escrow Agent shall not be liable in connection with the performance of its duties hereunder except for its own negligence or misconduct. The Escrow Agent shall not be liable for any loss resulting from any lawful investments made pursuant to the terms of this Agreement. The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of the deposit to the Escrow Fund to pay the Refunded Bonds. So long as the Escrow Agent applies any moneys to pay the Refunded Bonds as provided herein, and

complies fully with the terms of this Agreement, the Escrow Agent shall not be liable for any deficiencies in the amounts necessary to pay the Refunded Bonds caused by such calculations. Notwithstanding any provision herein to the contrary, in no event shall the Escrow Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

The duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement and no implied warrants or obligations shall be read into this Agreement against the Escrow Agent. The Escrow Agent may consult with counsel with respect to any matter relevant to this Agreement, who may or may not be counsel to the City, and be entitled to receive from the City reimbursement of the reasonable fees and expenses of such counsel, and in reliance upon the opinion of such counsel have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the City and the Escrow Agent may in good faith conclusively rely upon such certificate.

The Escrow Agent may conclusively rely upon and shall be fully protected in acting and relying upon any notice, order, requisition, request, consent, certificate, order, opinion (including an opinion of counsel), affidavit, letter, telegram or other paper or document in good faith deemed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any payment obligation of the Escrow Agent hereunder shall be paid from, and is limited to funds available, established and maintained hereunder; the Escrow Agent shall not be required to expend its own funds for the performance of its duties hereunder. The Escrow Agent may act through its agents and attorneys and shall not be responsible for any misconduct or negligence on the part of any such person so appointed with due care. The Escrow Agent shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Escrow Agent shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

The City further agrees to the extent allowable by law and specifically without waiving its sovereign immunity protections to indemnify and save the Escrow Agent harmless, to the extent allowed by law, against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to its negligence or default. The Escrow Agent's rights under Sections 12 and 13 hereof shall

survive the termination of this Agreement and/or the sooner resignation or removal of the Escrow Agent and shall inure to the benefit of the Escrow Agent's successors and assigns.

14. The Escrow Agent, at the time acting hereunder, may at any time resign and be discharged from the duties and obligations hereby created by giving not less than ten (10) days written notice to the City and mailing notice thereof, specifying the date when such resignation will take effect to the holders of all Refunded Bonds then outstanding, but no such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the holders of a majority in aggregate principal amount of the Refunded Bonds then outstanding or by the City as hereinafter provided and such successor Escrow Agent shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent.

The Escrow Agent may be removed at any time by an instrument or concurrent instruments in writing, delivered to the Escrow Agent and to the City and signed by the holders of a majority in aggregate principal amount of the Refunded Bonds then outstanding.

In the event the Escrow Agent hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case the Escrow Agent shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the holders of a majority in aggregate principal amount of the Refunded Bonds then outstanding by an instrument or concurrent instruments in writing, signed by such holders, or by their attorneys in fact, duly authorized in writing; provided, nevertheless, that in any such event, the City shall appoint a temporary Escrow Agent to fill such vacancy until a successor Escrow Agent shall be appointed by the holders of a majority in aggregate principal amount of the Refunded Bonds then outstanding in the manner above provided, and any such temporary Escrow Agent so appointed by the City shall immediately and without further act be superseded by the Escrow Agent so appointed by such holders.

In the event that no appointment of a successor Escrow Agent or a temporary successor Escrow Agent shall have been made by such holders or the City pursuant to the foregoing provisions of this Section 14 within ten (10) days after written notice of resignation of the Escrow Agent has been given to the City, the holder of any of the Refunded Bonds or any retiring Escrow Agent may apply to any court of competent jurisdiction for the appointment of a successor Escrow Agent, and such court may thereupon, after such notice, if any, as it shall deem proper, appoint a successor Escrow Agent.

No successor Escrow Agent shall be appointed unless such successor Escrow Agent shall be a banking institution or trust company with trust powers organized under the banking laws of the United States or any state thereof, and shall have at the time of appointment capital and surplus of not less than \$75,000,000.

Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the City an instrument in writing accepting such appointment hereunder and thereupon such successor Escrow Agent, without any further act, deed or

conveyance, shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor; but such predecessor shall nevertheless, on the written request of such successor Escrow Agent or the City execute and deliver an instrument transferring to such successor Escrow Agent all the estates, properties, rights, powers and trust of such predecessor hereunder; and every predecessor Escrow Agent shall deliver all securities and moneys held by it to its successor; provided, however, that before any such delivery is required to be made, all fees, advances and expenses of the retiring or removed Escrow Agent shall be paid in full. Should any transfer, assignment or instrument in writing from the City be required by any successor Escrow Agent for more fully and certainly vesting in such successor Escrow Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Escrow Agent, any such transfer, assignment and instruments in writing shall, on request, be executed, acknowledged and delivered by the City.

Any corporation into which the Escrow Agent, or any successor to it in the trusts created by this Agreement, may be merged or converted or with which it or any successor to it may be consolidated, or transfers all or substantially all of its corporate trust business to, or any corporation resulting from any merger, conversion, consolidation or tax-free reorganization to which the Escrow Agent or any successor to it shall be a party, if satisfactory to the City, shall be the successor Escrow Agent under this Agreement without the execution or filing of any paper or any other act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

15. This Agreement, except as otherwise provided herein, shall terminate when all transfers and payments required to be made by the Escrow Agent under the provisions hereof shall have been made. Upon such termination, all moneys remaining in the Escrow Fund shall be released to the City.

16. This Agreement shall be governed by the applicable laws of the State of Florida without regard to conflict of law principles.

17. If any one or more of the covenants or agreements provided in this Agreement on the part of the City or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

18. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

19. The Issuer will not accelerate the maturity of any Refunded Bonds or exercise any option to redeem any Refunded Bonds except as set forth in Section 8 hereof.

20. Any notice, authorization, request or demand required or permitted to be given in accordance with the terms of this Agreement shall be in writing and sent by registered or certified mail addressed to:

City of Deltona, Florida
2345 Providence Boulevard
Deltona, FL 32725
Attn: City Manager

The Bank of New York Mellon Trust
Company, N.A.

IN WITNESS WHEREOF, the parties hereto have each caused this Escrow Deposit Agreement to be executed by their duly authorized officers and appointed officials and in the case of the City, its seal to be hereunder affixed and attested as of the date first above written.

CITY OF DELTONA, FLORIDA

(SEAL)

ATTEST:

By: _____
Mayor

City Clerk

*(Signature page of Escrow Deposit Agreement dated September 10, 2013
re: City of Deltona, Florida)*

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Escrow Agent**

By: _____
Vice President

SCHEDULE A

<u>Payment</u> <u>Date</u>	<u>Redeemed</u> <u>Principal</u>	<u>Interest</u>	<u>Total</u>
October __, 2013	\$ _____	\$ _____	\$ _____

CITY OF DELTONA, FLORIDA

\$ _____
 UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2013

August __, 2013

BOND PURCHASE CONTRACT

Mayor and City Commission
 City of Deltona, Florida
 2345 Providence Road
 Deltona, Florida 32725

Ladies and Gentlemen:

Raymond James & Associates, Inc. (the "Senior Managing Underwriter"), on behalf of itself and J.P. Morgan Securities LLC, RBC Capital Markets, LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated (together with the Senior Managing Underwriter, the "Underwriters") offer to enter into this Bond Purchase Contract with you, the City of Deltona, Florida (the "City"). This offer is made subject to written acceptance hereof by the City at or before 5:00 P.M., New York City time, on the date hereof. If not so accepted, this offer will be subject to withdrawal by the Underwriters upon written notice delivered to the City at any time prior to the acceptance hereof by the City.

All capitalized terms used and not defined herein shall have the meanings assigned to such terms in the Official Statement (as defined below).

1. Purchase and Sale. Upon the terms and conditions and in reliance on the representations, warranties, covenants and agreements set forth herein, the Underwriters hereby agree to purchase from the City, and the City hereby agrees to sell and deliver to the Underwriters, all (but not less than all) of the \$_____ aggregate principal amount of the City of Deltona, Florida Utility System Refunding Revenue Bonds, Series 2013 (the "Series 2013 Bonds"). The Series 2013 Bonds shall be dated their date of delivery. The purchase price for the Series 2013 Bonds shall be \$_____ (representing the par amount of the Series 2013 Bonds less Underwriters' discount of \$_____ [plus/minus] net [bond premium/original issue discount] of \$_____). The purchase price shall be payable to the City at Closing in immediately available funds.

The Series 2013 Bonds shall be as described in, and shall be issued under the authority of and in full compliance with the Constitution and laws of the State of Florida, including Article VII, Section 2 of the Florida Constitution, Chapter 159, Part I, Florida Statutes, Chapter 166, Part II, Florida Statutes, the Charter of the City and other applicable provisions of law (collectively,

the "Act"), and Master Utility System Bond Resolution No. 2013-_____ of the City, adopted by the City Commission of the City (the "City Commission") on August 19, 2013 (the "Resolution"). The Series 2013 Bonds shall mature at the times and in the amounts and shall bear interest at the rates set forth in Appendix I hereto. The Series 2013 Bonds shall be subject to redemption in the manner set forth in Appendix II. The information required by Sections 218.385(2), (3) and (6), Florida Statutes, to be provided to the City by the Underwriters is set forth in Appendix III hereto.

The Series 2013 Bonds are being issued for the purpose of (i) refunding all of the City's outstanding Utility System Revenue Bonds, Series 2003 (the "Refunded Bonds"), (ii) paying the Termination Payment (as defined in the Resolution) and (iii) paying costs and expenses of issuing the Series 2013 Bonds.

The Series 2013 Bonds are payable from and secured by the Pledged Revenues on a parity with Additional Parity Obligations that may be issued under the Resolution. There are currently no Additional Parity Obligations Outstanding. The term "Pledged Revenues" means (i) the Net Revenues of the System, and (ii) until applied in accordance with the Resolution, the moneys on deposit in the various funds and accounts created pursuant to the Resolution, except (A) as for the Rebate Fund, and (B) to the extent moneys on deposit in a subaccount of the Reserve Fund or the Construction Fund shall be pledged solely for the payment of the Series of Bonds for which it was established in accordance with the Resolution.

2. Delivery of Official Statement and Other Documents. (a) Prior to the date hereof, you have provided to the Underwriters the Preliminary Official Statement dated August ____, 2013 (the "Preliminary Official Statement"), that the City deemed final as of its date, except for certain permitted omissions (the "permitted omissions"), as contemplated by Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12" or the "Rule") in connection with the pricing of the Series 2013 Bonds. The City hereby confirms that the Preliminary Official Statement was final as of its date, except for the permitted omissions, and ratifies and confirms the use and distribution thereof by the Underwriters prior to the date hereof in connection with the public offering of the Series 2013 Bonds.

(b) The City shall deliver, or cause to be delivered, at its expense, to the Underwriters within seven (7) business days and, in any event, in sufficient time to accompany customer confirmations requesting payment after the date hereof to comply with Rule G-32 of the Municipal Securities Rulemaking Board (the "MSRB"), sufficient copies of the final printed Official Statement dated the date hereof (the "Official Statement") in word-searchable PDF format as described in MSRB's Rule G-32 and in form and substance satisfactory to the Underwriters. In determining whether the number of copies to be delivered by the City is sufficient, the number shall be sufficient to enable the Underwriters to comply with the requirements of Rule 15c2-12 and all applicable rules of the MSRB and to fulfill its duties and responsibilities under Florida and federal securities laws generally.

The Senior Managing Underwriter agrees to file the Official Statement with the MSRB's Electronic Municipal Market Access ("EMMA") System accompanied by a completed Form G-32 as required by MSRB Rule G-32.

The City authorizes the use and distribution of the Official Statement by the Underwriters in connection with the public offering and sale of the Series 2013 Bonds.

(c) From the date hereof to and including the date which is twenty-five days from the end of the underwriting period (as defined below), if an event occurs which, in the opinion of the Senior Managing Underwriter or in the opinion of the City, requires a supplement or amendment to the Official Statement so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, when it is delivered to a potential investor, the City will supplement or amend the Official Statement in a form and in a manner approved by the Underwriters and the City. The City will promptly notify the Senior Managing Underwriter of the occurrence of any event of which it has knowledge, which, in its opinion, is an event described in the preceding sentence. The amendments or supplements that may be authorized for use with respect to the Series 2013 Bonds are hereinafter included within the term "Official Statement."

3. Authority of the Senior Managing Underwriter. Raymond James & Associates, Inc., is duly authorized to execute this Bond Purchase Contract on behalf of the Underwriters and to perform the obligations hereunder.

4. Public Offering. The Underwriters agree to make a bona fide offering to the public of all of the Series 2013 Bonds at not in excess of the initial public offering price or prices (or below the yield or yields) set forth in Appendix I hereto; provided, however, that the Underwriters may (i) offer and sell the Series 2013 Bonds to certain bond houses, brokers or to similar persons or organizations acting in the capacity of underwriters or wholesalers at prices lower (or yields higher) than the public offering prices (or yields) set forth on the inside cover page of the Official Statement and (ii) change such initial offering prices (or yields) as the Underwriters may deem necessary in connection with the marketing of the Series 2013 Bonds. On the date of Closing (as defined herein), Raymond James & Associates, Inc., as representative of the Underwriters, shall deliver to the City a certificate on behalf of the Underwriters, in substantially the form attached hereto as Exhibit G.

For purposes of this Bond Purchase Contract, the "end of the underwriting period" shall mean the earlier of the date of Closing (as defined herein), unless the City has been notified to the contrary by the Underwriters on or prior to the date of Closing, or the date on which the "end of the underwriting period" for the Series 2013 Bonds has occurred under Rule 15c2-12. The Underwriters shall provide to the City upon request such information as may be reasonably required by the City in order to determine whether the "end of the underwriting period" for the Series 2013 Bonds has occurred under Rule 15c2-12 with respect to the unsold balance of the Series 2013 Bonds that are held by any Underwriters for the sale to the public within the meaning of Rule 15c2-12.

5. Good Faith Deposit. The City hereby acknowledges receipt of a corporate check payable to the City in an amount equal to \$_____ (the "Good Faith Deposit"). In the event that the City does not accept this offer, such Good Faith Deposit shall be immediately returned to the Senior Managing Underwriter. If the offer made hereby is accepted, the City agrees to hold the Good Faith Deposit uncashed until the Closing, as security for the performance by the

Underwriters of their obligations to accept and pay for the Series 2013 Bonds at the Closing in accordance with the provisions of this Bond Purchase Contract. In the event the City fails to deliver the Series 2013 Bonds at the Closing, or if the City shall be unable to satisfy the conditions to the obligations of the Underwriters contained in this Bond Purchase Contract or if such obligations shall be terminated for any reason permitted by this Bond Purchase Contract, the City shall be obligated to immediately return the Good Faith Deposit to the Senior Managing Underwriter. In the event the Underwriters accept and pay for the Series 2013 Bonds at Closing, the Good Faith Deposit shall be returned to the Senior Managing Underwriter at Closing. In the event the Underwriters fail (other than for a reason permitted under this Bond Purchase Contract) to accept and pay for the Series 2013 Bonds at Closing, the Good Faith Deposit may be cashed and the proceeds thereof shall be retained by the City as and for full liquidated damages for such failure, and not as a penalty, and for any and all defaults hereunder on the part of the Underwriters, and thereupon, all claims and rights hereunder against the Underwriters shall be fully released and discharged, it being understood by the City and the Underwriters that actual damages in such circumstances may be difficult or impossible to compute.

6. City Representations, Warranties, Covenants and Agreements. The City represents and warrants to and covenants and agrees with the Underwriters that, as of the date hereof and as of the date of the Closing:

(a) The City is a duly and validly existing municipal corporation under the Constitution and laws of the State of Florida, and has full legal right, power and authority to issue the Series 2013 Bonds, to refund the Refunded Bonds and to pay the Termination Payment, all as described in the Resolution and as contemplated by the Official Statement.

(b) The City has full legal right, power and authority to enter into this Bond Purchase Contract, to adopt the Resolution, and to sell, issue, and deliver the Series 2013 Bonds to the Underwriters as provided herein; by official action of the City taken prior to or concurrently with the acceptance hereof, the City has duly adopted the Resolution in accordance with the Act and the Resolution has not been amended, modified or rescinded since the date of its adoption; the City has duly authorized and approved the execution and delivery of, and the performance by the City of its obligations contained in, the Series 2013 Bonds, the Escrow Deposit Agreement dated as of _____, 2013 between the City and The Bank of New York Mellon Trust Company, N.A., as escrow agent (the "Escrow Deposit Agreement"), the Disclosure Dissemination Agent Agreement dated as of _____, 2013 between the City and Digital Assurance Certification, L.L.C. (the "Disclosure Agreement") and this Bond Purchase Contract; and the City has duly authorized and approved the performance by the City of its obligations contained in the Resolution and the consummation by it of all other transactions contemplated by the Resolution, the Escrow Deposit Agreement, the Disclosure Agreement, the Official Statement and this Bond Purchase Contract to have been performed or consummated at or prior to the date of Closing; and the City is in compliance with the provisions of the Resolution.

(c) Except as disclosed in the Official Statement, the City is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State of Florida or the United States, or any authority or department of either, or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or to which the City or any of its properties or other assets

is otherwise subject, and no event has occurred and is continuing that, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument, in any such case to the extent that the same would have a material and adverse effect upon the business or properties or financial condition of the City; and the execution and delivery of the Series 2013 Bonds, this Bond Purchase Contract, the Escrow Deposit Agreement, the Disclosure Agreement and the adoption of the Resolution, and compliance by the City with the provisions contained therein, will not conflict with or constitute a breach of or default under the Act, or under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or to which the City or any of its properties or other assets is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or the assets of the City under the terms of any such law, regulation or instrument, except as provided or permitted by the Series 2013 Bonds, the Resolution, the Escrow Deposit Agreement and the Disclosure Agreement, as the case may be.

(d) All approvals, consents and orders of any governmental authority, legislative body, board, authority or commission having jurisdiction which would constitute a condition precedent to or the absence of which would materially and adversely affect the due performance by the City of its obligations under this Bond Purchase Contract, the Resolution, the Escrow Deposit Agreement, the Disclosure Agreement and the Series 2013 Bonds have been, or prior to the Closing will have been, duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Series 2013 Bonds.

(e) The Series 2013 Bonds, when issued, authenticated and delivered in accordance with the Resolution and sold to the Underwriters as provided herein and in accordance with the provisions of the Resolution, will be valid and legally enforceable obligations of the City in accordance with their terms and the terms of the Resolution, and the Resolution will provide, for the benefit of the holders from time to time of the Series 2013 Bonds, a legally valid and binding pledge of and interest in and to the Pledged Revenues on a parity with any Additional Parity Obligations, subject to the provisions of the Resolution.

(f) The Preliminary Official Statement was, as of the date thereof, and the Official Statement is, and at all times subsequent hereto up to and including the date of the Closing will be (except for the information under the heading "THE SERIES 2013 BONDS - Book-Entry Only System" as to which no representation is made), (i) be true and correct in all material respects and (ii) not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. In addition, any amendments or supplements to the Official Statement prepared and furnished by the City pursuant hereto will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(g) The Series 2013 Bonds, the Resolution, the Escrow Deposit Agreement and the Disclosure Agreement conform in all material respects to the descriptions thereof contained in the Official Statement as it is delivered in final form.

(h) Except as contemplated by the Official Statement, since September 30, 2012, the City has not or will not have on or prior to the Closing incurred any material liabilities, direct or contingent, or entered into any material transaction, in each case other than in the ordinary course of its business, and there has not or shall not have been any material adverse change in the condition, financial or physical, of the City or its properties or other assets.

(i) Except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity before or by any court, government agency, or public board or body, pending or, to the best knowledge of the City, threatened, which may affect the existence of the City or the titles of its officers to their respective offices, or which may affect or which seeks to prohibit, restrain or enjoin the sale, issuance or delivery of the Series 2013 Bonds or the collection or use of the Pledged Revenues or which in any way contests or affects the validity or enforceability of the Series 2013 Bonds, the Resolution, this Bond Purchase Contract, the Escrow Deposit Agreement, the Disclosure Agreement, or any of them, or which may result in any material adverse change in the business, properties, other assets or financial condition of the City or contests the tax-exempt status of the interest on the Series 2013 Bonds as described in the Official Statement, or which contests in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or which contests the power of the City or any authority or proceedings for the issuance and sale of the Series 2013 Bonds, the collection or use of the Pledged Revenues, or the execution or delivery of this Bond Purchase Contract, the Escrow Deposit Agreement, the Disclosure Agreement, or any of them, nor, to the best knowledge of the City, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially and adversely affect the validity or enforceability of the Series 2013 Bonds, the Resolution, the Escrow Deposit Agreement, the Disclosure Agreement or this Bond Purchase Contract.

(j) Except as disclosed in the Preliminary Official Statement, the City has not, in the past five (5) years, failed to comply in any material respect with any of its continuing disclosure undertakings pursuant to Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

(k) The City will furnish such information, execute such instruments and take such other action not inconsistent with law in cooperation with the Underwriters as the Underwriters may request in order to (i) qualify the Series 2013 Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters may designate and (ii) determine the eligibility of the Series 2013 Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Series 2013 Bonds; provided that the City shall not be obligated to pay any fee, take any action that would subject it to general or special service of process in any state where it is not now so subject or qualify the City to do business in such other jurisdictions.

(l) The City will advise the Underwriters promptly of any proposal to amend or supplement the Official Statement and will not effect any such amendment or supplement without such prior notice to the Underwriters. The City will advise the Underwriters promptly of the institution of any proceedings known to it prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Series 2013 Bonds.

(m) The City is not and has not been in default on any bond issued since December 31, 1975 that would be considered material by a reasonable investor, the City has not undertaken an independent review or investigation of securities for which it has served as conduit issuer, and the City does not believe that any information about any default on such securities is appropriate and would be considered material by a reasonable investor in the Series 2013 Bonds because the City is not obligated to pay the debt service on any such securities except from payments made to it by private companies on whose behalf such securities were issued and no funds of the City have been pledged or used to pay such securities or the interest thereon.

(n) The City has never been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon.

(o) Relating to any outstanding debt of the City, there is not an unfunded materially significant arbitrage rebate liability of the City owing to the Internal Revenue Service.

7. The Closing. At 10:00 a.m., New York time, on September ____, 2013, or at such earlier or later time or date to which the City and the Underwriters may mutually agree, the City will, subject to the terms and conditions hereof, deliver the Series 2013 Bonds to the Underwriters in full book-entry form, duly executed, together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the Underwriters will accept such delivery and pay the aggregate purchase price of the Series 2013 Bonds as set forth in Paragraph 1 hereof (such delivery of and payment for the Series 2013 Bonds is herein called the "Closing"). The City shall cause CUSIP identification numbers to be printed on the Series 2013 Bonds, but neither the failure to print such number on any Series 2013 Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriters to accept delivery of and pay for the Series 2013 Bonds in accordance with the terms of this Bond Purchase Contract. The Closing shall occur at the offices of the City, or such other place to which the City and the Underwriters shall have mutually agreed. The Series 2013 Bonds shall be prepared and delivered as fully registered bonds in such authorized denominations and registered in full book-entry form in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") and shall be delivered to DTC during the business day prior to the Closing for purposes of inspection, unless the DTC "F.A.S.T." procedure is used which requires the Registrar to retain possession of the Series 2013 Bonds.

The City and the Underwriters agree that there shall be a preliminary Closing held at the offices of the City, commencing no later than the day immediately prior to the date of Closing, or such other time or place as the City and the Underwriters shall agree.

8. Closing Conditions. The Underwriters have entered into this Bond Purchase Contract in reliance upon the representations, warranties, covenants and agreements of the City contained herein and in reliance upon the representations, warranties, covenants and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the City of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriters' obligations under this Bond Purchase Contract to purchase, to accept delivery of and to pay for the Series 2013 Bonds shall be conditioned upon the performance by the City of its obligations to be performed hereunder and under such

documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions:

(a) The representations, warranties, covenants and agreements of the City contained herein shall be true, complete and correct on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing;

(b) At the time of Closing, the Resolution and this Bond Purchase Contract shall be in full force and effect and shall not have been amended, modified or supplemented since the date hereof, and the Official Statement as delivered to the Underwriters on the date hereof shall not have been supplemented or amended, except in any such case as permitted by this Bond Purchase Contract;

(c) At the time of the Closing, all official action of the City relating to this Bond Purchase Contract, the Series 2013 Bonds, the Resolution, the Escrow Deposit Agreement and the Disclosure Agreement taken as of the date hereof shall be in full force and effect and shall not have been amended, modified or supplemented, except for amendments, modifications or supplements which have been approved by the Underwriters prior to the Closing;

(d) At or prior to the Closing, the Underwriters shall have received copies of each of the following documents:

(1) An opinion, dated the date of the Closing and addressed to the City, of Akerman Senterfitt, Orlando, Florida, Bond Counsel ("Bond Counsel"), in substantially the form attached as Appendix F to the Official Statement, accompanied by a letter authorizing the Underwriters to rely thereon as though such opinion was addressed to the Underwriters;

(2) An opinion, dated the date of the Closing and addressed to the Underwriters, of Bond Counsel, in substantially the form attached hereto as Exhibit A;

(3) An opinion, dated the date of Closing and addressed to the Underwriters, of Gretchen Vose, Esquire, City Attorney, in substantially the form attached hereto as Exhibit B;

(4) An opinion, dated the date of the Closing and addressed to the City, of Greenberg Traurig, Orlando, Florida, Disclosure Counsel in substantially the form attached hereto as Exhibit C, with a reliance letter thereto addressed to the Underwriters;

(5) A certificate, dated the date of the Closing, signed by the Acting City Manager and Finance Director of the City or other authorized officer of the City in substantially the form attached hereto as Exhibit D (but in lieu of or in conjunction with such certificate the Underwriters may, in their sole discretion, accept certificates or opinions of Bond Counsel, the City Attorney, or of other counsel acceptable to the Underwriters, that in the opinion of such counsel the issues raised in any pending or threatened litigation referred to in such certificate are without substance or that the contentions of all plaintiffs therein are without merit);

(6) A certificate, dated the date of the Closing, signed by the Public Works Director of the City to the effect that the information contained in the Preliminary Official Statement and in the Official Statement under the heading "THE SYSTEM" is accurate and does

not omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading;

(7) Certified copies of the proceedings of the City authorizing and approving the Series 2013 Bonds, including the Resolution;

(8) Copies of the executed Escrow Deposit Agreement and Disclosure Agreement;

(9) Evidence that The Bank of New York Mellon Trust Company, N.A. has been approved by the City as Paying Agent and Bond Registrar and a copy of an executed Registrar and Paying Agent Agreement, if any, relating thereto;

(10) Letters from Fitch Ratings ("Fitch") and Standard & Poor's Rating Services, a Standard & Poor's Financial Services, LLC business ("S&P") confirming their ratings of "_____" (____ outlook) and "_____" (____ outlook), respectively, on the Series 2013 Bonds;

(11) A certificate of Quentin L. Hampton Associates, the Consulting Engineer, in substantially the form attached hereto as Exhibit E, regarding the use of information, including their conclusions, contained in the Consulting Engineer's Report dated _____, 2013 in the Preliminary Official Statement and the Official Statement and the use of their name therein;

(12) A certificate of Burton & Associates, Inc., the Feasibility Consultant, in substantially the form attached hereto as Exhibit F, regarding the use of information, including their conclusions, contained in their Financial Feasibility Report dated _____, 2013 in the Preliminary Official Statement and the Official Statement and the use of their name therein;

(13) An opinion, dated the date of the Closing and addressed to the Underwriters, of Nabors, Giblin and Nickerson, P.A., Tampa, Florida, Underwriters' Counsel, in form and substance satisfactory to the Underwriters;

(14) A certificate of an authorized representative of The Bank of New York Mellon Trust Company, N.A. (the "Bank"), as Paying Agent and Registrar and as Escrow Agent, to the effect that (A) the Bank is a national bank duly organized, validly existing and in good standing under the laws of the United States of America and is duly authorized to exercise trust powers in the State of Florida, (B) the Bank has all requisite authority, power licenses, permits and franchises, and has full corporate power and legal authority to execute and perform its functions under the Resolution, any Registrar and Paying Agent Agreement and the Escrow Deposit Agreement, (C) the performance by the Bank of its functions under the Resolution, any Registrar and Paying Agent Agreement and the Escrow Deposit Agreement will not result in any violation of the Articles of Association or Bylaws of the Bank, any court order to which the Bank is subject or any agreement, indenture or other obligation or instrument to which the Bank is a party or by which the Bank is bound, and no approval or other action by any governmental authority or agency having supervisory authority over the Bank is required to be obtained by the Bank in order to perform its functions under the Resolution, any Registrar and Paying Agent Agreement and the Escrow Deposit Agreement, (D) to the best of such authorized representative's knowledge, there is no action, suit, proceeding or investigation at law or in equity before any court, public board or body pending or, to his or her knowledge, threatened

against or affecting the Bank wherein an unfavorable decision, ruling or finding on an issue raised by any party thereto is likely to materially and adversely affect the ability of the Bank to perform its obligations under the Resolution or the Escrow Deposit Agreement and any Registrar and Paying Agent Agreement, (E) the Bonds have been authenticated in accordance with the terms of the Resolution, and (F) the Escrow Deposit Agreement and any Registrar and Paying Agent Agreement has each been duly executed and delivered by the Bank and each constitutes a legal, valid and binding obligation of the Bank, enforceable in accordance with its terms.

(15) Verification Report of _____.

(16) Evidence that the City has deemed the Preliminary Official Statement "final" as of its date for purposes of the Rule, except for permitted omissions.

(17) Such additional legal opinions, certificates, instruments and other documents as the Underwriters may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the representations, warranties, covenants and agreements of the City contained herein and the truth, accuracy and completeness of the statements and information contained in the Official Statement and the due performance or satisfaction by the City on or prior to the date of the Closing of all agreements then to be performed and conditions then to be satisfied by it.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Bond Purchase Contract shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriters, with such exceptions and modifications as shall be approved by the Underwriters and as shall not, in the opinion of the Underwriters, materially impair the investment quality of the Series 2013 Bonds. The opinions and certificates referred to in clauses (2), (3), (4), (5), (11), and (12) of this subparagraph (d) shall be deemed satisfactory provided they are substantially in the forms attached as exhibits to this Bond Purchase Contract.

If the City shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Series 2013 Bonds contained in this Bond Purchase Contract, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Series 2013 Bonds shall be terminated for any reason permitted by this Bond Purchase Contract, this Bond Purchase Contract shall terminate and neither the Underwriters nor the City shall be under any further obligation hereunder, except that the respective obligations of the City and the Underwriters set forth in Paragraph 10 hereof shall continue in full force and effect.

9. Termination. The Underwriters may terminate this Bond Purchase Contract by written notice to the City in the event that between the date hereof and the Closing:

(a) the marketability of the Series 2013 Bonds or the market price thereof, in the opinion of the Senior Managing Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States or by any legislation (other than any actions taken by either House of Congress on or prior to the date hereof) (i) enacted or adopted by the United States, (ii) recommended to the Congress or otherwise endorsed for passage, by press

release, other form of notice or otherwise, by the President of the United States, the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, the Treasury Department of the United States or the Internal Revenue Service, or (iii) favorably reported out of the appropriate Committee for passage to either House of the Congress by any full Committee of such House to which such legislation has been referred for consideration, or by any decision of any court of the United States or by any order, rule or regulation (final, temporary or proposed) on behalf of the Treasury Department of the United States, the Internal Revenue Service or any other authority or regulatory body of the United States, or by a release or announcement or communication issued or sent by the Treasury Department or the Internal Revenue Service of the United States, or any comparable legislative, judicial or administrative development affecting the federal tax status of the City, its property or income, obligations of the general character of the Series 2013 Bonds, as contemplated hereby, or the interest thereon; or

(b) any legislation, rule, or regulations shall be introduced in, or be enacted or adopted in the State of Florida, or a decision by any court of competent jurisdiction within the State of Florida shall be rendered which, in the opinion of the Senior Managing Underwriter, materially adversely affects the market for the Series 2013 Bonds or the sale, at the contemplated offering prices, by the Underwriters of the Series 2013 Bonds to be purchased by them; or

(c) any amendment to the Official Statement is proposed by the City or deemed necessary by Disclosure Counsel, Bond Counsel, or the Underwriters which, in the opinion of the Senior Managing Underwriter, materially adversely affects the market for the Series 2013 Bonds or the sale, at the contemplated offering prices, by the Underwriters of the Series 2013 Bonds to be purchased by them; or

(d) a national or international calamity or crisis shall have occurred or escalated which, in the opinion of the Senior Managing Underwriter, materially adversely affects the market for the Series 2013 Bonds or the sale, at the contemplated offering prices, by the Underwriters of the Series 2013 Bonds to be purchased by them; or

(e) legislation shall be enacted or adopted, or any action shall be taken by, or on behalf of, the Securities and Exchange Commission which, in the opinion of Bond Counsel or Disclosure Counsel, has the effect of requiring the contemplated distribution of the Series 2013 Bonds to be registered under the Securities Act of 1933, as amended, or the Resolution to be qualified under the Trust Indenture Act of 1939, as amended, or any laws analogous thereto relating to governmental bodies, and compliance therewith cannot be accomplished prior to the Closing; or

(f) legislation shall be introduced by amendment or otherwise in, or be enacted by, the House of Representatives or the Senate of the Congress of the United States, or a decision by a Court of the United States of America shall be rendered, or a stop order, ruling, release, regulation, official statement or no-action letter by or on behalf of the Securities and Exchange Commission or any other governmental authority having jurisdiction of the subject matter of the Series 2013 Bonds shall have been proposed, issued or made (which is beyond the control of the Underwriters or the City to prevent or avoid) to the effect that the issuance, offering or sale of the Series 2013 Bonds as contemplated hereby or by the Official Statement, or any document

relating to the issuance, offering or sale of the Series 2013 Bonds is or would be in violation of any of the federal securities laws at Closing, including the Securities Act of 1933, as amended and then in effect, the Securities Exchange Act of 1934, as amended and then in effect, or the Trust Indenture Act of 1939, as amended and then in effect, or with the purpose or effect of otherwise prohibiting the offering and sale of obligations of the general character of the Series 2013 Bonds, or the Series 2013 Bonds, as contemplated hereby; or

(g) there shall have occurred, after the signing hereof, either a financial crisis or a default with respect to the debt obligations of the City or proceedings under the federal or State of Florida bankruptcy laws shall have been instituted by the City, in either case the effect of which, in the judgment of the Senior Managing Underwriter, is such as to materially and adversely affect (i) the market price or the marketability of the Series 2013 Bonds, or (ii) the ability of the Underwriters to enforce contracts for the sale of the Series 2013 Bonds; or

(h) a general banking moratorium shall have been declared by the United States, New York or Florida authorities, which in the opinion of the Senior Managing Underwriter, materially adversely affects the market for the Series 2013 Bonds or the sale, at the contemplated offering prices, by the Underwriters of the Series 2013 Bonds to be purchased by them; or

(i) any national securities exchange, or any governmental authority, shall impose, as to the Series 2013 Bonds or obligations of the general character of the Series 2013 Bonds any material restrictions not now in force, or increase materially those now in force, with respect to the establishment of material restrictions upon trading of securities, including limited or minimum prices, by any governmental authority or by any national securities exchange, which in the opinion of the Senior Managing Underwriter, materially adversely affects the market for the Series 2013 Bonds or the sale, at the contemplated offering prices, by the Underwriters of the Series 2013 Bonds to be purchased by them; or

(j) legal action shall have been filed against the City wherein an adverse ruling would materially adversely affect the transactions contemplated hereby or by the Official Statement or the validity of the Series 2013 Bonds, the Resolution, the Escrow Deposit Agreement, the Disclosure Agreement or this Bond Purchase Contract; provided, however, that as to any such litigation, the City may request and the Underwriters may accept an opinion by Bond Counsel, or of other counsel acceptable to the Underwriters, that in such counsel's opinion the issues raised by any such litigation or proceeding are without substance or that the contentions of any plaintiffs therein are without merit; or

(k) any information shall have become known which, in the Senior Managing Underwriter's opinion, makes untrue, incorrect or misleading in any material respect any statement or information contained in the Official Statement, as the information contained therein has been supplemented or amended by other information, or causes the Official Statement, as so supplemented or amended, to contain an untrue, incorrect or misleading statement of a material fact or to omit to state a material fact required or necessary to be stated therein in order to make the statements made therein, in light of the circumstances under which they were made, not misleading and upon the receipt of notice of same by the City, the City fails to promptly amend or supplement the Official Statement; or

(l) an event occurs as a result of which the Official Statement, as then amended or supplemented, would include an untrue statement of a material fact or omit to state any material fact which is required or necessary to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading which, in the opinion of the Senior Managing Underwriter, requires an amendment or supplement to the Official Statement and, in the opinion of the Senior Managing Underwriter, materially adversely affects the marketability of the Series 2013 Bonds or the contemplated offering prices thereof and upon the receipt of notice by the City, the City fails to promptly amend or supplement the Official Statement; or

(m) there shall have occurred or any notice shall have been given of any intended downgrading, suspension, withdrawal or negative change in credit watch status by any national rating service to any of the City's obligations; or

(n) the marketability of the Series 2013 Bonds or the market price thereof, in the opinion of the Senior Managing Underwriter, has been materially and adversely affected by disruptive events, occurrences or conditions in the securities or debt markets.

10. Expenses. The Underwriters shall be under no obligation to pay, and the City shall pay, any expenses incident to the performance of the obligations of the City hereunder including, but not limited to: (a) the cost of preparation, printing or other reproduction of the Resolution; (b) the cost of preparation and printing of the Series 2013 Bonds; (c) the fees and disbursements of Bond Counsel and Disclosure Counsel; (d) the fees and disbursements of any other experts, consultants or advisors retained by the City; (e) fees for bond ratings; (f) the fees and expenses of the Registrar and the Paying Agent; and (g) the costs of preparing, printing and delivering the Preliminary Official Statement, the Official Statement and any supplements or amendments to either of them. The City shall be solely responsible for and shall pay for any expenses incurred by the Underwriters on behalf of the City's employees and representatives in connection with this Bond Purchase Contract, including, but not limited to, meals, transportation, lodging, and entertainment of those employees and representatives. Such payment may be in the form of inclusion of such expenses in the expense component of the Underwriters' discount.

The Underwriters shall pay: (a) the cost of any related filing fees under state securities laws; (b) all advertising expenses; (c) the cost of all "blue sky" and legal investment memoranda; and (d) all other expenses incurred by them or any of them in connection with the public offering of the Series 2013 Bonds, including the fees and disbursements of Counsel to the Underwriters. In the event that either party shall have paid obligations of the other as set forth in this Section 10, adjustment shall be made at the time of the Closing.

11. No Advisory or Fiduciary Role. The City acknowledges and agrees that (i) the purchase and sale of the Series 2013 Bonds pursuant to this Bond Purchase Contract is an arm's-length commercial transaction between the City and the Underwriters, (ii) in connection with such transaction, including the process leading thereto, each Underwriter is acting solely as a principal and not as an advisor (including, without limitation, a Municipal Advisor (as such term is defined in Section 975(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act)), agent or a fiduciary of the City, (iii) the Underwriters have not assumed (individually or collectively) an advisory or fiduciary responsibility in favor of the City with respect to the

offering of the Series 2013 Bonds or the process leading thereto (whether or not any Underwriter, or any affiliate of an Underwriter, has advised or is currently advising the City on other matters) or any other obligation to the City except the obligations expressly set forth in this Contract, (iv) the Underwriters have financial and other interests that differ from those of the City and (v) the City has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Series 2013 Bonds.

12. Notices. Any notice or other communication to be given to the City under this Bond Purchase Contract may be given by delivering the same in writing at its address set forth above to the attention of the City Manager, and any notice or other communication to be given to the Underwriters may be given by delivering the same in writing to Jon Eichelberger, Managing Director, Raymond James & Associates, Inc., 515 W. Morse Blvd., Winter Park, Florida 32789.

13. Parties in Interest. This Bond Purchase Contract is made solely for the benefit of the City and the Underwriters (including the successors or assignees of the City or the Underwriters) and no other party or person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties, covenants and agreements in this Bond Purchase Contract shall remain operative and in full force and effect, regardless of: (i) any investigations made by or on behalf of the Underwriters; (ii) the delivery of and payment for the Series 2013 Bonds pursuant to this Bond Purchase Contract; or (iii) any termination of this Bond Purchase Contract but only to the extent provided by the last paragraph of Section 8 hereof.

14. Waiver. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the City hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriters may be waived by the Underwriters, in its sole discretion.

15. Effectiveness. This Bond Purchase Contract shall become effective upon the execution of the acceptance hereof by the Mayor and shall be valid and enforceable at the time of such acceptance.

16. Counterparts. This Bond Purchase Contract may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

17. Headings. The headings of the sections of this Bond Purchase Contract are inserted for convenience only and shall not be deemed to be a part hereof.

18. Florida Law Governs. The validity, interpretation and performance of this Bond Purchase Contract shall be governed by the laws of the State of Florida.

19. Truth-In-Bonding Statement. Pursuant to the provisions of Section 218.385(2) and (3), Florida Statutes, as amended, the Underwriters provide the following truth-in-bonding statement:

(a) The Series 2013 Bonds are being issued for the purpose of (i) refunding all of the City's outstanding Utility System Revenue Bonds, Series 2003, (ii) paying the Termination Payment and (iii) paying costs and expenses of issuing the Series 2013 Bonds.

(b) The Series 2013 Bonds are expected to be repaid over a period of approximately ____ years. At a true interest cost of _____%, total interest paid over the life of the Series 2013 Bonds will be \$_____.

(c) The sources of repayment for the Series 2013 Bonds are the Pledged Revenues (as described in Paragraph 1 hereof). Authorizing this obligation will result in an average \$_____ not being available to finance other services of the City every year for approximately ____ years.

20. Entire Agreement. This Bond Purchase Contract when accepted by you in writing as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the City and the Underwriters (including the successors or assigns of the City or the Underwriters). No other person shall acquire or have any right hereunder or by virtue hereof.

[Remainder of page intentionally left blank]

*[Signature Page – Bond Purchase Contract
City of Deltona, Florida Utility System Refunding Revenue Bonds, Series 2013]*

Very truly yours,

RAYMOND JAMES & ASSOCIATES, INC.
J.P. MORGAN SECURITIES LLC
RBC CAPITAL MARKETS, LLC
MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

By: _____
Name: Jon Eichelberger
Title: Managing Director
Raymond James & Associates, Inc.
On behalf of itself and as representative of
the Underwriters

*[Signature Page – Bond Purchase Contract
City of Deltona, Florida Utility System Refunding Revenue Bonds, Series 2013]*

Accepted at _____ a.m./p.m., Eastern Time, this ____ day of _____, 2013.

CITY OF DELTONA, FLORIDA

By: _____
John Masiarczyk, Mayor

APPENDIX I

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND PRICES

City of Deltona, Florida
 \$ _____
 Utility System Refunding Revenue Bonds, Series 2013

\$ _____ Serial Bonds

<u>Maturity Date</u> <u>(October 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>
2013				
2014				
2015				
2016				
2017				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				

\$ _____ % Term Bonds due _____, Yield _____%, Price _____*

* Priced to the first optional call date, _____.

