

BONDS
2015 – WELLS FARGO
REFUNDING LOAN
WATER & SEWER

(COPY)



Akerman LLP
50 North Laura Street
Suite 3100
Jacksonville, FL 32202-3646
Tel: 904.798.3700
Fax: 904.798.3730

April 17, 2015

VIA U.S. MAIL

City of Deerfield Beach, Florida
c/o Hugh B. Dunkley
150 N.E. Second Avenue
Deerfield Beach, FL 33441


Re: \$8,580,000 City of Deerfield Beach, Florida Revenue Note

Dear Mr. Dunkley:

Enclosed herein, please find one original hard copy and one CD containing the transcript of closing documents in connection with the above referenced issue.

If you have any questions concerning the enclosed, please do not hesitate to contact me.

Sincerely yours,


Jessica Gibson
Legal Administrative Assistant

/jdg
Enclosure



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Sincerely yours,

A handwritten signature in black ink that reads "Jessica Gibson". The signature is fluid and cursive, with the first name "Jessica" and last name "Gibson" clearly legible.

Jessica Gibson
Legal Administrative Assistant

/jdg
Enclosure

\$8,580,000
CITY OF DEERFIELD BEACH, FLORIDA
Revenue Note
Dated April 9, 2015

CLOSING DOCUMENTS LIST

AUTHORIZING INSTRUMENTS

1. Ordinance 2015/009 enacted by the City Commission of the City on April 7, 2015, authorizing the Loan
2. Resolution No. 080, adopted April 7, 2015, awarding the Loan

LOAN AGREEMENT AND NOTE

3. Loan Agreement
4. Specimen Note

CLOSING CERTIFICATES

5. Officers' Certificate
6. Certificate as to Public Meetings
7. Tax Certificate
8. Certificate of the Lender

OPINION LETTERS

9. Opinion of City Attorney
10. Approving Opinion of Akerman LLP

MISCELLANEOUS

11. (a) IRS Form 8038-G--Information Return
(b) Transmittal Letter to IRS
12. (a) Division of Bond Finance Form BF 2003/2004 (printout)
(b) Notice of Advance Sale (printout)
13. Closing Transaction Memorandum
14. Lender Disclosure/Truth in Bonding

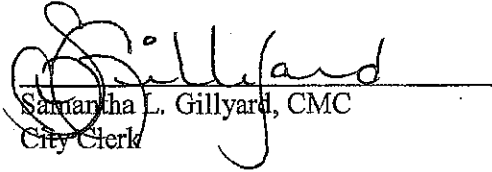
1

CERTIFICATE

I, City Clerk of the City of Deerfield Beach, Florida and keeper of the official records of the City of Deerfield Beach, Florida, do hereby certify that attached hereto are true and correct copies of.

1. Ordinance 2015/009 enacted by the City Commission of the City on April 7, 2015
2. Resolution No. 2015/080, adopted April 7, 2015, authorizing and awarding the Loan. Such ordinance and resolution have not been amended or repealed.

IN WITNESS WHEREOF, I have hereunto set my hand as of April 9, 2015.


Samantha L. Gillyard, CMC
City Clerk

ORDINANCE NO. 2015/009

AN ORDINANCE OF THE CITY OF DEERFIELD BEACH, FLORIDA, AUTHORIZING THE NEGOTIATION OF A LOAN IN AN AGGREGATE AMOUNT NOT TO EXCEED \$8,700,000; APPROVING THE REFINANCING OF STATE REVOLVING FUND LOAN DW0606010; APPROVING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT; AUTHORIZING AWARD OF THE NEW LOAN AND THE DETERMINATION OF THE DETAILS THEREOF BY SUBSEQUENT RESOLUTION OF THE CITY COMMISSION; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION WITH THE MAKING OF SUCH LOAN; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of Deerfield Beach, Florida (the "City"), is a municipal corporation duly created and existing pursuant to the Constitution and laws of the State of Florida (the "State"); and

WHEREAS, the City has previously incurred a loan from the State of Florida Department of Environmental Protections State Revolving Fund program, referred to as loan number DW0606010 (the "SRF Loan") to fund improvements to the City's water and wastewater system (the "System"); and

WHEREAS, it is determined that it is necessary and in the best interest of the City, its residents and the customers of the System to provide for the refunding of the SRF Loan in that the refunding program herein described will provide savings in debt service; and

WHEREAS, it is determined to be in the best interest of the City to borrow funds to re-finance the SRF Loan (the "Loan").

WHEREAS, the City has requested proposals from banks and other financial institutions and it is in the best interests of the City that the Commission determine by subsequent resolution (the "Award Resolution") which proposal shall be accepted and by such resolution award the Loan to the successful proposer and establish the specific terms thereof.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE
CITY OF DEERFIELD BEACH, FLORIDA:

SECTION 1. AUTHORITY. This Ordinance is enacted pursuant to Chapter 166, Florida Statutes, and other applicable provisions of law.

SECTION 2. LOAN; REFUNDING. The Loan and the re-financing of the SRF Loan are hereby authorized and approved.

SECTION 3. NEGOTIATED LOAN. Pursuant to Section 218.385, Florida Statutes, as amended, the City hereby approves a negotiated sale of the Loan based upon the following findings as to the reasons requiring such negotiated sale:

(i) The City has been advised by Dunlap & Associates, Financial Advisor to the City (hereinafter called the "Financial Advisor"), that, in order to obtain the best interest rates and prices in the current municipal bond market due to market conditions and the short term and limited size of the Loan and to avoid the cost of obtaining a debt rating from a rating agency, planning of the structure and the timing of Loan and review of the credit of the System by the Financial Advisor and by the potential purchasers is necessary.

(ii) The City has been further advised by its Financial Advisor that it would have been impracticable for the Financial Advisor and the potential purchasers to engage in such planning and review within the time constraints and other uncertainties inherent in the competitive bidding process, and the Financial Advisor has advised the City that, to the best of its knowledge and belief, similar loans issues in the municipal bond market are usually negotiated.

(iii) For the foregoing reasons, it is found and determined that it is necessary and desirable and in the best interests of the City to sell the Loan in a negotiated sale.

SECTION 4. LOAN AMOUNT; OTHER PROVISIONS. The aggregate amount of the Loan shall not exceed \$8,700,000. The Loan shall bear interest and shall be repayable according to the terms and conditions approved by the Award Resolution, which shall be set forth in the Loan Agreement authorized pursuant to Section 5 hereof with such changes, insertions and omissions as may be approved by the Mayor or Vice Mayor incorporating the terms of the accepted proposal, provided that the Loan shall provide to the City not less than three percent net present value savings.

SECTION 5. APPROVAL OF LOAN AGREEMENT. The Mayor or Vice Mayor and the City Clerk, or any other appropriate officers of the City are hereby authorized and directed to execute and deliver the Loan Agreement to evidence the Loan, to be entered into by and between the City and the successful proposer, in substantially the form attached as Exhibit A with such changes, insertions and omissions as may be approved by the Mayor or the Vice Mayor, the execution thereof being conclusive evidence of such approval.

SECTION 6. OTHER INSTRUMENTS. The Mayor, the Vice Mayor, the City Manager, the City Attorney, the Finance Director, the City Clerk or any other appropriate officers of the City are authorized and directed to execute any and all certifications or other instruments or documents required by this Ordinance, the Loan Agreement, the accepted proposal or any other document required as a prerequisite or precondition to making the Loan (including but not limited to the execution of all tax documents relating to the tax exempt status of the Loan), and any such representations and agreements made therein shall be

deemed to be made on behalf of the City. All action taken to date by the officers of the City in furtherance of the making of the Loan is hereby approved, confirmed and ratified.

SECTION 7. ADDITIONAL INFORMATION. The Loan Agreement shall not be executed and delivered unless and until the City and the Council have received all information required by Section 218.385, Florida Statutes.

SECTION 8. EFFECTIVE DATE. This Ordinance shall take effect immediately upon its enactment.

PASSED 1ST READING ON THIS 17TH DAY OF MARCH, 2015.

PASSED 2ND READING ON THIS 7TH DAY OF APRIL, 2015.

CITY COMMISSION OF THE CITY OF
DEERFIELD BEACH, FLORIDA

By: Jean M. Robb
Jean M. Robb, Mayor

ATTEST:

By: S. Gillyard
Samantha Gillyard, CMC, City Clerk

STATE OF FLORIDA
COUNTY OF BROWARD
CITY OF DEERFIELD BEACH

I HEREBY CERTIFY
that the above and foregoing is a
true and correct copy of

Ordinance 2015/009

as recorded in my office.
WITNESS my hand and official seal of the
City of Deerfield Beach, Florida, this

9th day of April, A.D. 20 15

By: S. Gillyard
Samantha Gillyard, CMC, City Clerk



2

RESOLUTION NO. 2015/080

**A RESOLUTION OF THE CITY OF DEERFIELD BEACH, FLORIDA,
ACCEPTING A PROPOSAL FROM WELLS FARGO BANK, N.A. FOR A
LOAN IN AN AGGREGATE AMOUNT NOT TO EXCEED \$8,580,000;
DETERMINING THE DETAILS OF SUCH LOAN; AND PROVIDING AN
EFFECTIVE DATE**

WHEREAS, the City of Deerfield Beach, Florida (the "City"), a municipal corporation duly created and existing pursuant to the Constitution and laws of the State of Florida, has by Ordinance No. 2015/009 enacted by the City Commission at its meeting on April 7, 2015 (the "Ordinance"), authorized the incurrence of a loan (the "Loan") for the purpose of refinancing a portion of the City's loans from the State of Florida Department of Environmental Protections State Revolving Fund program (the "SRF Loans") in order to achieve debt service savings; and

WHEREAS, the City, pursuant to a competitive solicitation (RFP), has received a proposal from Wells Fargo Bank, National Association (Wells Fargo) to provide such loan and it is necessary and in the best interest of the City, its residents and the customers of the System that the City accept the best such proposal and approve the terms of the refinancing loan; and

WHEREAS, the proposal from Wells Fargo is deemed to be responsive to the RFP and Wells Fargo is a responsible proposer;

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE
CITY OF DEERFIELD BEACH, FLORIDA:**

SECTION 1. AUTHORITY. This Resolution is enacted pursuant to Chapter 166, Florida Statutes, Ordinance No 2015/009, and other applicable provisions of law.

SECTION 2. AWARD OF LOAN; APPROVAL OF TERMS. The attached proposal from WELLS FARGO BANK N.A. is hereby accepted. The Loan shall be in the aggregate principal amount of NOT TO EXCEED \$8,580,000 shall bear interest at the rate of 1.63 percent

per annum (1.63%), subject to adjustment, and shall have the other terms and conditions as set forth in the Proposal. The terms and conditions of such proposal shall be incorporated into the form of the Loan Agreement attached to the Ordinance.

SECTION 3. EFFECTIVE DATE. This Resolution shall take effect immediately upon its enactment.

ADOPTED THIS 7TH DAY OF APRIL, 2015.

CITY COMMISSION OF THE CITY OF
DEERFIELD BEACH, FLORIDA

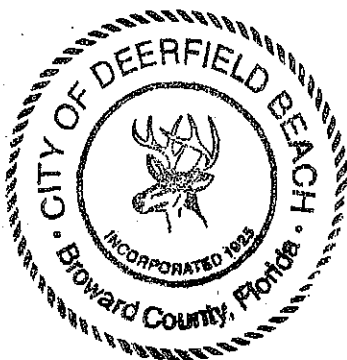
By: Jean M. Robb
Title: Jean M. Robb, Mayor

(SEAL)

ATTEST:

By: S. Gillyard
Title: Samantha Gillyard, CMC, City Clerk

4-3-15



STATE OF FLORIDA
COUNTY OF BROWARD
CITY OF DEERFIELD BEACH

I HEREBY CERTIFY

that the above and foregoing is a
true and correct copy of

Resolution 2015/080

as recorded in my office.

WITNESS my hand and official seal of the
City of Deerfield Beach, Florida, this

9th day of April A.D. 2015

By: S. Gillyard
Samantha Gillyard, CMC, City Clerk

EXHIBIT A

PROPOSAL

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LOAN AGREEMENT

By and Between

THE CITY OF DEERFIELD BEACH, FLORIDA

and

WELLS FARGO MUNICIPAL CAPITAL STRATEGIES, LLC

Dated as of April 9, 2015

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LOAN AGREEMENT

This Loan Agreement (the "Loan Agreement" or the "Agreement") dated as of April 9, 2015 and entered into between among WELLS FARGO MUNICIPAL CAPITAL STRATEGIES, LLC, a Delaware limited liability company and its assigns (the "Lender") and the CITY OF DEERFIELD BEACH, FLORIDA, a duly constituted municipality under the laws of the State of Florida (the "Borrower").

WITNESSETH:

WHEREAS, pursuant to the authority of the hereinafter defined Act, the Borrower desires to borrow from the Lender and the Lender desires to loan to the Borrower (such borrowing, the "Loan") the amount necessary to enable the Borrower to refinance certain outstanding State Revolving Fund loans, as hereinafter described, subject to the terms and conditions of and for the purposes set forth in this Agreement; and

WHEREAS, the Borrower is authorized under and pursuant to the Act, as amended, to enter into this Loan Agreement for the purposes set forth herein; and

WHEREAS, the Borrower has previously entered into a loan in the original principal amount of \$17,028,785.98 (the "2008 Loan") pursuant to a Loan Agreement by and among the City of Deerfield Beach, Florida, the Florida Municipal Loan Council and Banc of America Public Capital Corporation (the "2008 Loan Agreement"), which loan is secured by a pledge of and lien on the Pledged Revenues, as defined therein, consisting primarily of the net revenues derived by the Borrower from the operations of its water and wastewater system (the "System", as herein defined); and

WHEREAS, the 2008 Loan Agreement requires that the Borrower create certain funds and accounts for application of the revenues of the System and permits the issuance of additional debt secured on a parity with the 2008 Loan from the Pledged Revenues and from the amounts on deposit in such funds and accounts; and

WHEREAS, the Loan will be additional debt payable from and secured by the Pledged Revenues on a parity with the 2008 Loan; and

WHEREAS, neither the Borrower nor the State or any political subdivision thereof, shall in any way be obligated to pay the principal of, premium, if any, or interest on the Loan or the Note (hereinafter defined) as the same shall become due, and the issuance of the Note by the Borrower shall not directly, indirectly or contingently obligate the Borrower, the State or any political subdivision or municipal corporation thereof to levy or pledge any form of ad valorem taxation for their payment, except that the Loan and the Note shall be payable by the Borrower solely from the funds and revenues pledged under and pursuant to this Agreement; and

NOW, THEREFORE, for and in consideration of the premises hereinafter contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS Unless the context or use indicates another meaning or intent, the following words and terms as used in this Loan Agreement shall have the following meanings, and any other hereinafter defined, shall have the meanings as therein defined.

“Accountant” shall mean the independent certified public accountant or firm of certified public accountants at the time employed by the Borrower under the provisions of this Loan Agreement to perform and carry out the duties imposed on the Accountant by this Loan Agreement.

“Accounts” means the accounts created pursuant to Section 2.03 herein.

“Act” means, collectively, Chapter 163, Part I, Florida Statutes, Chapter 166, Part II, Florida Statutes, and all other applicable provisions of law.