APPENDIX II

Optional Redemption

The Series 2013 Bonds maturing on or prior to October 1, 20__, are not subject to redemption prior to their stated dates of maturity. The Series 2013 Bonds maturing on or after October 1, 20__ are subject to optional redemption by the City prior to maturity, from any funds available for such purpose, in whole or in part at any time on or after October 1, 20__, at a redemption price of the principal amount of Series 2013 Bonds or portions thereof to be redeemed, together with accrued interest thereon to the redemption date.

Mandatory Redemption

The Series 2013 Bonds maturing October 1, 20__, are subject to mandatory redemption prior to their maturity in part, by lot, through amortization installments by operation of the Redemption Account, at a redemption price equal to the unpaid principal of the Series 2013 Bonds or the portions thereof to be redeemed, plus interest accrued thereon to the date of redemption, on October 1 in the following years and in the following amortization installments:

<u>Year</u>	<u>Amortization Installment</u>
-------------	-------------------------------------

*

* Maturity.

APPENDIX III

CITY OF DELTONA, FLORIDA

\$ _____

UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2013

DISCLOSURE STATEMENT

_____, 2013

Mayor and City Commission
 City of Deltona, Florida
 Deltona, Florida

Ladies and Gentlemen:

In connection with the proposed issuance by the City of Deltona, Florida (the "City"), of the above-referenced Bonds (the "Series 2013 Bonds"), Raymond James & Associates, Inc., on behalf of itself and J.P. Morgan Securities LLC, RBC Capital Markets, LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated (collectively, the "Underwriters") have agreed to underwrite a public offering of the Series 2013 Bonds. Arrangement for underwriting the Series 2013 Bonds will include a Bond Purchase Contract between the City and the Underwriters.

The purpose of this letter is to furnish, pursuant to the provisions of Section 218.385(6), Florida Statutes, as amended, certain information in respect to the arrangement contemplated for the underwriting of the Series 2013 Bonds as follows:

(a) The nature and estimated amount of expenses to be incurred by the Underwriters and paid by the Underwriters in connection with the purchase and offering of the Series 2013 Bonds are set forth on Schedule I attached hereto.

(b) No person has entered into an understanding with the Underwriters, or to the knowledge of the Underwriters, with the City for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the City and the Underwriters for the purpose of influencing any transaction in the purchase of the Series 2013 Bonds.

(c) The amount of underwriting spread, including the management fee, expected to be realized is as follows:

	<u>Per \$1,000 Bond</u>	<u>Dollar Amount</u>
Average Takedown	\$ _____	\$ _____
Underwriters' Expenses	_____	_____
Total Underwriting Spread*	\$ _____	\$ _____

*Per Bond amounts may not add due to rounding.

(d) No other fee, bonus or other compensation is estimated to be paid by the Underwriters in connection with the issuance of the Series 2013 Bonds to any person not regularly employed or retained by the Underwriters (including any "finder," as defined in Section 218.386(1)(a), Florida Statutes, as amended), except as specifically enumerated as expenses to be incurred and paid by the Underwriters, as set forth in Schedule I attached hereto.

(e) The name and address of the Underwriters are set forth below:

Raymond James & Associates, Inc.
515 W. Morse Blvd.
Winter Park, Florida 32789

J.P. Morgan Securities LLC
450 South Orange Avenue, 10th Floor
Orlando, Florida 32801

RBC Capital Markets, LLC
1650 Prudential Drive, Suite 101
Jacksonville, Florida 32207

Merrill Lynch, Pierce, Fenner & Smith Incorporated
250 S. Park Avenue, Suite 400
Winter Park, Florida 32789

[Balance of page intentionally left blank]

We understand that you do not require any further disclosure from the Underwriters, pursuant to Section 218.385(6)(g), Florida Statutes, as amended.

Very truly yours,

RAYMOND JAMES & ASSOCIATES, INC.
J.P. MORGAN SECURITIES LLC
RBC CAPITAL MARKETS, LLC
MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

By: _____
Name: Jon Eichelberger
Title: Managing Director
Raymond James & Associates, Inc.
On behalf of itself and as representative of
the Underwriters

SCHEDULE I

ESTIMATED UNDERWRITERS' EXPENSES

	<u>Per \$1,000 Bond</u>	<u>Dollar Amount</u>
Underwriters' Counsel		
Ipreo Order Monitor		
Electronic Order Entry		
DTC		
CUSIP		
Miscellaneous		
Total*		

*Per Bond amounts may not add due to rounding.

EXHIBIT A

OPINION OF BOND COUNSEL

[Date of Closing]

RAYMOND JAMES & ASSOCIATES, INC.
J.P. MORGAN SECURITIES LLC
RBC CAPITAL MARKETS, LLC
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED
c/o Raymond James & Associates, Inc.
515 W. Morse Boulevard
Winter Park, Florida 32789

Ladies and Gentlemen:

We have served as Bond Counsel to the City of Deltona, Florida (the "City") in connection with the issuance and sale of its \$_____ Utility System Refunding Revenue Bonds, Series 2013 (the "Series 2013 Bonds"), to Raymond James & Associates, Inc., J.P. Morgan Securities LLC, RBC Capital Markets, LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, the Underwriters named in the Bond Purchase Contract dated August __, 2013 between the City and the Underwriters. Capitalized terms used herein which are defined in said Bond Purchase Contract shall have the meanings specified therein.

We have examined, among other things, the Act, the Resolution, the proceedings of the City with respect to the authorization and issuance of the Series 2013 Bonds and the authorization, execution and delivery of each of the Escrow Deposit Agreement, the Bond Purchase Contract and the Official Statement, and certificates and other documents relating to the City, the Series 2013 Bonds, the Resolution, the Escrow Deposit Agreement and the Bond Purchase Contract, and have made such other examination of applicable Florida and other laws as we have deemed necessary in giving this opinion.

Based upon the foregoing, we are of the opinion that:

(a) The Series 2013 Bonds are not subject to the registration requirement of the Securities Act of 1933, as amended and the Resolution is exempt from qualification under the Trust Indenture Act of 1939, as amended.

(b) The information contained in the Official Statement under the captions "INTRODUCTION," "PLAN OF REFUNDING," "THE SERIES 2013 BONDS" (excluding the subheading "Book-Entry Only System"), "SECURITY FOR THE SERIES 2013 BONDS," in "APPENDIX E – FORM OF RESOLUTION," and in "APPENDIX F – FORM OF BOND COUNSEL OPINION," insofar as such information constitutes descriptions or summaries, as applicable, of the Series 2013 Bonds, the Resolution and the Escrow Deposit Agreement, presents a fair and accurate description or summary, as applicable, of such documents. The

information in the Official Statement on the cover relating to our opinion and under the caption "TAX MATTERS" are accurate statements or summaries of the matters therein set forth.

We hereby consent to references to us contained in the Official Statement.

We are furnishing this letter to you, as Underwriters of the Series 2013 Bonds, solely for your benefit. The letter is not to be used, circulated, quoted or otherwise referred to for any other purpose.

Very truly yours,

EXHIBIT B

OPINION OF CITY ATTORNEY

[Date of Closing]

Mayor and City Commission
City of Deltona, Florida
Deltona, Florida

RAYMOND JAMES & ASSOCIATES, INC.
J.P. MORGAN SECURITIES LLC
RBC CAPITAL MARKETS, LLC
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED
c/o Raymond James & Associates, Inc.
515 W. Morse Boulevard
Winter Park, Florida 32789

Ladies and Gentlemen:

I am the City Attorney for the City of Deltona, Florida (the "City") and have served as counsel to the City in connection with the issuance and sale by the City of its \$_____ Utility System Refunding Revenue Bonds, Series 2013 (the "Series 2013 Bonds"), to the Underwriters named in the Bond Purchase Contract referred to herein. Capitalized terms used herein which are defined in said Bond Purchase Contract shall have the meanings specified therein or, if not defined therein, in the Official Statement, relating to the Series 2013 Bonds.

I have examined, among other things, the Act, the Resolution, the proceedings of the City with respect to the authorization and issuance of the Series 2013 Bonds and the authorization, execution and delivery of the Escrow Deposit Agreement, the Disclosure Agreement, the Bond Purchase Contract and the Official Statement, and certificates and other documents relating to the City, the Series 2013 Bonds, the Resolution, the Escrow Deposit Agreement, the Disclosure Agreement and the Bond Purchase Contract, and have made such other examination of applicable Florida law as I have deemed necessary in giving this opinion.

Based upon the foregoing, I am of the opinion that:

(A) the City is a duly existing municipal corporation of the State of Florida (the "State") and had and has good right and lawful authority under the Constitution and laws of the State to adopt the Resolution and to authorize and issue the Series 2013 Bonds and undertake the refunding of the Refunded Bonds and payment of the Termination Payment; the Resolution has been duly adopted by the City, is in full force and effect and constitutes the valid, legal and binding obligations of the City enforceable in accordance with its terms;

(B) as of the Closing date, the City has duly performed all obligations required to be performed by it prior to the issuance of the Series 2013 Bonds pursuant to the Resolution;

(C) the Escrow Deposit Agreement, the Disclosure Agreement and the Bond Purchase Contract each have been duly authorized, executed and delivered by the City and constitute valid and binding agreements of the City enforceable in accordance with their terms;

(D) the City has the power and authority under the laws of the State to pledge the Pledged Revenues to pay the Series 2013 Bonds and interest thereon in accordance with the terms of the Resolution;

(E) the adoption of the Resolution and the execution and delivery of the Escrow Deposit Agreement, the Disclosure Agreement, the Bond Purchase Contract and the Series 2013 Bonds, and compliance with the provisions thereof, will not conflict with or constitute a material breach of or default under any existing law, administrative regulation, court decree, resolution or agreement to which the City is subject;

(F) except as disclosed in the Official Statement, no litigation or other proceedings are pending or, to the best of my knowledge after due inquiry with respect thereto, threatened in any court or other tribunal of competent jurisdiction, State or Federal, in any way (1) restraining or enjoining the issuance, sale or delivery of any of the Series 2013 Bonds, the refunding of the Refunded Bonds or the payment of the Termination Payment, or (2) questioning or affecting the validity of the Escrow Deposit Agreement, the Disclosure Agreement, the Bond Purchase Contract, the Series 2013 Bonds, the Resolution, or the pledge by the City of the Pledged Revenues as provided in the Resolution, or (3) questioning or affecting the validity of any of the proceedings for the authorization, sale, execution, issuance or delivery of the Series 2013 Bonds and the security therefor; or (4) questioning or affecting (a) the organization or existence of the City or the City Commission or the title to office of the officers thereof, or (b) the power or authority of the City to collect or use the Pledged Revenues; or (5) which could materially adversely affect the operations of the City or the financial condition of the City;

(G) the Official Statement has been duly authorized, executed and delivered for use in connection with the sale of the Series 2013 Bonds;

(H) without having undertaken to determine independently the accuracy and completeness of the statements contained in the Official Statement, nothing has come to my attention that would lead me to believe that the Official Statement (other than information therein relating to The Depository Trust Company or its book-entry system, and any financial and statistical information set forth therein, as to which no view is expressed) as of its date or as of the date of Closing, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and

(I) all approvals, consents, authorizations and orders of any governmental authority or agency having jurisdiction in any matter which would constitute a condition precedent to the performance by the City of its obligations under the Escrow Deposit Agreement, the Disclosure

Agreement, the Bond Purchase Contract, the Resolution, the Series 2013 Bonds and the other documents relating to the Series 2013 Bonds have been obtained and are in full force and effect.

All of the above opinions as to enforceability of the legal obligations of the City may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and similar laws, in each case relating to or affecting the enforcement of creditors rights generally, and other general principles of equity.

The letter is addressed to you and is not to be used, circulated, quoted or otherwise referred to for any other purpose without, in each case, my express written consent.

Very truly yours,

EXHIBIT C

OPINION OF DISCLOSURE COUNSEL

[Date of Closing]

To: Mayor and City Commission
City of Deltona, Florida
Deltona, Florida

We have served as disclosure counsel to our client, the City of Deltona, Florida (the "City"), and not as counsel to any other person in connection with the original issuance by the County of its \$_____ Utility System Refunding Revenue Bonds, Series 2013 (the "Bonds"), dated the date of this letter. The Bonds are issued pursuant to Master Utility System Bond Resolution No. 2013-_____, adopted by the City Commission of the City (the "City Commission") on August 19, 2013 (the "Resolution").

In our capacity as disclosure counsel, we have reviewed: (a) the Official Statement, dated _____, 2013, relating to the Bonds (the "Official Statement"); (b) a certified copy of the Resolution; (c) an executed copy of the Disclosure Agreement and (d) such other proceedings, documents and matters as we deem necessary to provide this letter in accordance with the terms of our engagement.

In providing this letter we assume, without independent verification, and rely upon (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined, (ii) the due and legal authorization, execution and delivery of those documents by, and the valid, binding and enforceable nature of those documents upon, the parties thereto and (iii) the correctness of the legal conclusions contained in all legal opinion letters of other counsel delivered in connection with this matter (excluding the letter of Underwriters' Counsel).

In accordance with the terms of our engagement, we have provided certain legal advice and assistance to the City in connection with the City's responsibilities with respect to the Official Statement. We have not been engaged to pass upon, and we do not assume any responsibility for and have not independently verified, the accuracy, completeness or fairness of any of the statements contained in the Official Statement. As part of our engagement, however, certain of our lawyers participated in telephone conferences with representatives of the City, the Office of the City Attorney, as counsel to the City, First Southwest Company, as the financial advisor to the City, Burton & Associates, Inc. as Feasibility Consultant to the City, Quentin L. Hampton Associates, as Consulting Engineer to the City, Akerman Senterfitt, as Bond Counsel, the Underwriters (as identified in the Official Statement), and their counsel Nabors, Giblin & Nickerson, during which telephone conferences the contents of the Official Statement and related

matters were discussed. In reliance on those discussions and the proceedings, documents, matters and assumptions described above and subject to the qualifications set forth herein, we advise that, during the course of our engagement on this matter, no facts came to the attention of the lawyers in our firm responsible for this matter that causes us to believe that the Official Statement (except for any information listed in the following sentence, as to which we express no view), as of its date and as of this date, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. We express no view as to: (a) the information contained under the captions "LITIGATION" and "TAX MATTERS" in the Official Statement; (b) the financial statements and other information included in Appendix B thereto; (c) any other financial, technical, statistical or demographic data or forecasts included or incorporated by reference in the Official Statement or the Appendices thereto; (d) any information about the book-entry system and The Depository Trust Company; and (e) the information in Appendices A, B, C, D, E, F and G.

We are further of the opinion that the Disclosure Agreement, together with the Official Statement and the Bond Purchase Contract, satisfy the requirements contained in Rule 15c2-12(b)(5) (the "Rule") promulgated by the United States Securities and Exchange Commission for an undertaking for the benefit of the owners of the Bonds to provide the information at the times and in the manner required by said Rule. In rendering this opinion, we have assumed the due authorization, execution and delivery of the Disclosure Agreement by the parties thereto, and that the Disclosure Agreement is a valid and binding obligation of the respective parties thereto, enforceable in accordance with its terms. We call to your attention, however, that the Rule requires continuing compliance with such undertaking by the City after the date hereof. We express no opinion in regard to such continuing compliance. We also express no opinion regarding the City's compliance with the Rule with respect to prior undertakings.

Reference in this letter to "lawyers in our firm responsible for this matter" includes only those lawyers now with this firm who rendered legal services in connection with this matter. This letter is delivered to you for your benefit in connection with the original issuance of the Bonds and may not be relied upon for any other purpose or by any other person, including the holders, owners or beneficial owners of the Bonds. The advice in this letter is stated only as of this date, and no other advice or statements shall be implied or inferred as a result of anything contained in or omitted from this letter. Our engagement with respect to this matter has concluded on this date.

Respectfully submitted,

EXHIBIT D

CERTIFICATE OF CITY

We, William "Dave" Denny, Acting City Manager, and Robert Clinger, Finance Director of the City of Deltona, Florida (the "City"), DO HEREBY CERTIFY as follows:

1. The representations, warranties, covenants and agreements of the City contained in the Bond Purchase Contract dated August ____, 2013, between the City and the Underwriters named therein (the "Bond Purchase Contract"), with respect to the sale by the City of its \$_____ Utility System Refunding Revenue Bonds, Series 2013 (the "Series 2013 Bonds"), are true and correct in all respects on and as of the date of the Closing as if made on the date of the Closing.

2. Except as disclosed in the Official Statement, dated August ____, 2013 relating to the Series 2013 Bonds (the "Official Statement"), no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government authority or public board or body, is pending against or, to the best of our knowledge, threatened against the City, affecting the legal existence of the City or the titles of its officers to their respective offices or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Series 2013 Bonds or the collection or use of the Pledged Revenues, or in any way contesting or affecting the validity or enforceability of the Series 2013 Bonds, the Resolution, the Escrow Deposit Agreement, the Disclosure Agreement and the Bond Purchase Contract or contesting the tax-exempt status of the interest (federal or state) on the Series 2013 Bonds as described in the Official Statement, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of the City or any authority or proceedings for the issuance, sale and delivery of the Series 2013 Bonds, the collection or use of the Pledged Revenues, the adoption of the Resolution or the execution or delivery of the Escrow Deposit Agreement, the Disclosure Agreement or the Bond Purchase Contract, nor to the best of our knowledge, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Series 2013 Bonds, the Resolution, the Escrow Deposit Agreement, the Disclosure Agreement or the Bond Purchase Contract.

3. No event affecting the City has occurred since the date of the Official Statement which should be disclosed in the Official Statement so that the Official Statement will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and which has not been disclosed in a supplement or amendment to the Official Statement.

4. The City has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the date hereof pursuant to the Bond Purchase Contract.

5. (j) Except as disclosed in the Official Statement, the City has not, in the past five (5) years, failed to comply in any material respect with any of its continuing disclosure

undertakings pursuant to Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

6. The financial statements and the other financial and statistical data relating to the City included in the Official Statement were true and correct as of the date of such financial statements and as to other financial and statistical data are true and correct as of the date thereof.

7. Since the date of the financial statements included in the Official Statement, (i) no material and adverse change has occurred in the financial condition of the City and (ii) the City has not incurred any material liabilities other than in the ordinary course of business, except as set forth in or contemplated by the Official Statement.

8. All capitalized terms used herein which are not otherwise defined shall have the same meanings as in the Bond Purchase Contract.

Dated: _____, 2013

William "Dave" Denny, Acting City Manager

Robert Clinger, Finance Director

EXHIBIT E

CERTIFICATE OF CONSULTING ENGINEERS

The undersigned authorized officer of Quentin L. Hampton Associates (the "Consulting Engineer"), HEREBY CERTIFIES with respect to the issuance by the City of Deltona, Florida (the "City") of its \$_____ Utility System Refunding Revenue Bonds, Series 2013 (the "Series 2013 Bonds") as follows:

(a) the Consulting Engineer has been retained by the City to prepare the City its Consulting Engineer's Report, dated _____, 2013, included in the Official Statement, dated _____, 2013 relating to the Series 2013 Bonds (the "Official Statement") as Appendix C and concurrence is given to the references to us and the Report in the Official Statement and the inclusion of such Report as an Appendix to the Official Statement; and

(b) such Report was prepared in accordance with generally accepted consulting engineers' practices.

Dated: _____, 2013

QUENTIN L. HAMPTON ASSOCIATES

By: _____
Authorized Representative

EXHIBIT F

CERTIFICATE OF FEASIBILITY CONSULTANT

The undersigned authorized officer and agent, respectively, of Burton & Associates, Inc. (the "Feasibility Consultant"), HEREBY CERTIFIES with respect to issuance by the City of Deltona, Florida (the "City") of its \$_____ Utility System Refunding Revenue Bonds, Series 2013 (the "Series 2013 Bonds") as follows:

(a) the Feasibility Consultant has been retained by the City to prepare the Financial Feasibility Report, dated _____, 2013 included in the Official Statement, dated _____, 2013 relating to the Series 2013 Bonds (the "Official Statement") as Appendix D and concurrence is given to the inclusion of such Report as an Appendix to the Official Statement;

(b) such Report was prepared in accordance with generally accepted revenue analysis practices;

(c) in connection with the preparation of such Report, personnel of the Feasibility Consultant have participated in meetings with representatives of the City, its counsel, the underwriters of the Bonds, the City's Financial Advisor, Bond Counsel and the City's Disclosure Counsel, all in regard to the City's utility System (as defined in the Official Statement), and nothing has come to the attention of the Feasibility Consultant in connection with the preparation of such Report which would cause it to believe that such Report, as of its date, and as of the date hereof, or any of the statements in the Official Statement specifically attributed to the Feasibility Consultant or relating to the information set forth in such Report, as of the date of the Official Statement and as the date hereof, were or are inaccurate in any material respect, and

(d) the Feasibility Consultant has reviewed the Official Statement and, in its opinion, the information presented therein which was furnished by it or attributed to it or which relates to the information set forth in such Report is accurately presented.

Dated: _____, 2013

BURTON & ASSOCIATES, INC.

By: _____
Authorized Representative

EXHIBIT G

FORM OF ISSUE PRICE CERTIFICATE

_____, 2013

This Certificate is furnished by Raymond James & Associates, Inc., (the "Representative"), as representative of J.P. Morgan Securities LLC, RBC Capital Markets, LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated (collectively with the Representative, the "Underwriters"), in connection with the issuance by the City of Deltona, Florida (the "Issuer"), of \$_____ aggregate principal amount of its Utility System Refunding Revenue Bonds, Series 2013 (the "Bonds"). The Representative hereby certifies the following, based upon the information available to it.

On _____, 2013 (the "Sale Date"), the Underwriters made a bona fide offering of the Bonds to the Public (as defined below) at the representative prices (the "Prices") set forth on the Official Statement, dated the Sale Date, with respect to the Bonds. For purposes of this certificate, the "Public" does not include bond houses, brokers, and similar persons acting in the capacity of underwriters or wholesalers.

On the Sale Date, the Underwriters sold at least 10% of each maturity of the Bonds to the Public at its respective Price[, except for the Bonds maturing in years [_____] and [_____] (the "Unsold Maturities"). With respect to each of the Unsold Maturities, the Underwriters reasonably expected, on the Sale Date, the first price at which at least 10% of each maturity would be sold to the Public to be its respective Price].

The Issuer may rely on the statements made herein in connection with making the representations set forth in the Federal Tax Certificate to which this Certificate is attached and in its efforts to comply with the conditions imposed by the Internal Revenue Code of 1986, as amended (the "Code"). Akerman Senterfitt may also rely on this Issue Price Certificate for purposes of its opinion regarding the treatment of interest on the Bonds as excludable from gross income for federal income tax purposes. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose. Notwithstanding anything set forth herein, the Underwriters are not engaged in the practice of law. Accordingly, the Underwriters make no representation as to the legal sufficiency of the factual matters set forth herein.

RAYMOND JAMES & ASSOCIATES, INC., as
Representative of the Underwriters

By: _____
Name: Jon Eichelberger
Title: Managing Director

Dated: _____, 2013

MASTER UTILITY SYSTEM BOND RESOLUTION

RESOLUTION NO. _____

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RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF DELTONA, FLORIDA, AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$85,000,000 UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2013 FOR THE PURPOSE OF REFUNDING ALL OF THE OUTSTANDING CITY OF DELTONA, FLORIDA UTILITY SYSTEM REVENUE BONDS, SERIES 2003, FINANCING THE COST OF TERMINATING THE SWAPTION ENTERED INTO WITH CITIBANK, N.A., NEW YORK ON AUGUST 15, 2006 AND PAYING COSTS RELATED THERETO; PLEDGING THE NET REVENUES OF THE UTILITY SYSTEM AND OTHER AMOUNTS FOR THE PAYMENT OF SUCH BONDS; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF SUCH BONDS; MAKING OTHER COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; APPROVING THE FORM OF THE BOND PURCHASE CONTRACT, PRELIMINARY OFFICIAL STATEMENT, CONTINUING DISCLOSURE CERTIFICATE AND ESCROW DEPOSIT AGREEMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE CONTRACT, FINAL OFFICIAL STATEMENT, CONTINUING DISCLOSURE CERTIFICATE AND ESCROW DEPOSIT AGREEMENT; APPOINTING A PAYING AGENT, REGISTRAR AND ESCROW AGENT; DELEGATING AUTHORITY TO THE MAYOR TO AWARD THE SALE OF THE BONDS TO THE UNDERWRITERS NAMED HEREIN PURSUANT TO A NEGOTIATED SALE AND SUBJECT TO THE CONDITIONS AND TERMS SET FORTH HEREIN AND IN THE BOND PURCHASE CONTRACT; AUTHORIZING THE CITY THE OPTION TO INSURE ALL, A PORTION OF OR NONE OF THE BONDS WITH A BOND INSURANCE POLICY, WHICHEVER IS IN THE BEST FINANCIAL INTEREST OF THE CITY; AUTHORIZING OTHER REQUIRED ACTIONS; AND PROVIDING AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF DELTONA, FLORIDA:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of Article VIII, Section 2 of the Florida Constitution; Chapter 159, Part I, Florida Statutes; Chapter 166, Part II, Florida Statutes; the Charter of the City of Deltona, Florida; and other applicable provisions of law (collectively, the "Act").

SECTION 2. DEFINITIONS. Unless the context otherwise requires, the terms used in this Resolution shall have the meanings specified in this Section 2. Words importing singular

number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

“Accreted Value” shall mean, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Capital Appreciation Bond (the principal amount at its initial offering) plus the interest accrued on such Capital Appreciation Bond from the date of delivery to the original purchasers thereof to the Interest Date next preceding the date of computation or the date of computation if an Interest Date, such interest to accrue at a rate not exceeding the legal rate, compounded semiannually, plus, with respect to matters related to the payment upon redemption of the Capital Appreciation Bonds, if such date of computation shall not be an Interest Date, a portion of the difference between the Accreted Value as of the immediately preceding Interest Date and the Accreted Value as of the immediately succeeding Interest Date, calculated based on the assumption that Accreted Value accrues during any semi-annual period in equal daily amounts on the basis of a 360-day year.

“Acquired Obligations” shall mean cash, direct non-callable obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, to which direct obligation or guarantee the full faith and credit of the United States of America has been pledged, Refcorp interest strips, CATS, TIGRS, STRPS, defeased municipal bonds rated “AAA” by S&P or “Aaa” by Moody’s (or any combination thereof) or direct obligations or fully guaranteed certificates of beneficial ownership of the U.S. Export-Import Bank, certificates of beneficial ownership of the Farmers Home Administration, obligations of the Federal Financing Bank, participation certificates of the General Services Administration, Guaranteed Title XI financings of the U.S. Maritime Administration and project notes of the U.S. Department of Housing and Urban Development, and bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. Government agencies, instrumentalities, corporations or other entities, established by an Act of Congress or otherwise: Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Federal Farm Credit Banks, Tennessee Valley Authority, Inter-American Development Bank and the Farm Credit System.

With respect to any Series of Bonds, the definition of Acquired Obligations set forth above may be further limited as set forth in a Supplemental Resolution of the Issuer adopted prior to the issuance of such Bonds.

“Additional Parity Obligations” shall mean additional obligations issued or incurred in compliance with the terms, conditions and limitations contained herein and which (i) shall have a lien on the Pledged Revenues equal to that of the Outstanding Bonds and any Parity Contract Obligations, (ii) shall be payable from the Pledged Revenues on a parity with the Outstanding Bonds and any Parity Contract Obligations, and (iii) shall rank equally in all other respects with the Outstanding Bonds and any Parity Contract Obligations.

“Amortization Installment” shall mean an amount designated as such by Supplemental Resolution of the Issuer or as established hereby and established with respect to any Term Bonds.

“Average Annual Bond Service Requirement” shall mean, as of each date on which a Series of Bonds is issued, the total amount of Bond Service Requirement which is to become due on all Bonds deemed to be Outstanding immediately after the issuance of such Series of Bonds divided by the total number of years for which Bonds are deemed to be Outstanding, except that with respect to any Bonds for which Amortization Installments have been established, the amount of principal coming due on the final maturity date with respect to such Bonds shall be reduced by the aggregate principal amount of such Bonds that are to be redeemed from Amortization Installments to be made in prior Bond Years.

“Bond Counsel” shall mean Akerman Senterfitt, or any other attorney at law or firm of attorneys of nationally recognized standing in matters pertaining to the exclusion from gross income for federal income tax purposes of interest on obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

“Bond Insurance Policy” shall mean the municipal bond new issue insurance policy or policies or similarly titled policy issued by an Insurer guaranteeing the scheduled payment of principal of and interest on any portion of such Series of Bonds when due as determined by Supplemental Resolution, if any.

“Bond Service Fund” shall mean the Bond Service Fund created and established pursuant to Section 16 of this Resolution.

“Bond Service Requirement” shall mean, for any Bond Year, at any time, the amount required to be deposited in such Bond Year into the Bond Service Fund, as provided herein including any Reimbursement Obligations. In calculating such amount, the Issuer shall subtract therefrom any amounts to be transferred from the Construction Fund for the purpose of paying interest on the Bonds. Interest on any Series of Bonds issued as Direct Subsidy Bonds shall be included in the Bond Service Requirement only on a net basis, after taking into account Direct Pay Subsidies expected to be received on such Direct Subsidy Bonds on each respective Interest Payment Date. With respect to Variable Rate Bonds which are not subject to a Qualified Agreement, if any, the interest rate used to calculate the Bond Service Requirement shall be the higher of (i) the actual rate on the date of calculation, or if the indebtedness is not yet outstanding, the initial rate (if established and binding), (ii) if the indebtedness has been outstanding for at least twelve months, the average rate over the twelve months immediately preceding the date of calculation, and (iii) if the indebtedness has been outstanding for twelve months or less; (1) if interest on the indebtedness is excludable from gross income under the applicable provisions of the Internal Revenue Code, the most recently published Bond Buyer 25 Bond Revenue Index (or comparable index if no longer published) plus fifty (50) basis points, or (2) if interest is not so excludable, the interest rate on direct U.S. Treasury Obligations with comparable maturities plus fifty (50) basis points; provided, however, that for purposes of any rate covenant measuring actual debt service coverage during a test period, Variable Rate Bonds which are not subject to a Qualified Agreement shall be deemed to bear interest at the actual rate per annum applicable during the test period. If Bonds are Option Bonds, the date or dates of tender shall be disregarded, unless actually tendered and not remarketed, and the stated maturity dates thereof shall be used for purposes of this calculation. If the Issuer has entered into a Qualified Agreement with respect to all or a portion of certain Variable Rate Bonds Outstanding

hereunder or to be issued hereunder, the interest coming due on such Variable Rate Bonds or portion thereof for purposes of this definition shall be deemed to be based upon the synthetic fixed interest rate under the Qualified Agreement, without giving any regard to fees and expenses incurred in connection with the purchase of a liquidity facility. If the Issuer has entered into a Qualified Agreement with respect to certain Bonds Outstanding hereunder or to be issued hereunder which have a fixed rate of interest, the interest coming due on such Bonds for purposes of this definition shall be deemed to be based upon the assumptions described above for Variable Rate Bonds, without giving any regards to fees and expenses incurred in connection with the purchase of a liquidity facility. If any Series of Bonds has 25% or more of the aggregate principal amount of such Series coming due in any Bond Year, the Bond Service Requirement shall be determined for such Series during such period of time as if the principal of and interest on such Series were being paid from the date of issuance thereof in substantially equal annual amounts over a period of 25 years.

For purposes of determining the Bond Service Requirement the amount, if any, on deposit in the Reserve Fund (or any subaccount thereof) on any date of calculation of the Bond Service Requirement shall be deducted from the amount of principal due at the final maturity of the Bonds which are secured by such Reserve Fund (or subaccount thereof) and in each preceding year until such amount is exhausted.

“Bond Year” shall mean the City’s Fiscal Year.

“Bonds” shall mean (i) the Series 2013 Bonds herein authorized to be issued, and (ii) any Additional Parity Obligations issued hereafter in accordance with the provisions hereof.

“Capital Appreciation Bonds” shall mean the aggregate principal amount of the Bonds that bear interest payable solely at maturity or upon redemption prior to maturity in the amounts determined by reference to the Accreted Value, all as shall be determined by Supplemental Resolution of the Issuer. In the case of Capital Appreciation Bonds that are convertible to Bonds with interest payable prior to maturity or redemption of such Bonds, such Bonds shall be considered Capital Appreciation Bonds only during the period of time prior to such conversion.

“Capital Appreciation Income Bonds” shall mean those Bonds initially issued as Capital Appreciation Bonds and which become Serial Bonds when the original issue amount and the Accreted Value equals \$5,000 principal amount or an integral multiple thereof as determined by Supplemental Resolution of the Issuer.

“Chief Financial Officer” shall mean the Finance Director of the Issuer, or any assistant or deputy thereof.

“City Attorney” shall mean the City Attorney of the Issuer, or any assistant or deputy City Attorney of the Issuer.

“City Clerk” shall mean the City Clerk of the Issuer, or any assistant or deputy City Clerk of the Issuer.

“City Commission” shall mean the City Commission of the Issuer.

“City Manager” shall mean the City Manager of the Issuer, or any assistant or deputy City Manager of the Issuer.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and the regulations and rules thereunder in effect or proposed.

“Construction Fund” shall mean the Construction Fund created and established pursuant to Section 16 of this Resolution.

“Contributions in Aid of Construction” shall mean any amount or item of money, services, or property received by the Issuer, any portion of which is provided at no cost to the System, which represents an addition or transfer to the capital of the System, and which is utilized to offset the acquisition, improvement or construction costs of the System.

“Cost of Operation and Maintenance” of the System shall mean the then current expenses, paid or accrued, in the operation, maintenance and repair of the System, as calculated in accordance with generally accepted accounting principles, including, but not limited to, general administrative and indirect labor costs, personal services, contractual services, repairs and maintenance, and materials and supplies, but shall not include capital expenditures, any reserve for renewals and replacements, any allowance for depreciation, any Bond Service Requirement, any payments in lieu of taxes, franchise fees or other transfers.

“Credit Facility” or “Credit Facilities” shall mean either individually or collectively, as appropriate, any bond insurance policy, surety bond, letter of credit, line of credit, guaranty or other instrument or instruments that would enhance the credit of the Bonds.

“Credit Facility Issuer” or “Credit Facility Issuers” shall mean the provider or providers of a Credit Facility or Credit Facilities.

“Direct Subsidy Bonds” means any Series of Bonds designated by the Issuer under and pursuant to Section 54AA of the Code or any other applicable provision of the Code for which either (1) the Issuer receives direct subsidy payments in an amount equal to a percentage of the interest paid on such bond, or (2) the holder of such bond receives a tax credit in an amount equal to a percentage of the interest paid on such bond.

“Direct Pay Subsidies” means payments received by the Issuer from the United States Treasury or the Internal Revenue Service with respect to Direct Subsidy Bonds pursuant to Section 54AA or 6431 of the Code or any other applicable provision of the Code.

“FDEP” shall mean the Florida Department of Environmental Protection.

“Financial Advisor” shall mean First Southwest Company, or any other financial advisor appointed from time to time by the Issuer.

“Fiscal Year” shall mean the period commencing on October 1 of each year and ending on the next succeeding September 30 or such other annual period as may be prescribed by law from time to time for the issuer.

“Fitch” shall mean Fitch Ratings, and any assigns or successors thereto.

“Gross Revenues” or “Revenues” shall mean all income and earnings received by the Issuer or accrued to the Issuer from the ownership, use or operation of the System and all parts thereof, including, without limitation, unencumbered, non-ad valorem special assessments which are not pledged for the repayment of, or as security for, any indebtedness of the Issuer, whether currently outstanding or hereafter issued, other than the Bonds and which are legally available to be used as contemplated hereunder, grant monies received by the Issuer as a result of ownership, use or operation of the System, proceeds from the sale or other disposition of the System or any part thereof pursuant to the terms of Section 20(G) hereof, moneys deposited from the Rate Stabilization Fund into the Revenue Fund in accordance with the terms hereof, provided any moneys transferred from the Rate Stabilization Fund into the Revenue Fund within 90 days following the end of a Fiscal Year may be designated by the Issuer as Gross Revenues of such prior Fiscal Year, and shall also include investment income, if any, earned on any fund or account created pursuant to this Resolution, except the Rebate Fund, all as calculated in accordance with generally accepted accounting principles, and any payment received by the Issuer as contemplated in Section 29 hereof, but “Gross Revenues” or “Revenues” shall not include internal services charges, non-ad valorem special assessments which are pledged for the repayment of, or as security for, any indebtedness of the Issuer, whether currently outstanding or hereafter issued, other than the Bonds, condemnation awards or proceeds of insurance received with respect to the System and moneys deposited to the Rate Stabilization Fund from the Surplus Fund, including any moneys transferred from the Surplus Fund to the Rate Stabilization Fund within 90 days following the end of a Fiscal Year which the Issuer determines not to be Gross Revenues of such prior Fiscal Year, Contributions in Aid of Construction, Impact Fees or unrealized gains or losses from investments.

“Holder” or “Bondholders” or any similar term shall mean any persons who shall be the registered owner of any outstanding Bonds.

“Impact Fees” shall mean Sewer Impact Fees and Water Impact Fees.

“Insurer” shall mean, with respect to any Series of Bonds, such Person as shall be insuring or guaranteeing the scheduled payment of principal of and interest on such Series of Bonds, when due.

“Interest Account” shall mean the special account of the same name created within the Bond Service Fund.

“Interest Date” or “interest payment date” shall be such date or dates for the payment of interest on a Series of Bonds as shall be provided in the Bonds themselves.

“Issuer” or “City” shall mean the City of Deltona, Florida.

“Maximum Bond Service Requirement” shall mean, as of any particular date of calculation, the greatest amount of aggregate Bond Service Requirement for the then current or any future Bond Year, except that with respect to any Bonds for which Amortization Installments have been established, the amount of principal coming due on the final maturity date with respect to such Bonds shall be reduced by the aggregate principal amount of such

Bonds that are to be redeemed from Amortization Installments which were to be made in prior Bond Years.

“Mayor” shall mean the Mayor or the Vice Mayor of the Issuer.

“Moody’s” or “Moody’s Investors Service” shall mean Moody’s Investors Services, Inc., and any assigns or successors thereto.

“Net Revenues” of the System shall mean the Gross Revenues or Revenues, after deduction of the Cost of Operation and Maintenance.

“Option Bonds” shall mean Bonds subject to tender for payment prior to their maturity at the option of the Holder thereof.

“Outstanding” or “Bonds Outstanding” shall mean all Bonds which have been issued pursuant to this Resolution except:

(i) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;

(ii) Bonds for the payment or redemption of which cash funds or Acquired Obligations or any combination thereof shall have been theretofore irrevocably set aside in a special account with an escrow agent (whether upon or prior to the maturity or redemption date of any such Bonds) in an amount which, together with earnings on such Acquired Obligations, will be sufficient to pay the principal of, interest on and any redemption premium with respect to such Bonds at maturity or upon their earlier redemption; provided that, if such Bonds are to be redeemed before the maturity thereof, notice of such redemption shall have been given according to the requirements of this Resolution or irrevocable instructions directing the timely publication of such notice and directing the payment of the principal of and interest on all such Bonds at such redemption dates shall have been given; and

(iii) Bonds which are deemed paid pursuant to this Resolution or in lieu of which other Bonds have been issued under Sections 11 and 13 hereof.

“Parity Contract Obligation” shall mean the net payment obligations of the Issuer arising under a Qualified Agreement, which are calculated on the basis of interest on a notional amount which may correspond with the principal amount of certain Bonds issued hereunder, or a particular series or maturity thereof, based upon a fixed or a variable rate index or formula, taking into account any like payment obligations of the Qualified Agreement Provider to the Issuer calculated in the same manner. Parity Contract Obligations include only regularly scheduled payments and/or receipts under a Qualified Agreement determined by reference to interest on a notional amount and shall not include any other payments and/or receipts under such Agreement (for example any termination fee, indemnification obligations or other fees payable to the Qualified Agreement Provider).

“Parity Contract Obligation Account” shall mean the special account of the same name created within the Bond Service Fund.

“Paying Agent” shall mean any paying agent for Bonds appointed by or pursuant to a Supplemental Resolution and its successors or assigns, and any other Person which may at any time be substituted in its place pursuant to a Supplemental Resolution. Once appointed, no resignation or removal of the Paying Agent shall become effective until a successor has been appointed and has accepted the duties of Paying Agent. Each of the Insurers of Bonds, if any, shall be furnished with written notice of the resignation or removal of the Paying Agent and the appointment of any successor thereto.

“Permitted Investments” shall mean and include each of the following securities, obligations and investments if and to the extent that at the time the same shall be legal for investment of Issuer’s funds:

(i) any bonds or other obligations which constitute direct obligations of, or as to principal and interest are unconditionally guaranteed by, the United States of America, including obligations of any of the Federal agencies set forth in clause (iii) below to the extent unconditionally guaranteed by the United States of America;

(ii) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (a) which are not callable prior to maturity, or which have been duly called for redemption by the obligor on a date or dates specified and as to which irrevocable instructions have been given to a trustee in respect of such bonds or other obligations by the obligor to give due notice of such redemption on such date or dates, which date or dates shall be also specified in such instructions, (b) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in clause (i) above, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (ii), as appropriate, (c) as to which the principal of and interest on the bonds and obligations of the character described in clause (i) above on deposit in such fund along with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (ii) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (ii), as appropriate and (d) which at the time of their purchase hereunder are rated “AAA” by Standard & Poor’s, and if rated by Moody’s, are rated “Aaa” by such agency;

(iii) bonds, debentures, or other evidences of indebtedness issued or guaranteed by any agency or corporation which has been or may hereafter be created pursuant to an Act of Congress as an agency or instrumentality of the United States of America which at the time of their purchase hereunder are rated “AAA” by Standard & Poor’s and “Aaa” by Moody’s, if rated by both rating agencies, and, if rated by one rating agency, shall have a rating of “AAA” or “Aaa” by Standard & Poor’s or Moody’s, as the case may be;

(iv) New Housing Authority Bonds issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America; or project notes issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

(v) obligations of any state of the United States of America or any political subdivision thereof or any agency or instrumentality of any state or political subdivision, provided that at the time of their purchase hereunder such obligations are rated in either of the two highest whole rating categories by two nationally recognized rating agencies;

(vi) direct and general obligations of the State of Florida for the payment of the principal of and interest on which the full faith and credit of said State is pledged, or any bonds or other obligations which as to principal and interest are unconditionally guaranteed by the State;

(vii) certificates that evidence ownership of the right to payments of principal and/or interest on obligations described in clauses (i) and (iii) of this definition, provided that such obligations shall be held in trust by a bank or trust company or a national banking association authorized to exercise corporate trust powers and subject to supervision or examination by federal, state, territorial or District of Columbia authority and having a combined capital, surplus and undivided profits of not less than \$50,000,000;

(viii) certificates of deposit, whether negotiable or non-negotiable, and banker's acceptances issued by any bank, trust company or national banking association, in each case, having a combined capital, surplus and undivided profits of not less than \$100,000,000, provided that at the time of their purchase hereunder such instruments are (a) rated not lower than the second highest whole rating category by two nationally recognized rating agencies, (b) issued by a bank, trust company or national banking association (1) which bank, trust company or national banking association's deposit obligations have been issued the highest possible rating (giving effect to any refinement or graduation of ratings by a numerical or symbolic modifier or otherwise) by (X) Moody's or (Y) two nationally recognized rating agencies or (2) which bank, trust company or national banking association has issued and outstanding senior unsecured indebtedness rated not lower than the second highest whole rating category by two nationally recognized rating agencies; provided that, if after the purchase of any such certificates of deposit, the ratings thereon or with respect to the issuer thereof, as the case may be, shall fall below the requirements set forth in clause (a) or (b) hereof, Issuer shall sell such certificates of deposit, or (c) fully insured by the Federal Deposit Insurance Corporation or secured, to the extent not insured by the Federal Deposit Insurance Corporation, by such securities as are described in clause (i) of this definition which securities shall at all times have a market value at least equal to the principal amount of such certificates of deposit or banker's acceptances;

(ix) commercial paper that, at the date of investment, is rated “P1” by Moody’s and “A-1” by Standard & Poor’s, or if not so rated by both such rating agencies, then rated “P-1” by Moody’s or “A-1” by Standard & Poor’s or “F-1” by Fitch and rated with the highest possible rating (giving effect to any refinement or graduation of ratings with a numerical or symbolic modifier or otherwise) by one other nationally recognized rating agency;

(x) any repurchase agreement with any bank or trust company organized under the laws of any state of the United States of America or any national banking association or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, which agreement relates to the sale and repurchase of any one or more of the securities described in clauses (i) and (iii) above and which, in the judgment of Issuer, conforms as to terms and conditions with then prevailing prudent standards in the financial markets;

(xi) shares of an investment company organized under the Investment Company Act of 1940, as amended (or successor provision of law), which invests its assets exclusively in obligations of the type described in the other clauses of this definition which shares shall be rated “AA” or above if rated by Standard & Poor’s and “Aa2” or above if rated by Moody’s;

(xii) interests in the State of Florida Local Government Surplus Funds Trust Fund or other similar common trust fund for which such state, or a constitutional or statutory officer or agency thereof, shall be the custodian; and

(xiii) any agreements or contracts with insurance companies or other financial institutions, which agreements or contracts (a) shall be rated at the date of investment in such agreements or contracts in the highest whole rating category by two nationally recognized rating agencies, or (b) are issued or entered into by (i) an insurance company whose claims paying ability shall be rated at the date of investment in such agreements or contracts in the highest whole rating category by two nationally recognized rating agencies or (ii) an insurance company or other financial institution that has issued and outstanding senior unsecured indebtedness rated at the date of investment in such agreements or contracts in the highest whole rating category by two nationally recognized rating agencies, and whereby under each such agreement or contract the insurance company or other financial institution shall be absolutely and unconditionally obligated to repay the moneys invested by Issuer and interest thereon, without any right of recoupment, counterclaim or set off. Any such agreement or contract may provide that, with the approval of Issuer, the insurance company or other financial institution may have the right to assign its obligations under any such agreement or contract to any other insurance company or other financial institution.

“Person” shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or governmental entity.

“Pledged Revenues” shall mean (i) the Net Revenues, (ii) the Impact Fees and (iii) until applied in accordance with this Resolution, the moneys on deposit in the various funds and

accounts created pursuant to this Resolution, except (A) as for the Rebate Fund, and (B) to the extent moneys on deposit in a subaccount of the Reserve Fund or the Construction Fund shall be pledged solely for the payment of the Series of Bonds for which it was established in accordance with the provisions hereof.

“Principal Account” shall mean the special account of the same name created within the Bond Service Fund.

“Project” or “Projects” shall mean any actual, proposed or potential acquisition, addition, extension, supplement, or replacement of the System or joint ownership of similar properties or any interest therein or any right to use the capacity from any facilities or services thereof, or any other lawful purpose related to the System, all as determined by the Issuer and in accordance with plans and specifications on file or to be filed with the Issuer.

“Project Costs” shall mean all costs authorized to be paid from the Construction Fund pursuant to Section 18 hereof to the extent permitted under the laws of the State. It is intended that this definition be broadly construed to encompass all costs, expenses and liabilities of the Issuer related to the System which on the date of this Resolution or in the future shall be permitted to be funded with the proceeds of any Series of Bonds pursuant to the laws of the State.

“Prudent Utility Practice” shall mean, in respect of any particular municipal utility industry, any of the practices, methods and acts which, in the exercise of reasonable judgment, in light of the facts, including but not limited to the practices, methods and acts engaged in or approved by a significant portion of such utility industry prior thereto, known at the time the decision was made, would have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety, and expedition. It is recognized that Prudent Utility Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather is a spectrum of possible practices, methods or acts which could have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition.

“Qualified Agreement” means, to the extent from time to time permitted pursuant to law, any contract or contracts entered into in connection with Bonds under which payments are, in whole or in part, based on interest rate, cash flow, or other basis desired by the Issuer, including, without limitation, contracts commonly known as current or forward interest rate swap or swaption agreements and interest rate floors or caps. Notwithstanding anything herein to the contrary, “Qualified Agreement” shall not include goods and service supply contracts.

“Qualified Agreement Provider” means, an entity whose senior long term obligations, other senior long term obligations or claims paying ability or whose payment obligations under a Qualified Agreement are guaranteed by an entity whose senior long term debt obligations, other senior unsecured long term obligations or claims paying ability are rated at the time of execution of such Qualified Agreement either (i) at least as high as “A3” by Moody’s, and “A-” by S&P, or the equivalent thereof by any successor thereto for so long as such rating agency is then maintaining a rating on the Bonds Outstanding, or (ii) any such lower rating categories which each such rating agency then maintaining a rating on the Bonds Outstanding indicates in writing

to the Issuer will not, by itself, result in a reduction or withdrawal of its rating on the Bonds Outstanding that is in effect prior to entering into such Qualified Agreement.

“Qualified Independent Consultant” shall mean one or more qualified and recognized independent consultants, having favorable reputations, skill and experience with respect to the acts and duties of the Qualified Independent Consultant to be provided to the Issuer, as shall from time to time be retained by the Issuer to perform the acts and carry out the duties herein provided for such consultants.

“Rate Stabilization Fund” shall mean the “Rate Stabilization Fund” established pursuant to Section 16 of this Resolution.

“Rebate Fund” shall mean any City of Deltona Utility System Revenue Bonds Rebate Fund authorized to be established pursuant to Section 32(E) hereof.

“Rebate Year” shall mean, with respect to a particular Series of Bonds issued hereunder, a one-year period (or shorter period from the date of issue) that ends at the close of business on the day in the calendar year selected by the Issuer as the last day of a Rebate Year. The final Rebate Year with respect to a particular Series of Bonds issued hereunder, however, shall end on the date of final maturity of that Series of Bonds.

“Record Date” shall mean each date that is on the 15th day of the calendar month immediately preceding an interest payment date on the Bonds.

“Redemption Account” shall mean the special account of the same name created within the Bond Service Fund.

“Refunded Bonds” shall mean the Issuer’s Utility System Revenue Bonds, Series 2003.

“Refunding Bonds” shall mean that amount of any Series of Bonds, the proceeds of which will be applied to the refunding of any previously issued Bonds.

“Registrar” shall mean any registrar for the Bonds appointed hereby or pursuant to Supplemental Resolution and its successors and assigns, and any other Person which may at any time be substituted in its place pursuant to Supplemental Resolution. Once appointed, no resignation or removal of the Registrar shall become effective until a successor has been appointed and has accepted the duties of Registrar. The Insurers of Bonds shall be furnished with written notice of the resignation or removal of the Registrar and the appointment of any successor thereto.

“Reimbursement Obligation” shall have the meaning set forth in Section 30 hereof.

“Renewal, Replacement and Improvement Fund” shall mean the Renewal, Replacement and Improvement Fund created and established pursuant to Section 16 of this Resolution.

“Reserve Fund” shall mean the Reserve Fund created and established pursuant to Section 16 of this Resolution.

“Reserve Fund Insurance Policy” shall mean an insurance policy or surety bond deposited in the Reserve Fund in lieu of or in substitution for cash on deposit therein pursuant to Section 20(B)(2) hereof.

“Reserve Fund Letter of Credit” shall mean an unconditional irrevocable letter of credit or line of credit (other than a Reserve Fund Insurance Policy) deposited in the Reserve Fund in lieu of or in substitution for cash on deposit therein pursuant to Section 20(B)(2) hereof.

“Reserve Requirement” shall mean as to any Bonds that are not Taxable Bonds the lesser of (i) the Maximum Bond Service Requirement with respect to Bonds secured by the Reserve Fund, (ii) 125% of the Average Annual Bond Service Requirement with respect to Bonds secured by the Reserve Fund, or (iii) the largest amount as shall not adversely affect the exclusion of interest on such Bonds from gross income for Federal income tax purposes with respect to Bonds secured by the Reserve Fund. The Issuer may establish hereby or by a Supplemental Resolution a different Reserve Requirement for any Series of Bonds, which Reserve Requirement may be \$0.00.

“Resolution” shall mean this Resolution, as from time to time may be amended or supplemented by Supplemental Resolution, in accordance with the terms hereof.

“Revenue Fund” shall mean the Revenue Fund created and established pursuant to Section 16 of this Resolution.

“Rule” shall mean Rule 15c2-12 of the Securities and Exchange Commission.

“Serial Bonds” means all Bonds of a Series other than Term Bonds.

“Series” or “Series of Bonds” or “Bonds of a Series” shall mean all Bonds designated as being of the same Series issued and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter delivered in lieu thereof or in substitution therefor pursuant to this Resolution.

“Series 2013 Bonds” shall mean the Issuer’s Utility System Refunding Revenue Bonds, Series 2013.

“Series 2013 Continuing Disclosure Certificate” shall mean the Disclosure Dissemination Agent Agreement with respect to the Series 2013 Bonds, a form of which is attached hereto as Exhibit D.

“Series 2013 Escrow Agent” shall mean The Bank of New York Mellon Trust Company, N.A., as the bank or trust company which shall execute the Series 2013 Escrow Deposit Agreement.

“Series 2013 Escrow Deposit Agreement” shall mean the Escrow Deposit Agreement by and between the Issuer and the Series 2013 Escrow Agent, for the purpose of providing for the payment of the Refunded Bonds, which agreement shall be in substantially the form attached hereto as Exhibit B.

“Series 2013 Preliminary Official Statement” shall mean the Preliminary Official Statement with respect to the Series 2013 Bonds, which preliminary official statement shall be in substantially the form attached hereto as Exhibit C.

“Series 2013 Purchase Contract” shall mean the Bond Purchase Contract by and between the Issuer and the Series 2013 Underwriters, the form of which is attached hereto as Exhibit A.

“Series 2013 Official Statement” shall mean the final Official Statement with respect to the Series 2013 Bonds.

“Series 2013 Registrar and Paying Agent Agreement” shall mean the Registrar and Paying Agent Agreement, by and between the Issuer and The Bank of New York Mellon Trust Company, N.A. with respect to the Series 2013 Bonds.

“Series 2013 Underwriters” shall mean, collectively, Raymond James & Associates, Inc., J.P. Morgan Securities LLC, RBC Capital Markets, LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated.

“Sewer Impact Fees” shall mean the fees and charges, if any, which relate to acquiring, constructing, equipping or expanding the capacity of the sewer facilities of the System for the purpose of paying or reimbursing the equitable share of the capital cost relating to such acquisition, construction, expansion or equipping of excess and unused capacity of the System or expansion thereof in order to serve new users of the sewer facilities of the System, to the extent the same are lawfully levied, collected and pledged.

“Sewer Impact Fees Fund” shall mean the fund created pursuant to Section 16 hereof.

“Sewer System” shall mean the complete sewer, wastewater and reclaimed water system now owned or hereafter owned by the Issuer and which the Issuer is, or shall be responsible for maintaining and operating, together with any and all acquisitions, improvements, extensions and additions thereto, hereafter constructed or acquired, together with all lands or interests therein, including plants, buildings, machinery, franchises, pipes, mains, fixtures, equipment and all property, real or personal, tangible or intangible (including agreements for the providing of such services), now or hereafter constructed and/or owned or used in connection therewith including all contractual rights, rights to capacity and obligations or undertakings associated therewith.

“State” shall mean the State of Florida.

“Standard & Poor’s” or “Standard & Poor’s Corporation” or “S&P” shall mean Standard and Poor’s Ratings Group and any assigns and successors thereto.

“Subordinated Debt” shall mean any obligations payable on a junior, inferior and subordinate basis under Section 20(P) hereof. “Subordinated Debt” shall include, but shall not be limited to, (i) payments to a Qualified Agreement Provider pursuant to a Qualified Agreement which the Issuer has designated as Subordinated Debt, (ii) Reimbursement Obligations, and (iii) any other obligations payable from any of the Pledged Revenues on a junior, inferior and subordinate basis to the Bonds.

“Subordinated Debt Service Fund” shall mean the Subordinated Debt Service Fund.

“Supplemental Resolution” shall mean any resolution of the Issuer amending or supplementing this Resolution enacted and becoming effective in accordance with the terms of Sections 24 and 25 hereof.

“Surplus Fund” shall mean the Surplus Fund established pursuant to Section 16 hereof.

“Swaption” shall mean the interest rate exchange transaction between the City and Citibank, N.A., New York, with a trade date of August 15, 2006 evidenced by the ISDA Master Agreement, dated as of August 15, 2006, Schedule and Credit Support Annex thereto, each dated as of August 15, 2006, each between Citibank, N.A., New York, as Party A and the City of Deltona, Florida, as Party B and the related Confirmation dated August 15, 2006.

“System” or “Utility System” shall mean, collectively, the Water System and the Sewer System of the Issuer. Upon compliance with the provisions of Section 28 hereof, the term “System” may be deemed to include other utility functions added to the System, including, but not limited to, a stormwater system, a residential reuse system, the acquisition, distribution and sale of natural gas, the providing of electricity, the providing of cable television services, the providing of telecommunication services or other utility functions that are authorized from time to time pursuant to the Act. Notwithstanding the foregoing definition of the term System, such term shall not include any properties or interest in properties of the Issuer which the Issuer determines shall not constitute a part of the System for the purpose of this Resolution.

“Taxable Bonds” shall mean any Bond which states, in the body thereof, that the interest income thereon is includable in the gross income of the Holder thereof for federal income tax purposes or that such interest is subject to federal income taxation. The term “Taxable Bonds” shall not include Direct Subsidy Bonds.

“Term Bonds” shall mean the Bonds other than Serial Bonds which shall be stated to mature on one date, and shall have such Amortization Installments, as shall be determined herein or by Supplemental Resolution of the Issuer.

“Termination Payment” shall mean the payment, if any, to be made by the Issuer to terminate all of its obligations in regard to the Swaption.

“Utilities Director” shall mean the Public Works Director of the Issuer, or like position in the organizational chart, or any assistant or deputy thereof.

“Variable Rate Bonds” shall mean obligations issued with a variable, adjustable, convertible or other similar rate which is not fixed in percentage at the date of issue for the entire term thereof as shall be determined by Supplemental Resolution of the Issuer.

“Water Impact Fees” shall mean the fees and charges, if any, which relate to acquiring, constructing, equipping or expanding the capacity of the water facilities of the System for the purpose of paying or reimbursing the equitable share of the capital cost relating to such acquisition, construction, expansion or equipping of excess and unused capacity of the System or

expansion thereof in order to serve new users of the water facilities of the System, to the extent the same are lawfully levied, collected and pledged.

“Water Impact Fees Fund” shall mean the fund created pursuant to Section 16 hereof.

“Water System” shall mean the complete water system now owned or hereafter owned by the Issuer and which the Issuer is, or shall be responsible for operating and maintaining, together with any and all acquisitions, improvements, extensions and additions thereto, hereafter constructed or acquired, together with all lands or interests therein, including plants, buildings, machinery, franchises, pipes, mains, fixtures, equipment and all property, real or personal, tangible or intangible (including agreements for the providing of such services), now or hereafter constructed and/or owned or used in connection therewith including all contractual rights, rights to capacity and obligations or undertaking associated therewith.

The terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof” and any similar terms shall refer to this Resolution; the term “heretofore” shall mean before the date of adoption of this Resolution; and the term “hereafter” shall mean after the date of adoption of this Resolution.

Words importing the masculine gender include every other gender. Words importing the singular number include the plural number, and vice versa.

SECTION 3. FINDINGS. It is hereby ascertained, determined and declared that:

(A) The Issuer currently owns, operates and maintains the System and derives Gross Revenues, which such revenues are not pledged or encumbered in any manner, except for the payment of the Refunded Bonds.

(B) The Issuer is authorized under the Act to issue the Series 2013 Bonds, and use the proceeds thereof, together with certain other legally available funds, to refund the Refunded Bonds and pay the Termination Payment.

(C) The Issuer is authorized under the Act to issue the Series 2013 Bonds to refund the Refunded Bonds, to pay the Termination Payment and all the other purposes set forth in Section 7(F) hereof.

(D) In order to modernize the bond covenants, to provide funds to pay the Termination Payment and to achieve debt service savings with respect to the Refunded Bonds, the Issuer finds, determines and declares that it is in the best interest of the Issuer and its citizens and for the continued preservation of the health, welfare, convenience and safety of the Issuer, its citizens and other users of the System for the Issuer to provide for the issuance of the Series 2013 Bonds in an aggregate principal amount not to exceed \$85,000,000, the proceeds of which will be used to refund the Refunded Bonds and to pay the Termination Payment and for the other purposes provided in Section 7(F) hereof.

(E) The Series 2013 Underwriters have indicated that they are willing to enter into the Series 2013 Purchase Contract with the Issuer pursuant to which the Underwriters agree to purchase the Series 2013 Bonds.

(F) Due to the present volatility of the market for tax-exempt public obligations such as the Series 2013 Bonds, the need to access such market very quickly, the willingness of the Series 2013 Underwriters to purchase the Series 2013 Bonds at interest rates favorable to the Issuer, and the critical importance of timing of the sale of the Series 2013 Bonds, the Issuer has determined to sell the Series 2013 Bonds through a negotiated sale to the Series 2013 Underwriters, and it is hereby determined that it is in the best interest of the public and the Issuer to delegate to the Mayor the authority to fix the final details of the Series 2013 Bonds, based upon the advice of the Financial Advisor, and accept the offer of the Series 2013 Underwriters to purchase the Series 2013 Bonds at a negotiated sale pursuant to the terms of the Series 2013 Purchase Contract, if certain conditions set forth in this Resolution are satisfied.

(G) Prior to acceptance by the Issuer of the offer of the Series 2013 Underwriters to purchase the Series 2013 Bonds, the Series 2013 Underwriters will provide the Issuer with all applicable disclosure information required by Section 218.385, Florida Statutes, to be attached to, or otherwise included as part of, the Series 2013 Purchase Contract.

(H) Due to the current volatile market conditions and conditions surrounding the current credit ratings of the various municipal bond insurance companies, the Issuer desires to opt to insure some, all or none of the Series 2013 Bonds, whichever is in the best financial interests of the Issuer based on the advice of the Financial Advisor, with a Bond Insurance Policy, and to authorize the Mayor, based on the advice of the Financial Advisor, to take any actions and do all things necessary in order to accept any such policy in connection with the issuance of the Series 2013 Bonds.

(I) The costs associated with issuance of the Series 2013 Bonds, shall be deemed to include, but not limited to, legal and financial advisory fees and expenses, engineering expenses, fiscal expenses, underwriting fees and expenses, rating agency fees, expenses for estimates of costs and of revenues, accounting expenses, bond insurance premiums, surety policy premiums, if applicable, costs of printing, fees and expenses for the paying agent and registrar, escrow agent, and verification agent, accrued and capitalized interest, if any, provisions for reserves, and such other fees and expenses as may be necessary or incidental for the financing herein authorized.

(J) The principal of and interest and redemption premium on the Series 2013 Bonds and all reserve and other payments contemplated hereunder shall be payable solely from the Pledged Revenues. The Issuer shall never be required to levy ad valorem taxes on any real or personal property therein to pay the principal of and interest on the Bonds herein authorized or to make any other payments provided for herein. The Bonds shall not constitute a lien upon any properties owned by or located within the boundaries of the Issuer or upon any property other than the Pledged Revenues.

(K) In connection with the refunding of the Refunded Bonds, as authorized in this Resolution, the Issuer desires to appoint the Series 2013 Escrow Agent and to approve the form of, and authorize the execution and delivery of, the Series 2013 Escrow Deposit Agreement.

(L) In connection with the offering and sale of the Series 2013 Bonds, the Issuer desires to approve the distribution of the Series 2013 Preliminary Official Statement and delegate

to the Chief Financial Officer the authority to deem the Series 2013 Preliminary Official Statement “final” for purposes of the Rule and to execute and deliver a final Series 2013 Official Statement with respect to the Series 2013 Bonds.

(M) The Issuer desires to appoint a registrar and paying agent with respect to the Series 2013 Bonds and authorize the execution and delivery of a Series 2013 Registrar and Paying Agent Agreement.

(N) In connection with the Issuer’s continuing disclosure obligations under the Rule, the Issuer desires to approve the form of, and authorize the execution and delivery of, the Series 2013 Continuing Disclosure Certificate.

(O) Any Series of Bonds, after the issuance of the Series 2013 Bonds, shall be issued upon approval by Supplemental Resolution of the Issuer and compliance with the terms hereof. The proceeds of any Series of Bonds shall be applied as provided in a Supplemental Resolution.

(P) The Pledged Revenues should be sufficient to pay all principal of and interest and redemption premium on the Bonds to be issued hereunder, *as* the same become due, and to make all required deposits or payments required by this Resolution.

SECTION 4. AUTHORIZATION OF REFUNDING OF REFUNDED BONDS AND PAYMENT OF TERMINATION PAYMENT. The Issuer does hereby authorize the refunding of the Refunded Bonds and payment of the Termination Payment as provided herein subject, however, to compliance with the requirements for the sale of the Series 2013 Bonds contained in Section 7 herein.

SECTION 5. THIS RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Issuer and such Holders. The covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal Holders of any and all of the Bonds, all of which shall be of equal rank and without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided therein and herein.

SECTION 6. AUTHORIZATION OF BONDS. Subject and pursuant to the provisions hereof, obligations of the Issuer to be known as “Utility System Revenue Bonds” which may be issued from time to time are hereby authorized to be issued. The aggregate principal amount of the Bonds which may be executed and delivered under this Resolution is not limited except as is or may hereafter be provided in this Resolution or as limited by the Act or by law.

The Bonds may, if and when authorized by the Issuer pursuant to this Resolution, be issued in one or more Series, with such further appropriate particular designations added to or incorporated in such title for the Bonds of any particular Series as the Issuer may determine and as may be necessary to distinguish such Bonds from the Bonds of any other Series. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

The Bonds shall be issued for such purpose or purposes; shall bear interest at such rate or rates not exceeding the maximum rate permitted by law; and shall be payable in lawful money of the United States of America on such dates; all as determined herein or by Supplemental Resolution of the Issuer.

The Bonds shall be issued in such denominations and such form, whether coupon or registered; shall be dated such date; shall bear such numbers; shall be payable at such place or places; shall contain such redemption provisions; shall have such Paying Agents and Registrars; shall mature in such years and amounts; and the proceeds shall be used in such manner; all as determined by Supplemental Resolution of the Issuer, and, in the case of the Series 2013 Bonds, by Section 7 hereof. The Issuer may issue Bonds which may be secured by a Credit Facility or by a Bond Insurance Policy all as shall be hereby determined or as determined by Supplemental Resolution of the Issuer.

SECTION 7. THE SERIES 2013 BONDS.

(A) Authorization of Series 2013 Bonds. Subject and pursuant to the provisions hereof, obligations of the Issuer to be known as “Utility System Refunding Revenue Bonds, Series 2013” are authorized to be issued in the aggregate principal amount of not to exceed \$85,000,000.

(B) Description of the Series 2013 Bonds. The final maturity for the Series 2013 Bonds shall be no later than October 1, 2040 and the Series 2013 Bonds shall have such further details as are set forth below. The provisions of this Section may be modified by a Supplemental Resolution.

The Series 2013 Bonds shall be issued hereunder in fully registered form without coupons; may be Capital Appreciation Bonds, Serial Bonds or Term Bonds; shall be dated; may be numbered consecutively from one upward in order of maturity preceded by the letter “R” if Serial Bonds or Term Bonds, and preceded by the letters “CABR” if Capital Appreciation Bonds; shall be in the denomination of \$5,000 each, or integral multiples thereof for the Serial Bonds and Term Bonds, and in \$5,000 Accreted Values at maturity for the Capital Appreciation Bonds or in \$5,000 multiples thereof, or such other denominations as shall be approved by the Issuer as provided herein, shall bear interest at such rate or rates not exceeding the maximum rate allowed by State law and complying with the limitations provided herein, the actual rate to be approved by the Issuer prior to or upon the sale of such Bonds as provided herein; such interest to be payable semiannually at such times as are fixed by the Issuer if Serial Bonds or Term Bonds as provided herein or payable at maturity if Capital Appreciation Bonds, and shall mature annually on such date in such years and such amounts as will be fixed by the Issuer prior to or upon the sale of such Bonds as provided herein, and may be issued with variable, adjustable, convertible or other rates with original issue discounts and as zero coupon bonds; all as the Issuer shall provide herein or hereafter by Supplemental Resolution.

Each Serial or Term Bond shall bear interest from the interest payment date next preceding the date on which it is authenticated, unless authenticated on an interest payment date, in which case it shall bear interest from such interest payment date, or, unless authenticated prior to the first interest payment date, in which case it shall bear interest from its date; provided,

however, that if at the time of authentication, payment of any interest which is due and payable has not been made, such Serial or Term Bond shall bear interest from the date to which interest shall have been paid.

Unless otherwise set forth in a Supplemental Resolution adopted prior to the issuance of a Series of Bonds, interest shall be calculated based upon a 360 day year consisting of 12-30 day months.

Each Capital Appreciation Bond shall bear interest only at maturity or upon redemption prior to maturity in the amount determined by reference to the Accreted Value.

The principal of and the interest and redemption premium, if any, on such Bonds shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. The interest on the Serial or Term Bonds shall be payable by the Paying Agent on each interest payment date, or the first business day following an interest payment date if such interest payment date is not a business day, to the person appearing on the registration books of the Issuer hereinafter provided for as the registered Holder thereof, by check or draft mailed to such registered Holder at his address as it appears on such registration books or by wire transfer to Holders of \$1,000,000 or more in principal amount of such Bonds. Payment of the principal of all Serial or Term Bonds (reduced by any Amortization Installments previously paid by the Issuer on any Term Bonds) and the Accreted Value with respect to the Capital Appreciation Bonds shall be made upon the presentation and surrender of such Bonds as the same shall become due and payable.

As long as any such Bonds are outstanding in book-entry form, the provisions of this Resolution inconsistent with such system of book-entry registration shall not be applicable to such Bonds, and the Issuer covenants to cause adequate records to be kept with respect to the ownership of any Series of Bonds issued in book-entry form or the beneficial ownership of bonds issued in the name of a nominee.

(C) Approval of Issuance of Series 2013 Bonds; Terms of Series 2013 Bonds. The Issuer hereby delegates to the Mayor the authority to determine the final terms of the Series 2013 Bonds, based upon the advice of the Financial Advisor, including (i) the dated date, (ii) the principal amount and whether the Series 2013 Bonds shall be issued as Serial Bonds and/or Term Bonds, (iii) the maturity dates and amounts, (iv) the interest rates, prices and yields, and Interest Dates, (v) the optional redemption features, if any, (vi) the Amortization Installments and other mandatory redemption features, if any, (vii) the sale date and the delivery date, (viii) all other details of the Series 2013 Bonds, and to take such further action as shall be required for carrying out the purposes of this Resolution all with respect to the Series 2013 Bonds. All covenants contained in this Resolution with respect to the Bonds shall be applicable to the Series 2013 Bonds.

(D) Award of Sale of the Series 2013 Bonds; Execution of Purchase Contract. Due to the willingness of the Series 2013 Underwriters to purchase the Series 2013 Bonds at interest rates favorable to the Issuer, the present volatility of the market for public obligations such as the Series 2013 Bonds and the critical importance of timing of the sale of the Series 2013 Bonds, the Issuer hereby approves the negotiated sale of the Series 2013 Bonds to the Series 2013

Underwriters and delegates to the Mayor the authority to accept the offer of the Series 2013 Underwriters to purchase the Series 2013 Bonds and to execute and deliver, on behalf of the Issuer, the Series 2013 Purchase Contract. in the form attached hereto as Exhibit A, which form is hereby approved; provided, however, that the Mayor shall not have the authority to execute and deliver the Series 2013 Purchase Contract, unless the Mayor shall have received from the Series 2013 Underwriters (i) all applicable disclosure information required by Section 218.385, Florida Statutes, and (ii) such other information as the Mayor shall deem necessary, upon the advice of the Financial Advisor, which demonstrates to the Mayor that (A) the aggregate principal amount of the Series 2013 Bonds is not in excess of \$85,000,000, (B) the final maturity of the Series 2013 Bonds is not later than October 1, 2040, (C) the underwriting discount is not greater than 0.65% of the original principal amount of the Series 2013 Bonds, (D) the true interest cost rate on the Series 2013 Bonds is not greater than 5.25%.

All actions of the Mayor taken pursuant to the authority contained in Sections 7(C) and 7(D) of this Resolution shall be evidenced by the execution and delivery of the Series 2013 Purchase Contract, which shall be filed with the City Clerk. The execution and delivery of the Series 2013 Purchase Contract shall constitute complete evidence of the actions of the Mayor and shall constitute the action of the Issuer approving the sale of the Series 2013 Bonds to the Series 2013 Underwriters. Subject to satisfaction of the conditions in this Section 7(D), the Mayor is hereby authorized and directed to execute and deliver, and the City Clerk is hereby authorized to attest under seal, and the City Attorney is hereby authorized to approve the form and correctness of the Series 2013 Purchase Contract. The execution and delivery thereof in the manner described in the preceding sentence shall constitute complete approval of such Series 2013 Purchase Contract by the Issuer, including any changes to the form attached hereto as Exhibit A, and shall be deemed to be a part of this instrument as fully and to the same extent as if incorporated verbatim herein.

(E) Book Entry System. The Issuer has previously executed a blanket letter of representation dated October 24, 2003 (the “Letter of Representation”) with The Depository Trust Company (“DTC”). It is intended that the Series 2013 Bonds be registered so as to participate in a global book-entry system with DTC as set forth herein and in such Letter of Representation. The Series 2013 Bonds shall be initially issued in the form of a single fully registered Series 2013 Bond for each maturity. Upon initial issuance, the ownership of such Series 2013 Bonds shall be registered by the Series 2013 Registrar and Paying Agent in the name of Cede & Co., as nominee for DTC. With respect to Series 2013 Bonds registered by the Series 2013 Registrar and Paying Agent in the name of Cede & Co., as nominee of DTC, the Issuer and the Series 2013 Registrar and Paying Agent shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Series 2013 Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a “Depository Participant”) or to any person on behalf of whom such a Depository Participant holds an interest in the Series 2013 Bonds (each such person being herein referred to as an “Indirect Participant”). Without limiting the immediately preceding sentence, the Issuer and the Series 2013 Registrar and Paying Agent shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co., or any Depository Participant with respect to the ownership interest in the Series 2013 Bonds, (b) the delivery to any Depository Participant or any Indirect Participant or any other person, other than a registered owner of a Series 2013 Bond as shown in the bond register, of any notice with

respect to the Series 2013 Bonds, including any notice of redemption, if applicable, or (c) the payment to any Depository Participant or Indirect Participant or any other person, other than a registered owner of a Series 2013 Bond as shown in the bond register, of any amount with respect to principal of, premium, if any, or interest on, if applicable, the Series 2013 Bonds. No person other than a registered owner of a Series 2013 Bond as shown in the bond register shall receive a Series 2013 Bond certificate with respect to any Series 2013 Bond. Upon delivery by DTC to the Series 2013 Registrar and Paying Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions hereof with respect to the payment of interest by the mailing of checks or drafts to the registered owners of Series 2013 Bonds appearing as registered owners in the registration books maintained by the Series 2013 Registrar and Paying Agent at the close of business on a regular record date, the name "Cede & Co." in this resolution shall refer to such new nominee of DTC.

In the event that (a) the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the Letter of Representation, (b) the agreement among the Issuer, the Series 2013 Registrar and Paying Agent and DTC evidenced by the Letter of Representation shall be terminated for any reason or (c) the Issuer determines that it is in the best interests of the beneficial owners of the Series 2013 Bonds that they be able to obtain certificated Series 2013 Bonds, the Issuer shall notify DTC of the availability through DTC of Series 2013 Bond certificates and the Series 2013 Bonds shall no longer be restricted to being registered in the bond register in the name of Cede & Co. as nominee of DTC. At that time, the Issuer may determine that the Series 2013 Bonds shall be registered in the name of and deposited with a successor depository operating a universal book-entry system, as may be acceptable to the Issuer, or such depository's agent or designee, and if the Issuer does not select such alternate universal book-entry system, then the Series 2013 Bonds may be registered in whatever name or names registered owners of Series 2013 Bonds transferring or changing Series 2013 Bonds designate, in accordance with the provisions hereof. Notwithstanding any other provision of this Resolution to the contrary, so long as any Series 2013 Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on, if applicable, such Series 2013 Bond and all notices with respect to such Series 2013 Bond shall be made and given, respectively, in the manner provided in the Letter of Representation.

As long as any Series 2013 Bonds are outstanding in book-entry form, the provisions of the Resolution inconsistent with such system of book-entry registration shall not be applicable to such Series 2013 Bonds, and the Issuer covenants to cause adequate records to be kept with respect to the ownership of any Series 2013 Bonds issued in book-entry form or the beneficial ownership of Series 2013 Bonds issued in the name of a nominee.

(F) Application of Series 2013 Bond Proceeds. The proceeds, including any accrued interest received from the sale of the Series 2013 Bonds, shall be applied by the Issuer as follows:

(1) Accrued interest, if any, shall be deposited in the Interest Account in the Bond Service Fund and shall be used only for the purpose of paying interest becoming due on the Series 2013 Bonds.

(2) The Issuer shall pay all costs and expenses in connection with the preparation, issuance and sale of the Series 2013 Bonds.

(3) To pay together with other legally available funds of the Issuer the Termination Payment.

(4) A sum specified in the Series 2013 Escrow Deposit Agreement, which, together with other legally available funds of the Issuer, if any, is equal to the principal of and interest on the Refunded Bonds to be redeemed and prepaid simultaneously with the issuance of the Series 2013 Bonds, shall be deposited into the escrow account created under the Series 2013 Escrow Deposit Agreement (the “Series 2013 Escrow Account”).

Simultaneously with the delivery of the Series 2013 Bonds, the City is authorized to transfer or cause to be transferred to the Series 2013 Escrow Account or to make the Termination Payment, moneys, if any, accumulated in any sinking and/or reserve funds which were intended or available to be used to pay debt service on the Refunded Bonds.

(G) Appointment of the Series 2013 Escrow Agent; Execution of the Series 2013 Escrow Deposit Agreement; Redemption of the Refunded Bonds; Transfer of Funds. The Bank of New York Mellon Trust Company, N.A. is hereby appointed to serve as the Series 2013 Escrow Agent in connection with the refunding of the Refunded Bonds.

The Issuer hereby approves the Series 2013 Escrow Deposit Agreement as set forth in the form attached hereto as Exhibit B. The Series 2013 Escrow Deposit Agreement shall be executed in the name of the Issuer by the Mayor, such signatures to be attested to by the City Clerk, the official seal of the Issuer to be imprinted thereon, and shall be approved as to form by the City Attorney, with such additional changes and insertions therein as are subsequently approved, and such execution and delivery shall be conclusive evidence of the approval thereof by such officers.

There is hereby authorized a deposit of proceeds of the Series 2013 Bonds in an amount together with other legally available moneys of the Issuer, taking into account investment earnings thereon, that is equal to the principal of and interest on the Refunded Bonds when due in accordance with the schedules to be attached to the Series 2013 Escrow Deposit Agreement to pay such amounts and any costs with respect thereto. Upon the delivery of the Series 2013 Bonds, the Refunded Bonds will be called for early redemption as provided in the Series 2013 Escrow Deposit Agreement, at a redemption price of 100% of the principal amount of such Refunded Bonds to be redeemed, plus accrued interest thereon to the redemption date.

(H) Reserve Fund. The Issuer hereby determines that the Reserve Requirement for the Series 2013 Bonds shall be \$0; provided, however, that the Reserve Requirement for the Series 2013 Bonds may be increased to an amount not exceeding an amount permitted by the first sentence or the definition of Reserve Requirement herein upon the advice of the Financial Advisor all as finally established by the executed Series 2013 Purchase Contract.

(I) Approval of Distribution of the Series 2013 Preliminary Official Statement and Authorization of Final Series 2013 Official Statement. The preparation and distribution of the Series 2013 Preliminary Official Statement relating to the Series 2013 Bonds, in the form

attached hereto as Exhibit C, is hereby approved and authorized. The Chief Financial Officer is hereby authorized to execute and deliver a certificate of the Issuer which deems such Series 2013 Preliminary Official Statement “final” within the contemplation of the Rule. Such Series 2013 Preliminary Official Statement is hereby authorized to be used and distributed in connection with the sale and marketing of the Series 2013 Bonds. The distribution of the final Series 2013 Official Statement relating to the Series 2013 Bonds is hereby authorized, and the execution of such Series 2013 Official Statement by the Mayor and City Manager is hereby authorized, which execution and delivery shall constitute complete evidence of the approval of such final Series 2013 Official Statement by the Issuer.

(J) Appointment of the Series 2013 Registrar and Paying Agent; Authorization of Execution and Delivery of the Series 2013 Registrar and Paying Agent Agreement. The Bank of New York Mellon Trust, Company, N.A. is hereby appointed to serve as the Registrar and Paying Agent with respect to the Series 2013 Bonds. The Registrar and Paying Agent shall perform such duties as are more fully described in this Resolution and an agreement to be entered into with the Issuer in connection with the Series 2013 Bonds.

The Series 2013 Registrar and Paying Agent Agreement shall be executed in the name of the Issuer by the Mayor, such signature to be attested to by the City Clerk, and such execution and delivery shall be conclusive evidence of the approval thereof by such officers.

(K) The Series 2013 Continuing Disclosure Certificate. The Issuer hereby covenants and agrees that, in order to assist the Series 2013 Underwriters in complying with the continuing disclosure requirements of the Rule with respect to the Series 2013 Bonds, it will comply with and carry out all of the provisions of the Series 2013 Continuing Disclosure Certificate to be executed by the Issuer prior to the time the Issuer delivers the Series 2013 Bonds to the Series 2013 Underwriters, as may be amended from time to time in accordance with the terms thereof. The form of the Series 2013 Continuing Disclosure Certificate, attached hereto as Exhibit D is hereby approved and ratified, all of the provisions of which, when executed and delivered by the Issuer as authorized herein shall be deemed to be a part of this instrument as fully and to the same extent as if incorporated verbatim herein. Notwithstanding any other provision of this Resolution, failure of the Issuer to comply with such Series 2013 Continuing Disclosure Certificate shall not be considered an event of default under this Resolution. However, the Series 2013 Continuing Disclosure Certificate shall be enforceable by the Series 2013 Bondholders in the event that the Issuer fails to cure a breach thereunder within a reasonable time after written notice from a Series 2013 Bondholder to the Issuer that a breach exists. Any rights of the Series 2013 Bondholders to enforce the provisions of this covenant shall be on behalf of all Series 2013 Bondholders and shall be limited to a right to obtain specific performance of the Issuer’s obligations thereunder.

(L) Optional Financial Guaranty Insurance. The Issuer is hereby authorized to insure all, some or none of the Series 2013 Bonds, whichever is in the best financial interests of the Issuer based on the advice of the Financial Advisor, with a Bond Insurance Policy, and the Mayor is further authorized to take any actions and do all things necessary in order to accept such policy in connection with the issuance of the Series 2013 Bonds.

SECTION 8. EXECUTION OF BONDS. The Bonds in the form herein below set forth shall be signed by, or bear the facsimile signature of the Mayor and shall be attested by, or bear the facsimile signature of the City Clerk, and a facsimile of the official seal of the Issuer shall be imprinted on the Bonds, and may be approved as to form and correctness by the City Attorney.

In case any officer whose signature or a facsimile of whose signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if such Person remained in office until such delivery. Any Bond may bear the facsimile signature of or may be signed by such persons who, at the actual time of the execution of such Bond, shall be the proper officers to sign such Bonds although, at the date of such Bond, such persons may not have been such officers.

SECTION 9. AUTHENTICATION OF BONDS. Only such of the Bonds as shall have endorsed thereon a certificate of authentication substantially in the form herein below set forth, duly executed by the Registrar, as authenticating agent, shall be entitled to any benefit or security under this Resolution. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Registrar, and such certificate of the Registrar upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Resolution. The Registrar's certificate of authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the certificate of authentication of all of the Bonds that may be issued hereunder at any one time.

SECTION 10. EXCHANGE OF BONDS. Any Bonds, upon surrender thereof at the designated corporate trust office of the Registrar, together with an assignment duly executed by the Bondholder or his attorney or legal representative in such form as shall be satisfactory to the Registrar, may, at the option of the Bondholder, be exchanged for an aggregate principal amount of Bonds of the same Series equal to the principal amount of the Bond or Bonds so surrendered.

The Registrar shall make provision for the exchange of Bonds at the designated corporate trust office of the Registrar.

SECTION 11. NEGOTIABILITY, REGISTRATION AND TRANSFER OF BONDS. The Registrar shall keep books for the registration of and for the registration of transfers of Bonds as provided in this Resolution. The transfer of any Bonds may be registered only upon such books and only upon surrender thereof to the Registrar together with an assignment duly executed by the Bondholder or his attorney or legal representative in such form as shall be satisfactory to the Registrar. Upon any such registration of transfer, the Issuer shall execute and the Registrar shall authenticate and deliver in exchange for such Bond, a new Bond or Bonds registered in the name of the transferee, and in an aggregate principal amount equal to the principal amount of such Bond or Bonds so surrendered and of the same Series.

In all cases in which Bonds shall be exchanged, the Issuer shall execute and the Registrar shall authenticate and deliver, at the earliest practicable time, a new Bond or Bonds of the same type (for example, Serial Bonds will be exchanged for Serial Bonds and Capital Appreciation

Bonds will be exchanged for Capital Appreciation Bonds) and of the same Series in accordance with the provisions of this Resolution. All Bonds surrendered in any such exchange or registration of transfer shall forthwith be canceled by the Registrar. The Issuer or the Registrar may make a charge for every such exchange or registration of transfer of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be made to any Bondholder for the privilege of exchanging or registering the transfer of Bonds under the provisions of this Resolution. Neither the Issuer nor the Registrar shall be required to make any such exchange, registration or transfer of Bonds after the Record Date.