“Additional Debt” shall mean the debt obligations issued at any time in accordance with the provisions of Section 6.02 hereof payable from or secured by Pledged Revenues on a parity with the 2008 Loan and the Loan.

“Additional Payments” means payments required by Section 5.03 hereof.

“Additional Project” shall mean the acquisition, construction, erection, renovation or reconstruction of additions, extensions and improvements to the System and shall include all property rights, appurtenances, easements, rights of way, franchises and equipment relating thereto and deemed necessary or convenient for the acquisition, construction, erection, renovation, reconstruction, or the operation thereof which shall be financed in whole or in part with the proceeds of Additional Debt.

“Affiliate” means, with respect to any Person, any Person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person. A Person shall be deemed to control another Person for the purposes of this definition if such first Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise.

“Assessments” shall mean the proceeds to be derived from the assessments to be levied against the lands and properties to be specially benefited by the construction of any Project, including interest on such assessments and any penalties thereon and moneys received upon the foreclosure of the liens of any such assessments, but excluding moneys recovered for the expense of collecting Assessments.

“Authorized Denominations” means \$250,000 and any larger denomination constituting an integral multiple of \$5,000.

“Authorized Depository” shall mean the State Board of Administration of Florida or a bank or trust company in the State which is eligible under the laws of the State to receive funds of the Borrower.

"Authorized Representative" means the person performing the functions of the Mayor or Deputy, Acting or Vice Mayor thereof or other officer authorized to exercise the powers and performs the duties of the Mayor; and, when used with reference to an act or document, also means any other person authorized by resolution to perform such act or sign such document.

"Available Impact Fees" shall mean the Impact Fees to the extent that such fees or charges have been lawfully levied and collected by the Borrower and may under applicable law be used for the Debt Service Requirements.

"Balloon Bonds" shall mean any Additional Debt the interest on which is payable periodically and twenty-five percent (25%) or more of the original principal amount of which matures during any one Fiscal Year and for which amortization of principal by mandatory redemption is not provided for prior to maturity.

"Base Rate" means, for any day, a rate of interest per annum equal to the highest of (i) the Prime Rate for such day plus one percent (1%) per annum, (ii) the Federal Funds Effective Rate for such day plus two percent (2%) per annum, or (iii) seven percent (7%) per annum. Each change in the Base Rate shall take effect simultaneously with the corresponding change or changes in the Prime Rate or Federal Funds Rate, as the case may be.

"Basic Payments" means the payments denominated as such in Section 5.01 hereof.

"Bond Counsel" means Akerman LLP, or any other nationally recognized bond counsel acceptable to the Borrower.

"Bonds" means the 2008 Loan, the Loan (as evidenced by the Note) and any Additional Debt hereafter issued.

"Bond Year" means a 12-month period beginning on October 2 and ending on and including the following October 1.

"Borrower Revenue Fund" means the fund of the Borrower by that name created by the Borrower pursuant to Section 2.04 of the 2008 Loan Agreement, which is herein referred to as the Borrower Revenue Fund.

"Business Day" means any day of the year which is not a Saturday or Sunday or a day on which banking institutions located in New York City or the State are required or authorized to remain closed or on which the New York Stock Exchange is closed.

"Certificate," "Statement," "Request," "Requisition" and "Order" of the Borrower mean, respectively, a written certificate, statement, request, requisition or order signed in the name of the Borrower by its Authorized Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

"City Commission" means the governing body of the Borrower.

"Closing Date" means April 9, 2015, subject to the satisfaction or waiver by the Lender of the conditions precedent set forth in Article IV hereof, as evidenced by the Lender's acceptance of delivery of the Note.

"Code" means the Internal Revenue Code of 1986, as amended, and the regulations promulgated, proposed or applicable thereunder.

"Consulting Engineers" shall mean one or more qualified and recognized consulting engineers or firm of consulting engineers having favorable reputations, skill and experience with respect to the planning and operation of public utility systems similar to the System, who shall be retained from time to time by the Borrower.

"Counsel" means an attorney duly admitted to practice law before the highest court of any state and, without limitation, may include legal counsel for either the Lender or the Borrower.

"Debt Service Requirement" for any Bond Year shall mean the sum of:

(1) The aggregate amount required to pay the principal and interest becoming due on the Bonds during such Bond Year.

(2) The following assumptions shall be applicable to calculating the Debt Service Requirement as follows:

(a) The interest on Variable Rate Bonds shall be the interest to accrue on such Variable Rate Bonds for such Fiscal Year; provided, however, that for purposes of determining the Maximum Annual Debt Service, the interest on Variable Rate Bonds shall be assumed to be the greater of (A) one hundred ten percent (110%) of the average interest rate on such Variable Rate Bonds during the twelve months ending with the month preceding the date of calculation or such shorter period that such Variable Rate Bonds shall have been Outstanding, and (B) the actual rate of interest on such Variable Rate Bonds on the date of calculation; provided that if a Series of Variable Rate Bonds had not been Outstanding prior to the date of calculation, the amount set forth in clause (A) above shall be calculated as though said Variable Rate Bonds had been Outstanding for the twelve month period by using (i) if the Variable Rate Bonds are tax-exempt, the Revenue Bond Index, and (ii) if the Variable Rate Bonds are taxable, the one month LIBOR interest rate plus 1.50%, in either case, as of the date of calculation. If any Additional Debt is subject to purchase by the Borrower at the option of the holder and a liquidity facility is available with respect thereto to provide for the purchase of such debt at the time calculation of interest rates is to be made, the "put" date or dates shall be ignored and the stated maturity dates of such debt shall be used for the purposes of this calculation.

(b) In the case of Balloon Bonds the debt service requirements of the Balloon Bonds may be excluded and in lieu thereof the Balloon Bonds shall be viewed as debt securities hypothetically maturing in substantially equal annual payments of principal and interest over a period of 20 years from the date of issuance thereof; and

(c) If all or a portion of the principal of or interest on the Additional Debt or the Bonds is payable from funds irrevocably set aside or deposited for such purpose, including, but

not limited to, interest capitalized from the proceeds, together with projected earnings thereon, such principal or interest shall not be included in calculating the annual Debt Service Requirement.

"Default" means an event or condition the occurrence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

"Default Rate" means a fluctuating per annum interest rate equal to the Base Rate plus three percent (3%) per annum.

"Event of Default" shall have the meaning ascribed to such term in Section 9.01 of this Agreement.

"Expansion Facilities" shall mean all those improvements, extensions and additions to the System, including all lands and interests therein, franchises, plants, buildings, machinery, fixtures, equipment, pipes, mains, and all other property, real and personal, tangible and intangible, which shall be constructed or acquired in order to meet the increased demand upon the System, whether actual or anticipated, created by new users connecting to the System.

"Expansion Percentage" as applied to the any Bonds issued wholly or in part to finance Expansion Facilities shall mean a fraction having a numerator equal to the principal amount of the related Bonds which are attributable to Expansion Facilities, as shall be determined by the Qualified Independent Consultant and set forth in the Project Certificate relating to such debt and a denominator equal to the original aggregate principal amount of the related Bonds being incurred.

"Existing Subordinate SRF Loans" means that certain Clean Water State Revolving Fund Loan Agreement WW69302L dated August 23, 2005, as amended, between the Florida Water Pollution Control Financing Corporation and the City and that certain Clean Water Loan Agreement WW693030 dated July 13, 2006 as amended, each between the Florida Water Pollution Control Financing Corporation and the City.

"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that: (a) if such day is not a Business Day, then the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day; and (b) if no such rate is so published on such next succeeding Business Day, then the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of one-hundredth of one percent) charged to Wells Fargo Bank, National Association on such day on such transactions as determined by Wells Fargo Bank, National Association.

"Fiscal Year" means the fiscal year of the Borrower, currently October 1 through September 30.

"Fitch" means Fitch Ratings, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns and if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Borrower.

"FMLC 2008 Bonds" means the \$17,028,785.98 Florida Municipal Loan Council Revenue Bonds, Series 2008A (City of Deerfield Beach Project), which were issued by the Florida Municipal Loan Council to provide funds to make the 2008 Loan to the Borrower.

"Funds" means the funds established by the Borrower pursuant to Section 2.03 of the 2008 Loan Agreement as further described in Section 2.03 hereof.

"Governmental Obligations" means (i) direct and general obligations of the United States of America, or those which are unconditionally guaranteed as to principal and interest by the same, including interest on obligations of the Resolution Funding Corporation and (ii) pre-refunded municipal obligations meeting the following criteria:

(a) the municipal obligations may not be callable prior to maturity or, alternatively, the trustee has received irrevocable instructions concerning their calling and redemption;

(b) the municipal obligations are secured by cash or securities described in subparagraph (i) above (the "Defeasance Obligations"), which cash or Defeasance Obligations may be applied only to interest, principal, and premium payments of such municipal obligations;

(c) the principal and interest of the Defeasance Obligations (plus any cash in the fund) are sufficient to meet the liabilities of the municipal obligations;

(d) the Defeasance Obligations serving as security for the municipal obligations must be held by an escrow agent or a trustee; and

(e) the Defeasance Obligations are not available to satisfy any other claims, including those against the Trustee or escrow agent.

Additionally, evidences of ownership of proportionate interests in future interest and principal payments of Defeasance Obligations are permissible. Investments in these proportionate interests are limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying obligations; and (c) the underlying obligations are held in a special account separate and apart from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

"Gross Revenues" shall mean all income and moneys received by the Borrower from the Rates, or otherwise received by the Borrower or accruing to the Borrower in the management and operation of the System, which are legally available for debt service on the Loan, calculated in

accordance with generally accepted accounting methods employed in the operation of public utility systems similar to the System, including, without limiting the generality of the foregoing, all earnings and income derived from the investment of Gross Revenues and moneys under the provisions of this Agreement which are in any accounts as herein provided. For the avoidance of doubt, "Gross Revenues" does not include Impact Fees.

"Impact Fees" shall mean all non-refundable (except at the option of the Borrower) system development fees, connection fees, capital expansion fees, utility improvement fees or other similar fees and charges separately imposed by the Borrower upon new customers of the System as a nonuser capacity charge (not related to actual use or service fees) for a proportionate share of the cost of the acquisition or construction of Expansion Facilities, which are imposed by the Borrower for the purpose of allocating to such customers a portion of the cost of the additional System capacity made necessary by the extension or expected extension of System services to such customers or expected extension of System services to such customers, but only to the extent that any such fee or charge has been lawfully levied and collected by the Borrower and may under applicable law be used for the acquisition or construction of the Expansion Facilities or for Impact Fees Debt Service Components.

"Impact Fees Debt Service Component" for any Bond Year shall mean the amount of Available Impact Fees equal to the total of the products determined by multiplying the Debt Service Requirement by the Expansion Percentage for any Additional Debt issued wholly or in part to finance Expansion Facilities.

"Interest Payment Date" means May 15 and November 15 of each year, commencing May 15, 2015.

"Loan" means the Loan made to the Borrower by the Lender to re-finance the Refunded SRF Loans pursuant to the terms hereof in the amount specified in Section 3.01 herein.

"Loan Agreement" means this Loan Agreement and any amendments and supplements hereto.

"Loan Repayments" means the payments of principal and interest and other payments payable by the Borrower pursuant to the provisions of this Loan Agreement, including, without limitation, Additional Payments.

"Loan Term" means the term provided for in Article IV of this Loan Agreement.

"Maturity Date" means November 15, 2021.

"Maximum Annual Debt Service Requirement" shall mean, as of any particular date of calculation, the greatest annual Debt Service Requirement for the Loan and any Additional Debt for the then current or any future Bond Year.

"Moody's" means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency,

"Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Borrower.

"Net Revenues" shall mean Gross Revenues less Operating Expenses.

"Noteholder" or "Holder" or "holder of the Note" or "Owner" or "owner of the Note" whenever used herein with respect to a Note, means the person in whose name such Note is registered.

"Operating Expenses" shall mean the Borrower's expenses for operation, maintenance, repairs and replacements with respect to the System and shall include, without limiting the generality of the foregoing, administration expenses, insurance and surety bond premiums, the fees of any rebate compliance service or of Bond Counsel relating to compliance with the provisions of Section 148 of the Code, legal and engineering expenses, ordinary and current rentals of equipment or other property, refunds of moneys lawfully due to others, payments to others for disposal of sewage or other wastes, payments to pension, retirement, health and hospitalization funds, and any other expenses required to be paid for or with respect to proper operation or maintenance of the System, all to the extent properly attributable to the System in accordance with generally accepted accounting principles employed in the operation of public utility systems similar to the System, and disbursements for the expenses, liabilities and compensation of any Paying Agent, Registrar, Trustee, or the Administrator under this Agreement or the other Loan documents, but, does not include any costs or expenses in respect of original construction or improvement other than expenditures necessary to prevent an interruption or continuance of an interruption of the Gross Revenues or minor capital expenditures necessary for the proper and economical operation or maintenance of the System, or any provision for interest, depreciation, amortization or similar charges.

"Opinion of Bond Counsel" means an opinion by Bond Counsel which is selected by the Borrower.

"Patriot Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Title III of Pub. L. 107-56 (signed into law October 26, 2001).

"Person" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization including a government or political subdivision or an agency or instrumentality thereof.

"Pledged Funds" shall mean the Pledged Revenues and, until applied in accordance with the provisions of this Agreement, the proceeds of the Loan.

"Pledged Revenues" shall mean, the Net Revenues, and, as provided, the Impact Fees, and, if and to the extent that the Borrower shall so provide by Supplemental Resolution relating to Additional Debt and any Assessments.

"Prime Rate" means on any day, the rate of interest per annum then most recently established by Wells Fargo Bank, National Association as its "prime rate." Any such rate is a

general reference rate of interest, may not be related to any other rate, and may not be the lowest or best rate actually charged by Wells Fargo Bank, National Association to any customer or a favored rate and may not correspond with future increases or decreases in interest rates charged by other lenders or market rates in general, and that Wells Fargo Bank, National Association may make various business or other loans at rates of interest having no relationship to such rate. If Wells Fargo Bank, National Association ceases to establish or publish a prime rate from which the Prime Rate is then determined, the applicable variable rate from which the Prime Rate is determined thereafter shall be instead the prime rate reported in The Wall Street Journal (or the average prime rate if a high and a low prime rate are therein reported), and the Prime Rate shall change without notice with each change in such prime rate as of the date such change is reported.

"Project Certificate" shall mean that certificate of the Qualified Independent Consultant filed with the Borrower at or prior to the delivery of any Additional Debt issued wholly or in part to finance Expansion Facilities setting forth the estimated total cost of the Additional Project, the estimated cost of the Expansion Facilities portion of the Project, and the Expansion Percentage.

"Qualified Independent Consultant" shall mean one or more qualified and recognized independent consultants, having favorable repute, skill and experience with respect to the acts and duties required of a qualified independent consultant to be provided to the Borrower, as shall from time to time be retained by the Borrower to perform the acts and carry out the duties herein provided for such consultants. The Qualified Independent Consultant may be also the Accountant or the Borrower's Consulting Engineers.

"Rates" shall mean the rates, fees, rentals and other charges which shall be made and collected by the Borrower for the use of the product, services and facilities to be provided by the System.

"Refunded SRF Loans" means the State of Florida Department of Environmental Protections State Revolving Fund Loans DW0606010 to the Borrower.