SECTION 12. OWNERSHIP OF BONDS. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal or redemption price of any such Bond, and the interest on any such Bonds shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond including the premium, if any, and interest thereon to the extent of the sum or sums so paid.

SECTION 13. BONDS MUTILATED, DESTROYED, STOLEN OR LOST. In case any Bond shall become mutilated, or be destroyed, stolen or lost, the Issuer may, in its discretion, cause to be executed, and the Registrar shall authenticate and deliver, a new Bond of like date and tenor as the Bond so mutilated, destroyed, stolen or lost (for example, Serial Bonds shall be issued in exchange for Serial Bonds and Capital Appreciation Bonds shall be issued in exchange for Capital Appreciation Bonds) in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder furnishing the Issuer and the Registrar proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer and the Registrar may prescribe and paying such expenses as the Issuer and the Registrar may incur. All Bonds so surrendered shall be canceled by the Issuer. If any of the Bonds shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this Section 13 shall constitute original, additional contractual obligations on the part of the Issuer whether or not the lost, stolen or destroyed Bonds be at any time found by anyone, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from the funds, as hereinafter pledged, to the same extent as all other Bonds issued hereunder.

SECTION 14. PROVISIONS FOR REDEMPTION. The Bonds may be subject to redemption prior to their maturity, at the option of the Issuer, at such times and in such manner as shall be fixed by Supplemental Resolution of the Issuer prior to or at the time of sale of such Bonds provided that the Series 2013 Bonds shall be subject to redemption as provided in Section 7 hereof. The provisions of this Section may be modified as to any Series of Bonds by Supplemental Resolution adopted prior to the issuance thereof.

Notice of such redemption shall, at least thirty (30) days prior to the redemption date, be filed with the Registrar, and mailed by the Registrar on behalf of the Issuer, first class mail, postage prepaid, to all Holders of Bonds to be redeemed at their addresses as they appear on the registration books hereinbefore provided for on the Record Date, but failure to mail such notice to one or more Holders of such Bonds, or any defect therein, shall not affect the validity of the proceedings for such redemption with respect to Holders of Bonds to which notice was duly mailed hereunder and no defect occurred. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of such Bonds, of one maturity are to be called, the distinctive numbers of such Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed.

Any notice of optional redemption given pursuant to this Section 14 may state that it is conditional upon receipt by the Paying Agent of moneys sufficient to pay the redemption price, plus interest accrued to the redemption date, or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such redemption price and accrued interest if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission shall be given by the Paying Agent to affected Holders of such Bonds as promptly as practicable upon the failure of such condition or the occurrence of such other event.

Official notice of redemption having been given as aforesaid, such Bonds or portions of Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any such Bond, there shall be prepared for the Holder a new Bond or Bonds of the same maturity in the amount of the unpaid principal of such partially redeemed Bond. All such Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

SECTION 15. FORM OF BONDS. The text of the Bonds, together with the certificate of authentication to be endorsed therein, shall be in substantially the following form, with such omissions, insertions and variations as may be necessary, desirable, authorized or permitted by this Resolution or by any Supplemental Resolution adopted prior to the issuance of a Series of Bonds, or as may be necessary if such Bonds or a portion thereof are issued as Capital Appreciation Bonds, Capital Appreciation Income Bonds, Option Bonds, Variable Rate Bonds, or as may be necessary to comply with applicable laws, rules and regulations of the United States and of the State in effect upon the issuance thereof.

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[FORM OF BOND]

No. R- _____

\$ _____

UNITED STATES OF AMERICA
 STATE OF FLORIDA
 COUNTY OF VOLUSIA
 CITY OF DELTONA
 UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES _____

 MATURITY DATE: INTEREST RATE: DATED DATE: CUSIP:

Registered Owner:

Principal Amount:

The City of Deltona, Florida (hereinafter called the "Issuer") for value received, hereby promises to pay to the order of the Registered Owner identified above or registered assigns, as herein provided, on the Maturity Date identified above, upon the presentation and surrender hereof at the designated corporate trust office of _____, _____, Florida from the sources hereinafter mentioned, the Principal Amount identified above in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts, and to pay, solely from said sources, to the Registered Owner hereof by wire transfer or check transmitted to the Registered Owner at his address as it appears on the Bond registration books of the Issuer as it appears on the 15th day of the calendar month preceding the applicable interest payment date; interest on said Principal Amount at the Interest Rate per annum identified above on each April 1 and October 1 commencing _____ 1, _____ from the interest payment date next preceding the date of registration and authentication of this Bond, unless this Bond is registered and authenticated as of an interest payment date, in which case it shall bear interest from said interest payment date, or unless this Bond is registered and authenticated prior to _____, _____, in which event this Bond shall bear interest from _____, _____.

(Insert Optional and/or Mandatory Redemption Provisions)

Notice of such redemption shall be given in the manner required by the Resolution (as defined below).

This Bond is one of an authorized issue of Bonds in the aggregate principal amount of \$ _____ of like date, tenor and effect, except as to number, principal amount, maturity, redemption provisions and interest rate, issued to _____, all in full compliance with Article VIII, Section 2 of the Constitution of the State of Florida, Chapter 166, Part II, Florida Statutes, the Charter of the City of Deltona, Florida, and other applicable provisions of law and Resolution No. 2013-_____ duly adopted by the Issuer on August 19, 2013, as amended and supplemented (hereinafter collectively called the "Resolution") and is subject to all the terms and

conditions of such Resolution. All capitalized undefined terms used herein shall have the meaning set forth in the Resolution.

This Bond is payable solely from and secured by a pledge of the Net Revenues of the System levied and collected by the Issuer, Impact Fees and the moneys in certain funds and accounts created pursuant to the Resolution (collectively, the “Pledged Revenues”) in the manner and to the extent provided in the Resolution. With respect to any Bonds issued as Direct Subsidy Bonds, Pledged Revenues shall also include Direct Pay Subsidies received by the Issuer, if applicable, with respect to that particular Series of Direct Subsidy Bonds. Notwithstanding anything herein to the contrary, nothing herein shall be deemed to grant or create a lien on any Direct Pay Subsidies received by the Issuer with respect to a particular Series of Direct Subsidy Bonds in favor of the Bondholders of any other Series of Bonds. Reference is made to the Resolution for more complete definition and description of the System and the Pledged Revenues.

This Bond does not constitute a general indebtedness of the Issuer within the meaning of any constitutional, statutory or charter provision or limitation, and it is expressly agreed by the Holder of this Bond that such Bondholder shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer or taxation of any real or personal property therein for the payment of the principal of and interest on this Bond or the making of any debt service fund, reserve or other payments provided for in the Resolution.

It is further agreed between the Issuer and the Holder of this Bond that this Bond and the indebtedness evidenced thereby shall not constitute a lien upon the System, or any part thereof, or on any other property of or in the Issuer, but shall constitute a lien only on the Pledged Revenues all in the manner provided in the Resolution.

The Issuer has covenanted, in the Resolution, to fix, establish, revise from time to time whenever necessary, maintain and collect always such fees, rates, rentals and other charges for the use of the products, services and facilities of the System which will always provide, (a) Net Revenues in each Fiscal Year sufficient to pay 110% of the Bond Service Requirement on all Outstanding Bonds in the applicable Bond Year or (b) Net Revenues in each Fiscal Year sufficient to pay 105% of the Bond Service Requirement on all Outstanding Bonds in the applicable Bond Year; and Net Revenues and Impact Fees, in each Fiscal Year sufficient to pay at least 120% of the Bond Service Requirement on all Outstanding Bonds in the applicable Bond Year. In addition to compliance with either (a) or (b) above, Net Revenues in each Bond Year shall also be sufficient to provide any amounts required by the terms of the Resolution to be deposited into the Reserve Fund or with any issuer of a Reserve Fund Letter of Credit or Reserve Fund Insurance Policy as a result of a withdrawal from the Reserve Fund, or into the Renewal, Replacement and Improvement Fund and to pay debt service on other obligations payable from Gross Revenues and other payments, and all allocations and applications of Gross Revenues required by the Resolution in the applicable Bond Year.

The Issuer has entered into certain further covenants with the Holders of the Bonds of this issue for the terms of which reference is made to the Resolution.

It is certified that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and Statutes of the State of Florida.

This Bond is and has all the qualities and incidents of a negotiable instrument under Article 3 of the Uniform Commercial Code, the State of Florida, Chapter 673, Florida Statutes, as amended.

The transfer of this Bond is registrable by the Bondholder hereof in person or by his attorney or legal representative at the designated corporate trust office of the Registrar but only in the manner and subject to the conditions provided in the Resolution and upon surrender and cancellation of this Bond.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Resolution until it shall have been authenticated by the execution by the Registrar of the certificate of authentication endorsed hereon.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, The City of Deltona, Florida, has issued this Bond and has caused the same to be signed by the Mayor, countersigned and attested to by the City Clerk, (the signatures of the Mayor and the City Clerk being authorized to be facsimiles of such officers' signatures), and approved as to form and correctness by the City Attorney, and its seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, all as of the Dated Date.

(SEAL)

CITY OF DELTONA, FLORIDA

By: _____

Title: Mayor

ATTESTED AND COUNTERSIGNED:

By: _____

Title: City Clerk

APPROVED AS TO FORM AND
CORRECTNESS:

By: _____

Title: City Attorney

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds issued under the provisions of the within mentioned Resolution.

Date of Authentication:

Registrar, as Authenticating Agent

By: _____

Authorized Officer

ASSIGNMENT AND TRANSFER

For value received the undersigned hereby sells, assigns and transfers unto _____ (Please insert Social. Security or other identifying number of transferee) _____ the attached bond of the City of Deltona, Florida, and does hereby constitute and appoint, _____, attorney, to transfer the said Bond on the books kept for Registration thereof, with full power of substitution in the premises.

Date: _____

Signature Guaranteed by _____
[member firm of the New York Stock Exchange or a commercial bank or a trust company.]

By: (manual or facsimile) _____
Authorized Officer

NOTICE: No transfer will be registered and no new Bonds will be issued in the name of the transferee, unless the signature to this assignment corresponds with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification Number of the transferee is supplied.

[END OF FORM OF BOND)

SECTION 16. CREATION OF FUNDS. There are hereby created and established the following funds and accounts, which funds and accounts shall be trust funds held by the Issuer for the purposes herein provided and used only in the manner herein provided:

(A) The “City of Deltona Utility System Revenue Fund” (hereinafter sometimes called the “Revenue Fund”) to be held by the Issuer and to the credit of which deposits of Net Revenues shall be made as required by Section 20(A) hereof.

(B) The “City of Deltona Utility System Bond Service Fund” (hereinafter sometimes called the “Bond Service Fund”) to be held by the issuer and to the credit of which deposits shall be made as required by Section 20(B)(1) hereof. In such fund there shall be maintained the following accounts: the Principal Account, the Interest Account, the Parity Contract Obligation Account and the Redemption Account.

(C) The “City of Deltona Utility System Reserve Fund” (hereinafter sometimes called the “Reserve Fund”) to be held by the Issuer and to the credit of which deposits shall be made as required by Section 20(B)(2) hereof. In such fund there may hereafter be established subaccounts pursuant to Supplemental Resolution

(D) The “City of Deltona Utility System Subordinated Debt Service Fund” (hereinafter sometimes called the “Subordinated Debt Service Fund”) to be held by the Issuer and to the credit of which deposits shall be made as required by Section 20(B)(3) hereof.

(E) The “City of Deltona Utility System Renewal, Replacement and Improvement Fund” (hereinafter sometimes called the “Renewal, Replacement and Improvement Fund”) to be held by the Issuer and to the credit of which deposits shall be made as required by Section 20(B)(4) hereof.

(F) The “City of Deltona Utility System Construction Fund” (hereinafter sometimes called the “Construction Fund”) to be held by the Issuer and to the credit of which deposits shall be made as required by Section 17 hereof. Within such fund there shall be created, established and maintained separate accounts for each Series of Bonds.

(G) The “City of Deltona Utility System Rate Stabilization Fund” (hereinafter sometimes called the “Rate Stabilization Fund”) to be held by the Issuer and to the credit of which deposits may be made as required by Section 20(R) hereof.

(H) The “City of Deltona Utility System Surplus Fund” (hereinafter sometimes called the “Surplus Fund”) to be held by the Issuer and to the credit of which deposits may be made as required by Section 20(B)(5) hereof.

(I) The “City of Deltona, Florida Utility System Water Impact Fees Fund” (hereinafter sometimes called the “Water Connection Fees Fund”).

(J) The “City of Deltona, Florida Utility System Sewer Impact Fees Fund.” (hereinafter sometimes called the “Sewer Connection Fees Fund”)

The Revenue Fund, the Bond Service Fund (including the accounts therein), the Reserve Fund (including any subaccounts that may hereafter be created therein pursuant to Supplemental Resolution), the Renewal, Replacement and Improvement Fund, the Construction Fund, the Rate Stabilization Fund, the Surplus Fund and any other special funds herein established and created shall be deemed to be held in trust for the purposes provided herein for such funds. The money in all such funds shall be continuously secured in the same manner as state and municipal deposits are authorized to be secured by the laws of the State.

The cash required to be accounted for in each of the funds and accounts described in this Section 16 may be deposited in a single bank account, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the cash on deposit therein for the various purposes of such funds and accounts as herein provided. The designation and establishment of the various funds in and by this Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues and assets of the System for certain purposes and to establish certain priorities for application of such revenues and assets as herein provided.

The Issuer may at any time and from time to time appoint one or more depositories to hold, for the benefit of the Bondholders, any one or more of the funds, accounts and subaccounts established hereby. Such depository or depositories shall perform at the direction of the Issuer the duties of the Issuer in depositing, transferring and disbursing moneys to and from each of such funds and accounts as herein set forth, and all records of such depository in performing such duties shall be open at all reasonable times to inspection by the Issuer and its agent and employees. Any such depository shall be a bank or trust company duly authorized to exercise corporate trust powers and subject to examination by federal or state authority, of good standing, and having a combined capital, surplus and undivided profits aggregating not less than fifty million dollars (\$50,000,000).

SECTION 17. APPLICATION OF BOND PROCEEDS. The proceeds, including accrued interest and premium, if any, received from the sale of a Series of the Bonds shall be applied by the Issuer simultaneously with the delivery of such Series of the Bonds to the purchaser thereof, as provided in a Supplemental Resolution adopted at or prior to sale of such Series of the Bonds. Proceeds of the Series 2013 Bonds shall be applied in accordance with the provisions of Section 7(F) hereof.

SECTION 18. DISBURSEMENTS FROM CONSTRUCTION FUND. Moneys on deposit from time to time in the Construction Fund shall be used to pay or reimburse the following Project Costs:

(A) Costs incurred directly or indirectly for or in connection with a Project or a proposed or future Project or acquisition including, but not limited to, those for preliminary planning and studies, architectural, construction management services, legal, financial, engineering and supervisory services, labor, services, materials, equipment, accounts receivable, acquisitions, land, rights-of-way, improvements and installation;

(B) Premiums attributable to all insurance required to be taken out and maintained during the period of construction with respect to a Project to be acquired or constructed, the premium on each surety bond, if any, required with respect to work on such facilities, and taxes, assessments and other charges hereof that may become payable during the period of construction with respect to such a Project;

(C) Costs incurred directly or indirectly in seeking to enforce any remedy against a contractor or subcontractor in respect of any default under a contract relating to a Project or costs incurred directly or indirectly in defending any claim by a contractor or subcontractor with respect to a Project;

(D) Financial, legal, accounting, appraisals, title evidence and printing and engraving fees, charges and expenses, and all other such fees, charges and expenses incurred in connection with the authorization, sale, issuance and delivery of such Series of Bonds;

(E) Capitalized interest funded from Bond proceeds, if any, for a reasonable period of time;

(F) Any other incidental and necessary costs including without limitation any expenses, fees and charges relating to the acquisition, construction or installation of a Project, and the making of extraordinary repairs, renewals and replacements, decommissioning or retirement of any portion of the System, including the cost of temporary employees of the Issuer retained to carry out duties in connection with the acquisition, construction or erection of a Project and costs related to transition of such Project into ownership by the Issuer;

(G) Costs incurred directly or indirectly in placing any Project in operation in order that completion of such Project may occur;

(H) Costs of acquiring an existing utility system from a Person, including but not limited to the costs relating to any real estate transaction related thereto;

(I) Any other costs relating to the System authorized pursuant to a Supplemental Resolution of the Issuer and permitted under the laws of the State subject to the prior written approval of Bond Counsel; and

(J) Reimbursements to the Issuer for any of the above items hereinbefore paid by or on behalf of the Issuer, to the extent deemed permissible by Bond Counsel and advisable by the Financial Advisor.

Notwithstanding anything else in this Resolution to the contrary, in the Event of Default, the trustee acting for the Holders of Bonds shall, to the extent there are no other available funds held hereunder, use the remaining funds in the each account in the Construction Fund to pay principal and interest on the Series of Bonds to which it was established.

SECTION 19. SPECIAL OBLIGATIONS OF ISSUER. The Bonds and any Parity Contract Obligations shall not be or constitute general obligations or indebtedness of the Issuer as “bonds” within the meaning of the Constitution of the State, but shall be payable solely from and secured by a lien upon and a pledge of the Pledged Revenues as herein provided. No Holder

or Holders of any Bonds issued hereunder or Qualified Agreement Provider shall ever have the right to compel the exercise of the ad valorem taxing power of the Issuer or taxation in any form of any real or personal property therein, or to compel the Issuer to pay such principal and interest from any other funds of the Issuer.

With respect to any Bonds issued as Direct Subsidy Bonds, Pledged Revenues shall also include Direct Pay Subsidies received by the Issuer, if applicable, with respect to that particular Series of Direct Subsidy Bonds. Notwithstanding anything herein to the contrary, nothing herein shall be deemed to grant or create a lien on any Direct Pay Subsidies received by the Issuer with respect to a particular Series of Direct Subsidy Bonds in favor of the Bondholders of any other Series of Bonds.

The payment of principal of and interest on the Bonds and any Parity Contract Obligations shall be secured forthwith equally and ratably by, and the Issuer hereby grants to the Bondholders and any Qualified Agreement Provider (to the extent set forth in the related Qualified Agreement) an irrevocable lien on the Pledged Revenues, prior and superior to all other liens or encumbrances on such Pledged Revenues and the Issuer does hereby irrevocably pledge such Pledged Revenues to the payment of the principal of, redemption premium, if any, and interest on the Bonds and any Parity Contract Obligations, for the reserves therefor and for all other payments required hereunder. Such amounts hereby pledged and assigned shall immediately be subject to the lien of this pledge without any further physical delivery thereof or any further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer, irrespective of whether such parties have notice thereof.

SECTION 20. COVENANTS OF THE ISSUER. For so long as any of the principal of and interest on any of the Bonds or Qualified Agreements shall be outstanding and unpaid or until the Issuer has made provision for payment of principal, interest and redemption premiums, if any, with respect to the Bonds and payment pursuant to any Qualified Agreements, as provided herein, the Issuer covenants with the Holders of any and all Bonds as follows:

(A) Revenue Fund. All Net Revenues of the System and any direct subsidy payments received from the United States Treasury relating to Direct Subsidy Bonds or any other interest subsidy or similar payments made by the Federal government, shall, upon receipt thereof, be deposited in the Revenue Fund. All deposits into such Revenue Fund shall be deemed to be held in trust for the purposes herein provided and used only for the purposes and in the manner herein provided.

(B) Disposition of Revenues. All amounts on deposit in the Revenue Fund shall be disposed of monthly, but not later than the twenty-fifth (25th) day of each month commencing in the month immediately following the delivery of the first Series of Bonds issued hereunder only in the following manner and the following order of priority:

(1) The Issuer shall first deposit into the Bond Service Fund and credit to the following accounts, in the following order (except that payments into the Interest Account and the Parity Contract Obligations Account shall be or parity with each other,

and the payments into the Principal Account and the Redemption Account shall be on a parity with each other), the following identified sums:

(a) Interest Account: Taking into account actual and anticipated earnings in the Interest Account of the Bond Service Fund within the current Bond Year, such sum as will be sufficient to pay one-sixth (1/6th) of all interest coming due on all Outstanding Bonds, on the next interest payment date; provided, however, that monthly deposits of interest, or portions thereof, shall not be required to be made to the extent that money on deposit within such Interest Account is sufficient for such purpose. In the event the issuer has issued Variable Rate Bonds pursuant to the provisions hereof, Net Revenues shall be deposited at such other or additional times and amounts as necessary to pay any interest coming due on such Variable Rate Bonds on the next interest payment date, all in the manner provided in a Supplemental Resolution of the Issuer. Any monthly payment out of Net Revenues to be deposited as set forth above, for the purpose of meeting interest payments for any Series of Bonds, shall be adjusted, as appropriate, to reflect the frequency of interest payment dates applicable to such Series. Moneys in the Interest Account may be used only for the purposes set forth in this paragraph (a). Deposits required pursuant to the foregoing shall be increased or decreased each month to the extent required to timely pay interest next becoming due and payable after making allowance for any accrued and capitalized interest, and to make up any deficiency or loss that may otherwise arise in such fund or account.

(b) Parity Contract Obligations Account: Taking into account the actual and anticipated earnings in the Parity Contract Obligations Account in the Bond Service Fund within the current Bond Year, a pro rata estimated amount necessary to build up over time the amount of any Parity Contract Obligation which will next be due and payable or reasonably expected to be due and payable under any Qualified Agreement on the next payment date thereunder; provided, however, that the monthly amount to be so deposited may be adjusted, as appropriate, to reflect the frequency of payment dates thereunder (for example, if such Parity Contract Obligations are required to be paid semi-annually, the Issuer shall be required to deposit monthly an amount which is estimated to equal one-sixth (1/6th) of the next such payment). Moneys in the Parity Contract Obligations Account may be used only for the purposes set forth in this paragraph (b). Deposits required pursuant to the foregoing shall be increased or decreased each month to the extent required to timely pay Parity Contract Obligations next becoming due and payable and to make up any deficiency or loss that may otherwise arise in such fund or account.

(c) Principal Account: Taking into account actual and anticipated earnings in the Principal Account of the Bond Service Fund within the current Bond Year, such sum as will be sufficient to pay one-twelfth (1/12th) of the principal amount of the Bonds Outstanding which will mature and become due on such annual maturity dates beginning the month which is twelve (12) months prior to the first principal maturity date; provided, however, that monthly deposits

for principal, or portions thereof, shall not be required to be made to the extent that money on deposit within such Principal Account is sufficient for such purpose. Any monthly payment out of Net Revenues to be deposited as set forth above, for the purpose of meeting principal payments for any Series of Bonds, shall be adjusted, as appropriate, to reflect the frequency of principal payment dates applicable to such Series. Moneys in the Principal Account may be used only for the purposes set forth in this paragraph (c). Deposits required pursuant to the foregoing shall be increased or decreased each month to the extent required to timely pay principal next becoming due and payable and to make up any deficiency or loss that may otherwise arise in such fund or account.

(d) Redemption Account: Taking into account actual and anticipated earnings in the Redemption Account of the Bond Service Fund within the current Bond Year, such sum as will be sufficient to pay one-twelfth (1/12th) of any Amortization Installment established for the mandatory redemption of Outstanding Bonds on such annual maturity date beginning the month which is twelve (12) months prior to the first Amortization Installment date; provided, however, that monthly deposits into the Redemption Account, or portions thereof, shall not be required to be made to the extent that money on deposit in the Redemption Account is sufficient for such purpose. Any monthly payment out of Net Revenues to be deposited as set forth above, for the purpose of meeting Amortization Installments for any Series of Bonds, shall be adjusted, as appropriate, to reflect the frequency of dates established for Amortization Installments applicable to such Series. The moneys in the Redemption Account shall be used solely for the purchase or redemption of the Term Bonds payable therefrom. The Issuer may at any time purchase any of said Term Bonds at prices not greater than the then redemption price of said Term Bonds. If the Term Bonds are not then redeemable prior to maturity, the Issuer may purchase said Term Bonds at prices not greater than the redemption price of such Term Bonds on the next ensuing redemption date. If Term Bonds are so purchased by the Issuer, the Issuer shall credit the account of such purchased Term Bonds against any current Amortization Installment to be paid by the Issuer. If the Issuer shall purchase or call for redemption in any year Term Bonds in excess of the Amortization Installment requirement for such year, such excess of Term Bonds so purchased or redeemed shall be credited in such manner and at such times as the Issuer shall determine. Moneys in the Redemption Account in the Debt Service Fund may be used only for the purposes set forth in this paragraph (d). Deposits required pursuant to the foregoing shall be increased or decreased each month to the extent required to timely pay Amortization Installments next becoming due and payable and to make up any deficiency or loss that may otherwise arise in such fund or account.

(2) To the extent that the amounts on deposit in the Reserve Fund are less than the applicable Reserve Requirement, the Issuer shall next make deposits into the Reserve Fund in the manner described below from moneys remaining in the Revenue Fund. Any withdrawals from the Reserve Fund shall be subsequently restored from the first moneys available in the Revenue Fund, after all required current payments for Cost of Operation

and Maintenance and all current applications and allocations to the Bond Service Fund, including all deficiencies for prior payments have been made in full. Notwithstanding the foregoing, in case of withdrawal from the Reserve Fund, in no event shall the Issuer be required to deposit into the Reserve Fund an amount greater than that amount necessary to ensure that the difference between the Reserve Requirement and the amounts on deposit in the Reserve Fund on the date of calculation shall be restored not later than sixty (60) months after the date of such deficiency (assuming equal monthly payments into the Reserve Fund for such sixty (60) month period). Any deficiency in the Reserve Fund or any subaccount therein due to a decrease in the market value of investments therein shall be restored not less than twelve (12) months after the date of such deficiency.

Upon the issuance of any Additional Parity Obligations under the terms, limitations and conditions as herein provided, the Issuer may, on the date of delivery of such Additional Parity Obligations, increase the sum required to be accumulated and maintained on deposit in the Reserve Fund to be at least equal to the Reserve Requirement on all Outstanding Bonds secured by such Reserve Fund including the Additional Parity Obligations then issued provided nothing herein, shall be constricted to require the Issuer to fund the Reserve Fund or any subaccount therein for such Series of Bonds. Such required sum may be paid in full or in part from the proceeds of such Additional Parity Obligations or may be accumulated in equal monthly payments to the Reserve Fund over a period of months from the date of issuance of the Additional Parity Obligations, which shall not exceed the greater of (a) twelve (12) months, or (b) the number of months for which interest on such Additional Parity Obligations has been capitalized, as determined by Supplemental Resolution. In the event moneys in the Reserve Fund are accumulated as provided above, (i) the amount in said Reserve Fund on the date of delivery of the Additional Parity Obligations shall not be less than the Reserve Requirement on all Bonds Outstanding secured by such Reserve Fund (excluding the Additional Parity Obligations) on such date, and (ii) the incremental difference between the Reserve Requirement on all Bonds Outstanding secured by such Reserve Fund (excluding the Additional Parity Obligations) on the date of delivery of the Additional Parity Obligations and the Reserve Requirement on all such Bonds and the Additional Parity Obligations shall be twenty-five percent (25%) funded upon delivery of the Additional Parity Obligations.

Notwithstanding anything herein to the contrary, the Issuer may also establish a separate subaccount in the Reserve Fund for any Series of Bonds and provide a pledge of such subaccount solely to the payment of such Series of Bonds. To the extent a Series of Bonds is secured separately by a subaccount of the Reserve Fund, the Holders of such Bonds shall not be secured by any other moneys in the Reserve Fund. Moneys in a separate subaccount of the Reserve Fund shall be maintained at the Reserve Requirement applicable to such Series of Bonds secured by the subaccount; provided the Supplemental Resolution authorizing such Series of Bonds may establish the Reserve Requirement relating to such separate subaccount of the Reserve Fund at such level, if any, as the Issuer deems appropriate. Moneys shall be deposited in the separate subaccounts in the Reserve Fund on a pro-rata basis.

Notwithstanding the foregoing, in lieu of or in substitution for the required deposits into the Reserve Fund any subaccount therein, the Issuer may cause to be deposited into the Reserve Fund a Reserve Fund Insurance Policy and/or a Reserve Fund Letter of Credit in an amount equal to the difference between the Reserve Requirement and the sums then on deposit in the Reserve Fund or applicable subaccount, if any plus the amounts to be deposited therein pursuant to this section.

The Issuer may evidence its obligation to reimburse the issuer of any Reserve Fund Letter of Credit or Reserve Fund Insurance Policy by executing and delivering a reimbursement agreement therefore which evidences a Reimbursement Obligation; provided, however, any reimbursement agreement (1) shall not be or create a general obligation of the Issuer the payment of which is secured by the full faith and credit or taxing power of the Issuer, and (2) shall be payable or obligate the Issuer to pay solely from the Pledged Revenues in a manner which is not inconsistent with the terms hereof.

Notwithstanding anything herein to the contrary, Reimbursement Obligations relating to a Reserve Fund Insurance Policy or Reserve Fund Letter of Credit for any fees, expenses, claims or draws upon such Reserve Fund Insurance Policy or Reserve Fund Letter of Credit shall be subordinate to the payment of debt service on the Bonds and to the payment of any Parity Contract Obligations. The right of the issuer of a Reserve Fund Insurance Policy or Reserve Fund Letter of Credit to payment of reimbursement of its fees and expenses shall be subordinated to cash replenishment of the Reserve Fund. Its right to reimbursement for claims or draws shall be prior to the replenishment of the cash drawn from the Reserve Fund. The Reserve Fund Insurance Policy or Reserve Fund Letter of Credit shall provide for a revolving feature under which the amount available thereunder will be reinstated to the extent of any reimbursement of draws or claims paid. If the revolving feature is suspended or terminated for any reason, the right of the issuer of the Reserve Fund Insurance Policy or Reserve Fund Letter of Credit to reimbursement will be further subordinated to cash replenishment of the Reserve Fund to an amount equal to the difference between the full original amount available under the Reserve Fund Insurance Policy or Reserve Fund Letter of Credit and the amount then available for further draws or claims.

If any Reserve Fund Letter of Credit or Reserve Fund Insurance Policy shall terminate prior to the stated expiration date thereof, the Issuer agrees that it shall fund the Reserve Fund or applicable subaccount over a period not to exceed twenty-four (24) months during which it shall make consecutive equal monthly payments in order that the amount on deposit in the Reserve Fund or applicable subaccount shall equal the Reserve Requirement; provided, the Issuer may obtain a new Reserve Fund Letter of Credit or a new Reserve Fund Insurance Policy in lieu of making the payments required by this paragraph.

Moneys in the Reserve Fund and subaccounts therein shall be used only for the purpose of the payment of Amortization Installments, principal of, or interest on the Outstanding Bonds secured thereby when the moneys allocated to the Bond Service Fund are insufficient therefor, and for no other purpose.

have been paid pursuant to the provisions hereof, and (b) the amount remaining in the Reserve Fund after giving effect to the issuance of such refunding obligations and the disposition of the proceeds thereof shall not be less than the Reserve Requirement for any Bonds then Outstanding which are secured thereby.

(3) From the moneys remaining in the Revenue Fund, the Issuer shall next deposit into the Subordinated Debt Service Fund an amount required to be paid as provided in the resolution or agreement of the Issuer authorizing such Subordinated Debt, but for no other purposes.

(4) The Issuer shall next apply and deposit monthly from the moneys remaining on deposit in the Revenue Fund into the Renewal, Replacement and Improvement Fund, an amount at least equal to one-twelfth (1/12th) of five percent (5%) of the Gross Revenues received during the immediately preceding Fiscal Year until such time as the amount on deposit in such fund is equal to five percent (5%) of the Gross Revenues for the immediately preceding Fiscal Year. Such deposit may be increased or decreased upon certification by the appropriate Qualified Independent Consultant that such adjustment is in accordance with Prudent Utility Practice. The moneys in the Renewal, Replacement and Improvement Fund shall be used only for the purpose of paying the cost of extraordinary repairs, extensions, enlargements or additions to, or the replacement of capital assets of the System or emergency repairs thereto except as provided below. Funds on hand in the Renewal, Replacement and Improvement Fund may be used to pay current Cost of Operation and Maintenance to the extent necessary. The moneys on deposit in such fund may also be used to supplement the Reserve Fund, if necessary, in order to prevent a default in the payment of the principal and interest on the Bonds.

(5) The balance of any moneys remaining in the Revenue Fund after the above required payments have been made shall be deposited into the Surplus Fund and may be used for any lawful purpose of the Issuer; provided, however, that none of such moneys shall be used for any purposes other than those hereinabove specified unless all current payments, including any deficiencies for prior payments, have been made in full including any deficiencies in the Water Impact Fees Fund and Sewer Impact Fees Fund to replenish any withdraw therefrom pursuant to Section 21(A) and 22(A) hereof have been replenished to the extent required in such Sections and unless the Issuer shall have complied fully with all the covenants and provisions of this Resolution.

(C) Investments. Moneys in any fund or account created hereunder may be invested and reinvested in Permitted Investments which mature not later than the dates on which the moneys on deposit therein will be needed for the purpose of such fund. All income on such investments, except as otherwise provided, shall be deposited in the respective funds and accounts from which such investments were made and be used for the purposes thereof unless and until the maximum required amount (or, with respect to the Construction Fund, the amount required to acquire, construct and erect the Project) is on deposit therein, and thereafter shall be deposited in the Revenue Fund.

In determining the amount of any of the payments required to be made pursuant to this Section 20(C), credit may be given for all investment income accruing to the respective funds and accounts, described herein, except as otherwise provided.

and until the maximum required amount (or, with respect to the Construction Fund, the amount required to acquire, construct and erect the Project) is on deposit therein, and thereafter shall be deposited in the Revenue Fund.

In determining the amount of any of the payments required to be made pursuant to this Section 20(C), credit may be given for all investment income accruing to the respective funds and accounts, described herein, except as otherwise provided.

(D) Operation and Maintenance. The Issuer will maintain the System and all parts thereof in good condition and will operate the same in an efficient and economical manner, making such expenditures for equipment and for renewals, repairs and replacements as may be proper for the economical operation and maintenance thereof.

(E) Rate Covenant. The Issuer will fix, establish, revise from time to time whenever necessary, maintain and collect always such fees, rates, rentals and other charges for the use of the products, services and facilities of the System which will always provide (a) Net Revenues in each Fiscal Year sufficient to pay 110% of the Bond Service Requirement on all Outstanding Bonds in the applicable Bond Year or (b) Net Revenues in each Fiscal Year sufficient to pay 105% of the Bond Service Requirement on all Outstanding Bonds in the applicable Bond Year and Net Revenues and Impact Fees, in each Fiscal Year sufficient to pay at least 120% of the Bond Service Requirement on all Outstanding Bonds in the applicable Bond Year. In addition to compliance with either (a) or (b) above, Net Revenues in each Fiscal Year shall also be sufficient to provide any amounts required by the terms of the Resolution to be deposited into the Reserve Fund or with any issuer of a Reserve Fund Letter of Credit or Reserve Fund Insurance Policy as a result of a withdrawal from the Reserve Fund or into the Renewal, Replacement and Improvement Fund and to pay debt service on other obligations payable from Gross Revenues and other payments, and all allocations and applications of Gross Revenues required by the Resolution in the applicable Bond Year.

Net Revenues shall not be reduced so as to render them insufficient to provide revenues for the purposes provided therefor by this Resolution.

(F) Books and Accounts; Audit. The Issuer shall keep proper books, records and accounts, separate and apart from all other records and accounts, showing correct and complete entries of all transactions of the System, and the Holders of any of the Bonds or any duly authorized agent or agents of such Holders shall have the right at any and all reasonable times to inspect such books, records and accounts. The Issuer shall, within two hundred ten (210) days following the close of each Fiscal Year of the Issuer, cause an audit of such books, records and accounts to be made by an independent firm of certified public accountants.

Copies of each such audit report shall be placed on file with the Issuer and be made available at reasonable times for inspection by Holders of the Bonds.

(G) Disposition of System. The System may be sold or otherwise disposed of as a whole or substantially as a whole, only if the net proceeds to be realized, together with other moneys available for such purpose, shall be sufficient to fully retire all of the Outstanding Bonds issued pursuant to this Resolution and all interest thereon to their respective dates of maturity or

earlier redemption dates and to make any termination payments required under any Qualified Agreement. The proceeds from such sale or other disposition of the System shall immediately be deposited first in the Bond Service Fund and then in the Subordinated Debt Service Fund and shall be used only for the purpose of paying Parity Contract Obligations, and paying the principal of and interest on the Bonds and Subordinated Debt as the same shall become due, or the redemption of callable Bonds and Subordinated Debt, or the purchase of Bonds and Subordinated Debt at a price not greater than the redemption price of said Bonds and Subordinated Debt, or, if the Bonds or Subordinated Debt are not then redeemable prior to maturity, at prices not greater than the redemption price of such Bonds or Subordinated Debt on the next ensuing redemption date.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease, exchange or otherwise dispose of any of the tangible property or ownership interest in tangible property comprising a part of the System in the following manner, if any one of the following conditions exist: (a) such property is not necessary for the operation of the System or (b) such property is not useful in the operation of the System or (c) such property is not profitable in the operation of the System.

Prior to any sale, lease, exchange or other disposition of said property:

(1) if the property to be disposed therefor is not in excess of one-half (1/2) of one percentum (1%) of the value of the gross plant investment in the System, the officer of the Issuer charged with the normal acquisition, construction, operation, maintenance and repair of the portion of the System for which disposition is sought, may determine that such property comprising a part of such System is either no longer necessary, useful or profitable in the operation thereof

(2) if the property to be disposed therefor is in excess of one-half (1/2) of one percentum (1%) of the value of the gross plant investment in the System, the officer of the Issuer charged with the normal acquisition, construction, operation, maintenance and repair of the portion of the System for which disposition is sought and the Utilities Director shall each first make a finding in writing determining that such property comprising a part of such System is either no longer necessary, useful or profitable in the operation thereof, and the Issuer shall, by resolution duly adopted, approve and concur in the finding of such authorized officer and the Utilities Director.

Any net proceeds realized from such disposal of a part of the System shall be deposited in the Renewal, Replacement and Improvement Fund to the extent necessary to make the amount on deposit therein equal to the amount then required to be on deposit therein; and any additional moneys not needed for said fund shall be used for any capital expenditures in connection with the System or the purchase or redemption of Outstanding Bonds.

Notwithstanding any other provision of this Section 20(G) or this Resolution to the contrary, except for the initial paragraph of this Section 20(G), the Issuer may sell, lease, exchange or otherwise dispose of tangible property or an ownership interest in tangible property comprising a part of the System provided the duly authorized officer charged with the normal acquisition, construction, operation, maintenance and repair of the portion of the System for

which disposition is sought, and the Qualified Independent Consultant each make a finding in writing, adopted and confirmed by resolution of the Issuer, determining that (i) such sale, lease, exchange or other disposition will not materially impair or restrict the issuer's ability to realize Gross Revenues in compliance with the requirements therefor as set forth herein, and (ii) such sale, lease, exchange or other disposition is in the economic best interests of the Issuer.

Notwithstanding any other provision of this Section 20(G) or this Resolution to the contrary, the Issuer may transfer ownership and/or operation of all or a portion of the System to any public body authorized by the laws of the State to own and/or operate such System on an installment sale basis provided that the Issuer (i) has received an opinion of Bond Counsel stating the federal income tax exemption of the interest on the Bonds (not including Taxable Bonds) will not be affected and has received an opinion of Bond Counsel stating that such sale is not prohibited by any applicable Florida law, and (ii) the Issuer adopts a resolution to the effect that, based upon such certificates and opinions of its independent certified public accountants, Bond Counsel, Financial Advisor or other Qualified independent Consultant as the Issuer shall deem necessary, desirable or appropriate, such transfer will not materially adversely affect the rights of the Holders of the Bonds.

(H) Insurance. The Issuer shall provide protection for the System both in accordance with the requirements of all agreements, if any, to which the Issuer may at the time be a party with respect to joint ownership of properties by the Issuer with others which is part of the System, and in accordance with Prudent Utility Practice. Said protection may consist of insurance, self-insurance and indemnities. The Issuer will keep, or cause to be kept, the works, plants and facilities comprising the properties of the System insured, and will carry such other insurance against fire and other risks, accidents or casualties at least to the extent and of the kinds that insurance is usually carried by utilities operating like properties. Any insurance shall be in the form of policies or contracts for insurance with insurers of good standing, shall be payable to the Issuer and may provide for such deductibles, exclusions, limitations, restrictions, and restrictive endorsements customary in policies for similar coverage issued to entities operating properties similar to the properties of the System. Any self insurance shall be in the amounts, manner and of the type provided by entities operating properties similar to the properties of the System. In the event of any loss or damage to the System covered by insurance, the Issuer will, with respect to each such loss, promptly repair, reconstruct or replace the parts of the System affected by such loss or damage to the extent necessary to the proper conduct of the operation of the business of the System in accordance with Prudent Utility Practice, shall cause the proceeds of such insurance to be applied for that purpose to the extent required therefor, and pending such application, shall hold the proceeds of any insurance policy covering such damage or loss in trust to be applied for that purpose to the extent required therefor. Any excess insurance proceeds received by the Issuer may be used by the Issuer for any lawful purpose. Notwithstanding the foregoing or any provisions of this Resolution to the contrary, the Issuer shall not be required to maintain insurance with respect to facilities for which insurance shall not be available at reasonable cost or for facilities which, in accordance with Prudent Utility Practice, are not customarily insured.

(I) No Free Service. So long as any Bonds are outstanding, the Issuer shall not furnish or supply the facilities, services and commodities of the System either free of charge or for a nominal charge to any person, firm or corporation, public or private, including the Issuer's

departments, agencies and instrumentalities which avail themselves of the services of the System. The Issuer shall promptly enforce the payment of any and all accounts owing to the Issuer and delinquent, by discontinuing service or by filing suits, actions or proceedings, or by both discontinuance of service and filing suit.

(J) Mandatory Cut Off. The Issuer shall establish a written policy consistent with sound business judgment for the disconnection from the System of any customer who fails to pay for services rendered by the System, and shall enforce such policy diligently and fairly.

(K) Enforcement of Collections. The Issuer will diligently enforce and collect the rates, fees and other charges for the services and facilities of the System and will take all steps, actions and proceedings for the enforcement and collection of such rates, charges and fees as shall become delinquent to the full extent permitted or authorized by law; and will maintain accurate records with respect thereof. All such fees, rates, charges and revenues shall, as collected, be held in trust to be applied as herein provided.

(L) Operating Budget. The Issuer shall annually, prior to commencement of each of its Fiscal Years, prepare and adopt a budget of the estimated expenditures for the operation and maintenance of the System during such next succeeding Fiscal Year. The Issuer shall mail copies of such annual budgets (including any amendments thereto) to any Holder or Holders of Bonds who shall file his address with the Issuer and request in writing that copies of all such budgets be furnished him and shall make available such budgets of the System at all reasonable times to any Holder or Holders of Bonds or to anyone acting for and on behalf of such Holder or Holders. Bondholders shall pay reasonable actual cost of printing and mailing of such copies.

(M) Mandatory Connections; No Competing System. So long as service is in fact available as reasonably determined by the Issuer, the Issuer will, to the full extent permitted by law, require all lands, buildings and structures within the area being served by the System, to connect with and use such facilities within one year after notification. To the extent permitted by law, the Issuer will not grant a franchise for the operation of any competing utility system or systems within the area served by the System until all Bonds issued hereunder, together with the interest thereon, and premium, if any, have been paid in full. Notwithstanding the foregoing, the Issuer shall not be required to duplicate services being provided by private or public utilities in the area being served by such private or public utilities on the date of issuance of the first Series of Bonds hereunder. In addition, the Issuer shall not be prohibited from allowing other private or public utilities to provide services within the area being served by the System, if the Issuer shall not be providing such service in such area on that date. Nothing herein shall be deemed to constitute the approval of the Issuer for any private or public utility (other than the System) to provide any services within the boundaries of the Issuer or within the area being served by the System or within any other area of the Issuer.

(N) Supervisory Personnel. The Issuer, in operating the System, will employ or designate, as manager, one or more of its qualified employees, or an independent contractor, who have demonstrated ability and experience in operating similar facilities, and will require all such employees or independent contractors, as the case may be, who may have possession of money derived from the operation of the System to be covered by a fidelity bond, written by a responsible indemnity company in amounts fully adequate to protect the Issuer from loss.

(O) Payment of Taxes, Assessments and Other Claims. The Issuer shall from time to time duly pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental charges, or payments in lieu thereof, lawfully imposed upon the properties constituting the System or the Gross Revenues when the same shall become due, as well as all lawful claims for labor and materials and supplies which, if not paid, might become a lien or charge upon such properties or any part thereof, or upon the Gross Revenues or which might in any way impair the security of the Bonds, except assessments, charges or claims which the Issuer shall in good faith contest by proper legal proceedings.

(P) Issuance of Other Obligations. The Issuer shall issue no bonds or obligations of any kind or nature payable from or enjoying a lien on the Pledged Revenues if such obligations have priority over the Bonds or any Parity Contract Obligations with respect to payment or lien, nor shall the Issuer create or cause or permit to be created any debt, lien, pledge, assignment, encumbrance or other charge having priority to or being on a parity with the lien of the Bonds and any Parity Contract Obligations upon said Pledged Revenues. Notwithstanding any other provision in this Section 20(P), the Issuer may issue Additional Parity Obligations under the conditions and in the manner provided herein. Any obligations of the Issuer, other than the Bonds and any Parity Contract Obligations, which are payable from the Pledged Revenues shall contain an express statement that such obligations are junior and subordinate in all respects to the Bonds and any Parity Contract Obligations as to lien on and source and security for payment from such Pledged Revenues.

(Q) Issuance of Additional Parity Obligations. No Additional Parity Obligations shall be issued after the issuance of the Series 2013 Bonds herein authorized, except upon the conditions and in the manner hereinafter provided:

(1) There shall have been obtained and filed with the Clerk a certificate of the Chief Financial Officer stating: (a) that the books and records of the Issuer relative to the System, the Net Revenues and Impact Fees received by the Issuer have been reviewed by the Chief Financial Officer; and that (b) for any consecutive twelve (12) months out of the preceding thirty (30) months preceding the date of issuance of the proposed Additional Parity Obligations (the "Test Period") Net Revenues adjusted as provided in paragraphs (2), (3), (4), (5) and/or (6) below, is equal to and not less than 110% of the Maximum Bond Service Requirement becoming due in any Bond Year thereafter on (A) all Bonds issued under this Resolution, if any, then Outstanding, and (B) on the Additional Parity Obligations with respect to which such certificate is made or (b) Net Revenues adjusted as provided in paragraphs (2),(3), (4), (5), and/or (6) below is equal to not less than 105% of the Maximum Bond Services Requirement becoming due in any Bond Year and Net Revenues adjusted or provided below and Impact Fees are equal to at least 120% of the Maximum Bond Service Requirement of the Outstanding Bonds and the Additional Parity Obligations then proposed to be issued.

(2) Upon recommendation of the Qualified Independent Consultants, the Net Revenues certified pursuant to (b) in the previous paragraph may be adjusted for purposes of this Section 20(Q) by including: (a) 100% of the additional Net Revenues which in the opinion of the Qualified Independent Consultant would have been derived by the Issuer from rate increases adopted before the Additional Parity Obligations are

issued, if such rate increases are adopted before the issuance of the Additional Parity Obligations, and (b) 100% of the additional Net Revenues estimated by the Qualified Independent Consultant to be derived during the first full twelve month period after the facilities of the System are extended, enlarged, improved or added to with the proceeds of the Additional Parity Obligations with respect to which such certificate is made.

(3) Upon recommendation of the Qualified Independent Consultants, if the Additional Parity Obligations are to be issued for the purpose of acquiring an existing water system and/or sewer system and/or any other utility system in accordance with Section 28 hereof, the Net Revenues certified pursuant to Section 20(Q)(1)(b) may be adjusted by including; 100% of the additional estimated Net Revenues which in the written opinion of the Qualified Independent Consultants will be derived from the acquired facilities during the first full 12-month period after the issuance of such Additional Parity Obligations (the Qualified Independent Consultants' report shall be based on the actual operating revenues of the acquired utility for a recent 12-month period adjusted to reflect the Issuer's ownership and the Issuer's rate structure in effect with respect to the System at the time of the issuance of the Additional Parity Obligations).

(4) Upon recommendation of the Qualified Independent Consultants, if the number of connections as of the first day of the month in which the proposed Additional Parity Obligations are to be issued exceeds the average number of such connections during such twelve (12) consecutive month period, then the Net Revenues certified pursuant to Section 20(Q)(1)(b) may be adjusted to include the Net Revenues which would have been received in such twelve (12) consecutive months if those additional connections had also been connected to the System during all of such twelve (12) consecutive months.

(5) Upon recommendation of the Qualified independent Consultant, if the Issuer shall have entered into a contract, which contract shall be for a duration of not less than the final maturity of the proposed Additional Parity Obligations, with any public body, whereby the Issuer shall have agreed to furnish services for the collection, treatment or disposal of sewage or agreed to furnish services in connection with any water system or any other utility system, then the Net Revenues certified pursuant to Section 20(Q)(1)(b) may be increased (to the extent such amounts were not reflected in such Net Revenues) by the minimum amount which the public body shall guarantee to pay in any one year for the furnishing of services by the Issuer, after deducting from such payment the estimated Cost of Operation and Maintenance attributable in such year to such services.

(6) Upon recommendations of the Qualified Independent Consultants, if there is an estimated increase in Net Revenues to be received by the Issuer as a result of additions, extensions or improvements to the System during the period of three (3) years following the completion of such additions, extensions or improvements financed with the proceeds of Bonds or Additional Parity Obligations, then the Net Revenues derived from the System certified pursuant to Section 20(Q)(1)(b) may be increased by fifty

percent (50%) of the average annual additional Net Revenues calculated for such three year period.

(7) The Issuer need not comply with the provisions of paragraph (1) of this Section 20(Q) if and to the extent the Additional Parity Obligations to be issued are refunding any Bonds then Outstanding, provided the issuance of such Additional Parity Obligations shall result in a reduction of aggregate debt service. The conditions of paragraph (1) hereof shall apply to Additional Parity Obligations issued to refund Subordinated Debt and to Additional Parity Obligations issued for refunding purposes which cannot meet the conditions of this paragraph.

(8) The Issuer need not comply, with the provisions of paragraph (1) of this Section 20(Q) if and to the extent the Bonds to be issued are for the purpose of providing any necessary additional funds required for completion of any improvements to the System (“Completion Bonds”) if originally financed with the proceeds of Bonds; provided that such Completion Bonds for which the Issuer need not comply with the provision of such paragraph (1) of this Section 20(Q) may not exceed 10% of the total principal amount of Bonds estimated to be required for such improvements to the System at the time of issuance of the initial Series of Bonds to finance such improvements.

(9) The Chief Financial Officer shall have certified that the Issuer is not in default in the carrying out of any of the obligations assumed under this Resolution and no event of default shall have occurred under this Resolution and shall be continuing, and all payments required by this Resolution to be made into the funds and accounts established hereunder shall have been made to the full extent required.

(10) The Supplemental Resolution authorizing the issuance of the Additional Parity Obligations shall recite that all of the covenants contained herein will be applicable to such Additional Parity Obligations.

(11) Notwithstanding anything herein to the contrary, no Additional Parity Obligations shall be issued if an Event of Default would continue beyond such issuance.

(R) Rate Stabilization Fund. The Issuer may transfer into the Rate Stabilization Fund such moneys which are on deposit in the Surplus Fund as it deems appropriate. The Issuer may transfer such amount of moneys from the Rate Stabilization Fund to the Revenue Fund as it deems appropriate; provided, however, that on or prior to each principal and interest payment date for the Bonds (in no event earlier than the 25th day of the month next preceding such payment date), moneys in the Rate Stabilization Fund shall be applied for the payment into the Interest Account, the Parity Contract Obligation Account, the Principal Account and the Redemption Account when the moneys therein are insufficient to pay the principal of and interest on the Bonds coming due and to pay any Parity Contract Obligations.

SECTION 21. WATER IMPACT FEES FUND. The Issuer shall deposit into the Water Impact Fees Fund all Water Impact Fees as received, together with moneys transferred to such fund pursuant to Section 20(B)(5) hereof and such Water Impact Fees shall be accumulated in

the Water Impact Fees Fund and applied by the Issuer in the following manner and order of priority:

(A) For the payments on or prior to each principal and interest payment date (in no event earlier than the 25th day of the month next preceding such payment date) into the Interest Account, the Parity Contract Obligation Account, the Principal Account and the Redemption Account, when the moneys therein are insufficient to pay the principal of and interest on the Bonds or any Parity Contract Obligation coming due, but only to the extent moneys transferred from the Surplus Fund, the Renewal Replacement and Improvement Fund and the Rate Stabilization Fund for such purpose, together with moneys available in the Reserve Fund for such purpose shall be inadequate to fully provide for such insufficiency; provided moneys shall be transferred to the aforementioned accounts from the Water Impact Fees Fund and the Sewer Impact Fees Fund on a pro-rata basis or such other basis as the Issuer deems appropriate in relation to the amount of moneys in each Fund at the time of transfer. Any moneys transferred to the aforementioned accounts described above shall be treated as an interfund loan and shall be repaid, together with reasonable interest thereon, from Gross Revenues as described in Section 20(B)(5) hereof on or prior to the date such amounts are needed for the purposes described in Section 21(B) and (C) hereof, but in no event later than one year from the date of such transfer, unless the Issuer shall determine that such transfer constitutes a lawful use of such Water Impact Fees.

(B) To the extent permitted by law, to pay or reimburse the capital cost of acquiring and/or constructing such improvements or additions to the water facilities of the System for which the Water Impact Fees were imposed in accordance with the requisitions for disbursement of moneys provided by the Issuer.

(C) To be used for any lawful purpose relating to the System.

SECTION 22. SEWER CONNECTION FEES FUND. The Issuer shall deposit into the Sewer Impact Fees Fund all Sewer Impact Fees as received, together with moneys transferred to such Fund pursuant to Section 20 (B)(5) hereof and such Sewer Impact Fees shall be accumulated in the Sewer Impact Fees Fund and applied by the Issuer in the following manner and order of priority:

(A) For the payments on or prior to each principal and interest payment date (in no event earlier than the 25th day of the month next preceding such payment Date) into the Interest Account, Parity Contract Obligations Account, the Principal Account and the Redemption Account, when the moneys therein are insufficient to pay the principal of and interest on the Bonds or any Parity Contract Obligation coming due, but only to the extent moneys transferred from the Surplus Fund, the Renewal Replacement and Improvement Fund and the Rate Stabilization Fund for such purpose together with moneys available in the Reserve Fund shall be inadequate to fully provide for such insufficiency; provided moneys shall be transferred to the aforementioned accounts from the Sewer Impact Fees Fund and the Water Impact Fees Fund on a pro-rata basis or such other basis as the Issuer deems appropriate in relation to the amount of moneys in each Fund at the time of transfer. Any moneys transferred to the aforementioned accounts described above shall be treated as an interfund loan and shall be repaid together with reasonable interest thereon, from Gross Revenues as described in Section 20(B)(5) hereof on or

prior to the date such amounts are needed for the purposes described in Sections 22(B) and (C) hereof, but in no event later than one year from the date of such transfer, unless the Issuer shall determine that such transfer constitutes a lawful use of such Sewer Impact Fees.

(B) To the extent permitted by law, to pay or reimburse the capital cost of acquiring and/or constructing such improvements or additions to the sewer facilities of the System for which the Sewer Impact Fees were imposed in accordance with the requisitions for disbursements of moneys provided by the Issuer.

(C). To be used for any other lawful purpose relating to the System.

SECTION 23. DEFAULTS; EVENTS OF DEFAULT AND REMEDIES. Except as provided below, if any or the following events occur, it is hereby defined as and declared to be and to constitute an “Event of Default:”

(A) Default in the due and punctual payment of any interest on the Bonds;

(B) Default in the due and punctual payment of the principal of and premium, if any, on any Bond, at the stated maturity thereof, or upon proceedings for redemption thereof;

(C) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Issuer contained in this Resolution or in the Bonds and the continuance thereof for a period of thirty (30) days after written notice to the Issuer given by the Holders of not less than twenty-five percent (25%) of aggregate principal amount of Bonds then Outstanding (provided, however, that with respect to any obligation, covenant, agreement or condition which requires performance by a date certain, if the Issuer performs such obligation, covenant, agreement or condition within thirty (30) days of written notice as provided above, the default shall be deemed to be cured);

(D) Failure by the Issuer promptly to remove any execution, garnishment or attachment of such consequence as will materially impair its ability to carry out its obligations hereunder; or

(E) Any act of bankruptcy or the rearrangement, adjustment or readjustment of the obligations of the Issuer under the provisions of any bankruptcy or moratorium laws or similar laws relating to or affecting creditors’ rights.

The term “default” shall mean default by the Issuer in the performance or observance of any of the covenants, agreements or conditions on its part contained in this Resolution, any Supplemental Resolution or in the Bonds, exclusive of any period of grace required to constitute a default or an “Event of Default” as hereinabove provided.

Notwithstanding the foregoing, the occurrence of any default under a Qualified Agreement, including without limitation failure on the part of the Issuer to pay Parity Contract Obligations or to pay a termination fee under a Qualified Agreement, shall not be construed as or deemed to constitute an “Event of Default” hereunder; rather, such occurrence shall be remedied pursuant to such Qualified Agreement and applicable legal and equitable principles taking into account the parity status as to lien on Pledged Revenues which the counterparty to such

Qualified Agreement enjoys as to Parity Contract Obligations only, relative to that of the Bondholders and their rights to payments hereunder.

For purposes of Section 23(A) and (B) hereof, no effect shall be given to any payments made under any Bond Insurance Policy.

Any Holder of Bonds issued under the provisions hereof or any trustee acting for the Holders of such Bonds may, either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under State or federal law, or granted and contained herein, and may enforce and compel the performance of all duties required herein or by any applicable law to be performed by the Issuer or by any officer thereof.

Nothing herein, however, shall be construed to grant to any Holder of the Bonds any lien on any property of the Issuer, except the Pledged Revenues.

The foregoing notwithstanding:

(i) No remedy conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder.

(ii) No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised as often as may be deemed expedient.

(iii) No waiver of any default or Event of Default hereunder by the Bondholders shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

(iv) Acceleration of the payment of principal of and interest on the Bonds shall not be a remedy hereunder in the case of an Event of Default.

Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Bondholders under this Resolution, the Bondholders shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the System and the funds pending such proceedings, with such powers as the court making such appointment shall confer.

Notwithstanding any provision of this Resolution to the contrary, for all purposes of this Section 23, except the giving of notice of any Event of Default to the Holder of the Bonds, any Insurer shall be deemed to be the Holder of the Bonds it has insured.

On the occurrence of an Event of Default, to the extent such rights may then lawfully be waived, neither the Issuer nor anyone claiming through or under it, shall set up, claim or seek to take advantage of any stay, extension or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement of this Resolution, and the Issuer, for itself and all who may

claim through or under it, hereby waives, to the extent it may lawfully do so, the benefit of all such laws and all right of redemption to which it may be entitled.

Within 30 days of knowledge thereof, both the Issuer and the Paying Agent shall provide notice to any and all Insurers of Bonds of the occurrence of any Event of Default.

The respective Insurers of Bonds shall be included as a party in interest and as a party entitled to (i) notify the Issuer or any applicable receiver of the occurrence of an Event of Default, and (ii) request the receiver to intervene in judicial proceedings that affect the Bonds or the security therefor. The receiver is required to accept notice of default from each Insurer of Bonds.

Anything in this Resolution to the contrary notwithstanding, upon the occurrence and continuance of an Event of Default, the Insurers of Bonds in default shall be entitled to control and direct the enforcement of all rights and remedies granted to the Bondholders under this Resolution, and the Insurers of Bonds in default shall also be entitled to approve all waivers of events of default.

SECTION 24. AMENDING AND SUPPLEMENTING OF RESOLUTION WITHOUT CONSENT OF HOLDERS OF BONDS. The Issuer, from time to time and at any time and without the consent or concurrence of any Holder of any Bonds, may adopt a Supplemental Resolution amendatory hereof or supplemental hereto if the provisions of such Supplemental Resolution shall not materially adversely affect the rights of the Holders of the Bonds then Outstanding, for any one or more of the following purposes:

(A) To make any changes or corrections in this Resolution as to which the Issuer shall have been advised by Bond Counsel that are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provisions or omission or mistake or manifest error contained in this Resolution, or to insert in this Resolution such provisions clarifying matters or questions arising under this Resolution as are necessary or desirable;

(B) To add additional covenants and agreements of the Issuer for the purpose of further securing the payments of the Bonds and any Parity Contract Obligations;

(C) To surrender any right, power or privilege reserved to or conferred upon the Issuer by the terms of this Resolution;

(D) To confirm, as further assurance, any lien, pledge or charge or the subjection to any lien, pledge or charge, created or to be created by the provisions of this Resolution;

(E) To grant to or confer upon the Holders or any Qualified Agreement Provider any additional right, remedies, powers, authority or security that lawfully may be granted to or conferred upon them;

(F) To assure compliance with federal “arbitrage” provisions in effect from time to time;

(G) To provide such changes as may be necessary in order to adjust the terms hereof (but not including the provisions of Section 20(E) and Section 20(Q) hereof) so as to facilitate the issuance of Variable Rate Bonds, Option Bonds, the execution of any Qualified Agreement, or to obtain a Credit Facility;

(H) To provide for the combination of the System with any other utility provided the conditions set forth in Section 28 hereof are satisfied;

(I) To provide for the transfer of the ownership and/or operation of the System pursuant to a governmental reorganization as set forth in Section 27 hereof; or

(J) To modify any of the provisions of this Resolution in any other aspects provided that such modifications shall not be effective until after the Bonds Outstanding at the time such Supplemental Resolution is adopted shall cease to be Outstanding, or until the holders thereof consent thereto pursuant to Section 25 hereof, and any Bonds issued subsequent to any such modification shall contain a specific reference to the modifications contained in such Supplemental Resolution.

(K) To amend Section 32 hereof to make covenants relating to Direct Subsidy Bonds, if appropriate.

Except for Supplemental Resolutions providing for the issuance of Bonds pursuant hereto, the Issuer shall not adopt any Supplemental Resolution authorized by the foregoing provisions of this Section unless, in the opinion of Bond Counsel, the adoption of such Supplemental Resolution is permitted by the foregoing provisions of this Section.

Notwithstanding anything else in this Resolution to the contrary, any amendment or supplement to this Resolution, with the exception of Supplemental Resolutions relating to the issuance of Additional Parity Obligations, shall be subject to the prior written consent of each of the Insurers of the Bonds. Each of the Insurers of the Bonds shall be provided with a full transcript of all proceedings relating to the execution of any such amendment or supplement.

SECTION 25. AMENDMENT OF RESOLUTION WITH CONSENT OF HOLDERS OF BONDS. Except as provided in Section 24 hereof, no material modification or amendment of this Resolution or of any resolution supplemental hereto shall be made without the consent in writing of the Holders of fifty-one percent (51%) or more in the principal amount of the Bonds of each Series so affected and then Outstanding and any Qualified Agreement Provider. For purposes of this Section, to the extent any Bonds are insured by a Bond Insurance Policy or are secured by a Credit Facility and such Bonds are then rated in as high a rating category as the rating category in which such Bonds were rated at the time of initial issuance and delivery thereof by either S&P, Moody's or Fitch or successors and assigns, then the consent of the Insurer or Insurers or such Bond Insurance Policy or the issuer or issuers of such letter of credit shall be deemed to constitute the consent of the Holder of such Bonds. No modification or amendment shall permit a change in the maturity of such Bonds or a reduction in the rate of interest thereon or in the amount of the principal obligation thereof or reduce the percentage of the Holders of the Bonds required to consent to any material modification or amendment hereof without the consent of the Holder or Holders of all such obligations. For purposes of the

immediately preceding sentence, the issuer or issuers of a Bond Insurance Policy or a Credit Facility shall not consent on behalf of the Holders of the Bonds. No amendment or supplement pursuant to this Section 25 shall be made without the consent of each of the Insurers of Bonds.

Notwithstanding anything else in this Resolution to the contrary, any amendment or supplement to this Resolution, with the exception of Supplemental Resolutions relating to the issuance of Additional Parity Obligations, shall be subject to the prior written consent of each of the Insurers of the Bonds. Each of the Insurers of the Bonds shall be provided with a full transcript of all proceedings relating to the execution of any such amendment or supplement.

SECTION 26. DEFEASANCE. The covenants and obligations of the Issuer shall be defeased and discharged under terms of this Resolution as follows:

(A) If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to any Qualified Agreement Provider any and all Parity Contract Obligations and to the Holders of any Outstanding Bonds the principal, redemption premium, if any, and interest due or to become due thereon, at the times and in the manner stipulated herein, such Parity Contract Obligations and such Bonds shall cease to be entitled to any lien, benefit or security under this Resolution, and all covenants, agreements and obligations of the Issuer to any Qualified Agreement Provider and the Holders of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

(B) The Bonds, redemption premium, if any, and interest due or to become due for the payment or redemption of which moneys shall have been set aside and shall be held in trust (through deposit by the Issuer of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in paragraph (A) of this Section 26. Subject to the provisions of paragraph (C) and (D) of this Section 26, any Outstanding Bonds shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in paragraph (A) of this Section if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Issuer shall have given to the escrow agent instructions accepted in writing by the escrow agent to notify Holders of Outstanding Bonds in the manner required herein of the redemption of such Bonds on said date, and (ii) there shall have been deposited with the escrow agent either moneys in an amount which shall be sufficient, or Acquired Obligations (including any Acquired Obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States) the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the escrow agent at the same time, shall be sufficient, to pay when due the principal of and premium, if any, and interest due and to become due on said Bonds on or prior to the redemption date or maturity date thereof, as the case may be. In the event of a defeasance pursuant to clause (ii) above, the Issuer shall cause to be delivered a verification report of an independent nationally recognized certified public accountant. If a forward supply contract is employed in connection with the refunding, (i) such verification report shall expressly state that the adequacy of the escrow to accomplish the refunding project relies solely on the initial escrowed investments and the maturing principal thereof and interest income thereon and does not assume performance under or compliance with the forward supply contract, and (ii) the applicable escrow agreement shall provide that in the event of any discrepancy or difference between the terms of the forward

supply contract and the escrow agreement and this Resolution, the terms of the escrow agreement and this Resolution shall be controlling.

(C) For purposes of determining whether Variable Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of moneys, or Acquired Obligations and moneys, if any, in accordance with paragraph (B) of this Section 26, the interest to come due on such Variable Rate Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated assuming that interest thereon will accrue at the maximum rate of interest such Variable Rate Bonds may bear pursuant to the Supplemental Resolution authorizing the issuance thereof, or the maximum rate permitted by law if such Supplemental Resolution provides no maximum rate of interest.

(D) Option Bonds shall be deemed to have been paid in accordance with the second sentence of paragraph (B) of this Section 26 only if, in addition to satisfying the requirements of clauses (i) and (ii) of such sentence, there shall have been deposited with the escrow agent moneys in an amount which shall be sufficient to pay when due the maximum amount of principal of and redemption premium, if any, and interest on such Bonds which could become payable to the Holders of such Bonds upon the exercise of any options provided to the Holders of such Bonds; provided, however, that if, at the time a deposit is made with the escrow agent pursuant to paragraph (B) of this Section 26, the options originally exercisable by the Holder of an Option Bond are no longer exercisable, such Bond shall not be considered an Option Bond for purposes of this paragraph (D). If any portion of the moneys deposited with the escrow agent for the payment of the principal of and redemption premium, if any, and interest on Option Bonds is not required for such purpose, the escrow agent shall, if requested by the Issuer, pay the amount of such excess to the Issuer free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under the Resolution.

SECTION 27. GOVERNMENTAL REORGANIZATION. Notwithstanding any other provisions of this Resolution, this Resolution shall not prevent any lawful reorganization of the governmental structure of the Issuer, including a merger or consolidation of the Issuer with another public body or the transfer of a public function of the Issuer to another public body, provided that any reorganization which affects the System shall provide that the System shall be continued as a single enterprise and that any public body which succeeds to the ownership and operation of the System shall also assume all rights, powers, obligations, duties and liabilities of the Issuer under this Resolution and pertaining to all Bonds and any Qualified Agreement.

SECTION 28. ADDITIONAL UTILITY FUNCTIONS. The Issuer may expand the utility functions of the System as they exist on the date hereof as permitted in the definition of "System" contained herein, provided that the Issuer has received the prior written consent of any Insurer (provided the Insurer is not in default of its obligations under its Credit Facility), and adopted resolutions of the Issuer to the effect that, based upon such certificates and opinions of its independent certified public accountants, Bond Counsel, Financial Advisor or other Qualified Independent Consultants as the Issuer shall deem necessary, desirable or appropriate, the addition of such utility functions (a) will not impair the ability of the Issuer to comply with the provisions of this Resolution, and (b) will not materially adversely affect the rights of the Holders of the Bonds.

SECTION 29. QUALIFIED AGREEMENTS. Any payments received by the Issuer from a Qualified Agreement Provider shall constitute Net Revenues hereunder. Any payments to a Qualified Agreement Provider under a Qualified Agreement so designated by the Issuer, can constitute Parity Contract Obligations or Subordinated Debt. Notwithstanding the foregoing termination payments, indemnification payment, or other fees to be paid by the Issuer to a Qualified Agreement Provider under a Qualified Agreement and which do not constitute regularly scheduled payments determined by reference to interest on a notional amount may only constitute Subordinated Debt, and may not constitute Parity Contract Obligations.

The Issuer may enter into one or more Qualified Agreements with respect to one or more Series of Bonds (or portions thereof); provided, however, that if such Qualified Agreement is not entered into at the time of initial issuance of the Series of Bonds to which it relates, the requirements of Section 20(Q)(1) hereof must be met, applying the same as if \$1.00 in principal amount of Additional Parity Bonds is being issued as of the effective date of such Qualified Agreement.

SECTION 30. PAYMENTS TO CREDIT FACILITY. In connection with any Bonds, the Issuer may obtain or cause to be obtained one or more Credit Facilities and agree with any Credit Facility Issuer to reimburse such issuer directly for amounts paid under the terms of such Credit Facility, together with interest thereof; provided, however, that no obligation to reimburse a Credit Facility Issuer shall be created, for purposes of this Resolution, until amounts are paid under such Credit Facility. Such payments are referred to herein as “Reimbursement Obligations.” Any Reimbursement Obligation may be secured by a pledge of and a lien on the Pledged Revenues on a subordinate basis to the lien created herein in favor of the Holders of the Bonds and any Qualified Agreement Provider. Any such Reimbursement Obligation shall be deemed to be a part of the Series to which the Credit Facility which gave rise to such Reimbursement Obligation relates. Payments to reimburse the issuer of a Credit Facility shall constitute Subordinated Debt.

SECTION 31. CAPITAL APPRECIATION BONDS. For the purposes of (i) receiving payment of the redemption price of a Capital Appreciation Bond if redeemed prior to maturity, (ii) computing Bond Service Requirement, and (iii) computing the amount of Holders required for any notice, consent, request or demand hereunder for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its Accreted Value.

SECTION 32. TAX COVENANTS.

(A) The Issuer covenants with the Holders of each Series of Bonds (other than Taxable Bonds) that it shall not use the proceeds of such Series of Bonds in any manner which would cause the interest on such Series of Bonds to be or become includable in the gross income of the Holder thereof for federal income tax purposes.

(B) The Issuer covenants with the Holders of each Series of Bonds (other than Taxable Bonds) that neither the Issuer nor any Person under its control or direction will make any use of the proceeds of such Series of Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause such Series of Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code and neither the Issuer nor any other Person shall do any act

or fail to do any act which would cause the interest on such Series of Bonds not issued as Taxable Bonds to become includable in the gross income of the Holder thereof for federal income tax purposes.

(C) The Issuer hereby covenants with the Holders of each Series of Bonds (other than Taxable Bonds) that it will comply with all provisions of the Code necessary to maintain the exclusion of interest on the Bonds from the gross income of the Holder thereof for federal income tax purposes, including, in particular, the payment of any amount required to be rebated to the U.S. Treasury pursuant to the Code and that the Issuer will remain qualified to receive Direct Pay Subsidies with respect to Direct Subsidy Bonds

(D) The Issuer, may, if it so elects, issue one or more Series of Taxable Bonds the interest on which is (or may be) includable in the gross income of the Holder thereof for federal income tax purposes, so long as each Bond of such Series states in the body thereof that interest payable thereon is (or may be) subject to federal income taxation and provided that the issuance thereof will not cause the interest on any other Bonds theretofore issued hereunder to be or become includable in the gross income of the Holder thereof for federal income tax purposes. The covenants set forth in paragraphs (A), (B) and (C) above shall not apply to any Taxable Bonds.

(E) The Issuer in connection with the issuance of any Series of Bonds (other than Taxable Bonds) may create and establish a fund to be known as the “City of Deltona Utility System Revenue Bonds Rebate Fund” (the “Rebate Fund”), and a separate account therein for each Series of Bonds other than Taxable Bonds. The Issuer shall deposit into the appropriate account in the Rebate Fund, from investment earnings on moneys deposited in the other funds and accounts created hereunder, or from any other legally available funds of the Issuer, the amount required by the Code to be deposited therein. The Issuer shall use such moneys deposited in the appropriate account in the Rebate Fund only for the payment of the amounts required by the Code to be rebated to the United States Treasury (the “Rebate Amount”). In complying with the foregoing, the Issuer may rely upon any instructions or opinions from Bond Counsel.

If any amount shall remain in the Rebate Fund after payment in full of all Bonds issued hereunder that are not Taxable Bonds and after payment in full of the Rebate Amount to the United States in accordance with the terms hereof, such amounts shall be available to the Issuer for any lawful purpose.

The Rebate Fund shall be held separate and apart from all other funds and accounts of the Issuer, shall not be impressed with a lien in favor of the Bondholders and the moneys therein shall be available for use only as herein provided.

SECTION 33. ADDITIONAL RIGHTS TO INSURERS. All notices required to be given to any party hereunder shall also be given to the Insurer. Pursuant to one or more Supplemental Resolutions, the Issuer may provide additional rights, covenants, agreements and restrictions relating to any Insurer and any Bond Insurance Policy.

SECTION 34. SEVERABILITY. If any one or more of the covenants, agreements or provisions of this Resolution should be held contrary to any express provision of law or contrary

to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid or shall in any manner be held to adversely affect the validity of the Bonds, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this Resolution or of the Bonds issued hereunder.

SECTION 35. SALE OF BONDS. The Bonds may be issued and sold at public or private sale at one time or in installments from time to time and at such price or prices as shall be consistent with the provisions of the requirements of this Resolution and other applicable provisions of law.

SECTION 36. GENERAL AUTHORITY. The members of the City Commission of the Issuer and the Issuer's officers, attorneys and other agents and employees are hereby authorized to perform all acts and things required of them by this Resolution or desirable or consistent with the requirements hereof for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Bonds and this Resolution, and they are hereby authorized to execute and deliver all documents which shall be required by Bond Counsel to effectuate the sale of the Bonds to said initial purchasers.

SECTION 37. NO THIRD PARTY BENEFICIARIES. Except such other Persons as may be expressly described herein, in the Bonds, or in a Qualified Agreement, nothing in this Resolution, or in the Bonds, expressed or implied, is intended or shall be construed to confer upon any Person, other than the Issuer and the Holders, any right, remedy or claim, legal or equitable, under and by reason of this Resolution or any provision hereof, or of the Bonds or any Qualified Agreement, all provisions hereof and thereof being intended to be and being for the sole and exclusive benefit of the Issuer and the Persons who shall from time to time be the Holders and any Qualified Agreement Provider.

SECTION 38. NO PERSONAL LIABILITY. Neither the members of the City Commission of the Issuer, any person executing the Bonds, any other charter employees, nor employees of the Issuer shall be personally liable therefor or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 39. REPEALER. All other resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 40. EFFECTIVE DATE. This resolution shall take effect immediately upon its adoption.

CITY OF DELTONA, FLORIDA

Mayor

ATTEST:

City Clerk

Adopted: _____, 2013

APPROVED AS TO FORM AND LEGALITY:

City Attorney

EXHIBIT A

Form of Series 2013 Purchase Contract

EXHIBIT B

Form of Series 2013 Escrow Deposit Agreement

EXHIBIT C

Form of Series 2013 Preliminary Official Statement

EXHIBIT D

Form of Series 2013 Continuing Disclosure Certificate

DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the "Disclosure Agreement"), dated as of _____, 2013, is executed and delivered by the City of Deltona, Florida (the "Issuer") and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent (the "Disclosure Dissemination Agent" or "DAC") for the benefit of the Holders (hereinafter defined) of the Issuer's Utility System Refunding Revenue Bonds, Series 2013 (the "Bonds") and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

"Annual Report" means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

"Annual Filing Date" means the dates, set in Sections 2(a) and 2(f), by which the Annual Reports are to be filed with the MSRB.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

"Audited Financial Statements" means the financial statements (if any) of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

"Bonds" means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

"Certification" means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

"Disclosure Representative" means the Finance Director of the Issuer or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

"Disclosure Dissemination Agent" means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

"Failure to File Event" means the Issuer's failure to file an Annual Report on or before the Annual Filing Date.

"Force Majeure Event" means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent's reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

"Holder" means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

"Information" means, collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Notice Event" means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

"Obligated Person" means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A. The Issuer is the initial Obligated Person with respect to the Bonds.

"Official Statement" means that Official Statement prepared by the Issuer in connection with the Bonds, as listed on Appendix A.

"Trustee" means the institution, if any, identified as such in the document under which the Bonds were issued.

"Voluntary Event Disclosure" means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

"Voluntary Financial Disclosure" means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than six (6) months after the end of each fiscal year of the Issuer, commencing with the fiscal year ending September 30, 2014. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit B, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:
 1. "Principal and interest payment delinquencies;"
 2. "Non-Payment related defaults, if material;"
 3. "Unscheduled draws on debt service reserves reflecting financial difficulties;"
 4. "Unscheduled draws on credit enhancements reflecting financial difficulties;"
 5. "Substitution of credit or liquidity providers, or their failure to perform;"
 6. "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
 7. "Modifications to rights of securities holders, if material;"
 8. "Bond calls, if material;"
 9. "Defeasances;"
 10. "Release, substitution, or sale of property securing repayment of the securities, if material;"
 11. "Rating changes;"

12. "Tender offers;"
 13. "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
 14. "Merger, consolidation, or acquisition of the obligated person, if material;" and
 15. "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as "Failure to provide annual financial information as required" when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;
- (vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:
1. "amendment to continuing disclosure undertaking;"
 2. "change in obligated person;"
 3. "notice to investors pursuant to bond documents;"
 4. "certain communications from the Internal Revenue Service;"
 5. "secondary market purchases;"
 6. "bid for auction rate or other securities;"
 7. "capital or other financing plan;"
 8. "litigation/enforcement action;"
 9. "change of tender agent, remarketing agent, or other on-going party;"
 10. "derivative or other similar transaction;" and
 11. "other event-based disclosures;"
- (vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary

Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. "quarterly/monthly financial information;"
2. "change in fiscal year/timing of annual disclosure;"
3. "change in accounting standard;"
4. "interim/additional financial information/operating data;"
5. "budget;"
6. "investment/debt/financial policy;"
7. "information provided to rating agency, credit/liquidity provider or other third party;"
8. "consultant reports;" and
9. "other financial/operating data."

(viii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including (i) the City's schedule of rates and charges provided in the Official Statement under the heading "RATES AND CHARGES," (ii) the information provided in the Official Statement under the headings: "THE SYSTEM – Ten Largest Users," and (iii) the

information provided in the table entitled "Historical Operating Results" provided in the Official Statement under the heading "HISTORICAL AND PROJECTED OPERATING RESULTS".

(b) Audited Financial Statements prepared in accordance with generally accepted accounting principles ("GAAP") will be included in the Annual Report. If audited financial statements are not available, then, unaudited financial statements, prepared in accordance with GAAP will be included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an "obligated person" (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bond holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;

11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Issuer shall, in a timely manner not in excess of ten business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event

has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2 (e)(iv) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, Notice Event notices, Failure to File Event notices, Voluntary Event Disclosures and Voluntary Financial Disclosures, the Issuer shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. Duties of Disclosure Dissemination Agent. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization

of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. as Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the

Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer or the Disclosure Dissemination

Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective unless the Issuer consents in writing to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee of the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Florida (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The Disclosure Dissemination Agent and the Issuer have caused this Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

**DIGITAL ASSURANCE CERTIFICATION,
L.L.C., as Disclosure Dissemination Agent**

By: _____
Name: _____
Title: _____

CITY OF DELTONA, FLORIDA, as Issuer

By: _____
Name: _____
Title: _____

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer	City of Deltona, Florida
Obligated Person(s)	City of Deltona, Florida
Name of Bond Issue:	Utility System Refunding Revenue Bonds, Series 2013
Date of Issuance:	September __, 2013
Date of Official Statement	September __, 2013

CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer: City of Deltona, Florida

Obligated Person: City of Deltona, Florida

Name(s) of Bond Issue(s): Utility System Refunding Revenue Bonds, Series 2013

Date(s) of Issuance: September __, 2013

Date(s) of Disclosure Agreement: September __, 2013

CUSIP Number: [_____]

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. [The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by [_____].

Dated: _____

Digital Assurance Certification, L.L.C., as
Disclosure Dissemination Agent, on behalf of the
Issuer

cc: _____

EXHIBIT C-1**EVENT NOTICE COVER SHEET**

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

City of Deltona, Florida

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

Number of pages attached: _____

____ Description of Notice Events (Check One):

1. ____ "Principal and interest payment delinquencies;"
2. ____ "Non-Payment related defaults, if material;"
3. ____ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. ____ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. ____ "Substitution of credit or liquidity providers, or their failure to perform;"
6. ____ "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7. ____ "Modifications to rights of securities holders, if material;"
8. ____ "Bond calls, if material;"
9. ____ "Defeasances;"
10. ____ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. ____ "Rating changes;"
12. ____ "Tender offers;"
13. ____ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
14. ____ "Merger, consolidation, or acquisition of the obligated person, if material;" and
15. ____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material."

____ **Failure to provide annual financial information as required.**

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date: _____

EXHIBIT C-2**VOLUNTARY EVENT DISCLOSURE COVER SHEET**

This cover sheet and accompanying "voluntary event disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of March 1, 2013 between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name:

City of Deltona, Florida _____

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

____ Description of Voluntary Event Disclosure (Check One):

1. ____ "amendment to continuing disclosure undertaking;"
2. ____ "change in obligated person;"
3. ____ "notice to investors pursuant to bond documents;"
4. ____ "certain communications from the Internal Revenue Service;"
5. ____ "secondary market purchases;"
6. ____ "bid for auction rate or other securities;"
7. ____ "capital or other financing plan;"
8. ____ "litigation/enforcement action;"
9. ____ "change of tender agent, remarketing agent, or other on-going party;"
10. ____ "derivative or other similar transaction;" and
11. ____ "other event-based disclosures."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date: _____

EXHIBIT C-3**VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET**

This cover sheet and accompanying "voluntary financial disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of March 1, 2013 between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name:

City of Deltona, Florida _____

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

____ Description of Voluntary Financial Disclosure (Check One):

1. ____ "quarterly/monthly financial information;"
2. ____ "change in fiscal year/timing of annual disclosure;"
3. ____ "change in accounting standard;"
4. ____ "interim/additional financial information/operating data;"
5. ____ "budget;"
6. ____ "investment/debt/financial policy;"
7. ____ "information provided to rating agency, credit/liquidity provider or other third party;"
8. ____ "consultant reports;" and
9. ____ "other financial/operating data."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date: _____

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2013**NEW ISSUE – BOOK-ENTRY ONLY****RATINGS: Fitch "___"
S&P "___"
(See "RATINGS" herein)**

In the opinion of Bond Counsel, assuming compliance by the City with certain covenants, under existing statutes, regulations, and judicial decisions, the interest on the Series 2013 Bonds will be excluded from gross income for federal income tax purposes of the holders thereof and will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, interest on the Series 2013 Bonds shall be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations. See "TAX MATTERS" herein for a description of other tax consequences to holders of the Series 2013 Bonds.

§ _____ *

**CITY OF DELTONA, FLORIDA
UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2013****Dated: Date of Delivery****Due: October 1, as shown on the inside cover**

The City of Deltona, Florida (the "City") is issuing its Utility System Refunding Revenue Bonds, Series 2013 (the "Series 2013 Bonds") in the form of fully registered bonds in the denomination of \$5,000 or any integral multiple thereof. The Series 2013 Bonds will bear interest at the fixed rates set forth on the inside cover payable semi-annually on each April 1 and October 1, commencing April 1, 2014. The Series 2013 Bonds, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC") which will act as securities depository for the Series 2013 Bonds. Purchases of beneficial interests in the Series 2013 Bonds will be made in book-entry form. Purchasers of the Series 2013 Bonds ("Beneficial Owners") will not receive physical delivery of Series 2013 Bonds. Accordingly, principal of and interest on the Series 2013 Bonds will be paid by The Bank of New York Mellon Trust Company, N.A. as paying agent (the "Paying Agent") directly to DTC as the registered owner thereof. Disbursements of such payments to the Direct Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of Direct Participants and Indirect Participants, as more fully described herein. See "THE SERIES 2013 BONDS – Book-Entry Only System" herein.

Certain of the Series 2013 Bonds are subject to optional redemption and mandatory sinking fund redemption prior to maturity as set forth herein. See "THE SERIES 2013 BONDS – Redemption" herein.

The Series 2013 Bonds are being issued by the City pursuant to the provisions of Article VIII, Section 2 of the Florida Constitution; Chapter 159, Part I, Florida Statutes; Chapter 166, Part II, Florida Statutes; the Charter of the City; and other applicable provisions of law (collectively, the "Act"), and the City's Master Utility System Bond Resolution 2013-[] adopted on August 19, 2013, as may be amended and supplemented from time to time

* Preliminary, subject to change.