"Renewal and Replacement Fund Requirement" shall mean \$100,000, or such other amount as may be recommended to the Borrower by the Qualified Independent Consultant and approved by the City Commission as an amount appropriate for the purposes of this Agreement.

"Revenue Bond Index" means the Bond Buyer Revenue Bond Index for 25 year rates as of the most recent date for which such index was published, produced by Municipal Market Data, Inc., or its successor or as otherwise designated by The Bond Buyer or any successor thereto; provided, however, that, if such index is no longer produced, then Revenue Bond Index shall mean such other reasonably comparable index selected by the Lender.

"S&P" means Standard & Poor's, a division of the McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Borrower.

"State" means the State of Florida.

"State Revolving Fund Loans" means the outstanding loans the Borrower has obtained pursuant to those certain State Revolving Fund Loan Agreements WW69302L, WW693030 and DW0606010, and any future such loans.

"Subordinated Indebtedness" shall mean that indebtedness of the Borrower payable from or secured by Pledged Revenues with a lien on Pledged Revenues subordinate and junior to the Loan, issued in accordance with the provisions hereof or existing as of the date of the Loan including, without limitation, the Existing Subordinate SRF Loans.

"Supplemental Resolution" shall mean any resolution or ordinance of the Borrower relating to the issuance of Additional Debt or the completion of the Project or any future Project, adopted and becoming effective in accordance with the terms hereof.

"System" shall mean any and all water production, transmission, purification and distribution facilities and appurtenant facilities; sewage collection, transmission, treatment and disposal facilities and appurtenant facilities now owned and operated or hereafter owned and operated by the Borrower, including the Borrower's interest in any such facilities jointly owned by it with one or more other entities which System shall also include any and all improvements, extensions and additions thereto thereafter constructed or acquired which shall be financed either from the proceeds of the Loan or from any other funds or sources, together with all property, real or personal, tangible or intangible, now or hereafter owned or used in connection therewith.

"Variable Rate Bonds" shall mean bonds or notes or other such debt instruments issued with a variable, adjustable, convertible or other interest rate which at the date of issue is not fixed as one or more stated percentages for the entire term of such bonds or notes or other such debt instruments.

ARTICLE II

REPRESENTATIONS, WARRANTIES AND COVENANTS OF BORROWER

SECTION 2.01. Representations, Warranties and Covenants. The Borrower represents, warrants and covenant on the date hereof for the benefit of the Lender, as follows:

(a) Organization and Authority. The Borrower:

(1) is a duly organized and validly existing municipality of the State; and

(2) has all requisite power and authority to own and operate its properties including the System and to carry on its activities as now conducted and as presently proposed to be conducted.

(b) Full Disclosure. There is no fact that the Borrower knows of which has not been specifically disclosed in writing to the Lender that materially and adversely affects or, except for

pending or proposed legislation or regulations that are a matter of general public information affecting State municipalities generally, that will materially affect adversely the properties, activities, prospects or condition (financial or otherwise) of the Borrower or the ability of the Borrower to perform its obligations under this Agreement.

The financial statements, including balance sheets, and any other written statement furnished by the Borrower to the Lender were prepared in accordance with GAAP. There is no fact known to the Borrower which the Borrower has not disclosed to the Lender in writing which materially affects adversely or is likely to materially affect adversely the financial condition of the Borrower, or its ability to make the payments under this Agreement when and as the same become due and payable.

(c) Pending Litigation. Except as set forth in the Summary of Litigation and Pending Claims provided to the Lender (the "Disclosed Litigation and Claims"), to the knowledge of the Borrower there are no proceedings pending, or to the knowledge of the Borrower threatened, against or affecting the Borrower in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would materially and adversely affect the properties, prospects or condition (financial or otherwise) of the Borrower, or the existence or powers or ability of the Borrower to enter into and perform its obligations under this Agreement.

(d) Agreement Valid. This Agreement and the Note have been duly authorized, executed and delivered by the Borrower and are, and each of the financing documents to which it is a party when executed and delivered will be, legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their respective terms, except as may be limited by bankruptcy, insolvency, reorganization or moratorium applicable to the Borrower and general equitable principles regarding the availability of specific performance.

(e) Borrowing Legal and Authorized. The execution and delivery of this Agreement and the consummation of the transactions provided for in this Agreement and compliance by the Borrower with the provisions of this Agreement:

(1) are within the powers of the Borrower and have been duly and effectively authorized by all necessary action on the part of the Borrower; and

(2) do not and will not (i) conflict with or result in any material breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Borrower pursuant to any indenture, loan agreement or other agreement or instrument (other than this Agreement) or restriction to which the Borrower is a party or by which the Borrower, its properties or operations are bound as of the date of this Agreement or (ii) with the giving of notice or the passage of time or both, constitute a breach or default or so result in the creation or imposition of any lien, charge or encumbrance, which breach, default, lien, charge or encumbrance (described in (i) or (ii)) could materially and adversely affect the validity or the enforceability of this Agreement or the Borrower's ability to perform fully its obligations under this Agreement; nor does such action result in any violation of the provisions of the Act, or

any laws, ordinances, governmental rules or regulations or court orders to which the Borrower, its properties or operations may be bound.

(e) No Defaults. No event has occurred and no condition exists that constitutes a Default or an Event of Default. The Borrower is not in violation in any material respect, and has not received notice of any claimed violation, of any terms of any agreement or other instrument to which it is a party or by which it, its properties or operations may be bound, which may materially adversely affect the ability of the Borrower to perform its obligations hereunder (except such matters as are set forth in the Disclosed Litigation and Claims).

(f) Governmental Consent. The Borrower has obtained, or expects to obtain when required, all permits, approvals and findings of non-reviewability required as of the date hereof by any governmental body or officer for refinancing of the Refunded SRF Loans. No further consent, approval or authorization of, or filing, registration or qualification with, any governmental authority is required on the part of the Borrower as a condition to the execution and delivery of this Loan Agreement or to the execution and delivery of the Note.

(g) Compliance with Law. The Borrower is in compliance with all laws, ordinances, governmental rules and regulations to which it is subject, and which are material to its properties, operations, finances or status as a municipal corporation or subdivision of the State.

(h) Use of Proceeds.

(1) The Borrower will apply the proceeds of the Loan solely for the prepayment of the Refunded SRF Loans and to pay the costs of issuance of the Loan.

(2) The Borrower covenants that it will make no use of the proceeds of the Loan at any time which would cause the Loan or the Note to constitute "arbitrage bonds" within the meaning of Section 148 of the Code.

(3) The Borrower covenants that the Borrower shall neither take any action nor fail to take any action or to the extent that it may do so, permit any other party to take any action which, if either taken or not taken, would adversely affect the exclusion from gross income for Federal income tax purposes of interest on the Note.

(i) System.

(1) The Borrower presently owns, operates and maintains the System.

(2) No part of the Pledged Funds has been pledged or encumbered in any manner except that the Pledged Funds are presently pledged for the payment i) on a parity basis to the 2008 Loan and ii) on a junior and subordinate basis to the Existing Subordinate SRF Loans.

(3) The estimated Gross Revenues to be derived in each year hereafter from the operation of the System will be sufficient to pay Operating Expenses, the principal of and interest on the Loan and the other Bonds as the same become due, and all other payments provided for in this Agreement.

(i) Federal Reserve Regulations. The Borrower is not engaged principally or as one of its important activities in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation T, U or X of the Board of Governors of the Federal Reserve System). The execution, delivery and performance of this Agreement and the use of the proceeds of the Note or any extension of credit hereunder, do not and will not constitute a violation of said Regulations.

(j) Patriot Act. The Borrower is not in violation of any laws relating to terrorism or money laundering ("Anti-Terrorism Laws"), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "Executive Order"), and the Patriot Act;

(a) Neither the Borrower nor any of its Affiliates is any of the following:

a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

a Person with which the Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

a Person that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order; or

a Person that is named as a "specially designated national and blocked person" on the most current list published by the Office of Foreign Asset Control ("OFAC") or any list of Persons issued by OFAC pursuant to the Executive Order at its official website or any replacement website or other replacement official publication of such list

(b) None of the Borrower nor any of its Affiliates (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in subsection (b)(ii) above, (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or (iii) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

(k) Legislation. There is no amendment, or to the knowledge of the Borrower, proposed amendment to the Constitution of the State or any State law or any administrative interpretation of the Constitution of the State or any State law, or any legislation that has passed either house of the legislature of the State, or any judicial decision interpreting any of the foregoing, the effect of which will materially adversely affect the issuance of any of the Note, the security for the Note or the Borrower's obligations hereunder or under any of the Borrower Documents, or the Borrower's ability to repay when due its obligations under this Agreement, the Bonds or any related transaction documents.

(l) No Immunity. Under existing law, the Borrower is not entitled to raise the defense of sovereign immunity as a defense to the enforcement of this Agreement, the Note or the transactions contemplated hereby or thereby, including the payment of the principal of and interest on the Loan or the Note.

SECTION 2.02. Covenants of Borrower. The Borrower makes the following covenants and representations as of the date first above written and such covenants shall continue in full force and effect during the Loan Term:

(a) Security for Loan Repayment. The Borrower agrees to pay when due under this Loan Agreement as promptly as money becomes available for deposit directly into the appropriate Fund or Account, all amounts due, payable from the Pledged Funds as set forth in Section 2.04 of this Loan Agreement. The Borrower hereby pledges the Pledged Funds to the payment of the principal of and interest on the Loan. The Pledged Funds shall be subject to the lien of this pledge immediately upon the issuance and delivery of the Note, without any physical delivery by the Borrower of the Pledged Funds or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind against the Borrower, in tort, contract or otherwise. Neither this Agreement nor the Loan shall constitute a lien upon the System or upon any other property of the Borrower or situated within its territorial limits, except the Pledged Funds.

(b) Delivery of Information to the Lender.

(i) Borrower shall deliver to the Lender as soon as available and in any event within 270 days after the end of each Fiscal Year an audited statement of its financial position as of the end of such Fiscal Year and the related statements of revenues and expenses, fund net position and changes in fund net position for such Fiscal Year, all reported by an independent certified public accountant, whose report shall state that such financial statements present fairly Borrower's financial position as of the end of such Fiscal Year and the results of operations and changes in financial position for such Fiscal Year;

(ii) contemporaneously with the audited financials, the Borrower shall deliver to the Lender the System's statistical information;

(iii) The Borrower agrees to provide along with its annual audited financial statements as described in paragraph (b) above, a certificate of its Chief Financial Officer stating that to the best of its knowledge the Borrower is in compliance with the terms and conditions of this Loan Agreement, or, specifying the nature of any noncompliance and the remedial action taken or proposed to be taken to cure such noncompliance.

(iv) the Borrower will provide to the Lender the Borrower's annual budget and capital improvement plan within 60 days of the commencement of each Fiscal Year of the Borrower;

(v) promptly upon obtaining knowledge or notice of any Default or Event of Default, and in any event within five (5) days thereafter, the Borrower shall provide to the Lender a certificate signed by the Chief Financial Officer of the Borrower specifying in

reasonable detail the nature and period of existence thereof and what action the Borrower has taken or proposes to take with respect thereto;

(vi) as promptly as practicable, the Borrower shall provide written notice to the Lender of all actions, suits or proceedings pending or threatened against the Borrower in court or before any arbitrator of any kind or before any governmental authority which could reasonably be expected to have a material adverse effect on the ability of the Borrower to perform its obligations under this Agreement or the Note or the legality, validity, binding effect or enforceability against the Borrower of this Agreement or the Note; and .

(vii) The Borrower will file or cause to be filed with the Lender any official statement issued by, or on behalf of, the Borrower in connection with the incurrence of any additional indebtedness by the Borrower secured by Pledged Funds. Such official statements shall be filed within sixty (60) days after the publication thereof.

(c) Information. Borrower's chief financial officer shall discuss Borrower's financial matters with the Lender and provide the Lender with copies of any documents reasonably requested by the Lender unless such documents or material are protected or privileged from disclosure under applicable State law.

(d) Further Assurance. The Borrower shall execute and deliver to the Lender all such documents and instruments and do all such other acts and things as may be reasonably necessary to enable the Lender to exercise and enforce its rights under this Loan Agreement and to realize thereon, and record and file and re-record and re-file all such documents and instruments, at such time or times, in such manner and at such place or places, all as may be reasonably necessary or required by the Lender to validate, preserve and protect the position of the Lender under this Loan Agreement.

(e) Keeping of Records and Books of Account. The Borrower shall keep or cause to be kept proper records and books of account, in which correct and complete entries will be made in accordance with generally accepted accounting principles, consistently applied (except for changes concurred in by the Borrower's independent auditors) reflecting all of its financial transactions. The Borrower shall permit any employee or representative of the Lender to visit and inspect any of its properties, to examine its books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss its affairs, finances and accounts with its officers and, upon prior notice to the Borrower, its independent public accountants (and by this provision the Borrower authorize said accountants to discuss its finances and affairs with the Lender and to provide the Lender with access to such accountants' work papers), all upon reasonable notice and during business hours and as often as may be reasonably requested.

(g) Payment of Taxes, Etc. The Borrower shall pay all legally contracted obligations when due and shall pay all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits, or upon any properties belonging to it, prior to the date on which penalties attach thereto, and all lawful claims, which, if unpaid, might become a lien or charge upon any of its properties, provided that it shall not be required to pay any such tax, assessment, charge, levy or claim which is being contested in good faith and by appropriate proceedings, which shall operate to stay the enforcement thereof.

(b) Compliance with Laws, Etc. The Borrower shall comply with the requirements of all applicable laws, the terms of all grants, rules, regulations and lawful orders of any governmental authority, noncompliance with which would, singularly or in the aggregate, materially adversely affect its System or the Pledged Revenues, unless the same shall be contested by it in good faith and by appropriate proceedings which shall operate to stay the enforcement thereof.

(i) Tax-exempt Status of Note. The Borrower understands that it is the intention hereof that the interest on the Note not be included within the gross income of the holders thereof for federal income tax purposes. In furtherance thereof, the Borrower agrees that it will take all action within its control which is necessary in order for the interest on the Note or the Loan to remain excluded from gross income for federal income taxation purposes and shall refrain from taking any action which results in such interest becoming included in gross income.

The Borrower further covenants that it will not take any action or fail to take any action with respect to the investment of the proceeds of the Loan or with respect to the issuance of other Borrower obligations, which action or failure to act may cause the Note to be "arbitrage bonds" within the meaning of such term as used in Section 148 of the Code and the regulations promulgated thereunder. In furtherance of the covenant contained in the preceding sentence, the Borrower agrees to comply with the Tax Matters Certificate and the provisions of Section 141 through 150 of the Internal Revenue Code of 1986, as amended, including the letter of instruction attached as an exhibit to the Tax Certificate, delivered by Bond Counsel to the Borrower simultaneously with the issuance of the Loan, as such letter may be amended from time to time, as a source of guidelines for achieving compliance with the Code.

(j) Security for Bonds. The payment of the principal of or prepayment fee, if applicable, and interest on the Loan shall be secured forthwith equally and ratably by a pledge of and lien upon the Pledged Funds. The Borrower does hereby irrevocably pledge the Pledged Funds to the payment of the Loan Repayments.

(k) Insurance. The Borrower will carry such insurance as is ordinarily carried by municipal governments owning and operating utilities similar to the System with a reputable insurance carrier or carriers, including liability insurance in such amounts as the Borrower shall determine to be sufficient and such other insurance against loss or damage by fire, explosion (including underground explosion), hurricane, tornado or other hazards and risks, and said property loss or damage insurance shall at all times be in an amount or amounts equal to the fair value of the buildings, properties, furniture, fixtures and equipment of the System, or such other amount or amounts as the Borrower shall deem sufficient.

The Borrower may establish certain minimum levels of insurance for which the Borrower may self-insure the System. Such minimum levels of insurance shall be to the same extent customary with utilities operating properties similar to the System.

(l) Maintenance of Existence and Assets. The Borrower will not merge or consolidate with or into any other Person or governmental entity, or liquidate, wind up or dissolve, or sell, lease or dispose of, in a single transaction or a series of related transactions, all or a substantial portion of the assets of the System. The Borrower shall at all times maintain its ownership of the System.

(m) Defenses. To the fullest extent permitted by law, the Borrower will not assert any immunity it may have as a public entity under the laws of the State from lawsuits based on contract with respect to this Agreement, the Note or any related transaction document.

SECTION 2.03. Funds and Accounts. The Borrower has established the following separate funds and accounts pursuant to the 2008 Loan Agreement and covenants and agrees to maintain and continue such separate funds and accounts while the Loan is outstanding:

(A) Borrower Revenue Fund.

(B) Renewal and Replacement Fund.

The Borrower may establish by Supplemental Resolution such other funds and accounts as it shall deem necessary or advisable.

The Borrower may at any time and from time to time appoint one or more Authorized Depositories to hold, for the benefit of the Borrower and/or the holders of and Additional Debt, any one or more of the funds and accounts established hereby. Such depository or depositories shall perform at the direction of the Borrower the duties of the Borrower in depositing, transferring and disbursing moneys to and from each 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 Borrower and its agent and employees. The moneys required to be accounted for in each of the foregoing funds and accounts established herein may be deposited in a single bank account, and funds allocated to the various funds and accounts established herein may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the moneys on deposit therein and such investments for the various purposes of such funds and accounts as herein provided. The designation and establishment of the various funds and accounts in and by this Loan Agreement 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 for certain purposes and to establish certain priorities for application of such revenues as herein provided.

SECTION 2.04. Flow of Funds.

Revenues. The Borrower shall deposit all Gross Revenues into the Borrower Revenue Fund, promptly upon the receipt thereof. On or before the last day of each month, commencing with the month in which the Loan is made hereunder, the moneys in the Borrower Revenue Fund shall be deposited or credited in the following manner and in the following order of priority:

1. Operation and Maintenance. Amounts in the Borrower Revenue Fund shall be used first to pay reasonable and necessary Operating Expenses for the next ensuing month; provided, however, that no such payment shall be made unless the provisions of the Borrower's current annual budget are complied with.

2. Sinking Fund. Next, the Borrower shall pay the principal and interest due on the 2008 Loan, the Loan and any Additional Debt.

3. Reserve Fund. Next, the Borrower shall deposit into or credit to any reserve fund established for any Additional Debt such sums as are required by Supplemental Resolution, if any.

4. Subordinate Indebtedness Debt. Next, the Borrower shall pay the principal of and interest due on any Subordinated Indebtedness.

5. Renewal and Replacement Fund. Next, the Borrower shall deposit into or credit to the Renewal and Replacement Fund such sums as shall be sufficient to pay one-twelfth (1/12) of the Renewal and Replacement Fund Requirement until the balance on deposit in the Renewal and Replacement Fund equals the Renewal and Replacement Fund Requirement. If the balance on deposit in the Renewal and Replacement Fund exceeds the Renewal and Replacement Fund Requirement such excess amount shall be transferred by the Borrower from the Renewal and Replacement Fund and deposited into the Borrower Revenue Fund. The moneys in the Renewal and Replacement Fund shall be applied by the Borrower for the purpose of paying the cost of extensions, improvements or additions to, or the replacement or renewal of capital assets of, the System, or extraordinary repairs of the System; provided, however, that on or prior to each principal and interest payment date for the Loan (in no event earlier than the fifteenth day of the month preceding such payment date), moneys in the Renewal and Replacement Fund shall be applied for the payment into the appropriate Funds when the moneys therein are insufficient to pay the Loan Repayments coming due.

6. Surplus Moneys. The balance of any moneys remaining in the Borrower Revenue Fund after the payments and deposits required by part (1) though (4) of Section 2.04 may be used to make any Additional Payments under Section 5.02 hereof and similar payments with respect to the 2008 Loan or any Additional Debt, and thereafter may be used for any lawful purpose of the Borrower at the discretion of the Borrower.

ARTICLE III

THE LOAN AND THE NOTE

SECTION 3.01. The Loan. On the Closing Date, the Lender hereby agrees to loan to the Borrower and the Borrower hereby agrees to borrow from the Lender the sum of \$8,580,000. Amounts advanced under this Agreement and repaid or prepaid may not be reborrowed. The proceeds of the Loan shall be paid at the direction of the Borrower i) in the amount of \$8,533,618.95 to the State of Florida Department of Environmental Protections State Revolving Fund to prepay the Refunded SRF Loans and ii) in the amount of \$46,381.05 to or to the order of the Borrower for the payment of costs of issuance of the Loan.

SECTION 3.02. Evidence of Loan. The Borrower's obligation hereunder to repay amounts advanced pursuant to Section 3.01, together with interest thereon, and other payments

required under this Loan Agreement, shall be evidenced and secured by the Note, in the form attached this Loan Agreement as Exhibit C. The Note shall be issued as a single type-written registered note, in physical form (not subject to a book-entry system of transfer), in the denomination equal to the outstanding principal amount of the Loan. The Lender may apply for a non-trading CUSIP number for the Note.

SECTION 3.03. Registration and Transfer of the Note. The Note shall not be subject to a book-entry system of registration and transfer and such transfer and registration of the Note shall be governed by the provision of this Section. The Note shall be and shall have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code Investment Securities Laws of the State, and the registered owner, in accepting the Note, shall be conclusively deemed to have agreed that such Note shall be and have all of the qualities and incidents of negotiable instruments thereunder.

There shall be a Registrar who shall be responsible for maintaining the records of the ownership of the Note (the "Register"). The City Clerk is appointed as the Registrar for the Note. The person in whose name ownership of any Note is shown on the Register shall be deemed the owner thereof by the Borrower and the Registrar, and any notice to the contrary shall not be binding upon the Borrower or the Registrar. The Borrower and the Registrar may treat the registered owner as the absolute owner of the Note for all purposes, whether or not such Note shall be overdue, and shall not be bound by any notice to the contrary.

Ownership of the Note may be transferred only upon the Register. Upon surrender to the Registrar for transfer or exchange of any Note accompanied by an assignment or written authorization for exchange, whichever is applicable, duly executed by the registered owner or its attorney duly authorized in writing, the Registrar shall deliver in the name of the registered owner or the transferee or transferees, as the case may be, a new fully registered Note of the same maturity and interest rate and for the principal amount as the Note surrendered.

The Note presented for transfer, exchange, redemption or payment (if so required by the Borrower or the Registrar) shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Borrower or the Registrar, duly executed by the registered owner or by his duly authorized attorney.

The Borrower and the Registrar may charge the registered owner a sum sufficient to reimburse them for any reasonable expenses incurred in making any exchange or transfer after the first such exchange or transfer following the delivery of such Note. The Registrar or the Borrower may also require payment from the registered owner or his transferee, as the case may be, of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto (other than those imposed by the Borrower). Such charges and expenses shall be paid before any such new Note shall be delivered.

The new Note delivered upon any transfer or exchange shall be a valid obligation of the Borrower, evidencing the same debt as the Note surrendered, shall be secured under this Agreement, and shall be entitled to all of the security and benefits hereof to the same extent as the Note surrendered.

Whenever any Note shall be delivered to the Registrar for cancellation, upon payment of the principal amount thereof, or for replacement, transfer or exchange, such Note shall be cancelled and destroyed by the Registrar, and counterparts of a certificate of destruction evidencing such destruction shall be furnished to the Borrower.

SECTION 3.04. Restriction on Transfer of the Note. The Lender may at any time sell or otherwise transfer to one or more transferees all or a portion of the Note to a Person that is (A) an Affiliate of the Lender or (B) a trust or other custodial arrangement established by the Lender or an Affiliate of the Lender, the owners of any beneficial interest in which are limited to "qualified institutional buyers" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended (the "33 Act") (each, a "Lender Transferee"). Any sale or transfer of the Note pursuant to this Section shall be in Authorized Denominations.

Without limitation of the foregoing generality, a Noteholder may at any time sell or otherwise transfer to one or more transferees which are not Lender Transferees but each of which constitutes (i) a "qualified institutional buyer" as defined in Rule 144A promulgated under the 1933 Act and (ii) a commercial bank organized under the laws of the United States, or any state thereof, or any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and, in any such case, having a combined capital and surplus, determined as of the date of any transfer pursuant to this paragraph, of not less than \$5,000,000,000 (each a "Non Lender Transferee") all or a portion of the Note if (A) written notice of such sale or transfer, including that such sale or transfer is to a Non Lender Transferee, together with addresses and related information with respect to the Non Lender Transferee, shall have been given to the Borrower by such selling Noteholder and Non Lender Transferee, and (B) the Non Lender Transferee shall have delivered to the Borrower and the selling Noteholder, an investment letter substantially in the form that certain investor letter delivered by the Lender to the Borrower in connection with the original purchase of the Note (the "Investor Letter").

The Lender may at any time pledge or grant a security interest in all or any portion of its rights under the Note and this Agreement to secure obligations of the Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release the Lender from any of its obligations hereunder or substitute any such pledgee or assignee for the Lender as a party hereto.

The Lender shall have the right to grant participations in the Note to one or more other banking institutions, and such participants shall be entitled to the benefits of this Agreement to the same extent as if they were a direct party hereto; provided, however, that no such participation by any such participant shall in any way affect the obligation of the Lender hereunder otherwise and the Borrower may deal exclusively with the Lender for all purposes of this Agreement notwithstanding such participation. The Lender may disclose to any participants or prospective participants any information or other data or material in the Lender's possession relating to this Agreement and the Borrower, without the consent of or notice to the Borrower.

ARTICLE IV

LOAN TERM AND LOAN CLOSING REQUIREMENTS

SECTION 4.01. Commencement of Loan Term. The Borrower's obligations under this Loan Agreement shall commence on the Closing Date unless otherwise provided in this Loan Agreement.

SECTION 4.02. Termination of Loan Term. The Borrower's obligations under this Loan Agreement shall terminate after payment in full of all amounts due under this Loan Agreement and the Note; provided, however, that all covenants and all obligations provided hereunder specified to so survive. Upon termination of the Loan Term and upon written request of the Borrower, the Lender shall deliver, or cause to be delivered, to the Borrower an acknowledgment thereof and shall deliver the cancelled Note to the Borrower.

SECTION 4.03. Loan Closing Submissions. Concurrently with the execution and delivery of this Loan Agreement, the Borrower is providing to the Lender the following documents each dated the date of such execution and delivery unless otherwise provided below:

- (a) A certified ordinance of the Borrower authorizing the Loan, this Agreement and the Note;
- (b) An opinion of the Borrower's Counsel in the form of Exhibit B attached hereto to the effect that this Loan Agreement and the Note are valid and binding obligations of the Borrower and opining to such other matters as may be reasonably required by Bond Counsel and the Lender and acceptable to Borrower's Counsel;
- (c) A certificate of the officials of the Borrower who sign this Loan Agreement to the effect that (i) the representations and warranties of the Borrower are true and correct, (ii) no event has occurred and is continuing, or would result from entry into this Agreement, which would constitute a Default or Event of Default, (iii) no event or circumstance since September 30, 2013, that has had or could be reasonably expected to have, either individually or in the aggregate, a material adverse effect on the business condition, operations or performance of the Borrower and (iv) neither this Agreement nor the Note provide for any interest rates or payments that would violate any applicable law regarding permissible maximum rates of interest including Section 215.84 of the Florida Statutes;
- (d) An executed original of this Loan Agreement and the Note;
- (e) An opinion (addressed to the Lender and the Borrower) of Bond Counsel to the effect that (i) such financing, refinancing or reimbursement with Loan proceeds is permitted under the Act and the resolution authorizing this Loan Agreement, (ii) this Loan Agreement creates a valid a pledge of the Pledged Funds, and (iii) the interest on the Note will be not be included in the gross income of the Noteholders for federal income tax purposes; and
- (f) Such other certificates, documents, opinions and information as the Lender or Bond Counsel may require.

All opinions and certificates shall be dated the Closing Date.

SECTION 4.03. Payment of Fees and Expenses. On or prior to the Closing Date, (i) the Lender shall have received reimbursement of the Lender's fees and expenses and (ii) Chapman and Cutler LLP, as counsel to the Lender, shall have received payment of its legal fees and expenses incurred in connection with the preparation, review, negotiation, execution and delivery of this Loan Agreement, the Note and the other transaction documents.

SECTION 4.04. No Rating; DTC; Offering Document. The Bonds shall not be (i) assigned a specific rating by any of Moody's, S&P or Fitch, (ii) registered with The Depository Trust Company or any other securities depository, (iii) issued pursuant to any type of official statement, private placement memorandum or other offering document or (iv) placed or offered by a broker-dealer in the capacity of an underwriter or a placement agent.

ARTICLE V

LOAN REPAYMENTS

SECTION 5.01. Payment of Basic Payments. Borrower shall pay all Loan Repayments in lawful money of the United States of America to the Lender. No Loan Repayment shall be in an amount such that interest on the Loan is in excess of the maximum rate allowed by the laws of the State of Florida or of the United States of America. The Basic Payments shall equal the principal and interest due on the Loan, and shall be paid by the Borrower to the Lender at the times such amounts as set forth in the form of Note attached hereto as Exhibit C.

SECTION 5.02. Payment of Additional Payments. In addition to Basic Payments which are set forth in Section 5.01 hereof, Borrower agrees to pay on demand of the Lender, the following Additional Payments.

All reasonable fees and expenses of the Lender relating to this Loan Agreement, including, but not limited to:

- (1) the reasonable fees and disbursements of Counsel utilized by the Lender in connection with closing of the Loan (not to exceed \$10,000);
- (2) reasonable extraordinary fees and costs of the Lender following an Event of Default hereunder;
- (3) all taxes (including any recording and filing fees) in connection with the execution and delivery of this Loan Agreement, and all expenses, including reasonable attorneys' fees, relating to any amendments, waivers, consents or collection or enforcement proceedings pursuant to the provisions hereof;
- (4) any amounts owed to the United States of America as rebate obligations on the Bonds, which obligation shall survive the termination of this Loan Agreement;
- (5) a fee for each amendment to this Loan Agreement, the Note or any other related transaction document or any consent or waiver by the Lender with respect to this Loan Agreement, the Note or any other related transaction document, in each case, in a

minimum amount of \$2,500 plus the reasonable fees and expenses of counsel to the Lender; and

(6) any other amount owed under this Loan Agreement which, for the avoidance of doubt, does not constitute principal of and interest on the Loan.