(collectively, the "Resolution") to (i) refund all of the City's outstanding Utility System Revenue Bonds, Series 2003 (the "Series 2003 Bonds"), (ii) pay or reimburse the City for the termination payments payable by the City in connection with the termination of the City's outstanding Swaption (as defined herein), and (iii) pay the costs of issuance associated with the Series 2013 Bonds. See "PLAN OF REFUNDING" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Series 2013 Bonds are secured by a pledge of and are payable solely from the Pledged Revenues (as defined herein).

The Series 2013 Bonds shall not be or constitute general obligations or indebtedness of the City as "bonds" within the meaning of any constitutional or statutory provision, but are special obligations of the City, payable solely from and secured by a lien upon and pledge of the Pledged Revenues, in the manner and to the extent provided in the Resolution. No Holder of any Series 2013 Bond shall ever have the right to compel the exercise of any ad valorem taxing power to pay such Series 2013 Bond, or be entitled to payment of such Series 2013 Bond from any moneys of the City except from the Pledged Revenues in the manner and to the extent provided in the Resolution.

This cover page contains certain information for quick reference only. It is not a summary of the Series 2013 Bonds. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2013 Bonds are offered when, as and if issued by the City and accepted by the Underwriters subject to the approving legal opinion of Akerman Senterfitt, Orlando, Florida, Bond Counsel. Certain legal matters will be passed on for the City by the City Attorney, Gretchen Vose, Esq., Deltona, Florida, and by Greenberg Traurig P.A., Orlando, Florida, Disclosure Counsel. The Underwriters are being represented by Nabors, Giblin & Nickerson, P.A., Tampa, Florida. First Southwest, Orlando, Florida is serving as financial advisor to the City. The Series 2013 Bonds are expected to be delivered through the facilities of DTC in New York, New York on or about _____, 2013.

Raymond James

J.P. Morgan

RBC Capital Markets

BofA Merrill Lynch

Dated: _____, 2013

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES OR YIELDS
AND INITIAL CUSIP**

\$ _____^{*}
CITY OF DELTONA, FLORIDA
UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2013

\$ _____ **Serial Series 2013 Bonds**

Maturity (October 1)	Principal Amount	Interest Rate	Price or Yield	Initial Cusip[⊥]
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				

\$ _____^{*}, []% Term Series 2013 Bond due October 1, 20[38], Price []%,
Initial CUSIP [][⊥]

^{*} Preliminary, subject to change.

[⊥] CUSIP numbers have been assigned by an organization not affiliated with the City and are included in this Official Statement for the convenience of the potential purchasers of the Series 2013 Bonds. The City is not responsible for the selection or uses of CUSIP numbers, nor is a representation made as to their accuracy on the Series 2013 Bonds, or as indicated above.

**CITY OF DELTONA, FLORIDA
OFFICIALS**

CITY COMMISSION

John Masiarczyk	Mayor
Zenaida Denizac	Vice Mayor
Webster Barnaby	Commissioner
Heidi Herzberg	Commissioner
Nancy Schleicher	Commissioner
Fred Lowry, Jr.	Commissioner
Chris Nabicht	Commissioner

ACTING CITY MANAGER

William "Dave" Denny

CITY ATTORNEY

Gretchen Vose, Esquire
Deltona, Florida

FINANCE DIRECTOR

Robert Clinger, CPA

CITY CLERK

Joyce Raftery, CMC

BOND COUNSEL

Akerman Senterfitt
Orlando, Florida

DISCLOSURE COUNSEL

Greenberg Traurig, P.A.
Orlando, Florida

FINANCIAL ADVISOR

First Southwest
Orlando, Florida

AUDITORS

Purvis, Gray and Company
Gainesville, Florida

CONSULTING ENGINEER

Quentin L. Hampton Associates, Inc.
Port Orange, Florida

FEASIBILITY CONSULTANT

Burton & Associates, Inc.
St. Augustine, Florida

This Official Statement does not constitute a contract between the City or the Underwriters and any one or more owners of the Series 2013 Bonds, nor does it constitute an offer to sell or the solicitation of an offer to buy the Series 2013 Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer in such jurisdiction.

No dealer, salesman or any other person has been authorized by the City to give any information or to make any representations, other than those contained in this Official Statement, in connection with the offering of the Series 2013 Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by the City or any other person. The information and expressions of opinion in this Official Statement are subject to change without notice, and this Official Statement speaks only as of its date. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create the implication that there has been no change in the matters described herein since the date hereof. The information contained in this Official Statement, including in the appendices, has been obtained from representatives of the City, the Underwriters and from public documents, records and other sources considered to be reliable.

The information set forth herein has been obtained from the City, DTC and other sources that are believed to be reliable, but is not guaranteed as to accuracy or completeness by and is not to be construed as a representation by the Underwriters. The Underwriters listed on the cover page hereof have reviewed the information in this Official Statement in accordance with and as part of their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information. The information and expressions of opinion stated herein are subject to change, and neither the delivery of this Official Statement nor any sale made hereunder shall create, under any circumstances, any implication that there has been no change in the matters described herein since the date hereof.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2013 BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2013 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE SERIES 2013 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2013 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE SERIES 2013 BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2013 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

In making an investment decision, investors must rely on their own examination of the City, and the terms of the offering, including the merits and risks involved. The Series 2013 Bonds have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, other than as expressly provided in certificates to be delivered to the Underwriters in connection with the issuance of the Series 2013 Bonds, the City has not confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary may be a criminal offense.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE CITY FOR PURPOSES OF RULE 15c2-12 ISSUED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15c2-12(b)(1).

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OFFICIAL STATEMENT

\$ _____^{*} CITY OF DELTONA, FLORIDA UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2013

INTRODUCTION

The purpose of this Official Statement, including the cover page and all appendices, is to set forth certain information in connection with the issuance and sale by the City of Deltona, Florida (the "City") of its \$ _____^{*} Utility System Refunding Revenue Bonds, Series 2013 (the "Series 2013 Bonds").

The Series 2013 Bonds are being issued by the City pursuant to the provisions of Article VIII, Section 2 of the Florida Constitution; Chapter 159, Part I, Florida Statutes; Chapter 166, Part II, Florida Statutes; the Charter of the City; and other applicable provisions of law (collectively, the "Act"), and the City's Master Utility System Bond Resolution 2013-[] adopted on August 19, 2013, as may be amended and supplemented from time to time (collectively, the "Resolution") to (i) refund all of the City's outstanding Utility System Revenue Bonds, Series 2003 (the "Series 2003 Bonds"), (ii) pay or reimburse the City for the termination payments payable by the City in connection with the termination of the City's outstanding Swaption (as defined herein), and (iii) pay the costs of issuance associated with the Series 2013 Bonds. See "PLAN OF REFUNDING" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Series 2013 Bonds and the interest thereon are secured by and payable solely from (i) the Net Revenues of the System, and (ii) until applied in accordance with the Resolution, the moneys on deposit in the various funds and accounts created pursuant to the Resolution, except (A) as for the Rebate Fund, and (B) to the extent moneys on deposit in a subaccount of the Reserve Fund or the Construction Fund shall be pledged solely for the payment of the Series of Bonds for which it was established in accordance with the provisions the Resolution (collectively, the "Pledged Revenues"). See "SECURITY FOR THE SERIES 2013 BONDS" herein and "APPENDIX E – Form of Resolution" attached hereto.

The Series 2013 Bonds shall not be or constitute general obligations or indebtedness of the City as "bonds" within the meaning of any constitutional or statutory provision, but are special obligations of the City, payable solely from and secured by a lien upon and pledge of the Pledged Revenues, in the manner and to the extent provided in the Resolution. No Holder of any Series 2013 Bond shall ever have the right to compel the exercise of any ad valorem taxing power to pay such Series 2013 Bond, or be entitled to payment of such Series 2013 Bond from any moneys of the City except from the Pledged Revenues in the manner and to the extent provided in the Resolution.

The Series 2013 Bonds are issuable only in the form of fully registered bonds in the denomination of \$5,000 or any integral multiple thereof. Interest on the Series 2013 Bonds is

^{*} Preliminary, subject to change.

payable semi-annually on each April 1 and October 1, commencing April 1, 2014. The Series 2013 Bonds will be initially issued to and registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Series 2013 Bonds. The Series 2013 Bonds will be available to purchasers under the book-entry system maintained by DTC through brokers and dealers who are or act through Direct Participants. Purchasers of beneficial interests in the Series 2013 Bonds will not receive physical delivery of the Series 2013 Bonds, but will be Beneficial Owners (and not registered owners) of the Series 2013 Bonds. For so long as any purchaser is the Beneficial Owner of a Series 2013 Bond, such purchaser must maintain an account with a broker or dealer who is, or acts through, a Direct Participant. The principal and interest on the Series 2013 Bonds will be paid by The Bank of New York Mellon Trust Company, N.A., as paying agent directly to Cede & Co. as the registered owner thereof. Disbursements of such payments to the Direct Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of Direct Participants and Indirect Participants, as more fully described herein. See "THE SERIES 2013 BONDS – Book-Entry Only System" herein.

This Official Statement speaks only as of its date and the information contained herein is subject to change.

Capitalized terms used but not defined herein have the same meanings as when used in the Resolution unless the context clearly indicates otherwise. Complete descriptions of the terms and conditions of the Series 2013 Bonds are set forth in the Resolution, the form of which is attached to this Official Statement as APPENDIX E.

The description of the Series 2013 Bonds, the documents authorizing and securing the same, and the information from various reports and statements contained herein are not comprehensive or definitive. All references herein to such documents, reports and statements are qualified by the entire, actual content of such documents, reports and statements. Copies of such documents, reports and statements referred to herein that are not included in their entirety in this Official Statement may be obtained, after payment of applicable copying, handling and mailing costs, from the City of Deltona, at City Hall, 2345 Providence Boulevard, Deltona, Florida 32725, Attention: City Clerk (386) 561-2100.

PLAN OF REFUNDING

The proceeds of the Series 2013 Bonds will be used to (i) refund all of the City's outstanding Utility System Revenue Bonds, Series 2003 (the "Series 2003 Bonds"), (ii) pay or reimburse the City for the termination payments payable by the City in connection with the termination of the City's outstanding Swaption (as defined herein), and (iii) pay the costs of issuance associated with the Series 2013 Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" herein.

In connection with the refunding of the Series 2003 Bonds, the City will use a portion of the proceeds of the Series 2013 Bonds to pay or reimburse the City for the termination payments payable by the City for the optional termination of the City's interest rate exchange agreement relating to the Series 2003 Bonds (the "Swaption"). On August 15, 2006, the City entered into

an ISDA Master Agreement and related Schedule to the Master Agreement with CitiBank, N.A. (the "Swap Provider"), as supplemented by a Confirmation of Swap Transaction dated August 15, 2006 (the "Confirmation"), relating to \$67,750,000 in aggregate principal amount of the Series 2003 Bonds. Under the terms of the Confirmation, the Swap Provider paid the City a swap premium on or about the trade date of the Confirmation, and, on a basis determined by reference to notional amounts corresponding in amount and date to the principal maturities of the Series 2003 Bonds, effective April 1, 2014, (a) the Swap Provider agreed to pay the City a semi-annual floating amount based on 61.5% of the British Banker Association's London Interbank Offered Rate plus 0.32%, and (b) the City agreed to pay the Swap Provider a semi-annual fixed rate of 4.77%. Upon the issuance of the Series 2013 Bonds and the payment for the termination payments payable by the City for the Swaption, no Qualified Agreements will remain outstanding.

Upon delivery of the Series 2013 Bonds, the City will enter into an Escrow Deposit Agreement (the "Escrow Agreement") with [**The Bank of New York Mellon Trust Company, N.A., Dallas, Texas**] (the "Series 2013 Escrow Agent"). Proceeds of the Series 2013 Bonds and other available monies, if required, will be deposited into an escrow deposit fund (the "2013 Escrow Deposit Fund") created under the Escrow Agreement and a portion thereof used to acquire direct general obligations of, or obligations the payment of principal of and interest on which is unconditionally guaranteed by, the United States of America (the "Government Obligations"). The Government Obligations and the interest earned thereon will be sufficient, and will be used, together with cash retained in the 2013 Escrow Deposit Fund, to pay (i) the redemption price of the Series 2003 Bonds on the redemption date and (ii) the interest on the Series 2003 Bonds due on and prior to such redemption dates. The Government Obligations will be purchased from the Treasury Department of the United States of America or in the open market through a competitive bidding process. The City is required to deposit in the 2013 Escrow Deposit Fund any additional amounts that may be necessary for any reason to enable the Escrow Agent to pay the redemption prices of and interest on the Series 2003 Bonds on the redemption and interest payment dates.

The City will obtain verification of sufficiency of the amounts and Government Obligations deposited in the 2013 Escrow Deposit Fund for the Series 2003 Bonds, and of certain yields, from [_____] (the "Verification Agent"). See "VERIFICATION OF MATHEMATICAL COMPUTATIONS" herein.

THE SERIES 2013 BONDS

General Description

The Series 2013 Bonds will be issued as fully registered bonds in denominations of \$5,000 or integral multiples thereof and will be initially registered in the name of Cede & Co., as nominee of DTC, New York, New York, which will act as securities depository for the Series 2013 Bonds. Unless the book-entry system is discontinued, individual purchases of the Series 2013 Bonds will be made in book-entry form only, and the purchasers will not receive physical delivery of the Series 2013 Bonds or any certificate representing their beneficial ownership interests in the Series 2013 Bonds. See "Book-Entry Only System" below.

Interest on the Series 2013 Bonds is payable on April 1, 2014 and on each April 1 and October 1 thereafter until maturity or redemption. Amounts due on the Series 2013 Bonds will be paid to Cede & Co., as nominee for DTC, as registered owner of the Series 2013 Bonds, to be subsequently disbursed to Direct Participants and Indirect Participants and thereafter to the Beneficial Owners of the Series 2013 Bonds.

Redemption

Optional Redemption of Series 2013 Bonds. The Series 2013 Bonds maturing on or prior to October 1, 20__, are not subject to redemption prior to their stated dates of maturity. The Series 2013 Bonds maturing on or after October 1, 20__ are subject to optional redemption by the City prior to maturity, from any funds available for such purpose, in whole or in part at any time on or after October 1, 20__, at a redemption price of the principal amount of Series 2013 Bonds or portions thereof to be redeemed, together with accrued interest thereon to the redemption date.

Mandatory Redemption of Series 2013 Bonds. The Series 2013 Bonds maturing October 1, 20__, are subject to mandatory redemption prior to their maturity in part, by lot, through amortization installments by operation of the Redemption Account, at a redemption price equal to the unpaid principal of the Series 2013 Bonds or the portions thereof to be redeemed, plus interest accrued thereon to the date of redemption, on October 1 in the following years and in the following amortization installments:

<u>Year</u>	<u>Amortization Installment</u>
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Redemption Notice and Effect of Redemption

Notice of redemption shall, at least thirty (30) days prior to the redemption date, be filed with the Registrar, and mailed by the Registrar on behalf of the City, first class mail, postage prepaid, to all Holders of the Series 2013 Bonds to be redeemed at their addresses as they appear on the registration books provided for in the Resolution on the Record Date, but failure to mail such notice to one or more Holders of such Series 2013 Bonds, or any defect therein, shall not affect the validity of the proceedings for such redemption with respect to Holders of Series 2013 Bonds to which notice was duly mailed under the Resolution and no defect occurred. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of such Series 2013 Bonds, of one maturity are to be called, the distinctive numbers of such Series 2013 Bonds to be redeemed and, in the case of Series 2013 Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed.

Any notice of optional redemption given may state that it is conditional upon receipt by the Paying Agent of moneys sufficient to pay the redemption price, plus interest accrued to the redemption date, or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any

time before payment of such redemption price and accrued interest if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission shall be given by the Paying Agent to affected Holders of such Series 2013 Bonds as promptly as practicable upon the failure of such condition or the occurrence of such other event.

Book-Entry Only System

The information set forth under this caption concerning DTC and DTC's book-entry system has been obtained from sources the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

DTC will act as securities depository for the Series 2013 Bonds. The Series 2013 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Series 2013 Bond certificate will be issued for each maturity of the Series 2013 Bonds as set forth on the inside cover of this Official Statement, each in the aggregate principal amount of such maturity and will be deposited with DTC.

DTC, the world's largest security depository, is a limited purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for U.S. and non U.S. equity issues, corporate and municipal debt issues, and money market instruments that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2013 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2013 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2013 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic

statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2013 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2013 Bonds, except in the event that use of the book entry system for the Series 2013 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2013 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2013 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2013 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2013 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2013 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2013 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Series 2013 Bonds may wish to ascertain that the nominee holding the Series 2013 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2013 Bonds within a series or maturity of a series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series or maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2013 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2013 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, and interest payments on the Series 2013 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street

name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest on the Series 2013 Bonds, as applicable, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City and/or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2013 Bonds at any time by giving reasonable notice to City or Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Series 2013 Bonds certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book entry only transfers through DTC (or a successor securities depository). In that event, Series 2013 Bonds certificates will be printed and delivered to DTC.

THE ABOVE INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE CITY, AND THE UNDERWRITERS BELIEVE TO BE RELIABLE, BUT THE CITY AND THE UNDERWRITERS TAKE NO RESPONSIBILITY FOR THE ACCURACY THEREOF. NEITHER THE CITY NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, BENEFICIAL OWNERS OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS FOR (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (II) THE PAYMENT BY DTC OR BY ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OR REDEMPTION OR PURCHASE PRICE OF, PREMIUM, IF ANY, OR INTEREST ON, ANY SERIES 2013 BONDS; (III) THE DELIVERY OF ANY NOTICE BY DTC OR ANY PARTICIPANT; (IV) THE SELECTION OF THE PARTICIPANTS OR THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2013 BONDS; OR (V) ANY CONSENT GIVEN OR ANY OTHER ACTION TAKEN BY DTC OR ANY PARTICIPANT.

So long as Cede & Co. is the registered owner of the Series 2013 Bonds, as nominee for DTC, reference herein to the registered owners of the Series 2013 Bonds shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2013 Bonds.

SECURITY FOR THE SERIES 2013 BONDS

General

The Series 2013 Bonds are payable solely from and shall be secured by a first lien upon and pledge of the Pledged Revenues.

The Series 2013 Bonds shall not be or constitute general obligations or indebtedness of the City as "bonds" within the meaning of any constitutional or statutory provision, but

are special obligations of the City, payable solely from and secured by a lien upon and pledge of the Pledged Revenues, in the manner and to the extent provided in the Resolution. No Holder of any Series 2013 Bond shall ever have the right to compel the exercise of any ad valorem taxing power to pay such Series 2013 Bond, or be entitled to payment of such Series 2013 Bond from any moneys of the City except from the Pledged Revenues in the manner and to the extent provided in the Resolution.

Pledged Revenues

The Resolution defines "Net Revenues" as Gross Revenues or Revenues, after deduction of the Cost of Operation and Maintenance. "Gross Revenues" or "Revenues" are defined as all income and earnings received by the City or accrued to the City from the ownership, use or operation of the System and all parts thereof, including, without limitation, unencumbered, non-ad valorem special assessments which are not pledged for the repayment of, or as security for, any indebtedness of the City, whether currently outstanding or hereafter issued, other than the Bonds and which are legally available to be used as contemplated under the Resolution, grant monies received by the City as a result of ownership, use or operation of the System, proceeds from the sale or other disposition of the System or any part thereof pursuant to the terms of the Resolution, moneys deposited from the Rate Stabilization Fund into the Revenue Fund in accordance with the terms of the Resolution, provided any moneys transferred from the Rate Stabilization Fund into the Revenue Fund within 90 days following the end of a Fiscal Year may be designated by the City as Gross Revenues of such prior Fiscal Year, and shall also include investment income, if any, earned on any fund or account created pursuant to the Resolution, except the Rebate Fund, all as calculated in accordance with generally accepted accounting principles, and any payment received by the City as contemplated in the Resolution, but "Gross Revenues" or "Revenues" shall not include internal services charges, non-ad valorem special assessments which are pledged for the repayment of, or as security for, any indebtedness of the City, whether currently outstanding or hereafter issued, other than the Bonds, condemnation awards or proceeds of insurance received with respect to the System and moneys deposited to the Rate Stabilization Fund from the Surplus Fund, including any moneys transferred from the Surplus Fund to the Rate Stabilization Fund within 90 days following the end of a Fiscal Year which the City determines not to be Gross Revenues of such prior Fiscal Year, Contributions in Aid of Construction, Impact Fees or unrealized gains or losses from investments.

"Cost of Operation and Maintenance" of the System shall mean the then current expenses, paid or accrued, in the operation, maintenance and repair of the System, as calculated in accordance with generally accepted accounting principles, including, but not limited to, general administrative and indirect labor costs, personal services, contractual services, repairs and maintenance, and materials and supplies, but shall not include capital expenditures, any reserve for renewals and replacements, any allowance for depreciation, any Bond Service Requirement, any payments in lieu of taxes, franchise fees or other transfers.

"Impact Fees" shall mean Sewer Impact Fees and Water Impact Fees.

"Sewer Impact Fees" shall mean the fees and charges, if any, which relate to acquiring, constructing, equipping or expanding the capacity of the sewer facilities of the System for the purpose of paying or reimbursing the equitable share of the capital cost relating to such

acquisition, construction, expansion or equipping of excess and unused capacity of the System or expansion thereof in order to serve new users of the sewer facilities of the System, to the extent the same are lawfully levied, collected and pledged.

"Water Impact Fees" shall mean the fees and charges, if any, which relate to acquiring, constructing, equipping or expanding the capacity of the water facilities of the System for the purpose of paying or reimbursing the equitable share of the capital cost relating to such acquisition, construction, expansion or equipping of excess and unused capacity of the System or expansion thereof in order to serve new users of the water facilities of the System, to the extent the same are lawfully levied, collected and pledged.

Rate Covenant

The City covenants in the Resolution to fix, establish, revise from time to time whenever necessary, maintain and collect always such fees, rates, rentals and other charges for the use of the products, services and facilities of the System which will always provide, (a) Net Revenues in each Fiscal Year sufficient to pay 110% of the Bond Service Requirement on all Outstanding Bonds in the applicable Bond Year or (b) Net Revenues in each Fiscal Year sufficient to pay 105% of the Bond Service Requirement on all Outstanding Bonds in the applicable Bond Year; and Net Revenues and Impact Fees, in each Fiscal Year sufficient to pay at least 120% of the Bond Service Requirement on all Outstanding Bonds in the applicable Bond Year. In addition to compliance with either (a) or (b) above, Net Revenues in each Fiscal Year shall also be sufficient to provide any amounts required by the terms of the Resolution to be deposited into the Reserve Fund or with any issuer of a Reserve Fund Letter of Credit or Reserve Fund Insurance Policy as a result of a withdrawal from the Reserve Fund or into the Renewal, Replacement and Improvement Fund and to pay debt service on other obligations payable from Gross Revenues and other payments, and all allocations and applications of Gross Revenues required by the Resolution in the applicable Bond Year.

Net Revenues shall not be reduced so as to render them insufficient to provide revenues for the purposes provided therefor by this Resolution.

Qualified Swap Agreements

The Resolution permits the City to enter into one or more Qualified Agreements with respect to one or more Series of Bonds (or portions thereof). Any payments received by the City from a Qualified Agreement Provider shall constitute Net Revenues under the Resolution. Any payments to a Qualified Agreement Provider under a Qualified Agreement so designated by the City can constitute Parity Contract Obligations or Subordinated Debt. Notwithstanding the foregoing, termination payments, indemnification payments, or other fees to be paid by the City to a Qualified Agreement Provider under a Qualified Agreement and which do not constitute regularly scheduled payments determined by reference to interest on a notional amount may only constitute Subordinated Debt, and may not constitute Parity Contract Obligations.

Flow of Funds

In addition to the Construction Fund, the Resolution creates a number of funds and accounts into which moneys will be deposited for various purposes including (1) the Revenue

Fund, (2) the Bond Service Fund, which includes the Interest Account, the Principal Account, the Redemption Account and the Parity Contract Obligation Account (3) the Utility System Reserve Fund, (4) the Utility System Subordinated Debt Service Fund, (5) the Utility Renewal, Replacement and Improvement Fund, (6) the Utility System Rate Stabilization Fund; (7) the Utility System Surplus Fund; (8) the Utility System Water Impact Fees Fund; and (9) the Utility System Sewer Impact Fees Fund.

Pursuant to the Resolution, the City is to deposit all Net Revenues and any direct subsidy payments received from the United States Treasury relating to Direct Subsidy Bonds or any other interest subsidy or similar payments made by the Federal government, shall, upon receipt thereof, be deposited in the Revenue Fund. All deposits into such Revenue Fund shall be deemed to be held in trust for the purposes provided in the Resolution and used only for the purposes and in the manner provided in the Resolution.

All amounts on deposit in the Revenue Fund shall be disposed of monthly, but not later than the twenty-fifth (25th) day of each month commencing in the month immediately following the delivery of the Series 2013 Bonds issued under the Resolution only in the following manner and the following order of priority:

The City shall first deposit into the Bond Service Fund and credit to the following accounts, in the following order (except that payments into the Interest Account and the Parity Contract Obligations Account shall be on parity with each other, and the payments into the Principal Account and the Redemption Account shall be on a parity with each other), the following identified sums:

Interest Account. Taking into account actual and anticipated earnings in the Interest Account of the Bond Service Fund within the current Bond Year, such sum as will be sufficient to pay one-sixth (1/6th) of all interest coming due on all Outstanding Bonds, on the next interest payment date; provided, however, that monthly deposits of interest, or portions thereof, shall not be required to be made to the extent that money on deposit within such Interest Account is sufficient for such purpose. In the event the City has issued Variable Rate Bonds pursuant to the provisions of the Resolution, Net Revenues shall be deposited at such other or additional times and amounts as necessary to pay any interest coming due on such Variable Rate Bonds on the next interest payment date, all in the manner provided in a Supplemental Resolution of the City. Any monthly payment out of Net Revenues to be deposited as set forth above, for the purpose of meeting interest payments for any Series of Bonds, shall be adjusted, as appropriate, to reflect the frequency of interest payment dates applicable to such Series. Moneys in the Interest Account may be used only for the purposes set forth in this paragraph. Deposits required pursuant to the foregoing shall be increased or decreased each month to the extent required to timely pay interest next becoming due and payable after making allowance for any accrued and capitalized interest, and to make up any deficiency or loss that may otherwise arise in such fund or account.

Parity Contract Obligations Account. Taking into account the actual and anticipated earnings in the Parity Contract Obligations Account in the Bond Service Fund within the current Bond Year, a pro rata estimated amount necessary to build up over time the amount of any Parity Contract Obligation which will next be due and payable or reasonably expected to be due and

payable under any Qualified Agreement on the next payment date thereunder; provided, however, that the monthly amount to be so deposited may be adjusted, as appropriate, to reflect the frequency of payment dates thereunder (for example, if such Parity Contract Obligations are required to be paid semi-annually, the City shall be required to deposit monthly an amount which is estimated to equal one-sixth (1/6th) of the next such payment). Moneys in the Parity Contract Obligations Account may be used only for the purposes set forth in this paragraph. Deposits required pursuant to the foregoing shall be increased or decreased each month to the extent required to timely pay Parity Contract Obligations next becoming due and payable and to make up any deficiency or loss that may otherwise arise in such fund or account.

Principal Account. Taking into account actual and anticipated earnings in the Principal Account of the Bond Service Fund within the current Bond Year, such sum as will be sufficient to pay one-twelfth (1/12th) of the principal amount of the Bonds Outstanding which will mature and become due on such annual maturity dates beginning the month which is twelve (12) months prior to the first principal maturity date; provided, however, that monthly deposits for principal, or portions thereof, shall not be required to be made to the extent that money on deposit within such Principal Account is sufficient for such purpose. Any monthly payment out of Net Revenues to be deposited as set forth above, for the purpose of meeting principal payments for any Series of Bonds, shall be adjusted, as appropriate, to reflect the frequency of principal payment dates applicable to such Series. Moneys in the Principal Account may be used only for the purposes set forth in this paragraph. Deposits required pursuant to the foregoing shall be increased or decreased each month to the extent required to timely pay principal next becoming due and payable and to make up any deficiency or loss that may otherwise arise in such fund or account.

Redemption Account. Taking into account actual and anticipated earnings in the Redemption Account of the Bond Service Fund within the current Bond Year, such sum as will be sufficient to pay one-twelfth (1/12th) of any Amortization Installment established for the mandatory redemption of Outstanding Bonds on such annual maturity date beginning the month which is twelve (12) months prior to the first Amortization Installment date; provided, however, that monthly deposits into the Redemption Account, or portions thereof, shall not be required to be made to the extent that money on deposit in the Redemption Account is sufficient for such purpose. Any monthly payment out of Net Revenues to be deposited as set forth above, for the purpose of meeting Amortization Installments for any Series of Bonds, shall be adjusted, as appropriate, to reflect the frequency of dates established for Amortization Installments applicable to such Series. The moneys in the Redemption Account shall be used solely for the purchase or redemption of the Term Bonds payable therefrom. The City may at any time purchase any of said Term Bonds at prices not greater than the then redemption price of said Term Bonds. If the Term Bonds are not then redeemable prior to maturity, the City may purchase said Term Bonds at prices not greater than the redemption price of such Term Bonds on the next ensuing redemption date. If Term Bonds are so purchased by the City, the City shall credit the account of such purchased Term Bonds against any current Amortization Installment to be paid by the City. If the City shall purchase or call for redemption in any year Term Bonds in excess of the Amortization Installment requirement for such year, such excess of Term Bonds so purchased or redeemed shall be credited in such manner and at such times as the City shall determine. Moneys in the Redemption Account in the Bond Service Fund may be used only for the purposes set forth in this paragraph. Deposits required pursuant to the foregoing shall be increased or

decreased each month to the extent required to timely pay Amortization Installments next becoming due and payable and to make up any deficiency or loss that may otherwise arise in such fund or account.

To the extent that the amounts on deposit in the Reserve Fund are less than the applicable Reserve Requirement, the City shall next make deposits into the Reserve Fund in the manner described below from moneys remaining in the Revenue Fund. Any withdrawals from the Reserve Fund shall be subsequently restored from the first moneys available in the Revenue Fund, after all required current payments for Cost of Operation and Maintenance and all current applications and allocations to the Bond Service Fund, including all deficiencies for prior payments have been made in full. Notwithstanding the foregoing, in case of withdrawal from the Reserve Fund, in no event shall the City be required to deposit into the Reserve Fund an amount greater than that amount necessary to ensure that the difference between the Reserve Requirement and the amounts on deposit in the Reserve Fund on the date of calculation shall be restored not later than sixty (60) months after the date of such deficiency (assuming equal monthly payments into the Reserve Fund for such sixty (60) month period). Any deficiency in the Reserve Fund or any subaccount therein due to a decrease in the market value of investments therein shall be restored not less than twelve (12) months after the date of such deficiency.

Moneys in the Reserve Fund and subaccounts therein shall be used only for the purpose of the payment of Amortization Installments, principal of, or interest on the Outstanding Bonds secured thereby when the moneys allocated to the Bond Service Fund are insufficient therefor, and for no other purpose. See also, "SECURITY FOR THE SERIES 2013 BONDS – Reserve Fund," below.

From the moneys remaining in the Revenue Fund, the City shall next deposit into the Subordinated Debt Service Fund an amount required to be paid as provided in the resolution or agreement of the City authorizing such Subordinated Debt, but for no other purposes.

The City shall next apply and deposit monthly from the moneys remaining on deposit in the Revenue Fund into the Renewal, Replacement and Improvement Fund, an amount at least equal to one-twelfth (1/12th) of five percent (5%) of the Gross Revenues received during the immediately preceding Fiscal Year. Such deposit may be increased or decreased upon certification by the appropriate Qualified Independent Consultant that such adjustment is in accordance with prudent utility practice. The moneys in the Renewal, Replacement and Improvement Fund shall be used only for the purpose of paying the cost of extraordinary repairs, extensions, enlargements or additions to, or the replacement of capital assets of the System or emergency repairs thereto. Funds on hand in the Renewal, Replacement and Improvement Fund may be used to pay current Cost of Operation and Maintenance to the extent necessary. The moneys on deposit in such fund may also be used to supplement the Reserve Fund, if necessary, in order to prevent a default in the payment of the principal and interest on the Bonds.

The balance of any moneys remaining in the Revenue Fund after the above required payments have been made shall be deposited into the Surplus Fund and may be used for any lawful purpose of the City; provided, however, that none of such moneys shall be used for any purposes other than those hereinabove specified unless all current payments, including any deficiencies for prior payments, have been made in full including any deficiencies in the Water

Impact Fees Fund and Sewer Impact Fees Fund to replenish any withdraw therefrom pursuant to the Resolution have been replenished to the extent required in such Resolution and unless the City shall have complied fully with all the covenants and provisions of the Resolution.

No Reserve Requirement; Reserve Fund

As noted above, deposits to the Utility System Reserve Fund are made after deposits to the Bond Service Fund. See, "SECURITY FOR THE SERIES 2013 BONDS – Flow of Funds," above. The Reserve Requirement for the Series 2013 Bonds will be zero.

Upon the issuance of any Additional Parity Obligations under the terms, limitations and conditions as provided in the Resolution, the City may, on the date of delivery of such Additional Parity Obligations, increase the sum required to be accumulated and maintained on deposit in the Utility System Reserve Fund to be at least equal to the Reserve Requirement on all Outstanding Bonds secured by such Utility System Reserve Fund including the Additional Parity Obligations then issued provided nothing in the Resolution shall be constricted to require the City to fund the Utility System Reserve Fund or any subaccount therein for such Series of Bonds. Such required sum may be paid in full or in part from the proceeds of such Additional Parity Obligations or may be accumulated in equal monthly payments to the Utility System Reserve Fund over a period of months from the date of issuance of the Additional Parity Obligations, which shall not exceed the greater of (a) twelve (12) months, or (b) the number of months for which interest on such Additional Parity Obligations has been capitalized, as determined by Supplemental Resolution. In the event moneys in the Utility System Reserve Fund are accumulated as provided above, (i) the amount in said Utility System Reserve Fund on the date of delivery of the Additional Parity Obligations shall not be less than the Reserve Requirement on all Bonds Outstanding secured by such Utility System Reserve Fund (excluding the Additional Parity Obligations) on such date, and (ii) the incremental difference between the Reserve Requirement on all Bonds Outstanding secured by such Utility System Reserve Fund (excluding the Additional Parity Obligations) on the date of delivery of the Additional Parity Obligations and the Reserve Requirement on all such Bonds and the Additional Parity Obligations shall be twenty-five percent (25%) funded upon delivery of the Additional Parity Obligations.

Notwithstanding anything in the Resolution to the contrary, the Resolution provides that the City may also establish a separate subaccount in the Reserve Fund for any Series of Bonds and provide a pledge of such subaccount solely to the payment of such Series of Bonds. To the extent a Series of Bonds is secured separately by a subaccount of the Reserve Fund, the Holders of such Bonds shall not be secured by any other moneys in the Reserve Fund. Moneys in a separate subaccount of the Reserve Fund shall be maintained at the Reserve Requirement applicable to such Series of Bonds secured by the subaccount; provided the Supplemental Resolution authorizing such Series of Bonds may establish the Reserve Requirement relating to such separate subaccount of the Reserve Fund at such level, if any, as the City deems appropriate. Moneys shall be deposited in the separate subaccounts in the Reserve Fund on a pro-rata basis.

Notwithstanding the foregoing, in lieu of or in substitution for the required deposits into the Reserve Fund or any subaccount therein, the City may cause to be deposited into the Reserve Fund a Reserve Fund Insurance Policy and/or a Reserve Fund Letter of Credit in an amount

equal to the difference between the Reserve Requirement and the sums then on deposit in the Reserve Fund or applicable subaccount, if any, plus the amounts to be deposited therein pursuant to this section.

The City may evidence its obligation to reimburse the issuer of any Reserve Fund Letter of Credit or Reserve Fund Insurance Policy by executing and delivering a reimbursement agreement therefore which evidences a Reimbursement Obligation; provided, however, any reimbursement agreement (1) shall not be or create a general obligation of the City the payment of which is secured by the full faith and credit or taxing power of the City, and (2) shall be payable or obligate the City to pay solely front the Pledged Revenues in a manner which is not inconsistent with the terms of the Resolution.

Notwithstanding anything in the Resolution to the contrary, Reimbursement Obligations relating to a Reserve Fund Insurance Policy or Reserve Fund Letter of Credit for any fees, expenses, claims or draws upon such Reserve Fund Insurance Policy or Reserve Fund Letter of Credit shall be subordinate to the payment of debt service on the Bonds and to the payment of any Parity Contract Obligations. The right of the issuer of a Reserve Fund Insurance Policy or Reserve Fund Letter of Credit to payment of reimbursement of its fees and expenses shall be subordinated to cash replenishment of the Reserve Fund. Its right to reimbursement for claims or draws shall be prior to the replenishment of the cash drawn from the Reserve Fund. The Reserve Fund Insurance Policy or Reserve Fund Letter of Credit shall provide for a revolving feature under which the amount available thereunder will be reinstated to the extent of any reimbursement of draws or claims paid. If the revolving feature is suspended or terminated for any reason, the right of the issuer of the Reserve Fund Insurance Policy or Reserve Fund Letter of Credit reimbursement will be further subordinated to cash replenishment of the Reserve Fund to an amount equal to the difference between the full original amount available under the Reserve Fund Insurance Policy or Reserve Fund Letter of Credit and the amount then available for further draws or claims.

If any Reserve Fund Letter of Credit or Reserve Fund Insurance Policy shall terminate prior to the stated expiration date thereof, the City agrees that it shall fund the Reserve Fund or applicable subaccount over a period not to exceed twenty-four (24) months during which it shall make consecutive equal monthly payments in order that the amount on deposit in the Reserve Fund or applicable subaccount shall equal the Reserve Requirement; provided, the City may obtain a new Reserve Fund Letter of Credit or a new Reserve Fund Insurance Policy in lieu of making the payments described by this paragraph.

Permitted Investments on deposit in the Reserve Fund shall be valued at fair value pursuant to generally accepted accounting principles at least annually. In the event of the refunding of any Series of Bonds, the City may withdraw from the Reserve Fund or subaccount securing such Series, all or any portion of the amounts accumulated therein with respect to the Bonds being refunded and deposit such amounts as required by the resolution authorizing the refunding of such Series of Bonds; provided that such withdrawal shall not be made unless (a) immediately thereafter, the Bonds being refunded shall be deemed to have been paid pursuant to the provisions hereof, and (b) the amount remaining in the Reserve Fund after giving effect to the issuance of such refunding obligations and the disposition of the proceeds thereof shall not be less than the Reserve Requirement for any Bonds then Outstanding which are secured thereby.

Rate Stabilization Fund

The City may transfer into the Rate Stabilization Fund such moneys which are on deposit in the Surplus Fund as it deems appropriate. The City may transfer such amount of moneys from the Rate Stabilization Fund to the Revenue Fund as it deems appropriate; provided, however, that on or prior to each principal and interest payment date for the Series 2013 Bonds (in no event earlier than the 25th day of the month next preceding such payment date), moneys in the Rate Stabilization Fund shall be applied for the payment into the Interest Account, the Parity Contract Obligation Account, the Principal Account and the Redemption Account when the moneys therein are insufficient to pay the principal of and interest on the Series 2013 Bonds coming due and to pay any Parity Contract Obligations.

Water Impact Fees Fund

The City shall deposit into the Water Impact Fees Fund all Water Impact Fees as received, together with moneys transferred to such fund pursuant to the Resolution and such Water Impact Fees shall be accumulated in the Water Impact Fees Fund and applied by the City in the following manner and order of priority:

(A) For the payments on or prior to each principal and interest payment date (in no event earlier than the 25th day of the month next preceding such payment date) into the Interest Account, the Parity Contract Obligation Account, the Principal Account and the Redemption Account, when the moneys therein are insufficient to pay the principal of and interest on the Series 2013 Bonds or any Parity Contract Obligation coming due, but only to the extent moneys transferred from the Surplus Fund, the Renewal Replacement and Improvement Fund and the Rate Stabilization Fund for such purpose, together with moneys available in the Reserve Fund for such purpose shall be inadequate to fully provide for such insufficiency; provided moneys shall be transferred to the aforementioned accounts from the Water Impact Fees Fund and the Sewer Impact Fees Fund on a pro-rata basis or such other basis as the City deems appropriate in relation to the amount of moneys in each Fund at the time of transfer. Any moneys transferred to the aforementioned accounts described above shall be treated as an interfund loan and shall be repaid, together with reasonable interest thereon, from Gross Revenues as described in the Resolution on or prior to the date such amounts are needed for the purposes described in the Resolution, but in no event later than one year from the date of such transfer, unless the City shall determine that such transfer constitutes a lawful use of such Water Impact Fees.

(B) To the extent permitted by law, to pay or reimburse the capital cost of acquiring and/or constructing such improvements or additions to the water facilities of the System for which the Water Impact Fees were imposed in accordance with the requisitions for disbursement of moneys provided by the City.

(C) To be used for any lawful purpose relating to the System.

Sewer Impact Fees Fund

The City shall deposit into the Sewer Impact Fees Fund all Sewer Impact Fees as received, together with moneys transferred to such Fund pursuant to the Resolution and such

Sewer Impact Fees shall be accumulated in the Sewer Impact Fees Fund and applied by the City in the following manner and order of priority:

(A) For the payments on or prior to each principal and interest payment date (in no event earlier than the 25th day of the month next preceding such payment Date) into the Interest Account, Parity Contract Obligations Account, the Principal Account and the Redemption Account, when the moneys therein are insufficient to pay the principal of and interest on the Series 2013 Bonds or any Parity Contract Obligation coming due, but only to the extent moneys transferred from the Surplus Fund, the Renewal Replacement and Improvement Fund and the Rate Stabilization Fund for such purpose together with moneys available in the Reserve Fund shall be inadequate to fully provide for such insufficiency; provided moneys shall be transferred to the aforementioned accounts from the Sewer Impact Fees Fund and the Water Impact Fees Fund on a pro-rata basis or such other basis as the City deems appropriate in relation to the amount of moneys in each Fund at the time of transfer. Any moneys transferred to the aforementioned accounts described above shall be treated as an interfund loan and shall be repaid together with reasonable interest thereon, from Gross Revenues as described in the Resolution on or prior to the date such amounts are needed for the purposes described in the Resolution, but in no event later than one year from the date of such transfer, unless the City shall determine that such transfer constitutes a lawful use of such Sewer Impact Fees.

(B) To the extent permitted by law, to pay or reimburse the capital cost of acquiring and/or constructing such improvements or additions to the sewer facilities of the System for which the Sewer Impact Fees were imposed in accordance with the requisitions for disbursements of moneys provided by the City.

(C) To be used for any other lawful purpose relating to the System.

Additional Parity Obligations

The City is currently planning to issue approximately \$13.7 million in Utility System Revenue Bonds in February 2014 in order to finance a portion of its five-year capital improvement program (the "Series 2014 Bonds"). See "HISTORICAL AND PROJECTED OPERATING RESULTS – Capital Improvement Projections" below.