SECTION 5.03. Obligations of Borrower Unconditional. Subject in all respects to the provisions of this Loan Agreement, the obligations of Borrower to make the Loan Repayments required hereunder and to perform and observe the other agreements on its part contained herein, shall be absolute and unconditional, and shall not be abated, rebated, set-off, reduced, abrogated, terminated, waived, diminished, postponed or otherwise modified in any manner or to any extent whatsoever, while the Note remains outstanding or any Loan Repayments remain unpaid, regardless of any contingency, act of God, event or cause whatsoever. This Loan Agreement shall be deemed and construed to be a "net contract," and Borrower shall pay absolutely net the Loan Repayments and all other payments required hereunder, regardless of any rights of set-off, recoupment, abatement or counterclaim that Borrower might otherwise have against the Lender or any other party or parties.

SECTION 5.04. Prepayment. The Loan may be prepaid in whole or in part by the Borrower subject to the prepayment provisions set forth in the form of the Note attached hereto as Exhibit C.

ARTICLE VI

SUBORDINATED INDEBTEDNESS, ADDITIONAL DEBT, AND RATE COVENANT

SECTION 6.01. Limitation on Indebtedness. Except as provided in Section 6.02 hereof, the Borrower will not issue or cause to be issued any debt obligations, except under the conditions and in the manner provided herein, payable from the Pledged Funds having priority to or being on a parity with the lien thereon with respect to the Loan and the interest thereon.

SECTION 6.02. Issuance of Additional Debt. The Borrower may issue (or cause to be issued) Additional Debt and Subordinated Indebtedness for any purpose permitted by applicable law. Additional Debt and Subordinated Indebtedness shall only be issued as set forth in this Agreement. All of the covenants and other provisions of this Agreement (except as to details of such Additional Debt inconsistent therewith) shall be for the equal benefit, protection and security of this Loan and for the Holders of all Additional Debt; provided, however, any Supplemental Resolution authorizing the issuance of Additional Debt may provide that any of the covenants herein contained will not be applicable to such Additional Debt, provided that such provision shall not, in the opinion of Bond Counsel, adversely affect the rights of the Holders of any Bonds which shall then be Outstanding. All Additional Debt, regardless of the time or times of issuance, shall rank equally with respect to their lien on the Pledged Revenues with the Loan and their sources and security for payment therefrom without preference of any such debt over any other. Subordinated Indebtedness must expressly state that the right to payment of the owner thereof from Pledged Funds is subordinate to the payment of the Loan and Additional Debt. No such Additional Debt and Subordinate Indebtedness shall be issued by the Borrower unless the following conditions are complied with:

(A) The Borrower shall certify that it is current in all deposits into the various funds and accounts and all payments theretofore required to have been deposited or made by it under the provisions of this Agreement and has complied with the covenants and agreements of this Agreement.

(B) (i) No Additional Debt may be issued unless the Net Revenues for either, at the option of the Borrower, (i) the Fiscal Year of the Borrower most recently concluded for which audited financial statements are available or (ii) any twelve consecutive months selected by the Borrower of the eighteen months immediately preceding the issuance of such Additional Debt, are at least 125% of the Maximum Annual Debt Service Requirements on the 2008 Loan, the Loan, any existing Additional Debt and the proposed Additional Debt.

(ii) No Additional Debt or Subordinated Indebtedness may be issued unless Net Revenues for either, at the option of the Borrower, (i) the Fiscal Year of the Borrower most recently concluded for which audited financial statements are available or (ii) any twelve consecutive months selected by the Borrower of the eighteen months immediately preceding the issuance of such Additional Debt or Subordinated Indebtedness, are at least 115% of the Maximum Annual Debt Service Requirements of the existing and proposed Additional Debt and Subordinated Indebtedness.

(C) In the event any Additional Debt is issued for the purpose of refunding any Additional Debt then Outstanding, the conditions of Section 6.02(B) shall not apply, provided that the issuance of such Additional Debt shall not result in an increase in the aggregate amount of principal of and interest becoming due in the current Fiscal Year and all subsequent Fiscal Years. The conditions of Section 6.02(B) hereof shall apply to Additional Debt issued to refund Subordinated Indebtedness and to Additional Debt issued for refunding purposes which cannot meet the conditions of this paragraph.

(D) In the event that the total amount of any Additional Debt authorized to be issued shall not be issued simultaneously, such debt which shall be issued subsequently shall be subject to the conditions of Section 6.02(B) hereof.

(E) If at any time the Borrower shall enter into an agreement or contract for an ownership interest in any public or privately owned utility system or for the reservation of capacity therein whereby the Borrower has agreed as part of the cost thereof to pay part of the debt service on the obligations of such public or privately owned utility system issued in connection therewith, such payments to be made by the Borrower shall be junior, inferior and subordinate in all respects to the Loan Repayments hereunder, unless such obligations (when treated as Additional Debt) shall meet the conditions of Section 6.02(B)(i) hereof, in which case such obligations shall rank on parity as to the lien on the Pledged Funds with the Loan.

(F) In addition to all of the other requirements specified in Section 6.02, the Borrower must comply with any applicable provisions of any financing documents relating to outstanding Subordinated Indebtedness to the extent such provisions impact on the ability of the Borrower to issue Additional Debt.

SECTION 6.03. Rates. The Borrower shall fix, establish, maintain and collect such Rates and revise the same from time to time, whenever necessary, as will always provide in each Fiscal Year, (i) Net Revenues (together with Available Impact Fees) adequate at all times to pay in each Fiscal Year at least one hundred twenty five percent (125%) of the current annual Debt Service Requirement becoming due in such Fiscal Year on the 2008 Loan, the Loan and any other outstanding Additional Debt, if any, and (ii) Net Revenues (not including any Available Impact Fees) adequate at all times to pay in each Fiscal Year at least one hundred fifteen percent (115%) of the current annual Debt Service Requirement becoming due in such Fiscal Year on the 2008 Loan, the Loan and any other outstanding Additional Debt, if any. The Borrower shall also fix, establish, maintain and collect such Rates and revise the same from time to time, whenever necessary, as will always provide in each Fiscal Year, Net Revenues (not including any Available Impact Fees) less the amount of the Debt Service Requirement on the 2008 Loan, the Loan and any other Additional Debt, if any, for the Fiscal Year, which are adequate at all times to pay in each Fiscal Year at least one hundred fifteen percent (115%) of the amounts becoming due in such Fiscal Year on any Subordinate Indebtedness. Such Rates shall not be so reduced so as to be insufficient to provide Net Revenues fully adequate for the purposes provided therefor by this Loan Agreement.

ARTICLE VII

DEFEASANCE

This Loan Agreement shall continue to be obligatory and binding upon the Borrower in the performance of the obligations imposed by this Loan Agreement and the repayment of all sums due by the Borrower under this Loan Agreement shall continue to be secured by this Loan Agreement as provided herein until all of the indebtedness and all of the payments required to be made by the Borrower shall be fully paid to the Lender; provided, however, if, at any time, the Borrower shall have paid, or shall have made provision for payment of, the principal amount of the Loan and the Notes and shall have paid all amounts due pursuant to Section 5.02 hereof, then, and in that event, the covenant regarding the Pledged Funds and the lien on the revenues pledged, if any, for the benefit of the holders of the Notes shall be no longer in effect and all future obligations of the Borrower under this Loan Agreement shall cease. For purposes of the preceding sentence, deposit of sufficient cash and/or Governmental Obligations in an irrevocable trust with a banking institution or trust company acceptable to the Lender, for the sole benefit of the Lender, the principal, interest and prepayment premiums, if any, received will be sufficient (as reflected in an accountants verification report) to make timely payment of the principal, interest and prepayment premiums, if any, on the Outstanding Loan and Notes, shall be considered "provision for payment."

If the Borrower shall make advance payments in an amount sufficient to retire the Loan of the Borrower, including any redemption premium and accrued interest to the next succeeding redemption date of the Bonds, all future obligations of the Borrower under this Loan Agreement shall cease, including the obligations under Section 5.02 hereof, except as provided in Section 4.02 hereof.

ARTICLE VIII

ASSIGNMENT AND PAYMENT BY THIRD PARTIES

SECTION 8.01. Assignment by Borrower. This Loan Agreement may not be assigned by the Borrower for any reason without the express prior written consent of the Lender.

SECTION 8.02. No Partnership, etc. The relationship between the Lender and the Borrower are solely those of lenders and borrower. The Lender has no fiduciary or other special relationship with or duty to the Borrower and none is created by the transaction documents. Nothing contained in the transaction documents, and no action taken or omitted pursuant to the transaction documents, is intended or shall be construed to create any partnership, joint venture association, or special relationship between the Borrower and the Lender or in any way make the Lender a co-principal with the Borrower with reference to the Project, or otherwise. In no event shall the Lender's rights and interests under the Loan documents be construed to give the Lender the right to control, or to be deemed to indicated that the Lender is in control of, the business, properties, management or operations of the Borrower.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

SECTION 9.01. Events of Default Defined. The following shall be "Events of Default" under this Loan Agreement and the terms "Event of Default" shall mean (except where the context clearly indicates otherwise), whenever they are used in this Loan Agreement, any one or more of the following events:

- (a) Failure by the Borrower to timely pay any Loan Repayment, when due;
- (b) Failure by the Borrower to timely pay any other payment required to be paid hereunder on the date on which it is due and payable, provided the Borrower has prior written notice of any such payments being due;
- (c) Failure by the Borrower to observe and perform any covenant, condition or agreement other than a failure under (a), on its part to be observed or performed under this Loan Agreement, for a period of thirty (30) days after written notice of the failure, unless the Lender shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice can be wholly cured within a period of time not materially detrimental to the rights of the Lender, but cannot be cured within the applicable 30-day period, the Lender will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Borrower within the applicable period and diligently pursued until the failure is corrected;
- (d) Any warranty, representation or other statement by the Borrower or by an officer or agent of the Borrower contained in this Loan Agreement or in any instrument furnished in compliance with or in reference to this Loan Agreement, is false or misleading in any material respect when made;

(e) A petition is filed against the Borrower under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and is not dismissed within 60 days of such filing;

(f) The Borrower files a petition in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under such law;

(g) The Borrower admits insolvency or bankruptcy or its inability to pay its debts as they become due or is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or a custodian (including without limitation a receiver, liquidator or trustee) of the Borrower or any of its property is appointed by court order or takes possession thereof and such order remains in effect or such possession continues for more than 60 days;

(h) Default under any agreement to which the Borrower is a party evidencing, securing or otherwise respecting any indebtedness of the Borrower which is secured by the Pledged Revenues outstanding in the amount of \$100,000 or more if, as a result thereof, such indebtedness may be declared immediately due and payable or other remedies may be exercised with respect thereto;

(i) Any material provision of this Loan Agreement or the Note shall at any time for any reason cease to be valid and binding on the Borrower, or shall be declared to be null and void, or the validity or enforceability of this Loan Agreement or the Note shall be contested by the Borrower or any governmental agency or authority, or if the Borrower shall deny any further liability or obligation under this Loan Agreement or the Note; or

(j) A final non-appealable judgment for the payment of money in the amount of \$750,000 or more is rendered against the Borrower, and at any time after 90 days from the entry thereof, unless otherwise provided in the final judgment, (i) the City does not demonstrate to the reasonable satisfaction of the Lender that it has adequate insurance or reserves otherwise available for payment of such judgment, or (ii) such judgment shall not have been discharged, or (iii) the Borrower is not obligated with respect to such judgment pursuant to the provisions of Chapter 768, Florida Statutes or other applicable law.

SECTION 9.02. Notice of Default. The Borrower agrees to give the Lender prompt written notice if any petition, assignment, appointment or possession referred to in Section 9.01(e), 9.01(f) and 9.01(g) is filed by or against the Borrower or of the occurrence of any other event or condition which constitutes a Default or an Event of Default, immediately upon becoming aware of the existence thereof.

SECTION 9.03. Remedies on Default. Whenever any Event of Default referred to in Section 9.01 hereof shall have occurred and be continuing, the Lender shall, in addition to any other remedies herein or by law provided, have the right, at its option without any further demand or notice, to take whatever other action at law or in equity which may appear necessary or desirable to collect amounts then due and thereafter to become due hereunder or to enforce any

other of its rights hereunder. In furtherance of the foregoing, upon the occurrence and during the continuance of an Event of Default hereunder, the Note and all other obligations hereunder shall bear interest at the Default Rate.

SECTION 9.04. No Remedy Exclusive; Waiver, Notice. No remedy herein conferred upon or reserved to the Lender is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right, remedy or power shall be construed to be a waiver thereof, but any such right, remedy or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Lender to exercise any remedy reserved to it in this Article IX, it shall not be necessary to give any notice other than such notice as may be required in this Article IX.

SECTION 9.05. Application of Moneys. Any moneys collected by the Lender pursuant to Section 9.03 hereof shall be applied (a) first, to pay any attorney's fees or other expenses owed by the Borrower to the Lender under this Loan Agreement, (b) second, to pay interest due on the Loan, (c) third, to pay principal due on the Loan, (d) fourth, to pay any other amounts due hereunder, and (e) fifth, to pay interest and principal on the Loan and other amounts payable hereunder but which are not due, as they become due (in the same order, as to amounts which come due simultaneously, as in (a) through (d) in this Section 9.05).

SECTION 9.06. Acceleration; Rescission and Annulment.

(a) If (i) an Event of Default has occurred and is continuing and (ii) the principal of and interest on any other Additional Debt or Subordinated Indebtedness has been declared due and payable prior to its maturity, including without limitation, through the direction of an acceleration, mandatory redemption or mandatory tender of such indebtedness, then the Lender may declare the principal of the Loan and the interest accrued thereon to be due and payable immediately, by a notice in writing to the Borrower, and upon any such declaration such principal and the interest accrued thereon to the date of declaration shall become immediately due and payable.

(b) At any time after such a declaration of acceleration has been made pursuant to subsection (a) of this Section, the Lender, by written notice to the Borrower may rescind and annul such declaration.

No rescission and annulment shall affect any subsequent default or impair any right of the Lender consequent thereon.

ARTICLE X

MISCELLANEOUS

SECTION 10.01. Notices. All notices, certificates or other communication hereunder shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, to the parties at the following addresses:

Lender: Wells Fargo Municipal Capital
Strategies, LLC
c/o Wells Fargo Bank, National
Association
200 South Biscayne Blvd
14th Floor
Miami, Florida 33131

Borrower: City of Deerfield Beach, Florida
150 N.E. 2nd Avenue
Deerfield Beach, Florida 33441
Attention: City Manager

Any of the above parties may, by notice in writing given to the others, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 10.02. Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the Lender and the Borrower and their respective successors and assigns.

SECTION 10.03. Severability. In the event any provision of the Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 10.04. Amendments, Changes and Modifications. This Loan Agreement and the Note may be amended by written agreement of the Lender and the Borrower.

SECTION 10.05. Execution in Counterparts. This Loan Agreement may be simultaneously executed in several counterparts, each of which, when so executed and delivered, shall be an original and all of which shall constitute but one and the same instrument.

SECTION 10.06. Applicable Law. This Loan Agreement shall be governed by and construed in accordance with the laws of the State of Florida. To the extent permitted by applicable laws, each of the parties hereto hereby waives its right to a jury trial of any claim or cause of action based upon or arising out of this Loan Agreement, the Note or any other related transaction documents, including contract claims, tort claims, breach of duty claims, and all other common law or statutory claims.

SECTION 10.07. Immunity of Officers, Employees and Members of Borrower. No recourse shall be had for the payment of the principal of or premium or interest hereunder or for any claim based thereon or upon any representation, obligation, covenant or agreement in this Loan Agreement against any past, present or future official officer, member, counsel, employee, director or agent in their individual capacities, as such, of the Borrower, either directly or through the Borrower, or respectively, any successor public or private corporation thereto under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, members, counsels, employees, directors or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Loan Agreement.

SECTION 10.08. Captions. The captions or headings in this Loan Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions of sections of this Loan Agreement.

SECTION 10.09. Payments Due on Holidays. With the exception of Basic Payments, if the date for making any payment or the last date for performance of any act or the exercise of any right, as provided in this Loan Agreement, shall be other than on a Business Day, such payments may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Loan Agreement.

SECTION 10.10. Calculations. Interest shall be computed on the basis of a 360-day year and consisting of twelve 30-day months.

SECTION 10.11. Time of Payment. Any Loan Repayment or other payment hereunder which is received by the Lender after 4:00 p.m. (New York time) on any day shall be deemed received on the following Business Day.

SECTION 10.12. Usury. The Lender shall not be entitled to receive payment of interest hereunder or under the Note in excess of the maximum rate permitted by applicable law. If the Lender receives less interest during any period than it would be entitled to receive hereunder and under the Note but for the applicability of a maximum legal rate of interest, during any subsequent period in which the rate of interest to which the Lender is otherwise entitled hereunder and under the Note is less than such maximum legal rate of interest, the Lender shall instead receive interest at a rate equal to the maximum legal rate of interest until the Lender has received, in the aggregate, the amount of interest due the Lender hereunder and under the Note.

In addition, to the extent permitted by applicable law, if the principal amount of the Note comes due or is prepaid and the Lender has not received, in the aggregate, the amount of interest due the Lender hereunder and under the Note, the Borrower shall pay the Lender, upon the coming due or prepayment of such principal amount, a fee in an amount equal to the amount of interest due the Lender hereunder and under the Note and not otherwise paid hereunder or thereunder.

SECTION 10.13. Patriot Act Notice. The Lender hereby notifies the Borrower that pursuant to the requirements of the Patriot Act it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow the Lender to identify the Borrower in accordance with the Patriot Act. The Borrower hereby agrees that it shall promptly provide such information upon request by the Lender.

SECTION 10.14. Indemnification. In addition to any and all rights of reimbursement, indemnification, subrogation or any other rights pursuant hereto or under law or equity, the Borrower hereby agrees (to the extent permitted by law) to indemnify and hold harmless the Lender and its officers, directors and agents (each, an "Indemnitee") from and against any and all claims, damages, losses, liabilities, reasonable costs or expenses whatsoever (including reasonable attorneys' fees) which may incur or which may be claimed against an Indemnitee by any Person or entity whatsoever (collectively, the "Liabilities") by reason of or in connection with (a) the execution and delivery or transfer of, or payment or failure to pay under, the Loan Agreement or the Note; (b) the issuance and sale of the Note; and (c) the use of the proceeds of the Note; provided that the Borrower shall not be required to indemnify an Indemnitee for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the willful misconduct or negligence of such Indemnitee. The obligations of the Borrower under this Section shall survive the payment of the Notes and the termination of this Agreement.

SECTION 10.15. Arbitration and Waiver of Jury Trial.

(a) This Section 10.15 concerns the resolution of any controversies or claims between the parties, whether arising in contract, tort or by statute, that arise out of or relate to: (i) this Loan Agreement (including any renewals, extensions or modifications); or (ii) any other related transaction document or other document related to this Loan Agreement (collectively a "Claim"). For the purposes of this arbitration provision only, the term "parties" shall include any parent corporation, subsidiary or affiliate of the Lender involved in the servicing, management or administration of any obligation described or evidenced by this Loan Agreement.

(b) At the request of any party to this Loan Agreement, any Claim shall be resolved by binding arbitration in accordance with the Federal Arbitration Act (Title 9, U.S. Code) (the "Arbitration Act"). The Arbitration Act will apply even though this Loan Agreement provides that it is governed by the law of a specified state. The arbitration will take place on an individual basis without resort to any form of class action. Notwithstanding the foregoing, if the Borrower is a party to a controversy, then at the election of the Borrower, the arbitration provisions of this Section 10.15 shall not apply to the resolution of such Claim, but the parties nevertheless waive any right to a jury trial in connection with such controversy.

(c) Arbitration proceedings will be determined in accordance with the Arbitration Act, the then-current rules and procedures for the arbitration of financial services disputes of the American Arbitration Association or any successor thereof ("AAA"), and the terms of this Section. In the event of any inconsistency, the terms of this paragraph shall control. If AAA is unwilling or unable to (i) serve as the provider of arbitration or (ii) enforce any provision of this arbitration clause, any party to this Loan Agreement may substitute another arbitration organization with similar procedures to serve as the provider of arbitration.

(d) The arbitration shall be administered by AAA and conducted, unless otherwise required by law, in Ft. Lauderdale, Florida. All Claims shall be determined by one arbitrator; however, if Claims exceed Five Million Dollars (\$5,000,000), upon the request of any party, the Claims shall be decided by three arbitrators. All arbitration hearings shall commence within ninety (90) days of the demand for arbitration and close within ninety (90) days of commencement and the award of the arbitrator(s) shall be issued within thirty (30) days of the close of the hearing. However, the arbitrator(s), upon a showing of good cause, may extend the commencement of the hearing for up to an additional sixty (60) days. The arbitrator(s) shall provide a concise written statement of reasons for the award. The arbitration award may be submitted to any court having jurisdiction to be confirmed, judgment entered and enforced.

(e) The arbitrator(s) will give effect to statutes of limitation in determining any Claim and may dismiss the arbitration on the basis that the Claim is barred. For purposes of the application of the statute of limitations, the service on AAA under applicable AAA rules of a notice of Claim is the equivalent of the filing of a lawsuit. Any dispute concerning this arbitration provision or whether a Claim is arbitratable shall be determined by the arbitrator(s). The arbitrator(s) shall have the power to award legal fees pursuant to the terms of this Bond Purchase Agreement.

(f) This Section does not limit the right of any party to: (i) exercise self-help remedies, such as but not limited to, setoff; (ii) initiate judicial or non-judicial foreclosure against any real or personal property collateral; (iii) exercise any judicial or power of sale rights, or (iv) act in a court of law to obtain an interim remedy, such as but not limited to, injunctive relief, writ of possession or appointment of a receiver, or additional or supplementary remedies.

(g) The filing of a court action is not intended to constitute a waiver of the right of any party, including the suing party, thereafter to require submittal of the Claim to arbitration.

(h) By agreeing to binding arbitration, the parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of any Claim. Furthermore, without intending in any way to limit this agreement to arbitrate, to the extent any Claim is not arbitrated, the parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of such Claim. This provision is a material inducement for the parties entering into this Bond Purchase Agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the City of Deerfield Beach, Florida, has caused this Loan Agreement to be executed in its name with its seal hereunto affixed and attached by its duly authorized officers and Wells Fargo Municipal Capital Strategies, LLC has caused this Loan Agreement to be executed in its corporate name and attested by its duly authorized officer. All of the above occurred as of the Closing Date.

CITY OF DEERFIELD BEACH,
FLORIDA

(SEAL)

By: Jean Robb
Name: Jean Robb
Title: Mayor

ATTESTED BY:

By: [Signature]
Name:
Title:

Approved as to form
this 9 day of April, 2015.

By: [Signature]
Name: Andrew S. Maurodis, Esq.
Title: City Attorney

WELLS FARGO MUNICIPAL
CAPITAL STRATEGIES, LLC

By: _____
Name: Kristina Eng
Title: Vice President

IN WITNESS WHEREOF, the City of Deerfield Beach, Florida, has caused this Loan Agreement to be executed in its name with its seal hereunto affixed and attached by its duly authorized officers and Wells Fargo Municipal Capital Strategies, LLC has caused this Loan Agreement to be executed in its corporate name and attested by its duly authorized officer. All of the above occurred as of the Closing Date.

CITY OF DEERFIELD BEACH,
FLORIDA

(SEAL)

By: _____
Name: Jean Robb
Title: Mayor

ATTESTED BY:

By: _____
Name:
Title:

Approved as to form
this __ day of April, 2015.

By: _____
Name: Andrew S. Maurodis, Esq.
Title: City Attorney

WELLS FARGO MUNICIPAL
CAPITAL STRATEGIES, LLC

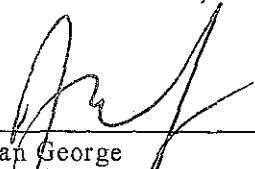
By:  _____
Name: Dan George
Title: Senior Vice President

EXHIBIT A

CITY OF DEERFIELD BEACH, FLORIDA
USE OF LOAN PROCEEDS

DESCRIPTION OF REFINANCING

<u>PURPOSE</u>	<u>TOTAL AMOUNT TO BE FINANCED</u>
Refinance State of Florida Department of Environmental Protections State Revolving Fund Loans DW0606010 and pay costs of issuance.	\$8,580,000

EXHIBIT B

OPINION OF BORROWER'S COUNSEL

[Letterhead of Counsel to Borrower]

April 9, 2015

Wells Fargo Municipal Capital
Strategies, LLC
New York, New York

Gentlemen:

I am counsel to the City of Deerfield Beach, Florida (the "Borrower"), and have been requested by the Borrower to give this opinion in connection with the loan by Wells Fargo Municipal Capital Strategies, LLC (the "Lender") to the Borrower of funds to refinance certain outstanding loans pursuant to a Loan Agreement, dated as of April 9, 2015 (the "Loan Agreement"), between the Borrower and the Lender.

In this connection, we have reviewed such records, certificates and other documents as we have considered necessary or appropriate for the purposes of this opinion, including applicable laws, and ordinances enacted by the City Commission of the Borrower, the Loan Agreement, the City of Deerfield Beach, Florida Revenue Note, dated April 9, 2015 (the "Note", Ordinance No. 2015/009 enacted by the City Commission of the Borrower on April 7, 2015 (the "Ordinance") and Resolution No. 080 adopted by the City Commission of the Borrower on April 7, 2015 (the "Resolution" and, together with the Ordinance, the "Loan Legislation"). Based on such review, and such other considerations of law and fact as we believe to be relevant, we are of the opinion that:

(a) The Borrower is a municipality duly organized and validly existing under the Constitution and laws of the State of Florida and under the provisions of the Constitution and laws of the State of Florida. The Borrower has the legal right and all requisite power and authority to enter into the Loan Agreement to pledge the Pledged Funds, to enact the Ordinance, to adopt the Resolution, to issue the Note and to consummate the transactions contemplated thereby and otherwise to carry on its activities and own its property.

(b) The Borrower has duly authorized, executed and delivered the Ordinance, the Resolution, the Loan Agreement and the Note, and such instruments are legal and binding obligations of the Borrower enforceable against the Borrower in accordance with their respective terms, except to the extent that the enforceability hereof may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity, and to the sovereign police powers of the State of Florida and the constitutional powers of the United States of America.

(c) The enactment of the Ordinance, the adoption of the Resolution and the execution and delivery of the Loan Agreement, the issuance of the Note, the consummation of the transactions contemplated thereby, the refinancing of the outstanding loans to be refinanced with the proceeds of the loan and the fulfillment of or compliance with the terms and conditions of the Loan Agreement do not and will not conflict with or result in a material breach of or default under any of the terms, conditions or provisions of any agreement, contract or other instrument, or law, ordinance, regulation, or judicial or other governmental order, to which the Borrower is now a party or it or its properties is otherwise subject or bound, and the Borrower is not otherwise in violation of any of the foregoing in a manner material to the transactions contemplated by the Loan Agreement.

(d) Except as set forth in the Summary of Litigation and Pending Claims, a copy of which is attached to this opinion, there is no litigation or legal or governmental action, proceeding, inquiry or investigation pending or, to the best of our knowledge, threatened by governmental authorities or to which the Borrower is a party or of which any property of the Borrower is subject, which if determined adversely to the Borrower, would individually or in the aggregate materially and adversely affect the validity or the enforceability of the Loan Agreement.

The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the laws of the United States of America. In addition, no opinions of any kind are offered or expressed relating to securities laws, financial matters or opinions related thereto, or the tax treatment of the Note or the interest thereon.

The opinions express herein are predicated upon present law, facts and circumstances and are to the best of the undersigned's knowledge, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof.

Very truly yours,

EXHIBIT C

FORM OF NOTE

THIS NOTE IS SUBJECT TO RESTRICTIONS ON TRANSFER AND MAY ONLY BE TRANSFERRED IN ACCORDANCE WITH SECTIONS 3.03 AND 3.04 OF THE HEREINAFTER DEFINED LOAN AGREEMENT.

No. R-1

\$8,580,000

CITY OF DEERFIELD BEACH, FLORIDA
REVENUE NOTE

RATE OF INTEREST

1.63%

MATURITY DATE

November 15, 2021

DATE OF ISSUE

April 9, 2015

CUSIP NO.: 244299AA1

REGISTERED OWNER: Wells Fargo Municipal Capital Strategies, LLC

PRINCIPAL AMOUNT: Eight Million Five Hundred Eighty Thousand Dollars

KNOW ALL MEN BY THESE PRESENTS, that the City of Deerfield Beach, Florida (the "Borrower"), for value received, hereby promises to pay to the Registered Owner designated above, or registered assigns, solely from the special funds hereinafter mentioned, on November 15, 2015, and on each November 15 thereafter, to and including the Maturity Date specified above, the installments of the above Principal Amount set forth on Schedule C hereto and not previously repaid, and to pay solely from such funds interest on the outstanding Principal Amount hereof from the date of this Note or from the most recent date to which interest has been paid, whichever is applicable, until payment of such Principal Amount, interest at the Rate of Interest shown above, subject to adjustment, such interest being payable semi-annually on each May 15 and November 15 (an "Interest Payment Date") commencing May 15, 2015, with all unpaid interest being due on the Maturity Date or upon the earlier payment of principal hereunder, by wire transfer in accordance with written instructions delivered by the Registered Owner to the Borrower or by such other medium acceptable to the Borrower and to such Registered Owner. The principal of, premium, if any, and interest on this Note are payable in lawful money of the United States of America. Interest due hereon shall be calculated on the basis of a 360-day year and consisting of twelve 30-day months. Any payments shall be applied first to interest accrued on the under this Note to the date of such payment and then to principal of the Note.

The Note may be prepaid in whole at any time upon at least fifteen (15) calendar days prior written notice to the Registered Owner specifying the amount of prepayment. In the event that the Borrower pursuant to this paragraph prepays or optionally redeems this Note, the Borrower shall, at the time of such prepayment or optional redemption, pay to the Registered Owner the interest accrued to the date of prepayment plus an additional fee or redemption premium equal to the Breakage Fee as described below.

Breakage Fee

Upon the occurrence of a Break Event, the Breakage Fee shall be calculated and paid as follows:

"Break Date" means any date that an optional redemption or prepayment is made.

"Break Event" means any optional redemption or prepayment.

"Calculation Agent" will be Wells Fargo Bank, National Association. If for any reason Wells Fargo Bank, National Association is unable or unwilling to calculate the Breakage Fee, the Calculation Agent shall be an independent financial advisor or investment banker appointed by the Borrower with the consent of the Registered Owner.