No Additional Parity Obligations shall be issued after the issuance of the Series 2013 Bonds, except upon the conditions and in the manner provided below:

(1) There shall have been obtained and filed with the Clerk a certificate of the Chief Financial Officer stating: (a) that the books and records of the City relative to the System, the Net Revenues and Impact Fees received by the City have been reviewed by the Chief Financial Officer; and that (b) for any consecutive twelve (12) months out of the preceding thirty (30) months preceding the date of issuance of the proposed Additional Parity Obligations (the "Test Period"), Net Revenues adjusted as provided in paragraphs (2), (3), (4), (5) and/or (6) below, is equal to and not less than 110% of the Maximum Bond Service Requirement becoming due in any Bond Year thereafter on (A) all Series 2013 Bonds issued under the Resolution, if any, then Outstanding, and (B) on the Additional Parity Obligations with respect to which such certificate is made or (c) Net Revenues in each Bond Year adjusted or provided in paragraphs (2), (3), (4),

(5) and (6) below is equal to not less than 105% of the Maximum Bond services Requirement becoming due in any Bond Year; and Net Revenues adjusted or provided below and Impact Fees are equal to at least 120% of the Maximum Bond Service Requirement of the Outstanding Bonds and Additional Parity Obligations then proposed to be issued.

(2) Upon recommendation of the Qualified Independent Consultants, the Net Revenues certified pursuant to (b) in the previous paragraph may be adjusted for purposes of this section by including: (a) 100% of the additional Net Revenues which in the opinion of the Qualified Independent Consultant would have been derived by the City from rate increases adopted before the Additional Parity Obligations are issued, if such rate increases are adopted before the issuance of the Additional Parity Obligations, and (b) 100% of the additional Net Revenues estimated by the Qualified Independent Consultant to be derived during the first full twelve month period after the facilities of the System are extended, enlarged, improved or added to with the proceeds of the Additional Parity Obligations with respect to which such certificate is made.

(3) Upon recommendation of the Qualified Independent Consultants, if the Additional Parity Obligations are to be issued for the purpose of acquiring an existing water system and/or sewer system and/or any other utility system in accordance with the Resolution, the Net Revenues certified pursuant to (1)(b) above of the may be adjusted by including; 100% of the additional estimated Net Revenues which in the written opinion of the Qualified Independent Consultants will be derived from the acquired facilities during the first full 12-month period after the issuance of such Additional Parity Obligations (the Qualified Independent Consultants' report shall be based on the actual operating revenues of the acquired utility for a recent 12-month period adjusted to reflect the City's ownership and the City's rate structure in effect with respect to the System at the time of the issuance of the Additional Parity Obligations).

(4) Upon recommendation of the Qualified Independent Consultants, if the number of connections as of the first day of the month in which the proposed Additional Parity Obligations are to be issued exceeds the average number of such connections during such twelve (12) consecutive month period, then the Net Revenues certified pursuant to (1)(b) above may be adjusted to include the Net Revenues which would have been received in such twelve (12) consecutive months if those additional connections had also been connected to the System during all of such twelve (12) consecutive months.

(5) Upon recommendation of the Qualified independent Consultant, if the City shall have entered into a contract, which contract shall be for a duration of not less than the final maturity of the proposed Additional Parity Obligations, with any public body, whereby the City shall have agreed to furnish services for the collection, treatment or disposal of sewage or agreed to furnish services in connection with any water system or any other utility system, then the Net Revenues certified pursuant to(1)(b) may be increased (to the extent such amounts were not reflected in such Net Revenues) by the minimum amount which the public body shall guarantee to pay in any one year for the furnishing of services by the City, after deducting from such payment the estimated Cost of Operation and Maintenance attributable in such year to such services.

(6) Upon recommendations of the Qualified Independent Consultants, if there is an estimated increase in Net Revenues to be received by the City as a result of additions, extensions or improvements to the System during the period of three (3) years following the completion of such additions, extensions or improvements financed with the proceeds of Bonds or Additional Parity Obligations, then the Net Revenues derived from the System certified pursuant to (1)(b) may be increased by fifty percent (50%) of the average annual additional Net Revenues calculated for such three year period.

(7) The City need not comply with the provisions of paragraph (1) above if and to the extent the Additional Parity Obligations to be issued are refunding any bonds then Outstanding, provided the issuance of such Additional Parity Obligations shall result in a reduction of aggregate debt service. The conditions of paragraph (1) above shall apply to Additional Parity Obligations issued to refund Subordinated Debt and to Additional Parity Obligations issued for refunding purposes which cannot meet the conditions of this paragraph.

(8) The City need not comply, with the provisions of paragraph (1) above if and to the extent the Bonds to be issued are for the purpose of providing any necessary additional funds required for completion of any improvements to the System ("Completion Bonds") if originally financed with the proceeds of Bonds; provided that such Completion Bonds for which the City need not comply with the provision of such paragraph (1) above may not exceed 10% of the total principal amount of Bonds estimated to be required for such improvements to the System at the time of issuance of the Series 2013 Bonds to finance such improvements.

(9) The Chief Financial Officer shall have certified that the City is not in default in the carrying out of any of the obligations assumed under the Resolution and no event of default shall have occurred under the Resolution and shall be continuing, and all payments required by the Resolution to be made into the funds and accounts established under the Resolution shall have been made to the full extent required.

(10) The Supplemental Resolution authorizing the issuance of the Additional Parity Obligations shall recite that all of the covenants contained in the Resolution will be applicable to such Additional Parity Obligations.

(11) Notwithstanding anything in the Resolution to the contrary, no Additional Parity Obligations shall be issued if an Event of Default would continue beyond such issuance.

Investments

Moneys in any fund or account created under the Indenture may be invested and reinvested in Permitted Investments which mature not later than the dates on which the moneys on deposit therein will be needed for the purpose of such fund. All income on such investments, except as otherwise provided, shall be deposited in the respective funds and accounts from which such investments were made and be used for the purposes thereof unless and until the maximum required amount (or, with respect to the Construction Fund, the amount required to acquire, construct and erect the Project) is on deposit therein, and thereafter shall be deposited in the Revenue Fund.

Subordinated Indebtedness

The Resolution provides that the City shall issue no bonds or obligations of any kind or nature payable from or enjoying a lien on the Pledged Revenues if such obligations have priority over the Bonds or any Parity Contract Obligations with respect to payment or lien, nor shall the City create or cause or permit to be created any debt, lien, pledge, assignment, encumbrance or other charge having priority to or being on a parity with the lien of the Bonds and any Parity Contract Obligations upon said Pledged Revenues. Notwithstanding, the City may issue Additional Parity Obligations under the conditions and in the manner provided in the Resolution. Any obligations of the City, other than the Bonds and any Parity Contract Obligations, which are payable from the Pledged Revenues shall contain an express statement that such obligations are junior and subordinate in all respects to the Bonds and any Parity Contract Obligations as to lien on and source and security for payment from such Pledged Revenues.

The City is in the process of finalizing a State Revolving Fund ("SRF") loan for approximately \$30 million of proceeds that would fund the cost of planning, designing and constructing the new Eastern Water Reclamation Facility (the "Eastern WRF"). The payment of such SRF loan is junior and subordinate to the Series 2013 Bonds and any Additional Parity Obligations. The City is currently funding and completing construction of the entrance road, underground utilities and storm water management systems for the Eastern WRF. Construction of the facility itself is expected to begin by early November 2013.

Other Covenants

Operation and Maintenance. The City will maintain the System and all parts thereof in good condition and will operate the same in an efficient and economical manner, making such expenditures for equipment and for renewals, repairs and replacements as may be proper for the economical operation and maintenance thereof.

Rate Covenant. The City will fix, establish, revise from time to time whenever necessary, maintain and collect always such fees, rates, rentals and other charges for the use of the products, services and facilities of the System which will always provide either Net Revenues and Impact Fees in each Fiscal Year equal to at least 120% of the Bond Service Requirement becoming due in such Fiscal Year; provided such Net Revenues shall be adequate at all times to pay in each Fiscal Year at least 100% of (1) the Bond Service Requirement coming due in such Fiscal year, (2) any amounts required by the terms hereof to be deposited in the Reserve Fund or with any issuer of a Reserve Fund Letter of Credit or Reserve Fund Insurance Policy in such Fiscal Year, and (3) any amounts required by the terms of the Resolution to be repaid to the Water Impact Fees Fund and Sewer Impact Fees Fund in such Fiscal Year; or

Net Revenue equal to at least 105% of the Bond Service Requirement becoming due in such Fiscal Year and 100% of any amounts required by the terms of the Resolution to be repaid to the Water Impact Fees Fund and Sewer Impact Fees Fund in such Fiscal Year.

Net Revenues shall not be reduced so as to render them insufficient to provide revenues for the purposes provided therefor by the Resolution.

Books and Accounts; Audit. The City shall keep proper books, records and accounts, separate and apart from all other records and accounts, showing correct and complete entries of all transactions of the System, and the Holders of any of the Bonds or any duly authorized agent or agents of such Holders shall have the right at any and all reasonable times to inspect such books, records and accounts. The City shall, within two hundred ten (210) days following the close of each Fiscal Year of the City, cause an audit of such books, records and accounts to be made by an independent firm of certified public accountants.

Copies of each such audit report shall be placed on file with the City and be made available at reasonable times for inspection by Holders of the Bonds.

Disposition of System. The System may be sold or otherwise disposed of as a whole or substantially as a whole, only if the net proceeds to be realized, together with other moneys available for such purpose, shall be sufficient to fully retire all of the Outstanding Bonds issued pursuant to the Resolution and all interest thereon to their respective dates of maturity or earlier redemption dates and to make any termination payments required under any Qualified Agreement. The proceeds from such sale or other disposition of the System shall immediately be deposited first in the Bond Service Fund and then in the Subordinated Debt Service Fund and shall be used only for the purpose of paying Parity Contract Obligations, and paying the principal of and interest on the Bonds and Subordinated Debt as the same shall become due, or the redemption of callable Bonds and Subordinated Debt, or the purchase of Bonds and Subordinated Debt at a price not greater than the redemption price of said Bonds and Subordinated Debt, or, if the Bonds or Subordinated Debt are not then redeemable prior to maturity, at prices not greater than the redemption price of such Bonds or Subordinated Debt on the next ensuing redemption date.

The foregoing provision notwithstanding, the City shall have and hereby reserves the right to sell, lease, exchange or otherwise dispose of any of the tangible property or ownership interest in tangible property comprising a part of the System in the following manner, if any one of the following conditions exist: (a) such property is not necessary for the operation of the System or (b) such property is not useful in the operation of the System or (c) such property is not profitable in the operation of the System.

Prior to any sale, lease, exchange or other disposition of said property:

(1) if the property to be disposed therefor is not in excess of one-half (1/2) of one percentum (1%) of the value of the gross plant investment in the System, the officer of the City charged with the normal acquisition, construction, operation, maintenance and repair of the portion of the System for which disposition is sought, may determine that such property comprising a part of such System is either no longer necessary, useful or profitable in the operation thereof

(2) if the property to be disposed therefor is in excess of one-half (1/2) of one percentum (1%) of the value of the gross plant investment in the System, the officer of the City charged with the normal acquisition, construction, operation, maintenance and repair of the portion of the System for which disposition is sought and the Utilities Director shall each first make a finding in writing determining that such property comprising a part of such System is

either no longer necessary, useful or profitable in the operation thereof, and the City shall, by resolution duly adopted, approve and concur in the finding of such authorized officer and the Utilities Director.

Any net proceeds realized from such disposal of a part of the System shall be deposited in the Renewal, Replacement and Improvement Fund to the extent necessary to make the amount on deposit therein equal to the amount then required to be on deposit therein; and any additional moneys not needed for said fund shall be used for any capital expenditures in connection with the System or the purchase or redemption of Outstanding Bonds.

Notwithstanding any other provision of the Resolution to the contrary, except for the initial paragraph of this Section, the City may sell, lease, exchange or otherwise dispose of tangible property or an ownership interest in tangible property comprising a part of the System provided the duly authorized officer charged with the normal acquisition, construction, operation, maintenance and repair of the portion of the System for which disposition is sought, and the Qualified Independent Consultant each make a finding in writing, adopted and confirmed by resolution of the City, determining that (i) such sale, lease, exchange or other disposition will not materially impair or restrict the City's ability to realize Gross Revenues in compliance with the requirements therefor as set forth in the Resolution, and (ii) such sale, lease, exchange or other disposition is in the economic best interests of the City.

Notwithstanding any other provision of the Resolution to the contrary, the City may transfer ownership and/or operation of all or a portion of the System to any public body authorized by the laws of the State to own and/or operate such System on an installment sale basis provided that the City (i) has received an opinion of Bond Counsel stating the federal income tax exemption of the interest on the Bonds (not including Taxable Bonds) will not be affected and has received an opinion of Bond Counsel stating that such sale is not prohibited by any applicable Florida law, and (ii) the City adopts a resolution to the effect that, based upon such certificates and opinions of its independent certified public accountants, Bond Counsel, Financial Advisor or other Qualified independent Consultant as the City shall deem necessary, desirable or appropriate, such transfer will not materially adversely affect the rights of the Holders of the Bonds.

Insurance. The City shall provide protection for the System both in accordance with the requirements of all agreements, if any, to which the City may at the time be a party with respect to joint ownership of properties by the City with others which is part of the System, and in accordance with Prudent Utility Practice. Said protection may consist of insurance, self insurance and indemnities. The City will keep, or cause to be kept, the works, plants and facilities comprising the properties of the System insured, and will carry such other insurance against fire and other risks, accidents or casualties at least to the extent and of the kinds that insurance is usually carried by utilities operating like properties. Any insurance shall be in the form of policies or contracts for insurance with insurers of good standing, shall be payable to the City and may provide for such deductibles, exclusions, limitations, restrictions, and restrictive endorsements customary in policies for similar coverage issued to entities operating properties similar to the properties of the System. Any self insurance shall be in the amounts, manner and of the type provided by entities operating properties similar to the properties of the System. In the event of any loss or damage to the System covered by insurance, the City will, with respect to

each such loss, promptly repair, reconstruct or replace the parts of the System affected by such loss or damage to the extent necessary to the proper conduct of the operation of the business of the System in accordance with Prudent Utility Practice, shall cause the proceeds of such insurance to be applied for that purpose to the extent required therefor, and pending such application, shall hold the proceeds of any insurance policy covering such damage or loss in trust to be applied for that purpose to the extent required therefor. Any excess insurance proceeds received by the City may be used by the City for any lawful purpose. Notwithstanding the foregoing or any provisions of the Resolution to the contrary, the City shall not be required to maintain insurance with respect to facilities for which insurance shall not be available at reasonable cost or for facilities which, in accordance with Prudent Utility Practice, are not customarily insured.

No Free Service. So long as any Bonds are outstanding, the City shall not furnish or supply the facilities, services and commodities of the System either free of charge or for a nominal charge to any person, firm or corporation, public or private, including the City's departments, agencies and instrumentalities which avail themselves of the services of the System. The City shall promptly enforce the payment of any and all accounts owing to the City and delinquent, by discontinuing service or by filing suits, actions or proceedings, or by both discontinuance of service and filing suit.

Mandatory Cut Off. The City shall establish a written policy consistent with sound business judgment for the disconnection from the System of any customer who fails to pay for services rendered by the System, and shall enforce such policy diligently and fairly.

Enforcement of Collections. The City will diligently enforce and collect the rates, fees and other charges for the services and facilities of the System and will take all steps, actions and proceedings for the enforcement and collection of such rates, charges and fees as shall become delinquent to the full extent permitted or authorized by law; and will maintain accurate records with respect thereof. All such fees, rates, charges and revenues shall, as collected, be held in trust to be applied as herein provided.

Operating Budget. The City shall annually, prior to commencement of each of its Fiscal Years, prepare and adopt a budget of the estimated expenditures for the operation and maintenance of the System during such next succeeding Fiscal Year. The City shall mail copies of such annual budgets (including any amendments thereto) to any Holder or Holders of Bonds who shall file his address with the City and request in writing that copies of all such budgets be furnished him and shall make available such budgets of the System at all reasonable times to any Holder or Holders of Bonds or to anyone acting for and on behalf of such Holder or Holders. Bondholders shall pay reasonable actual cost of printing and mailing of such copies.

Mandatory Connections; No Competing System. So long as service is in fact available as reasonably determined by the City, the City will, to the full extent permitted by law, require all lands, buildings and structures within the area being served by the System, to connect with and use such facilities within one year after notification. To the extent permitted by law, the City will not grant a franchise for the operation of any competing utility system or systems within the area served by the System until all Bonds issued under the Resolution, together with the interest thereon, and premium, if any, have been paid in full. Notwithstanding the foregoing, the City

shall not be required to duplicate services being provided by private or public utilities in the area being served by such private or public utilities on the date of issuance of the first Series of Bonds under the Resolution. In addition, the City shall not be prohibited from allowing other private or public utilities to provide services within the area being served by the System, if the City shall not be providing such service in such area on that date. Nothing herein shall be deemed to constitute the approval of the City for any private or public utility (other than the System) to provide any services within the boundaries of the City or within the area being served by the System or within any other area of the City.

Supervisory Personnel. The City, in operating the System, will employ or designate, as manager, one or more of its qualified employees, or an independent contractor, who have demonstrated ability and experience in operating similar facilities, and will require all such employees or independent contractors, as the case may be, who may have possession of money derived from the operation of the System to be covered by a fidelity bond, written by a responsible indemnity company in amounts fully adequate to protect the City from loss.

Payment of Taxes, Assessments and Other Claims. The City shall from time to time duly pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental charges, or payments in lieu thereof, lawfully imposed upon the properties constituting the System or the Gross Revenues when the same shall become due, as well as all lawful claims for labor and materials and supplies which, if not paid, might become a lien or charge upon such properties or any part thereof, or upon the Gross Revenues or which might in any way impair the security of the Bonds, except assessments, charges or claims which the City shall in good faith contest by proper legal proceedings.

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DEBT SERVICE REQUIREMENTS

The following table shows the scheduled annual principal (including amortization installments) and interest requirements on the Series 2013 Bonds.

Year Ending (October 1)	Principal	Interest	Total
2014			
2015			
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
TOTAL			

ESTIMATED SOURCES AND USES OF FUNDS

<u>Sources of Funds:</u>	<u>Series 2013 Bonds</u>
Principal Amount of Series 2013 Bonds	\$
Plus/Minus Net Original Issue Premium/Discount	
<hr/>	
Total Estimated Sources of Funds	\$
<hr/>	
<u>Uses of Funds:</u>	
Deposit to Escrow Deposit Fund	\$
Payment of Swap Termination Fee	
Cost of Issuance ⁽¹⁾	
<hr/>	
Total Estimated Uses of Funds	\$
<hr/>	

⁽¹⁾ Includes Underwriters' discount, legal fees and expenses, and other costs of issuance, and other fees and expenses associated with the issuance of the Series 2013 Bonds.

THE SYSTEM

The Resolution defines the "System" or "Utility System" as the Water System and the Sewer System of the City. Upon compliance with the provisions of the Resolution, the term "System" may be deemed to include other utility functions added to the System, including, but not limited to, a stormwater system, a residential reuse system, the acquisition, distribution and sale of natural gas, the providing of electricity, the providing of cable television services, the providing of telecommunication services or other utility functions that are authorized from time to time pursuant to the Act. Notwithstanding the foregoing definition of the term System, such term shall not include any properties or interest in properties of the City which the City determines shall not constitute a part of the System for the purpose of the Resolution.

"Sewer System" shall mean the complete sewer, wastewater and reclaimed water system now owned or hereafter owned by the City and which the City is, or shall be responsible for maintaining and operating, together with any and all acquisitions, improvements, extensions and additions thereto, hereafter constructed or acquired, together with all lands or interests therein, including plants, buildings, machinery, franchises, pipes, mains, fixtures, equipment and all property, real or personal, tangible or intangible (including agreements for the providing of such services), now or hereafter constructed and/or owned or used in connection therewith including all contractual rights, rights to capacity and obligations or undertakings associated therewith.

"Water System" shall mean the complete water system now owned or hereafter owned by the City and which the City is, or shall be responsible for operating and maintaining, together with any and all acquisitions, improvements, extensions and additions thereto, hereafter constructed or acquired, together with all lands or interests therein, including plants, buildings, machinery, franchises, pipes, mains, fixtures, equipment and all property, real or personal, tangible or intangible (including agreements for the providing of such services), now or hereafter

constructed and/or owned or used in connection therewith including all contractual rights, rights to capacity and obligations or undertaking associated therewith.

The System

General. The following descriptions of the System have been excerpted from the Consulting Engineer's Report attached hereto as Appendix C. Such report should be read in its entirety for additional information regarding the System. The System consists of certain assets of the City including, but not limited to water production, treatment, storage and distribution facilities and wastewater collection and treatment facilities located within the City limits and adjacent to the City limits in unincorporated Volusia County.

Service Area. The System has a service area of approximately 147 square miles within and adjacent to the City limits. The service area was established in 2005 pursuant to Chapter 180.02, Florida Statutes. The service area consists of residential, commercial and light industrial.

Water Treatment and Supply. Deltona Utility System (Deltona Water) owns and operates 37 wells, all of which tap into a single water source, namely the Upper Florida Aquifer. The first well (Well 1) was constructed in the early 1960's and the last well (Well 39) was constructed in 2010. The wellfield is further subdivided into Water Treatment Plants ("WTP") which in many cases have multiple wells or plans for future wells at single or double well sites. The WTPs fall into three (3) general categories, as follows:

1. Single well system with treatment being chlorination only;
2. Two (2) or three (3) well systems with the treatment being chlorination only, and
3. Two (2), three (3) or four (4) well systems with ground storage tank with the treatment being aeration and chlorination.

The City's water systems are all interconnected and operate on a water demand basis. As customer demand warrants, water is pumped from ground storage tanks and/or directly into the distribution system to meet that demand and maintain system-wide water pressure. Individual wells cycle on as the water system pressure declines due to customer water demand. Since the water system is interconnected, there are no designated "lead" wells. If an individual well or wells are out of service for maintenance, the remaining operational wells maintain the systemwide pressure.

Transmission/Distribution System. The System consists of a total of approximately 450 miles of water transmission/distribution piping ranging in size from 2 to 16 inches in diameter. The transmission/distribution system interconnects the 17 active WTPs.

Significant upgrades to the distribution network have improved hydraulic connectivity throughout the system. Upsizing of distribution mains in conjunction with road widening projects has improved pressure, fire flow and water quality throughout the system.

Customers. As of December 31, 2013 the System provided potable water to approximately 31,326 customer meters ranging in size from 5/8 x 3/4 to 4 inches.

Historic Water Demands. Flows in general have increased over time to an annual average day demand of 8.41 million gallons per day ("MGD") in 2013 and a maximum daily demand ("MDD") of 22.37 MGD in 2008.

Capacity Analysis. The total system capacity for raw water production, treatment, high service pumping and storage is listed below.

Raw Water Production Capacity	= 18,680 gpm (26.9 mgd)
Permitted Treatment Capacity	= 28.99 mgd
High Service Pumping	= 26,450 gpm (38.1 mgd)
Storage Capacity	= 11 mg

In general, WTPs must address two extreme demand conditions. The first condition is the MDD, the maximum daily demand in a single day throughout a given year. The low service wells of the WTPs are evaluated based on the MDD. The second condition, peak hourly demand ("PHD"), is the maximum one-hour flow leaving a WTP in a given year. High service wells and high service pumps are evaluated based on PHD criteria. Finally, storage capacity is evaluated based on the sum of (a) 6 hours of MDD plus (b) 2 hours of required fire flow plus a (c) contingency volume equivalent to 15% of items (a) and (b).

Regulatory Analysis. Water withdrawals are regulated by the St Johns River Water Management District ("SJRWMD") Consumptive Use Permit ("CUP") #8658 which expired in 2012. The City filed a timely renewal to the permit which currently has not been approved by SJRWMD. Pursuant to Florida Statutes and recent discussions with SJRWMD, the system is operating under the conditions of the expired permit until such time as the SJRWMD takes final action on the renewal application. The application is expected to be approved by the Fall of 2013.

The pending CUP has a 20 year duration and an average day withdrawal limit of 18.31 MGD in 2030. The biggest obstacle currently facing the City, and its pending permit, is the Blue Spring minimum flow regime and its ramifications are significant as detailed in the Consulting Engineer's Report attached hereto as Appendix C. Certain funds required for project construction will be derived from revenues of the System. Such projects have been identified and will be beyond the System's five-year capital improvement program.

The Consulting Engineer reports that overall, the water quality is good, requiring minimum treatment, with no regulatory exceedences with the exception of total trihalomethanes ("TTHMs"). The current regulatory level for TTHMs is 80 micrograms per liter (ug/L). Over the three year period reviewed, 12% of samples of finished water in the distribution system have revealed samples in excess of the regulatory standard. Although these results exceed the regulatory requirement, there is currently no regulatory action against the water system. The

City's capital improvement plan includes conducting a detailed TTHM formation analysis study and performing required capital improvements to the WTPs to bring the system in compliance. The cost of the treatment facilities for the TTHM improvements is \$4.5 million and is included in the System's five-year capital improvement program.

Wastewater Services. As of December 31, 2012 the System provided wastewater service to approximately 5,440 customers. The majority of the System service area water customers have on-site septic tanks for wastewater disposal.

Wastewater Collection and Transmission System. The wastewater service area is networked with a gravity collection system consisting of a total of 60+ miles of piping. The collection system consolidates the wastewater flow into 45 lift stations (three of which are owned by entities other than the City) which convey the wastewater to the wastewater treatment plant ("WWTP"). Each lift station discharges into the force main system which consists of 24.7 miles of pipe ranging in size from 2 to 12 inches in diameter.

Wastewater Treatment. The Deltona Lakes Wastewater Treatment Plant (the "Deltona Lakes WWTP") has a permitted capacity of 1.4 MGD annual average daily flow. The current Florida Department of Environmental Protection ("FDEP") operating permit number is FLA111724-010 DWIP. The issuance and expiration dates are December 6, 2010 and December 5, 2015, respectively. The treatment facility is in compliance with all operating permit conditions. There are no outstanding administrative or consent orders.

Historic Wastewater Flows. Wastewater flows to the Deltona Lakes WWTP from January through December 2012 have been tabulated from recent Discharge Monitoring Reports, including the Monthly Average Daily Flows, 3-Month Average Daily Flow and the Annual Average Daily Flow.

The effluent quality over the last five calendar years (January 2008 through March 2012) was monitored in accordance with conditions of the operating permit. The Consulting Engineer reports that the plant consistently operates well and within permitted limits and produces effluent consistently meeting quality standards sufficient for public access reuse.

Reuse and Disposal. Two reclaimed water land application systems are permitted by the FDEP for the Deltona Lakes WWTP. System R-001 consists of a 0.90 MGD annual average daily flow ("AADF") slow-rate public access system serving a golf course with an additional 0.50 MGD in residential subdivisions. System R-001 also includes 0.050 MGD AADF of infiltration capacity supplied by the On-Site Holding/Percolation Pond. System R-002 consists of a 36.7 acre absorption field within an FPL easement providing 0.30 MGD in permitted capacity.

Utility Management. Management of the System is provided by City staff. The Utility is comprised of five (5) divisions: Administration, Customer Service and Billing, Water Plant Operations, Wastewater Plant Operations, and Water/Wastewater Field Operations. The Administration division oversees all operations of the department. Customer Service and Billing handles all invoicing and payments. The water and wastewater sections provide operation and maintenance of the City's water and wastewater facilities.

The Public Works Director/City Engineer, Gerald Chancellor, manages the System. Mr. Chancellor has a Bachelor of Science in Engineering and a Master of Science in Engineering from the University of Central Florida. He has been a registered professional engineer in the State of Florida since 1979. In 2007, Mr. Chancellor was hired as the City's Engineer providing support to both the City's Public Works Division and Deltona Water. He became the Assistant Public Works Director in 2010. Prior to coming to the City, Mr. Chancellor spent four years as the Utility Manager for the City of Casselberry and was responsible for the management of all water, wastewater and reclaimed water utilities for the City as well as the supervision and coordination of operations staff, compliance with regulatory agencies and permits. Mr. Chancellor's professional experience in utilities spans more than 35 years, as a government agency regulator, consulting engineer, and manager for both private and public utilities.

Ten Largest Users

A summary of the ten largest customers of the System for the 12-month period ended December 31, 2012 is provided below.

Customer	Total Sales	Percent of Total Revenues
FLA United Methodist Home	158,066	0.86%
Volusia County/Public Works	144,983	0.79
Holiday Retirement Site #5333 c/o Ecova - MS 1993	129,637	0.71
Deltona Health Care Assoc LLC	117,041	0.64
County of Volusia	86,996	0.47
Walmart Store East L P #01-3310	74,410	0.40
Volusia County School Board Deltona Middle School	65,507	0.36
Volusia County School Board Pine Ridge High-688106	64,390	0.35
Publix Supermarkets Inc. #1330	50,850	0.28
County of Volusia	48,497	0.26
All Others	17,442,191	94.88
Total Sales	18,382,569	100.00%

Source: City of Deltona, Florida.

RATES AND CHARGES

General

The City has established rates, fees and charges for the purpose of generating revenues for operations, debt service, renewals and upgrades, and expansion of System capacity to meet customer demands throughout its service area. The existing rates, fees and charges have been established through a series of resolutions and are not subject to approval by any other local or state agency.

Water, Wastewater and Reclaimed Water Rates

Following the results of a comprehensive rate study completed in 2008, the City adopted Resolution No. 2008-56, which provided for (i) inclining block water conservation usage rates and other rate structure modifications effective December 1, 2008, and (ii) annual water and wastewater rate adjustments of 17.25% occurring October 1 of each fiscal year starting on October 1, 2009 through October 1, 2013. The City implemented the new rate structure as well as the annual rate adjustments through October 1 of 2011.

In light of positive financial performance above projections (due in part to delays of certain capital improvement projects) and customer concerns relative to the cost of service, the City approved Resolution No. 2012-33 on October 1, 2012, which suspended the October 1, 2012 and October 1, 2013 increases pending further review and analysis of the financial requirements and rate structure of the System. The City subsequently approved Resolution No. 2012-37, which (i) granted an interim rate reduction of \$25.00 to the monthly residential base charges for wastewater service effective January 1, 2013 in response to continuing customer concerns, and (ii) directed the conduct of a rate study that would develop rate structure modifications to address concerns of affordability for low volume users while ensuring that the rates of the System would provide adequate revenue to meet all of its current and projected financial requirements. The recommendations of that study were adopted by the City via Resolution No. 2013-11 on May 6, 2013. Resolution No. 2013-11 reflects the recommended rate structure from the study effective June 1, 2013, with a subsequent adjustment to rates on November 1, 2013 to incorporate the addition of a 25% outside city surcharge as authorized by Florida Statutes as well as a 2.50% water (including potable irrigation) and wastewater (including reclaimed water) rate revenue increase. The resolution also provides for future annual water (including potable irrigation) and wastewater (including reclaimed water) rate indexing adjustments of 4.5% and 5.5%, respectively, occurring October 1 of each fiscal year starting on October 1, 2014 unless amended otherwise by the City Commission.

The schedule of rates and charges effective June 1, 2013 is included on the following pages.

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Water and Irrigation Base Facility Charge

Meter Size	Water Charge (All Classes)
5/8" X 3/4" Meter	\$ 10.03
3/4" Meter	13.64
1" Meter	20.85
1 1/2" Meter	38.87
2" Meter	60.50
3" Meter	118.18
4" Meter	183.07
6" Meter	363.32
8" Meter	579.62
10" Meter	831.97
12" Meter	1,552.97

Water Usage Charges

Residential/Multifamily (individually metered)	Rate Per 1,000 Gallons
0 - 5,000 gallons	\$1.40
5,001 - 10,000 gallons	2.81
10,001 - 20,000 gallons	4.91
20,001+ gallons	9.83

Commercial/Multifamily (master metered)	Rate per 1,000 Gallons
All Usage	\$2.69

Irrigation Usage Charges - All Classes

	Rate Per 1,000 Gallons
0 - 10,000 gallons	\$2.81
10,001 - 20,000 gallons	4.91
20,001+ gallons	9.83

Reclaimed Water Charges - All Classes

Base Facility Charge	\$2.82
Rate per 1,000 gallons	1.25

Base Facility Charge**Wastewater Charge**

Meter Size	(All Classes)
5/8" X 3/4" Meter	\$ 14.70
3/4" Meter	20.64
1" Meter	32.52
1 1/2" Meter	62.22
2" Meter	97.86
3" Meter	192.90
4" Meter	299.82
6" Meter	596.82
8" Meter	953.22
10" Meter	1,369.02
12" Meter	2,557.02

Residential Wastewater Only Rate (monthly rate)

Wastewater Only	\$92.25
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Wastewater Usage Charges**Residential/Multifamily****(individually metered)****Rate Per 1,000 Gallons**

0 - 5,000 gallons	\$12.31
5,001 - 10,000 gallons	16.00

Commercial/Multifamily**(master metered)****Rate per 1,000 Gallons**

All Usage	\$13.28
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Annual Fire Protection Charges

Line Size	Annual Charge	Monthly Rate
3/4"	\$ 206.22	\$ 17.19
1"	274.95	22.91
1 1/2"	412.43	34.37
2"	549.90	45.83
4"	1,099.81	91.65
6"	2,199.61	183.30
8"	3,711.84	309.32
10"	5,773.98	481.17
12"	9,348.34	779.03

The City requires that all new and expanded capacity connections pay impact fees to recover portions of the cost for the major water and wastewater facilities providing capacity. These fees are one-time charges that are required to be maintained in separate accounts and used solely for system expansions.

The water and wastewater impact fees per equivalent residential connection for the City for fiscal year 2012/13 are \$1,429 and \$3,376, respectively. These fees were initially adopted in Resolution No. 2008-56 and have been effective since May 2, 2009.

Miscellaneous Charges and Fees

The City has established a series of fees and charges to address cost recovery for services associated with individual events, such as meter testing, installation charges and premise visits. The schedule of specific charges and fees effective June 1, 2013 per Exhibit "B" to Resolution No. 2013-11 is included below.

Miscellaneous Service Charges	
Initial Connection Fee	\$ 40.00
Non-Payment Fee	40.00
After Hours Non-Payment Fee - payment made after 3:30 for same day reconnection	100.00
Premise Visit	30.00
Meter Reread	30.00
Violation Fee	100.00
Illegal Connection	500.00
Unauthorized Tap	500.00
Field Accuracy Test	40.00
Meter Bench Test (5/8 x 3/4")	50.00
Meter Bench Test (1")	60.00
Meter Bench Test (2")	Actual Cost
Late Payment Fee	\$4.00 +\$1.5% of unpaid balance

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Miscellaneous Service Installation Charges**Meter Installation Charges**

5/8 x 3/4"	\$152.50
1"	152.50
1½"	337.50
2"	590.00
Over 2"	Actual Cost

Water Service Installation Charges (Tap) - Residential Only

5/8 x 3/4"	\$315.00
1"	365.00
1½"	547.50
2"	831.25
Over 2"	Actual Cost

Customer Deposits**Residential/Multifamily (individually metered)**

Meter Size	Water	Sewer	Total
5/8 x 3/4"	\$ 65.00	\$ 130.00	\$ 195.00
1"	160.00	320.00	480.00
1½"	320.00	640.00	960.00
2"	525.00	1,000.00	1,525.00

Residential deposits for meter sizes exceeding 2" shall be determined on a case-by-case basis by the City

Commercial/Multifamily (master metered)

Meter Size	Water	Sewer	Total
5/8 x 3/4"	\$ 75.00	\$ 145.00	\$ 220.00
1"	170.00	345.00	515.00
1½"	375.00	720.00	1,095.00
2"	600.00	1,150.00	1,750.00
3"	1,125.00	2,160.00	3,285.00
4"	1,875.00	3,600.00	5,475.00
6"	3,750.00	7,200.00	10,950.00
8"	6,000.00	11,500.00	17,500.00
10"	10,900.00	20,800.00	31,700.00

Rate and Connection Fee Comparison

A monthly comparison of the cost of providing monthly water and wastewater service for a residential single-family customer with a 5/8 x 3/4-inch meter calculated under the City rates and rates of other neighboring utilities is provided below. The rates utilized for the utilities shown were in effect as of the billing month of October 2012 (with the exception of the City which reflects its rates as of June 1, 2013) and are exclusive of local taxes, franchise fees, surcharges for outside City service, if any, or other rate adjustments. For comparison purposes, monthly bills for all utilities were calculated on the basis of 5,000 gallons of water per month.

**Rate Comparison with Other Neighboring Utilities
Residential Service with Monthly Use of 5,000 Gallons**

Description	Water	Wastewater	Total
Deltona	\$18.28	\$78.95	\$96.14
Other Neighboring Florida Utilities:			
Daytona Beach	31.31	41.86	73.17
Titusville	22.41	45.99	68.40
Volusia County	29.19	38.23	67.42
Deland	18.98	44.23	63.21
Seminole County	16.80	40.05	56.85
Tavares	21.95	34.28	56.23
New Smyrna	16.92	38.96	55.88
Sanford	16.93	35.74	52.67
Ormond Beach	21.09	28.36	49.45
Port Orange	20.15	28.90	49.05
Orange City	21.69	26.99	48.68
Maitland	12.04	34.19	46.23
Leesburg	12.92	29.51	42.43
Other Neighboring Florida Utilities Average	\$20.18	\$35.95	\$56.13

Source: Financial Feasibility Report dated July 29, 2013.

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Additionally, a comparison of the impact fees for a typical residential single-family connection of the City and for other nearby Florida utilities as of October 1, 2012 is provided below.

**Impact Fees
Typical Single Family Classification (1 ERC)**

<u>Utility</u>	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
Deltona	\$1,429	\$3,376	\$4,805
Other Neighboring Florida Utilities:			
Deland ⁽¹⁾	2,184	3,021	5,205
Tavares	1,670	3,130	4,800
Sanford	1,343	3,025	4,368
Volusia County ⁽²⁾	1,316	2,896	4,212
Ormond Beach	2,000	1,950	3,950
Maitland	900	2,890	3,790
Titusville	1,500	2,070	3,570
Leesburg	1,006	2,379	3,385
Seminole County	1,054	2,229	3,283
Port Orange	1,555	1,540	3,095
New Smyrna	1,250	1,250	2,500
Daytona Beach	1,033	1,368	2,401
Orange City	900	930	1,830
Other Neighboring Florida Utilities Average			
	\$1,362	\$2,206	\$3,568

⁽¹⁾ Assumes 20 fixture units per equivalent residential connection.

⁽²⁾ Fee applicable for un-softened water.

Source: Financial Feasibility Report dated July 29, 2013.

HISTORICAL AND PROJECTED OPERATING RESULTS

Burton & Associates, Inc., as feasibility consultant (the "Feasibility Consultant") has provided certain information regarding the historical operating results of the System in their Financial Feasibility Report attached hereto as Appendix D which should be read in its entirety. Such historical information was based upon audited information from the City's comprehensive annual financial reports and reflects the requirements of the Resolution. The projections are based on certain assumptions and estimates and no representation is made that any of the assumptions or estimates are valid or that any of such projections will be realized. While the Feasibility Consultant believes its assumptions and estimates are reasonable, said assumptions and estimates are dependent on future events and actual conditions may differ from those assumed. To the extent that actual conditions differ from those assumed by the Feasibility Consultant, the actual operating results of the System will vary from such projections. There can be no assurance that such projections will be realized.

	Historical Operating Results				
	2007/08	2008/09	2009/10	2010/11	2011/12
Gross Revenue					
Charges for Services - Water ⁽¹⁾	8,172,325	9,108,281	8,921,006	10,021,881	10,548,127
Charges for Services - Wastewater ⁽²⁾	4,182,987	4,648,838	5,185,602	5,992,664	7,028,123
Other Miscellaneous Revenue ⁽³⁾	484,354	831,501	734,090	818,707	898,924
Interest Earnings ⁽⁴⁾	683,262	192,620	135,643	30,493	94,272
Total Gross Revenues	13,522,928	14,781,240	14,976,341	16,863,745	18,569,446
Operating Expenses ⁽⁵⁾					
Personal Services	3,065,599	3,046,606	3,011,767	3,413,640	3,564,796
Other Operating Expenses	4,218,892	4,246,045	4,010,993	4,265,488	4,059,759
Total Operating Expenses	7,284,491	7,292,651	7,022,760	7,679,128	7,624,555
Net Revenues Available for Debt Service	6,238,437	7,488,589	7,953,581	9,184,617	10,944,891
Series 2003 Bond Debt Service Requirements ⁽⁶⁾	4,542,644	4,738,360	4,894,312	5,155,062	5,400,438
Debt Service Coverage (1.10 Required)	1.37	1.58	1.63	1.78	2.03
OR					
Net Revenues Available for Debt Service	6,238,437	7,488,589	7,953,581	9,184,617	10,944,891
Impact Fees ⁽⁷⁾	88,515	208,335	261,670	242,000	245,670
Net Revenues Plus Impact Fees	6,326,952	7,696,924	8,215,251	9,426,617	11,190,561
Series 2003 Bond Debt Service Requirements	4,542,644	4,738,360	4,894,312	5,155,062	5,400,438
Debt Service Coverage (1.20 Required)	1.39	1.62	1.68	1.83	2.07
Net Available for Subordinate Debt, Capital Improvements and Other System Requirements ⁽⁸⁾	1,784,308	2,958,564	3,320,939	4,271,555	5,790,123

⁽¹⁾ Amounts shown include revenue from potable water irrigation charges for services.

⁽²⁾ Amounts shown include revenue from reclaimed water charges for services.

⁽³⁾ Amounts shown include items, such as service and meter installation charges, meter test fees, late payment fees, and other revenue associated with the application of miscellaneous fees and charges, which are considered operating revenues of the System based on generally accepted accounting principles. Amounts do not include any gain on disposal of assets or any grant receipts

⁽⁴⁾ Amounts include realized interest and investment earnings on available funds of the City. Amounts do not include earnings on impact fees and/or Project Funds.

⁽⁵⁾ Amounts shown do not include depreciation or amortization expenses which are non-cash expenses and not considered as an Operating Expense as defined in the Resolution.

⁽⁶⁾ Amounts shown reflect debt service payments as required per the Resolution that occur in each fiscal year.

⁽⁷⁾ Reflects cash contributions received from the application of impact fees as reported by the City. Amounts shown do not include property contributions of utility plant received by the City which would be considered as a contribution for financial reporting purposes.

⁽⁸⁾ Reflects amounts available for any subordinate debt payments (if applicable), funding of capital improvements, contributions to the Renewal & Replacement Fund, and the accrual of reserves for future expenditure requirements.

Source: Financial Feasibility Report dated July 29, 2013.

Projected Operating Results Debt Service Coverage

Projections of operating results and debt service coverage for fiscal years 2012/13 through 2016/17 are summarized in the table below, which reflect the considerations and assumptions discussed and provided herein.