"Day Count Fraction" is the anticipated basis on which interest on this Note is to be computed. The Day Count Fraction utilizes a 360-day year and consisting of twelve 30-day months.

"Reference Rate" means the 1.26%.

"Scheduled Due Date" means each date specified on the Amortization Schedule attached as Schedule C to this Note.

"Schedule of Principal Amount" is the anticipated principal amount of this Note scheduled to be outstanding on the date this Note is funded and on the Scheduled Due Date. The Schedule of Principal Amounts for the Scheduled Due Dates is specified on the Amortization Schedule attached as Schedule C to this Note.

1. In connection with any Break Event, a Breakage Fee shall be paid by the Borrower if the Breakage Fee is a positive number. No Breakage Fee shall be payable for a Break Event if the Breakage Fee for that Break Event is a negative number. Breakage Fees will be determined by the Calculation Agent, on the Business Day next preceding any Break Date and will be calculated for this Note as follows:

"Breakage Fee" for any Break Event is the difference of:

- (i) the sum of the present values of a series of amounts computed for each Scheduled Due Date after the Break Date through the Maturity Date for this Note, each of which amounts is equal to the product of (A) the Affected Principal

Amount for the Affected Principal Period ending on the Scheduled Due Date, times (B) the Reference Rate, times (C) the Day Count Fraction for such Affected Principal Period,

minus

(ii) the sum of the present values of a series of amounts computed for

each Scheduled Due Date after the Break Date through the Maturity Date for this Note, each of which amounts is equal to the product of (A) the Affected Principal Amount for the Affected Principal Period ending on the Scheduled Due Date, times (B) the Break Rate, times (C) the Day Count Fraction for such Affected Principal Period,

where:

(1) the Calculation Agent computes such present values by discounting each such series of amounts described in clause (i) and (ii) above from the Scheduled Due Date to the Break Date using a series of discount factors corresponding to the Scheduled Due Date as determined by the Calculation Agent from the swap yield curve that the Calculation Agent would use as of the Break Date in valuing a series of fixed rate interest rate swap payments similar to such series of amounts;

(2) the "*Affected Principal Amount*" for an Affected Principal Period is the principal amount of this Note reflected in the Schedule of Principal Amounts scheduled to be outstanding during that Affected Principal Period determined as of the relevant Break Date by the reference to such Schedule of Principal Amounts before giving effect to any Break Event on that Break Date, and for any Break Event, multiplying each such principal amount times the Prepayment Fraction;

(3) "*Affected Principal Period*" is each period from and including a Scheduled Due Date to but not excluding the next succeeding Scheduled Due Date; provided, however, if the Break Date is not a Scheduled Due Date, the initial Affected Principal Period shall be the period from and including the Break Date to but excluding the next succeeding Scheduled Due Date and the Affected Principal Period for such initial Affected Principal Period shall be the amount stated in the Schedule of Principal Amounts outstanding for the Scheduled Due Date next preceding the Break Date;

(4) "*Prepayment Fraction*" means, for each Scheduled Due Date, a fraction the numerator of which is the amount of the credit to be applied pursuant to the applicable provisions of this Note and the Loan Agreement to reduce the amount of the prepayment otherwise due on such date and the denominator of which is the amount of the payment otherwise due on such date (without regard to such credit); and

(4) "*Break Rate*" means, for any Break Date, and with respect to each Note, the fixed rate the Calculation Agent determines is representative of what swap dealers would be willing to pay to the Calculation Agent (or, if required to be cleared under the Commodity Exchange Act or a Commodity Futures Trading Commission rule or regulation promulgated thereunder, to a swap clearinghouse) as fixed rate payors on a semi-annual basis in return for receiving one-month LIBOR-based payments monthly under interest rate swap transactions that would commence on such Break Date, and mature on, or as close as commercially practicable to, the Maturity Date for this Note;

2. The Calculation Agent shall determine the Breakage Fee hereunder in good faith using such methodology as the Calculation Agent deems appropriate under the circumstance, and the Calculation Agent's determination shall be conclusive and binding in the absence of manifest error.

All payments by the Borrower on this Note shall apply first to accrued interest, then to other charges due the Registered Owner, and the balance thereof shall apply to the principal sum due.

Upon the occurrence of a Determination of Taxability, the interest rate on this Note shall be adjusted to a rate equal to 154% of the interest rate otherwise borne hereby (the "Adjusted Interest Rate") calculated on the basis of a 360-day year for the actual number of days elapsed, as of and from the date such Determination of Taxability would be applicable with respect to this Note (the "Accrual Date"); and (i) the Borrower, on the next interest payment date (or if this Note shall have matured, within 30 days after demand) shall pay to the Registered Owner an amount equal to the sum of (1) the difference between (A) the total interest that would have accrued on this Note at the Adjusted Interest Rate from the Accrual Date to such interest payment date (or maturity date), and (B) the actual interest paid by the Borrower on this Note from the Accrual Date to such interest payment date (or maturity date), and (2) any interest and penalties required to be paid as a result of any additional State of Florida and federal income taxes imposed upon the Registered Owner arising as a result of such Determination of Taxability; and (ii) from and after the Date of the Determination of Taxability, this Note shall continue to bear interest at the Adjusted Interest Rate for the period such determination continues to be applicable with respect to this Note. This adjustment shall survive payment of this Note until such time as the federal statute of limitations under which the interest on this Note could be declared taxable under the Code shall have expired.

As used in this Note, (1) "Code" means the Internal Revenue Code of 1986, as amended; and (2) "Determination of Taxability" shall mean the date on which interest on this Note is required to be included in the gross income of the holders thereof for federal income tax purposes as a result of any action or inaction by the City.

This Note shall bear interest on any overdue installment of principal and (to the extent permitted by law) interest at the Default Rate (as defined in the Loan Agreement). As further described in the Resolution and the Loan Agreement, upon the occurrence of an Event of Default, the Registered Owner in certain circumstances may declare all unpaid principal hereof

immediately due and payable, and upon such declaration of acceleration, the principal amount hereof, together with interest to the date of payment, shall be and become immediately due and payable.

This Note is issued to finance the costs of the refinancing certain outstanding indebtedness of the Borrower, under the authority of and in full compliance with the Constitution and Statutes of the State of Florida, including particularly Chapter 163, Part I, Florida Statutes, Chapter 166, Part II, Florida Statutes, as amended, and other applicable provisions of law, and Ordinance No. 2015/009 and Resolution No. 080, each duly enacted or adopted by the City Commission of the Borrower on April 7, 2015, and pursuant to a Loan Agreement between the Wells Fargo Municipal Capital Strategies, LLC and the Borrower, dated as of April 9, 2015 (the "Loan Agreement"), to which reference should be made to ascertain those terms and conditions.

This Note is payable from and secured solely by a lien upon and pledge of the Pledged Funds, as defined and described in the Loan Agreement, all in the manner provided in, and subject to the terms and conditions of the Loan Agreement.

The principal of and interest on this Note does not constitute a general obligation or indebtedness of the Borrower, and the Registered Owner shall never have the right to require or compel the levy of taxes on any property of or in the Borrower for the payment of the principal of and interest on this Note. The issuance of the Note shall not directly, indirectly or contingently obligate the Borrower, the State or any political subdivision or municipal corporation thereof to levy or pledge any form of ad valorem taxation for its payment but shall be payable solely from the funds and revenues pledged under and pursuant to the Loan Agreement.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of the State of Florida to be performed, to exist and to happen precedent to and in the issuance of this Note, have been performed, exist and have happened in regular and due form and time as so required.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the City of Deerfield Beach, Florida, has caused this Note to be executed by the Mayor or Vice-Mayor, and attested by the City Clerk, either manually or with their facsimile signatures, and its seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, all as of the Date of Issue above.

CITY OF DEERFIELD BEACH,
FLORIDA

(SEAL)

By: _____
Name: Jean Robb
Title: Mayor

ATTESTED BY:

By: _____
Name:
Title:

Approved as to form
this __ day of April, 2015.

By: _____
Name: Andrew S. Maurodis, Esq.
Title: City Attorney

SCHEDULE C

AMORTIZATION SCHEDULE

<u>Scheduled Date</u>	<u>Schedule of Principal Amounts</u>
November 15, 2015	\$1,135,000
November 15, 2016	\$1,195,000
November 15, 2017	\$1,210,000
November 15, 2018	\$1,230,000
November 15, 2019	\$1,250,000
November 15, 2020	\$1,260,000
November 15, 2021	\$1,300,000

4

THIS NOTE IS SUBJECT TO RESTRICTIONS ON TRANSFER AND MAY ONLY BE TRANSFERRED IN ACCORDANCE WITH SECTIONS 3.03 AND 3.04 OF THE HEREINAFTER DEFINED LOAN AGREEMENT.

No. R-1

\$8,580,000

CITY OF DEERFIELD BEACH, FLORIDA
REVENUE NOTE

RATE OF INTEREST

1.63%

MATURITY DATE

November 15, 2021

DATE OF ISSUE

April 9, 2015

CUSIP NO.: 244299AA1

REGISTERED OWNER: Wells Fargo Municipal Capital Strategies, LLC

PRINCIPAL AMOUNT: EIGHT MILLION FIVE HUNDRED EIGHTY THOUSAND
DOLLARS

KNOW ALL MEN BY THESE PRESENTS, that the City of Deerfield Beach, Florida (the "Borrower"), for value received, hereby promises to pay to the Registered Owner designated above, or registered assigns, solely from the special funds hereinafter mentioned, on November 15, 2015, and on each November 15 thereafter, to and including the Maturity Date specified above, the installments of the above Principal Amount set forth on Schedule C hereto and not previously repaid, and to pay solely from such funds interest on the outstanding Principal Amount hereof from the date of this Note or from the most recent date to which interest has been paid, whichever is applicable, until payment of such Principal Amount, interest at the Rate of Interest shown above, subject to adjustment, such interest being payable semi-annually on each May 15 and November 15 (an "Interest Payment Date") commencing May 15, 2015, with all unpaid interest being due on the Maturity Date or upon the earlier payment of principal hereunder, by wire transfer in accordance with written instructions delivered by the Registered Owner to the Borrower or by such other medium acceptable to the Borrower and to such Registered Owner. The principal of, premium, if any, and interest on this Note are payable in lawful money of the United States of America. Interest due hereon shall be calculated on the basis of a 360-day year and consisting of twelve 30-day months. Any payments shall be applied first to interest accrued on the under this Note to the date of such payment and then to principal of the Note.

The Note may be prepaid in whole at any time upon at least fifteen (15) calendar days prior written notice to the Registered Owner specifying the amount of prepayment. In the event that the Borrower pursuant to this paragraph prepays or optionally redeems this Note, the Borrower shall, at the time of such prepayment or optional redemption, pay to the Registered Owner the interest accrued to the date of prepayment plus an additional fee or redemption premium equal to the Breakage Fee as described below.

Breakage Fee

Upon the occurrence of a Break Event, the Breakage Fee shall be calculated and paid as follows:

"Break Date" means any date that an optional redemption or prepayment is made.

"Break Event" means any optional redemption or prepayment.

"Calculation Agent" will be Wells Fargo Bank, National Association. If for any reason Wells Fargo Bank, National Association is unable or unwilling to calculate the Breakage Fee, the Calculation Agent shall be an independent financial advisor or investment banker appointed by the Borrower with the consent of the Registered Owner.

"Day Count Fraction" is the anticipated basis on which interest on this Note is to be computed. The Day Count Fraction utilizes a 360-day year and consisting of twelve 30-day months.

"Reference Rate" means the 1.26%.

"Scheduled Due Date" means each date specified on the Amortization Schedule attached as Schedule C to this Note.

"Schedule of Principal Amount" is the anticipated principal amount of this Note scheduled to be outstanding on the date this Note is funded and on the Scheduled Due Date. The Schedule of Principal Amounts for the Scheduled Due Dates is specified on the Amortization Schedule attached as Schedule C to this Note.

1. In connection with any Break Event, a Breakage Fee shall be paid by the Borrower if the Breakage Fee is a positive number. No Breakage Fee shall be payable for a Break Event if the Breakage Fee for that Break Event is a negative number. Breakage Fees will be determined by the Calculation Agent, on the Business Day next preceding any Break Date and will be calculated for this Note as follows:

"Breakage Fee" for any Break Event is the difference of:

- (i) the sum of the present values of a series of amounts computed for

each Scheduled Due Date after the Break Date through the Maturity Date for this Note, each of which amounts is equal to the product of (A) the Affected Principal Amount for the Affected Principal Period ending on the Scheduled Due Date, times (B) the Reference Rate, times (C) the Day Count Fraction for such Affected Principal Period,

minus

- (ii) the sum of the present values of a series of amounts computed for

each Scheduled Due Date after the Break Date through the Maturity Date for this Note, each of which amounts is equal to the product of (A) the Affected Principal Amount for the Affected Principal Period ending on the Scheduled Due Date, times (B) the Break Rate, times (C) the Day Count Fraction for such Affected Principal Period,

where:

- (1) the Calculation Agent computes such present values by discounting each such series of amounts described in clause (i) and (ii) above

from the Scheduled Due Date to the Break Date using a series of discount factors corresponding to the Scheduled Due Date as determined by the Calculation Agent from the swap yield curve that the Calculation Agent would use as of the Break Date in valuing a series of fixed rate interest rate swap payments similar to such series of amounts;

(2) the "*Affected Principal Amount*" for an Affected Principal Period is the principal amount of this Note reflected in the Schedule of Principal Amounts scheduled to be outstanding during that Affected Principal Period determined as of the relevant Break Date by the reference to such Schedule of Principal Amounts before giving effect to any Break Event on that Break Date, and for any Break Event, multiplying each such principal amount times the Prepayment Fraction;

(3) "*Affected Principal Period*" is each period from and including a Scheduled Due Date to but not excluding the next succeeding Scheduled Due Date; provided, however, if the Break Date is not a Scheduled Due Date, the initial Affected Principal Period shall be the period from and including the Break Date to but excluding the next succeeding Scheduled Due Date and the Affected Principal Period for such initial Affected Principal Period shall be the amount stated in the Schedule of Principal Amounts outstanding for the Scheduled Due Date next preceding the Break Date;

(4) "*Prepayment Fraction*" means, for each Scheduled Due Date, a fraction the numerator of which is the amount of the credit to be applied pursuant to the applicable provisions of this Note and the Loan Agreement to reduce the amount of the prepayment otherwise due on such date and the denominator of which is the amount of the payment otherwise due on such date (without regard to such credit); and

(4) "*Break Rate*" means, for any Break Date, and with respect to each Note, the fixed rate the Calculation Agent determines is representative of what swap dealers would be willing to pay to the Calculation Agent (or, if required to be cleared under the Commodity Exchange Act or a Commodity Futures Trading Commission rule or regulation promulgated thereunder, to a swap clearinghouse) as fixed rate payors on a semi-annual basis in return for receiving one-month LIBOR-based payments monthly under interest rate swap transactions that would commence on such Break Date, and mature on, or as close as commercially practicable to, the Maturity Date for this Note;

2. The Calculation Agent shall determine the Breakage Fee hereunder in good faith using such methodology as the Calculation Agent deems appropriate under the circumstance, and the Calculation Agent's determination shall be conclusive and binding in the absence of manifest error.