	Projected Operating Results ⁽¹⁾				
	2012/13	2013/14	2014/15	2015/16	2016/17
Gross Revenue					
Charges for Services – Water ⁽²⁾	10,757,292	11,012,958	11,503,524	12,025,022	12,588,994
Charges for Services – Wastewater ⁽³⁾	5,887,308	5,659,632	5,992,609	6,351,769	6,746,572
Other Miscellaneous Revenue ⁽⁴⁾	780,638	792,325	804,013	815,700	839,075
Interest Earnings ⁽⁵⁾	59,225	42,482	61,325	100,438	143,174
Total Gross Revenues	17,484,462	17,507,396	18,361,470	19,292,929	20,317,816
Operating Expenses ⁽⁶⁾					
Personal Services	3,808,170	3,953,621	4,272,187	4,621,774	4,812,816
Other Operating Expenses	4,327,218	4,488,435	5,093,465	5,757,827	6,143,352
Total Operating Expenses	8,135,388	8,442,057	9,365,653	10,379,601	10,956,168
Net Revenues Available for Debt Service	9,349,074	9,065,340	8,995,818	8,913,327	9,361,648
Senior Lien Debt Service Requirements					
Series 2003 Bond Debt Service Requirements ⁽⁷⁾	5,574,663	-	-	-	-
Series 2013 Bond Debt Service Requirements ⁽⁸⁾	-	5,413,113	5,415,200	5,413,750	5,613,150
Series 2014 Bond Debt Service Requirements ⁽⁹⁾		286,303	696,413	696,413	696,413
Series 2016 Bond Debt Service Requirements ⁽¹⁰⁾	-	-	-	70,958	113,877
Total Senior Lien Debt Service Requirements	5,574,663	5,699,415	6,111,613	6,181,121	6,423,440
Debt Service Coverage (1.10 Required)	1.68	1.59	1.47	1.44	1.46
OR					
Net Revenues Available for Debt Service	9,349,074	9,065,340	8,995,818	8,913,327	9,361,648
Impact Fees ⁽¹¹⁾	213,094	272,760	338,109	409,140	511,425
Net Revenues Plus Impact Fees	9,562,168	9,338,100	9,333,926	9,322,467	9,873,073
Total Senior Lien Debt Service Requirements	5,574,663	5,699,415	6,111,613	6,181,121	6,423,440
Debt Service Coverage (1.20 Required)	1.72	1.64	1.53	1.51	1.54
Net Available for Subordinate Debt, Capital Improvements, and Other System Requirements ⁽¹²⁾	3,987,505	3,638,684	3,222,314	3,141,347	3,449,633

(1) Amounts may not add due to rounding.

(2) Amounts shown include revenue from potable water irrigation charges for services.

(3) Amounts shown include revenue from reclaimed water charges for services.

(4) Amounts shown include items, such as service and meter installation charges, meter test fees, late payment fees, and other revenue associated with the application of miscellaneous fees and charges, which are considered operating revenues of the System based on generally accepted accounting principles. Amounts do not include any gain on disposal of assets or any grant receipts.

(5) Amounts include realized interest and investment earnings on available funds of the City. Amounts do not include earnings on impact fees and/or Project Funds.

(6) Amounts shown do not include depreciation or amortization expenses which are non-cash expenses and not considered as an Operating Expense as defined in the Resolution.

(7) Amounts shown reflect estimated debt service payments on the Series 2003 Bonds as provided by City.

(8) Amounts shown reflect estimated debt service payments on the Series 2013 Bonds as provided by City's financial advisor and underwriter reflecting a delivery date of September 11, 2013, a par amount of \$77,825,000, a true interest cost of 4.50%, and a final maturity date of July 1, 2038.

(9) Amounts shown reflect estimated debt service payments on the Series 2014 Bonds as provided by City's financial advisor and underwriter reflecting a delivery date of February 3, 2014, a par amount of \$13,265,000, a true interest cost of 4.98%, and a final maturity date of July 1, 2043.

(10) Amounts shown reflect estimated debt service payments based upon a par amount of \$1,419,163, cost of issuance of 1.50%, an interest rate of 5.0%, and a term of 20 years. In the year of issuance, debt service reflects interest only payment, with level debt service thereafter.

(11) Reflects cash contributions received from the application of impact fees as reported by the City. Amounts shown do not include property contributions of utility plant received by the City which would be considered as a contribution for financial reporting purposes.

(12) Reflects amounts available for any subordinate debt payments (if applicable), funding of capital improvements, contributions to the Renewal & Replacement Fund, and the accrual of reserves for future expenditure requirements.

Source: Financial Feasibility Report dated July 29, 2013.

Capital Improvement Projections

The City's capital improvement program consists of a number of wastewater, potable water, and reclaimed water projects. The wastewater and reclaimed water projects comprise a majority of the improvements, with the largest being the construction of the Eastern WRF. Additional major projects include the following;

1. A master lift station near the intersection of Doyle Road and State Road 415. This pump station will provide wastewater service to the east side of the City and the commercial corridor along State Road 415. The four-laning of State Road 415 will be completed within approximately 18-24 months.
2. The construction of rapid infiltration basins at the City owned 122-acre site near Alexander Drive. These basins will provide wet weather disposal of reclaimed water for the Eastern WRF.
3. A reclaimed water main to be built from the Doyle Road/State Road 415 intersection to the project described above. This main will also provide reclaimed water service for irrigation to nurseries, commercial development, and schools along Doyle Road.
4. Howland Blvd. utility relocations and upgrades for the reclaimed water, wastewater, and potable water distribution systems. Howland Blvd. is scheduled to be four-laned from Courtland Blvd. to the State Road 415 intersection by Volusia County beginning in 2014. The City's utility improvements will allow reclaimed water services to be provided and facilitate development along Howland Blvd.
5. The Lake Monroe reclaimed water withdrawal project will provide additional irrigation water for the reclaimed water system and customers. It will also serve to offset potable water irrigation usage and conserve that resource for new development.

The potable water system capital improvements consist of improvements to the water distribution system and the water treatment plants. During the next two budget years, the City will be making treatment improvements at all of the plants to address the TTHM issue. See "THE SYSTEM – The System – Regulatory Analysis" above. These improvements will consist of equipment to provide a different type of disinfection process that has been proven to substantially reduce the TTHM levels in the water. The water distribution improvements are the Howland Blvd. relocations/up-sizing, Normandy Blvd. 16" water main from Ft. Smith Blvd. to Saxon Blvd., and the Doyle Road 16" water main from State Road 415 to Courtland Blvd. The City will also continue its' efforts with the West Volusia utilities to develop alternative water resources for the future.

The above summarizes the major capital improvement program for the next five years. Other expenditures for vehicles, equipment, supplies, and the like are contained in the budget, as is typical for a utility in Florida. The City is currently planning to issue approximately \$13.7 million in Utility System Revenue Bonds in February 2014 in order to finance a portion of such improvements.

Summarized in the table below are capital improvement program funding amounts for the projection period based upon the most current fiscal year 2012/13 through 2016/17 five-year capital improvement program obtained from the City.

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	Five-Year Capital Improvement Program ⁽¹⁾				
	2012/13 ⁽²⁾	2013/14	2014/15	2015/16	2016/17
Projected CIP					
Hydrogeological Services	210,000	90,000	92,520	95,040	97,650
Water CUP Renewal	70,000	24,000	-	-	-
Enterprise Road Parking Improvement	27,186	-	-	-	-
Alternative Water Supply	101,000	210,000	154,200	95,040	97,650
Magdalena WTP mg Tank	850,000	-	-	-	-
Elkcam Liftstation Upgrade	475,000	-	-	-	-
Ft Smith Utility Relocation, Sec. 2	140,000	-	-	-	-
Howland Blvd. Utility Relocation, Phase 3 ⁽²⁾	25,000	1,500,000	1,542,000	-	-
122 Acre RIB Site @ New WWTP ⁽²⁾	15,000	950,000	-	-	-
Courtland Filter System	218,732	-	-	-	-
Doyle Road Rib Site	-	540,000	-	-	-
Master Lift Station - Doyle Road	61,000	390,000	-	-	-
Doyle Road Reclaimed Main ⁽²⁾	-	3,000,000	3,084,000	-	-
Ft. Smith - Section 48	-	-	215,880	-	-
Saxon/Providence Utility Relocates	-	162,000	-	-	-
Normandy Section B Utility Relocates	113,000	420,000	-	-	-
11 th Ave. Roadway to New WWTP	2,250,000	-	-	-	-
Well Rehabs	150,000	60,000	61,680	63,360	65,100
Rehab Sewer Collection System	270,000	60,000	61,680	63,360	65,100
Lift Station Rehabs	150,000	45,000	46,260	47,520	48,825
Chemical Feed Pumps	22,892	-	15,420	15,840	16,275
Lift Station Panels	16,000	24,000	12,336	12,672	13,020
Building Improvements	10,657	-	-	-	-
Water Main Replacements	695,000	120,000	123,360	126,720	130,200
Main Electrical Panel @ Fisher Road	80,000	-	-	-	-
GST Aerators	300,000	-	-	-	-
CL2 Tanks	25,000	15,000	15,420	15,840	16,275
Auma Motor Valves	3,995	15,000	-	-	-
RAS Pumps for Clarifiers - (3 PUMPS)	30,000	18,000	-	-	-
Water Meters & Related Materials	59,000	30,000	30,840	31,680	32,550
Retirement Meters	51,000	36,000	37,008	38,016	39,060
Eastern WRF ⁽²⁾	130,000	12,000,000	12,000,000	5,000,000	-
Doyle Road (415-Courtland) 16" WM Improvements	82,000	513,000	-	-	-
Lake Monroe Reclaim Withdrawal	-	-	205,600	211,200	542,500
Reclaimed Water System Improvements	-	-	123,360	126,720	-
N. Normandy (Saxon-Deltona Blvd) 16" WM Improvements	-	-	-	63,360	423,150
WTP Treatment Improvements @ All Sites ⁽²⁾	-	2,000,000	2,570,000	-	-
Magdalena Odor Control	15,000	83,700	-	-	-
Server Blade Replacements	30,000	6,000	6,168	-	-
Infrastructure Switches, Router & Peripherals	-	6,000	3,084	3,168	3,255
Storage Upgrade Replacements	-	18,000	-	-	19,530
Plant 11 Control Panel and PLC Upgrade	-	30,000	-	-	-
Fisher WWTP Screw Press	627,029	30,000	-	-	-
Lake Monitoring Equipment Upgrade	25,000	24,000	-	-	-
RTU Cabinets & Zetron Panels	10,000	9,000	9,252	9,504	9,765
Security Cameras	23,000	19,200	12,336	12,672	13,020
Upgrades Call Center Phone System	58,372	-	-	-	-
Ford F-250 Truck	-	72,000	-	-	-
Security Features	-	51,000	-	-	-
Vehicle Replacements & Misc. Equipment	27,415	-	92,520	95,040	97,650
Relocation and Upgrade of Fisher C12 Tanks	-	45,000	-	-	-
Freightliner Sprinter Cargo Van	-	30,000	-	-	-
New/Replacement PCs	-	3,000	-	-	-
Replacement UPS's	-	3,000	-	-	-
IP Phone Refresh	-	3,000	3,084	34,848	-
Handheld Meter Reading Devices (3)	-	9,000	-	-	-
Valve Maintenance Machine-Trailer Mounted	-	33,000	-	-	-
Contract Software	-	3,000	-	-	-
Scanner	-	1,500	-	-	-
Total CIP	7,447,278	22,701,400	20,518,008	6,161,600	1,730,575

(1) Amounts may not add due to rounding.

(2) All FY 2012/13 values reflect 100% execution of amounts provided by the City. All subsequent years reflect 60% execution of amounts provided by the City, excluding projects referencing this note which are reflected at 100%.

Source: Financial Feasibility Report dated July 29, 2013.

Conclusions of the Feasibility Consultant

The Feasibility Consultant concludes based upon the principal considerations and assumptions and the results of their studies and analyses, as summarized in their report, that:

1. The System is financially well managed and the administrative staff is capable of addressing the administrative and financial needs of the System.
2. Historical operating revenues and expenses reflect favorable results for fiscal years 2007/08 through 2011/12.
3. Gross Revenue for the fiscal years 2012/13 through 2016/17 under the System's existing rates and approved annual rate adjustments, are projected to be sufficient to: (i) pay projected Operating Expenses; (ii) pay the annual Debt Service Requirements; (iii) maintain the minimum R&R Fund requirement; (iv) provide positive annual contributions to the operating reserve fund for future System needs; and (v) provide Net Revenues that exceed one hundred ten percent (110%) of the Debt Service Requirements on its Bonds in each respective fiscal year.
4. The existing and projected Gross Revenues and Operating Expenses, described in the Feasibility Report, are reasonable based on the System's historic data, anticipated changes in accounts and billed usage, and the approved rate adjustments discussed in the Feasibility Report.
5. The City's charges for monthly water and wastewater service as well as its System Development Charges are reasonable while slightly higher than those of other nearby Florida utilities.
6. Rate increases approved for fiscal years 2013/14 through 2016/17 are reasonable and are anticipated to result in charges for services that will continue to be comparable to other nearby Florida utilities.
7. Nothing has come to their attention that would adversely affect the continued operating and financial condition of the System.

CONSULTING ENGINEER'S REPORT

The City has retained the firm of Quentin L. Hampton Associates, Inc., Port Orange, Florida (the "Consulting Engineer"), to prepare an engineering description and evaluation of the assets and operation of the System, the description of the service area and growth projections for the water and sewer system. An assessment of the utility infrastructure, its capacity and condition is also included in the Consulting Engineer's Report along with a summary of major capital required to support continued growth is provided along with estimated costs. The description of the physical assets and characteristics under the heading "THE SYSTEM" herein were excerpted from the Consulting Engineer's Report which is included as Appendix C to this Official Statement. Reference is made to the complete Consulting Engineer's Report. The

summaries of the Consulting Engineer's Report in this Official Statement are qualified by the complete discussions and descriptions contained in such Report.

FINANCIAL FEASIBILITY REPORT

The City has retained Burton & Associates, Inc. (the "Feasibility Consultant"), to prepare a financial forecast for the System. The information under the headings "RATES AND CHARGES" and "HISTORICAL AND PROJECTED OPERATING RESULTS" herein were excerpted from the Financial Feasibility Report which is included as Appendix D to this Official Statement. Reference is made to the complete report of the Feasibility Consultant. The summaries of the Financial Feasibility Report in this Official Statement are qualified by the complete discussions and descriptions contained in such Report.

THE CITY

The City was incorporated on December 31, 1995, is situated in southwest Volusia County adjacent to the Cities of DeBary, Orange City, Lake Helen and DeLand. The main transportation network within the City is made up of a series of residential collectors, some of which function as minor arterials. Interstate 4 provides regional transportation access to the Daytona Beach and Orlando metropolitan areas.

The governing body of the City is a seven member City Commission consisting of a Mayor and six (6) Commissioners. The Mayor is elected City wide and the Commissioners are elected from and represent one of the six districts in the City. The term of office for the Mayor and each Commissioner is four (4) years and neither the Mayor or any Commissioner may serve more than two (2) concurrent four year terms for the same office. The designated City Charter officers are the City Manager and the City Attorney appointment of which to both positions requires a majority vote of the full Commission. Such Charter officers serve at the pleasure of the Commission. The City Manager is the Chief Administrative Officer of the City. The current Acting City Manager is Mr. Dave Denny. The City Attorney is the chief legal officer for the City and serves as chief legal advisor to the City Commission, the City Manager, and all City departments, offices, advisory boards and agents. The City Attorney is Ms. Gretchen Vose. For additional information regarding the City please refer to appendices A and B hereto.

RISK FACTORS

The future financial condition of the System could be adversely affected by, among other things, legislation, environmental and other regulatory actions, changes in demand for services, economic conditions, demographic changes and litigation. The City's water and sewer facilities are subject to regulation and control by numerous federal, state and local governmental agencies. The City cannot predict policies such agencies may adopt in the future. Further changes could result in the City having to discontinue certain operations or to make unanticipated and significant capital expenditures and could generate substantial litigation.

LITIGATION

There is not now pending or threatened any litigation restraining or enjoining the issuance or delivery of the Series 2013 Bonds or questioning or affecting the validity of the Series 2013 Bonds or the proceedings and authority under which they are to be issued. Neither the creation, organization or existence of the City, nor the title of the present City Commission members or other officials of the City to their respective offices is being contested. There is no litigation pending which in any manner questions the right of the City to issue the Series 2013 Bonds in accordance with the provisions of the Resolution and the laws of the State of Florida.

The City experiences routine litigation and claims incidental to the conduct of its affairs. The City carries substantial insurance for most of these exposures, and many pending claims are defended by and, if necessary, are anticipated to be paid by the insurance carriers less the applicable insurance deductible amounts. In any event, any such litigation is not expected to have a material adverse impact on the System.

LEGAL MATTERS

Certain legal matters incident to the validity of the Series 2013 Bonds and the issuance thereof by the City are subject to the approval of Akerman Senterfitt, Orlando, Florida, Bond Counsel, whose approving opinion in the form attached to this Official Statement as Appendix F will be available at the time of delivery of the Series 2013 Bonds. Certain legal matters will be passed upon for the City by Gretchen Vose, Esq., City Attorney, Deltona, Florida and by Greenberg Traurig, P.A., Orlando, Florida, Disclosure Counsel. Nabors, Giblin & Nickerson, P.A., Tampa, Florida, is Counsel to the Underwriters.

Bond Counsel has not been engaged to, nor has it undertaken to, review the accuracy, completeness or sufficiency of this Official Statement or any other offering material relating to the Series 2013 Bonds; provided, however, that Bond Counsel will render an opinion to the Underwriters of the Series 2013 Bonds relating to the accuracy of the statements contained herein under the heading "TAX MATTERS" and certain statements which summarize provisions of the Resolution and the Series 2013 Bonds. Neither Bond Counsel, Disclosure Counsel nor the City Attorney has been engaged to opine as to compliance with any federal or state law with regard to the sale or distribution of the Series 2013 Bonds. Regarding this Official Statement, the City Attorney will render an opinion only as to the accuracy and sufficiency of the information set forth herein regarding legal matters relating to the City.

TAX MATTERS

The Internal Revenue Code of 1986, as amended (the "Code") establishes certain requirements which must be met subsequent to the issuance and delivery of the Series 2013 Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2013 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2013 Bonds. Those requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the Series 2013 Bonds and

other amounts are to be invested and require, under certain circumstances, that certain excess investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The City has covenanted in the Resolution to comply with each such requirement.

In the opinion of Bond Counsel, assuming continuous compliance by the City with the Code and the tax covenants of the City, under existing statutes, regulations, published rulings, and judicial decisions, and subject to the conditions described below, interest on the Series 2013 Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax on corporations.

Prospective purchasers of the Series 2013 Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Series 2013 Bonds, may have additional federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations.

Bond Counsel expresses no opinion regarding any federal tax consequences other than its opinion with regard to the exclusion of interest on the Series 2013 Bonds from gross income pursuant to Section 103 of the Code and the treatment of interest for purposes of the alternative minimum tax. Prospective purchasers of the Series 2013 Bonds should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Series 2013 Bonds. Prospective purchasers of the Series 2013 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

The opinion on federal tax matters will be based on and will assume the accuracy of certain representations and certifications and compliance with certain covenants of the City to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2013 Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes.

Bond Counsel's opinions are based on existing law, which is subject to change. Moreover, Bond Counsel's opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service ("IRS") or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinions.

The IRS has established an on-going program to audit tax-exempt obligations to determine whether interest on such obligations is includible in gross income for federal income tax purposes. Bond Counsel cannot predict whether the IRS will commence an audit of the Series 2013 Bonds. Owners of the Series 2013 Bonds are advised that, if the IRS does audit the Series 2013 Bonds, under current IRS procedures, at least during the early stages of an audit, the IRS

will treat the City as the taxpayer, and the owners of the Series 2013 Bonds may have limited rights to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Series 2013 Bonds until the audit is concluded, regardless of the ultimate outcome.

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2013 Bonds. In some cases these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar in nature to the Series 2013 Bonds. From time to time, legislative proposals may be introduced which could have an effect on both the federal tax consequences resulting from the ownership of the Series 2013 Bonds and their market value. No assurance can be given that any such legislative proposals, if enacted, would not apply to, or would not have an adverse effect upon, the Series 2013 Bonds.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the Series 2013 Bonds may affect the tax status of interest on the Series 2013 Bonds.

Tax Treatment of Original Issue Discount

Under the Code, the difference between the maturity amount of the Series 2013 Bonds maturing on October 1, 20_ through and including October 1, 20_ (collectively, the "Discount Bonds"), and the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity and if applicable, interest rate, was sold is "original issue discount." Original issue discount will accrue over the term of the Discount Bonds at a constant interest rate compounded on each interest payment date. A purchaser who acquires the Discount Bonds in the initial offering at a price equal to the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he or she holds the Discount Bonds, and will increase his or her adjusted basis in the Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or disposition of the Discount Bonds. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Bondholders of the Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of the Discount Bonds and with respect to the state and local tax consequences of owning and disposing of the Discount Bonds.

Tax Treatment of Bond Premium

The difference between the principal amount of the Series 2013 Bonds maturing on October 1, 20_ through and including October 1, 20_ (collectively, the "Premium Bonds"), and

the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Premium Bonds of the same maturity and, if applicable, interest rate, was sold constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each of the Premium Bonds, which ends on the earlier of the maturity or call date for each of the Premium Bonds which minimizes the yield on such Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. Bondholders of the Premium Bonds are advised that they should consult with their own tax advisors with respect to the state and local tax consequences of owning such Premium Bonds.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

[_____], a firm of independent public accountants (the "Verification Agent") will deliver to the City, on or before the settlement date of the Series 2013 Bonds, its attestation report indicating that it has examined, in accordance with standards established by the American Institute of Certified Public Accountants, the information and assertions provided by the City and its representatives. Included in the scope of its examination will be a verification of the mathematical accuracy of (a) the mathematical computations of the adequacy of the cash and the maturing principal of and interest on, the securities in the Escrow Fund to pay, when due, the maturing principal of, interest on, redemption price and related call premium requirements of the Series 2003 Bonds; and (b) the mathematical computations supporting the conclusion of Bond Counsel that the Bonds are not "arbitrage bonds" under the Code and the regulations promulgated thereunder.

The examination performed by the Verification Agent will be solely based upon data, information and documents provided to the Verification Agent by the City and its representatives. The Verification Agent's report of its examination will state that the Verification Agent has no obligation to update such report because of events occurring, or data or information coming to their attention, subsequent to the date of the report.

UNDERWRITING

Raymond James & Associates, Inc., J.P. Morgan Securities LLC, RBC Capital Markets, LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated (collectively, the "Underwriters") have agreed, subject to certain conditions precedent to purchase the Series 2013 Bonds at a price of \$_____ (\$_____ par amount, less Underwriters' discount of \$_____ and plus/less net original issue premium/discount of \$_____). The Underwriters have furnished the information on the cover page of this Official Statement pertaining to the public offering prices of the Series 2013 Bonds. The public offering prices of the Series 2013 Bonds may be changed from time to time by the Underwriters, and the Underwriters may allow a concession

from the public offering prices to certain dealers. None of the Series 2013 Bonds will be delivered by the City to the Underwriters unless all of the Series 2013 Bonds are so delivered.

[J.P. Morgan has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of UBS Financial Services Inc. ("UBSFS") and Charles Schwab & Co., Inc. ("CS&Co.") for the retail distribution of certain securities offerings, including the Series 2013 Bonds, at the original issue prices. Pursuant to each Dealer Agreement (if applicable to the transaction regarding the Series 2013 Bonds), each of UBSFS and CS&Co. will purchase the 2013 from J.P. Morgan at the original issue price less a negotiated portion of the selling concession applicable to any 2013 Bonds that such firm sells.]

[Additional Underwriter's Disclosure]

INVESTMENT POLICY

The City by resolution has elected to invest surplus funds of the City in the following instruments and may divest itself of such investments, at prevailing market prices or rates:

- (a) The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Florida Statutes, Section 163.01.
- (b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- (c) Savings accounts in state-certified qualified public depositories, as defined in Florida Statutes, Section 280.02.
- (d) Certificates of deposit in state-certified qualified public depositories, as defined in Florida Statutes, Section 280.02.
- (e) Direct obligations of the U.S. Treasury.
- (f) Federal agencies and instrumentalities.

The securities listed in paragraphs (c), (d), (e) and (f) shall be invested to match investment maturities with known cash needs and anticipated cash-flow requirements. The City may modify its investment policy from time to time. Amounts held under the Resolution may be invested only in Authorized Investments.

RATINGS

Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") and Fitch Ratings ("Fitch") are expected to assign ratings of "___" and "___", respectively, to the Series 2013 Bonds. Such ratings reflect only the views of such organizations and any desired

explanation of the significance of such ratings should be obtained from the rating agency furnishing the same.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2013 Bonds.

FINANCIAL STATEMENTS

The City's general purpose financial statements for its Fiscal Year ended September 30, 2012 appearing in APPENDIX B hereto have been audited by Purvis, Gray and Company, Gainesville, Florida, (the "Independent Auditor") as stated in their report included as part of APPENDIX B hereto. Such financial statements are being included herein as a publicly available document and consent of the auditors to their inclusion was not obtained.

CONTINUING DISCLOSURE

For the benefit of the Series 2013 Bondholders, the City has agreed to execute a Continuing Disclosure Agreement, a form of which is attached hereto as APPENDIX G, concurrently with the issuance of the Series 2013 Bonds. Under the Continuing Disclosure Agreement, the City, as an "obligated party" under Rule 15c2 12(b)(5) of the Securities Exchange Act of 1934 (the "Rule") and, initially, the sole obligated party under the Continuing Disclosure Agreement, will provide certain financial information and operating data (the "Annual Information") relating to the City and notices of the occurrence of certain enumerated events with respect to the Series 2013 Bonds.

The Annual Information will be filed by or on behalf of the City with the Municipal Securities Rulemaking Board (the "MSRB") via its Electronic Municipal Market Access System ("EMMA"), or with such other repository as designated from time to time by the SEC. See "FORM OF CONTINUING DISCLOSURE AGREEMENT" attached hereto as APPENDIX G. The nature of the information to be provided in the Annual Information and the notices of such enumerated events is set forth in "FORM OF CONTINUING DISCLOSURE AGREEMENT" attached hereto as APPENDIX G. The Continuing Disclosure Agreement further provides that a default under the Continuing Disclosure Agreement shall not constitute an Event of Default under the Resolution.

The City has previously entered into continuing disclosure undertakings with respect to the Series 2003 Bonds and its Transportation Capital Improvement Revenue Bonds, Series 2006 (the "Transportation Bonds"). While the City has annually filed a copy of its Comprehensive Annual Financial Report as required by the applicable continuing disclosure undertakings, it may not have, in all cases, provided all of the required operating and financial information on a timely basis. Specifically, with respect to the previous five years: (a) certain operating and financial information with respect to the Series 2003 Bonds which was due on March 31, 2009 was filed

on April 24, 2009; (b) certain operating and financial information with respect to the Transportation Bonds which was due on March 31, 2009 was filed with subsequent Annual Information filings; (c) certain operating and financial information with respect to the Transportation Bonds which was due on March 31, 2010 was filed on April 8, 2010; and (d) the City did not file a separate notice of S&P's February 18, 2009 downgrade of National Public Finance Guarantee Corporation from "AA" to "AA-" which resulted in a corresponding downgrade in the insured rating of the Series 2003 Bonds.

The City has contracted with Digital Assurance Certification LLC ("DAC") to be a supplemental source of information for the City's bond issuances. Such services may be discontinued at any time. Information regarding this debt issuance may be found at the DAC internet site, www.dacbond.com.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Pursuant to Section 517.051, Florida Statutes, no person may directly or indirectly offer or sell securities of the City except by an offering circular containing full and fair disclosure of all defaults as to principal or interest on its obligations since December 31, 1975, as provided by rule of the Florida Department of Financial Services (the "Department"). Pursuant to its administrative rules, the Department has required the disclosure of the amounts and types of defaults, any legal proceedings resulting from such defaults, whether a trustee or receiver has been appointed over the assets of the City, and certain additional financial information, unless the City believes in good faith that such information would not be considered material by a reasonable investor. The City is not and has not been in default on any bond issued since December 31, 1975 which would be considered material by a reasonable investor in the Series 2013 Bonds.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Series 2013 Bonds upon an event of default under the Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies specified by the federal bankruptcy code, the Resolution and the Series 2013 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2013 Bonds (including Bond Counsel's approving opinion) will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery.

FORWARD-LOOKING STATEMENTS

This Official Statement contains certain "forward-looking statements" concerning the City's and the System's operations, performance and financial condition, including future economic performance, plans and objectives and the likelihood of success in developing and expanding. These statements are based upon a number of assumptions and estimates which are

subject to significant uncertainties, many of which are beyond the control of the City. The words "may," "would," "could," "will," "expect," "anticipate," "believe," "intend," "plan," "estimate" and similar expressions are meant to identify these forward-looking statements. Actual results may differ materially from those expressed or implied by these forward-looking statements.

CONTINGENT FEES

The City has retained Bond Counsel, the Underwriters, the Feasibility Consultant and Disclosure Counsel with respect to authorization, sale, execution and delivery of the Series 2013 Bonds and matters associated with the acquisition of the System. Payment of certain of the fees of such professionals is contingent upon issuance of the Series 2013 Bonds.

MISCELLANEOUS

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The information contained above is neither guaranteed as to accuracy or completeness nor to be construed as a representation by the City. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder is to create, under any circumstances, any implication that there has been no change in the affairs of the City from the date hereof.

This Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, as a whole or in part, for any other purpose. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or the Holders of any of the Series 2013 Bonds.

CERTIFICATE AS TO OFFICIAL STATEMENT

The execution and delivery of this Official Statement has been duly authorized by the City Commission of the City. At the time of delivery of the Series 2013 Bonds to the Underwriters, the City will provide to the Underwriters a certificate (which may be included in a consolidated closing certificate of the City), relating to the accuracy and completeness of certain materials in this Official Statement and to its being a final official statement for the purposes of SEC Rule 15c2-12(b)(3).

CITY OF DELTONA, FLORIDA

By: _____

Mayor

By: _____
City Manager

APPENDIX A

General Information Concerning the City

**GENERAL INFORMATION
REGARDING
CITY OF DELTONA, FLORIDA**

The following information concerning the City of Deltona, Florida (the "City") has been derived from the statistical section of the City's Comprehensive Annual Financial Report for its fiscal year ended September 30, 2012, and is included only for purposes of supplying general information regarding the City. For additional information concerning the City see "THE CITY" in the body of the Official Statement.

**CITY OF DELTONA, FLORIDA
Property Tax Levies and Collections
Last Ten Years**

Fiscal Year	Total Tax Levy	Total Tax Collections	Tax Collections as a Percentage of Tax Levy
2003	\$6,845,840	\$6,626,383	96.8%
2004	7,609,418	7,334,228	96.4
2005	8,694,704	8,394,332	96.5
2006	10,230,420	9,878,462	96.6
2007	13,216,062	12,782,897	96.7
2008	12,489,846	12,106,007	96.9
2009	12,779,905	12,346,188	96.6
2010	12,990,671	12,568,945	96.8
2011	12,171,823	11,673,441	95.9
2012	12,205,320	11,856,684	97.1

CITY OF DELTONA, FLORIDA
Property Tax Rates – Direct and Overlapping Governments
Last Ten Fiscal Years
(Per \$1,000 of Assessed Taxable Value)

* Direct Rate		** Overlapping Rates					
Fiscal Year	City of Deltona	County of Volusia	Volusia County School Board	St. Johns River Water Management District	Florida Inland Navigation District	West Volusia Hospital Authority	Total
2003	4.19800	6.60400	8.89900	0.46200	0.03850	1.59680	21.79830
2004	4.19800	6.60400	8.89900	0.46200	0.03850	1.80000	21.80150
2005	4.15000	6.60400	8.51700	0.46200	0.03850	1.80000	21.57150
2006	4.01451	6.29400	8.25900	0.46200	0.03850	1.55000	20.61801
2007	3.28370	5.13330	7.68500	0.46200	0.03850	1.26190	17.86440
2008	4.15329	5.40373	7.45900	0.41580	0.03450	1.46724	18.933356
2009	5.43755	6.37434	7.80500	0.41580	0.03450	1.74500	21.81219
2010	6.37760	6.30250	8.23700	0.41580	0.03450	2.08180	23.44920
2011	8.29950	6.77910	8.06300	0.33130	0.03450	2.38490	25.89230
2012	7.99000	6.88090	7.88800	0.33130	0.03450	2.46660	25.59130

* The City has no G.O. debt, therefore the direct rate has no components.

** The overlapping rate represents agencies which have taxing authority within the area. These rates plus the City direct rate is the total mileage rate attributable to property within the City.

CITY OF DELTONA, FLORIDA
Principal Taxpayers
Fiscal Year Ended September 30, 2012

Taxpayer Name	Taxable Assessed Value (in 1,000's)	Percent of Total Assessed Taxes
Florida Power Corporation	\$23,519	1.6%
Florida Power & Light Company	16,739	1.1
Wal-Mart Stores East LP	13,043	0.9
Publix Super Markets, Inc.	9,443	0.6
Lowe's Home Centers, Inc.	9,141	0.6
Bright House Networks, LLC	8,238	0.6
D O T Properties N V	6,941	0.5
EPIC Properties	6,233	0.4
Deltona Partners, LLC	5,853	0.4
Bellsouth Telecommunications, Inc.	5,302	0.4

Source: County of Volusia Property Appraiser.

CITY OF DELTONA, FLORIDA
Computation of Direct and Overlapping Debt
September 30, 2002

<u>Taxing Authority</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to City of Deltona</u>	<u>Amount Applicable to City of Deltona</u>
City of Deltona	\$20,486,310	100.00%	\$20,486,310
County of Volusia ⁽¹⁾	25,430,000	6.22	1,581,746
Volusia County School Board ⁽²⁾	-	0.00	-
Total Direct and Overlapping Debt	<u><u>\$45,916,310</u></u>		<u><u>\$22,068,056</u></u>

⁽¹⁾ Source: County of Volusia Finance Dept.

⁽²⁾ Source: Volusia County School Board

CITY OF DELTONA, FLORIDA
Demographic Statistics
Since Incorporated

Fiscal Year	Population ⁽¹⁾	Unemployment Rate ⁽²⁾
2002	71,599	5.4%
2003	76,332	5.1
2004	80,052	4.8
2005	82,973	2.9
2006	85,484	3.0
2007	86,540	3.1
2008	85,921	4.2
2009	84,264	10.5
2010	84,385	11.5
2011	85,182	10.5
2012	85,281	8.7

Sources: ⁽¹⁾ Office of Economics and Demographic Research.

⁽²⁾ U.S. Department of Labor, Bureau of Labor Statistics.

ORL 093202.010600 298580174.4



AGENDA MEMO

TO: Mayor & City Commission **AGENDA DATE:** 8/19/2013

FROM: William D. Denny, Acting City Manager **AGENDA ITEM:** 10 - B

SUBJECT: Request for approval of budget amendment and award of bid for removing and replacing the batting cage roof at Dewey O. Boster Sports Complex .

LOCATION:

Dewey O. Boster Sports Complex 1200 Saxon Blvd.

BACKGROUND:

Staff has requested bids for removal and replacement of the Batting Cage Roof at Dewey O. Boster Sports Complex. The roof was originally installed by the West Volusia Youth Baseball Organization during 1992/1993 time frame and ownership was transferred to the City when incorporation occurred. The roof is in dire need of replacement and the City's liability risk exposure if anyone from West Volusia Youth Baseball were to become injured by a piece of roof debris falling to the ground while utilizing the batting cages for batting practice is significant. Additionally, a Budget Amendment is necessary in the amount of \$ 10,000.00 and is being requested to cover the removal and replacement.

Three bids were received as follows:

Empire Roofing Services, LLC. -\$ 9,500.00

B & D Roofing- \$ 9,500.00

Adcock Roofing- \$ 9,890.00

All of the Roofing Companies were contacted and two of the three Companies agreed to keep their quotes as previously submitted.

Staff has reviewed the bids and is recommending award of the bid to Empire Roofing Services, LLC., Deltona, Florida

ORIGINATING DEPARTMENT:

Parks Recreation

SOURCE OF FUNDS:

General Fund \$3,000, Park Projects Fund Balance \$7,000

COST:	\$10,000.00
REVIEWED BY:	Parks and Recreation Director, Finance Director, City Attorney
STAFF RECOMMENDATION PRESENTED BY:	Steve Moore, Parks and Recreation Director - Recommendation is being to Award the Bid for removing and replacing the batting cage roof at Dewey O. Boster to Empire Roofing Services, LLC. and approve the budget amendment in the amount of \$10,000.00 to replace the roof at the batting cages at the Dewey O. Boster Sports Complex
POTENTIAL MOTION:	"I move to approve Award of the bid for removing and replacing the batting cage roof at Dewey O. Boster to Empire Roofing Services, LLC at a total cost of \$9,500.00 and to approve budget amendment in the amount of \$10,000.00 to pay for the replacement of the batting cages roof at the Dewey O. Boster Sports Complex."
AGENDA ITEM APPROVED BY:	<hr/> William D. Denny, Acting City Manager
ATTACHMENTS:	<ul style="list-style-type: none"> • Empire Roofing Services, LLC • B & D Roofing • Adcock Roofing • Budget Amendment Fund 302 • Budget Amendment Fund 001

Office (386) 734-6663
Fax (386) 738-7445
www.BnDRoofing.com

1955 S. Spring Garden Ave.
DeLand, FL 32720
Lic. # CCC1328290



To City of Deltona (bathing cage) Phone 878-8902 Date 10-19-12
Street 1200 Saxon Blvd. City/Zip Deltona

SHINGLE ROOF PROPOSAL

1. Remove existing shingle roof to expose bare decking.
2. Remove and replace any rotten decking. Cost \$ Included in total
3. Re-nail existing decking to comply with hurricane mitigation code.
4. Furnish and install 15# felt paper to bare decking.
5. Remove and replace 250 lineal feet of drip edge: Color white
6. Remove and replace all lead soils stack flashings.
7. Remove and replace all kitchen and bathroom vents.
8. Furnish and install 30 year factory guarantee, fungus resistant Architectural shingles.
certainteed 130mph
9. Six nails per shingle.
10. Furnish and install 0 lineal feet of aluminum ridge vents.
11. Furnish and install 0 4' off ridge vents. remove all vents
12. Seal all roof edges and penetrations.
13. Valley underlayment to comply with hurricane mitigations code.
14. Remove all roof related debris from the premises. Magnetic sweep yard.
15. All workmanship guaranteed for 5 years.

10:43
8/113
9:15 8/213
2:36 PM

Remove & replace fascia with PT.

Total for above mentioned work\$ _____
Please note #2 rotten work cost\$ _____
Grand Total DUE UPON COMPLETION\$ 9500.00

An interest charge of 1 1/2% per month will be charged on any unpaid balance. On project start date, please remove vehicles from driveway and garage before 7:30 a.m. Also secure or remove any items on walls that may fall due to vibration during the roofing process and remove anything around the exterior of the home that is breakable (i.e. ornaments, birdbaths, feeders, hanging plants, etc). We will not be responsible for these items. Homeowner shall also be responsible for the removal, reinstallation or adjustments to components attached to the roof that must be removed during the roof process (i.e. solar panels, satellites, etc.).

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders and will become an extra charge over and above the estimate. Not responsible for damage to driveway due to equipment set up. All agreements contingent upon strikes, accidents or delays beyond our control. Our workers are full covered by Workers' Compensation Insurance. In the event of collection, purchaser agrees to pay any legal, court or other costs incurred by contractor. All appeals shall be paid by customer whether any legal action is taken or not. Venue shall be in Volusia County.

Authorized Signature Bill Allen
Acceptance of Proposal - The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment to made as outlined above.
NOTE: This proposal may be withdrawn if not accepted within 10 days.
Date of Acceptance 10/19/12
Signature [Signature]

ADCOCK ROOFING
800 French Ave. Sanford, FL 32771
(407) 322-9558 * (407) 330-9333 (Fax)
adcockroofing1@bellsouth.net
www.adcockroofing.com

10:45 8/5/13

October 19, 2012

ESTIMATE

Name: Steve Moore	Phone: (386) 878-8902
Address: 1200 Saxon Blvd.	Mobile: (407)
City: Deltona, FL 32725	Fax: (407)

email: smoore@deltonafl.gov

SCOPE OF WORK: Complete Re-Roof

1. Remove old roof on batting cages, only down to wood decking.
2. Re-nail decking as per new building code.
3. Fill all off ridge vent holes with proper decking.
4. Replace all wood fascias on entire perimeter with pressure treated wood.
5. Cove new point pressure treated fascia with white aluminum fascia.
6. Dry in with new 15# felt.
7. Install new white drip edge, 2 ½ face.
8. Install new CertainTeed Landmark Lifetime Shingles.
9. Clean up & haul away debris.
10. Secure all permits.
11. Inspections included.

Labor & Material: \$9890.00**Extra: Any bad wood - \$60.00 per sheet of plywood; \$3.00 per ft. for 2 x 4**

Warranty: 5 Years on Workmanship

Andy Adcock, Owner



City of Deltona
Budget Amendment
 Fiscal Year 2012-2013

Amendment #: 2013-62 Date: August 19, 2013
 Fund: 302-Park Projects Fund Agenda Item: _____

		<u>Increase</u>	<u>Decrease</u>
Account #: 302652 650100 03004	Amount:	10,000	
Description: GENERAL-SPORTS COMPLEX			
Account #: 302 381001	Amount:	3,000	
Description: OPERATING TRSFR IN - GEN FUND			
Account #:	Amount:		
Description: _____			
Account #:	Amount:		
Description: _____			
Account #:	Amount:		
Description: _____			
Account #:	Amount:		
Description: _____			
Account #:	Amount:		
Description: _____			
Account #:	Amount:		
Description: _____			

Description: This amendment results in a net decrease in
 Budgetary Fund Balance of \$7,000.

Reason: **Transfer of funds from General Fund, to cover the cost of roof repairs on the batting cages at Dewey Boster Park.**

ATTEST:

 Joyce Raftery, City Clerk

 John C. Masiarczyk, Sr., Mayor

City of Deltona
Budget Amendment
 Fiscal Year 2012-2013

Amendment #: 2013-63 Date: August 19, 2013
 Fund: 001-General Fund Agenda Item: _____

		<u>Increase</u>	<u>Decrease</u>
Account #: 001190 910302	Amount:	3,000	
Description: <u>OPERATING TRFR OUT TO PARK PRO</u>			
Account #:	Amount:		
Description: _____			
Account #:	Amount:		
Description: _____			
Account #:	Amount:		
Description: _____			
Account #:	Amount:		
Description: _____			
Account #:	Amount:		
Description: _____			
Account #:	Amount:		
Description: _____			
Account #:	Amount:		
Description: _____			

Description: This amendment results in a net decrease in
 Budgetary Fund Balance of \$3,000.00

Reason: **Transfer of funds to Park Projects Fund, to cover the cost of roof repairs on the batting cages at Dewey Boster Park.**

ATTEST:

 Joyce Raftery, City Clerk

 John C. Masiarczyk, Sr., Mayor