All payments by the Borrower on this Note shall apply first to accrued interest, then to other charges due the Registered Owner, and the balance thereof shall apply to the principal sum due.

Upon the occurrence of a Determination of Taxability, the interest rate on this Note shall be adjusted to a rate equal to 154% of the interest rate otherwise borne hereby (the "Adjusted Interest Rate") calculated on the basis of a 360-day year for the actual number of days elapsed, as of and from the date

such Determination of Taxability would be applicable with respect to this Note (the "Accrual Date"); and (i) the Borrower, on the next interest payment date (or if this Note shall have matured, within 30 days after demand) shall pay to the Registered Owner an amount equal to the sum of (1) the difference between (A) the total interest that would have accrued on this Note at the Adjusted Interest Rate from the Accrual Date to such interest payment date (or maturity date), and (B) the actual interest paid by the Borrower on this Note from the Accrual Date to such interest payment date (or maturity date), and (2) any interest and penalties required to be paid as a result of any additional State of Florida and federal income taxes imposed upon the Registered Owner arising as a result of such Determination of Taxability; and (ii) from and after the Date of the Determination of Taxability, this Note shall continue to bear interest at the Adjusted Interest Rate for the period such determination continues to be applicable with respect to this Note. This adjustment shall survive payment of this Note until such time as the federal statute of limitations under which the interest on this Note could be declared taxable under the Code shall have expired.

As used in this Note, (1) "Code" means the Internal Revenue Code of 1986, as amended; and (2) "Determination of Taxability" shall mean the date on which interest on this Note is required to be included in the gross income of the holders thereof for federal income tax purposes as a result of any action or inaction by the City.

This Note shall bear interest on any overdue installment of principal and (to the extent permitted by law) interest at the Default Rate (as defined in the Loan Agreement). As further described in the Resolution and the Loan Agreement, upon the occurrence of an Event of Default, the Registered Owner in certain circumstances may declare all unpaid principal hereof immediately due and payable, and upon such declaration of acceleration, the principal amount hereof, together with interest to the date of payment, shall be and become immediately due and payable.

This Note is issued to finance the costs of the refinancing certain outstanding indebtedness of the Borrower, under the authority of and in full compliance with the Constitution and Statutes of the State of Florida, including particularly Chapter 163, Part I, Florida Statutes, Chapter 166, Part II, Florida Statutes, as amended, and other applicable provisions of law, and Ordinance No. 009 and Resolution No. 080, each duly enacted or adopted by the City Commission of the Borrower on April 7, 2015, and pursuant to a Loan Agreement between the Wells Fargo Municipal Capital Strategies, LLC and the Borrower, dated as of April 9, 2015 (the "Loan Agreement"), to which reference should be made to ascertain those terms and conditions.

This Note is payable from and secured solely by a lien upon and pledge of the Pledged Funds, as defined and described in the Loan Agreement, all in the manner provided in, and subject to the terms and conditions of the Loan Agreement.

The principal of and interest on this Note does not constitute a general obligation or indebtedness of the Borrower, and the Registered Owner shall never have the right to require or compel the levy of taxes on any property of or in the Borrower for the payment of the principal of and interest on this Note. The issuance of the Note shall not directly, indirectly or contingently obligate the Borrower, the State or any political subdivision or municipal corporation thereof to levy or pledge any form of ad valorem taxation for its payment but shall be payable solely from the funds and revenues pledged under and pursuant to the Loan Agreement.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of the State of Florida to be performed, to exist and to happen precedent to and in the issuance of this Note, have been performed, exist and have happened in regular and due form and time as so required.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the City of Deerfield Beach, Florida, has caused this Note to be executed by the Mayor or Vice-Mayor, and attested by the City Clerk, either manually or with their facsimile signatures, and its seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, all as of the Date of Issue above.

CITY OF DEERFIELD BEACH, FLORIDA

(SEAL)

By: Jean M. Robb

Name: Jean Robb

Title: Mayor

ATTESTED BY:

By: [Signature]
Name:
Title:

Approved as to form
this 9 day of April, 2015.

By: [Signature]
Name: Andrew S. Maurodis, Esq.
Title: City Attorney

SCHEDULE C

AMORTIZATION SCHEDULE

<u>Scheduled Date</u>	<u>Schedule of Principal Amounts</u>
November 15, 2015	\$1,135,000
November 15, 2016	\$1,195,000
November 15, 2017	\$1,210,000
November 15, 2018	\$1,230,000
November 15, 2019	\$1,250,000
November 15, 2020	\$1,260,000
November 15, 2021	\$1,300,000

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OFFICERS' CERTIFICATE

We, the undersigned officers and officials of the City of Deerfield Beach, Florida (the "City"), hereby execute this certificate in connection with a loan (the "Loan") from Wells Fargo Municipal Capital Strategies, LLC (the "Lender") to the City in the amount of \$8,580,000, the issuance and delivery by the City of its \$8,580,000 Revenue Note, dated April 9, 2015 to evidence the obligation of the City to repay such loan (the "Note"), and the execution and delivery of a Loan Agreement, dated April 9, 2015, between the City and the Lender (the "Loan Agreement").

The Note will be issued in fully registered form registered in the name of the Lender at follows.

	Principal Amount	Maturity Date	Interest Rate
R-1	\$8,580,000	November 15, 2021	1.63%

Capitalized terms used herein and not otherwise defined shall have the same meanings as set forth in Ordinance 2015/009 duly enacted by the City Commission of the City on April 7, 2015, authorizing the issuance of the Note (collectively, the "Ordinance") and Resolution No. 080, duly adopted April 7, 2015, authorizing and awarding the Loan and the Note (the "Resolution" and, together with the Ordinance, the "Note Legislation") and the Loan Agreement.

Ordinance. The Ordinance is in full force and effect and has not been repealed, modified, amended, revoked or rescinded.

Resolution. The Resolution is in full force and effect and has not been repealed, modified, amended, revoked or rescinded.

Security. The Note is secured by a pledge of the Pledged Funds, which are not pledged to any obligations of the City except the outstanding 2008 Loan and Existing Subordinate SRF Loans.

Litigation. There is no litigation pending, or to our best knowledge threatened, restraining or enjoining the authorization, sale, issuance or delivery of the Note or the Loan Agreement, the enactment of the Ordinance or the adoption of Resolution, or the collection of the Pledged Revenues, or ability of the City to pledge the Pledged Funds to pay the debt service on the Note, or affecting in any way the right or authority of the City to pay the Note and the interest thereon, or in any manner affecting the proceedings and authority for the authorization, sale, execution, issuance or delivery of the Note, or affecting directly or indirectly the validity of the Note or the Loan Agreement, or of any provisions made or authorized for their payment, or the corporate existence of the City, or the title of the present officers of the City Commission or any of them, to their respective offices.

No Conflict. The enactment of the Ordinance, the adoption of the Resolution, the execution and delivery of the Loan Agreement and the issuance of the Note will not conflict with or constitute a breach or default by the City of any existing law, court or administrative regulation, decree, or order or any agreement, indenture, lease or other instrument to which the City is subject or by which the City or its property is or may be bound.

Closing Representations. i) The representations and warranties of the City in the Loan Agreement are true and correct as of the date hereof, (ii) no event has occurred and is continuing, or would result from entry into the Loan Agreement, which would constitute a Default or Event of Default (as defined therein), (iii) no event or circumstance since September 30, 2013, that has had or could be reasonably expected to have, either individually or in the aggregate, a material adverse effect on the business condition, operations or performance of the City and (iv) neither the Loan Agreement nor the Note provide for any interest rates or payments that would violate any applicable law regarding permissible maximum rates of interest including Section 215.84 of the Florida Statutes

Elected Officials. The names of the members of the City Commission and the dates of commencement and expiration of their respective terms of office are as follows:

<u>Commissioner</u>	<u>Term Commenced</u>	<u>Term Expires</u>
Jean Robb	March 19, 2013	March 21, 2017
Richard Rosenzweig	March 19, 2013	March 21, 2017
William Ganz	March 19, 2013	March 21, 2017
Gloria J. Battle	March 17, 2015	March 19, 2019
Joe Miller	March 18, 2015	March 19, 2019

Jean Robb is the duly elected Mayor. Her current term as Mayor began in March of 2013 and expires in March of 2017.

Samantha L. Gillyard, CMC is the duly appointed City Clerk. She serves at the pleasure of the City Commission.

Appointed Officers. Burgess Hanson is the duly appointed City Manager and serves at the pleasure of the City Commission.

Andrew Maurodis, Esq. is serving as the City Attorney and serves in such capacity at the pleasure of the City Commission.

Oaths, Bonds, Undertakings. All of the above persons have duly filed their oaths of office, and such of them as are required by law to file bonds or undertakings, have duly filed such bonds or undertakings in the amount and manner required by law.

Signatures. The undersigned Mayor and City Clerk duly executed the Loan Agreement and the Note with their manual signatures, and by our execution hereof we duly ratify and confirm said manual signatures.

At the date of the signing of the Loan Agreement and the Note by the undersigned Mayor and City Clerk, and on this date, we were and are the duly chosen, qualified and acting officers authorized to execute the Note as indicated by the official titles opposite our signatures hereunder.

Seal. The seal impressed upon this certificate is the legally adopted, proper, and only official seal of the City Commission and said seal has been impressed, imprinted or lithographed upon the Note, which action is hereby ratified.

Receipt. On the date hereof, the City has received from Wells Fargo Municipal Capital Strategies, LLC payment in full of the purchase price for the Note, \$8,580,000.

Authentication and Delivery. We hereby authorize and direct the City Clerk, as Registrar, to authenticate and deliver the Note to or for the account of the purchaser of the Note.

WITNESS our hands and said seal as of April 9, 2015.

(SEAL)

Signature

Official Title

Jean Roll

Mayor

Shelly Ford

City Clerk

Approved as to form:

[Signature]

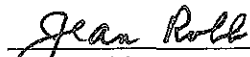
City Attorney

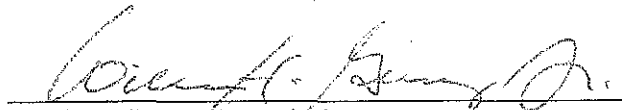
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CERTIFICATE AS TO PUBLIC MEETINGS

Each of the undersigned members of the City Commission of the City of Deerfield Beach, Florida recognizing that Wells Fargo Municipal Capital Strategies, LLC, as lender to the City in connection with the City's \$8,580,000 Revenue Note, dated April 9, 2015 (the "Note"), will have made the loan in reliance upon this Certificate, does hereby certify that he/she, has not met with any other member or members of the City Commission to discuss or reach any conclusion as to whether the actions taken by the City Commission with respect to said Note, the security therefor, and the application of the proceeds thereof should or should not be taken by the City Commission or should or should not be recommended as an action to be taken or not to be taken by the City Commission, except at public meetings of the City Commission held after due notice to the public was given in the ordinary manner required by law and custom of the City Commission. This certificate may be signed in any number of counterparts.

IN WITNESS WHEREOF, we have hereunto set our hands as of April 9, 2015.


Jean Robb, Mayor


William Ganz, Commissioner


Richard Rosenzweig, Commissioner


Gloria J. Battle, Commissioner


Joe Miller, Commissioner

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\$8,580,000
CITY OF DEERFIELD BEACH, FLORIDA
Revenue Note
Dated April 9, 2015

TAX CERTIFICATE

The undersigned Mayor and the Finance Director of the City of Deerfield Beach, Florida (the "City"), being duly charged, with others, with the responsibility for issuing the City's \$8,580,000 Revenue Note (the "Note"), HEREBY CERTIFY, pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and Sections 1.148-0 through 1.148-11 of the Income Tax Regulations (the "Regulations"), as follows:

1. The City is issuing the Note pursuant to the Constitution and laws of the State of Florida, including particularly Chapter 166, Florida Statutes, as amended, and pursuant to the terms of Ordinance 2015/009 enacted by the City Commission of the City on April 7, 2015, as supplemented by Resolution No. 080, adopted April 7, 2015, authorizing and awarding the Note (together with the Ordinance 2015/009, the "Note Legislation"), to provide for the deposit of money to various funds and accounts established pursuant to the Note Legislation for the following purposes:

- a. to current refund a portion of the City's outstanding State Revolving Fund loans (the "Refunded Obligations"); and
- b. to pay the costs of issuing the Note (the "Issuance Expenses").

Unless otherwise specifically defined, all capitalized terms used in this certificate shall have the meanings as set forth in the Note Legislation.

2. On the basis of the facts, estimates and circumstances in existence on the date hereof, I reasonably expect the following with respect to the Note and the use of the proceeds thereof:

- a. Sale Proceeds of the Note in the amount of \$8,580,000 are expected to be needed and fully expended as follows:
 - (i) \$46,381.05 of said proceeds will be used to pay Issuance Expenses; and
 - (ii) \$8,533,618.95 of said proceeds will be paid on the date hereof to the holders of the Refunded Obligations; and

There will be no accrued interest on the Note.

- b. The total proceeds to be received from the sale of the Note, together with anticipated investment earnings thereon, do not exceed the total of the amounts necessary for the purposes described above.
- c. The Refunded Obligations were issued to finance the cost of acquisition and construction of capital improvements to the Water and Wastewater System owned and operated by the City (the "Prior Project"). All of the proceeds of the Refunded Obligations have been spent.
- c. The City does not expect to sell or otherwise dispose of any part of the Prior Project prior to the final maturity date of the Note, except such minor parts or portions thereof as may be disposed of due to normal wear, obsolescence, or depreciation in the ordinary course of business. The City reasonably expects that it will own and operate the Prior Project throughout the term of the Note.
3. All of the spendable proceeds of the Refunded Obligations were used for the Prior Project within three years of the date of issuance of the Refunded Obligations and no portion of the of the proceeds of the Refunded Obligations was invested in obligations having a substantially guaranteed yield for a period of four years or more.
4. There is no debt service reserve fund established for the Note.
5. There are no funds or accounts established pursuant to the Note Legislation or otherwise, other than the Borrower Revenue Fund referred to below, which are reasonably expected to be used to pay debt service on the Note, or which are pledged as collateral for the Note (or subject to a negative pledge) and for which there is a reasonable assurance on the part of the bondholders that amounts therein will be available to pay debt service on the Note if the City encounters financial difficulties. The weighted average maturity of the Note does not exceed 120% of the average reasonably expected remaining economic life of the Prior Project (and was not taken into account in determining the average economic life of Prior Project).
6. Pursuant to the Note Legislation the City has established a Borrower Revenue Fund (the "Debt Service Fund") for the Note and other obligations issued on a parity with the Note, which will be used primarily to achieve a proper matching of the revenues used to pay the debt service on the Note and such parity obligations within each bond year and amounts deposited thereto will be depleted at least once a year except for any carryover amount which will not in the aggregate exceed the greater of (A) the earnings on such fund for the immediately preceding bond year, or (B) one-twelfth of the debt service on the Note and such parity obligations for the immediately preceding bond year.
7. The following represents the expectations of the City with respect to the investment of funds on deposit in the aforementioned funds and accounts:
- a. Proceeds derived from the sale of the Note to be applied to pay Issuance Expenses may be invested at an unrestricted yield for a period not to exceed thirteen months from the date hereof.

b. Investment earnings on obligations acquired with amounts described in subparagraph a. above may be invested at an unrestricted yield for a period of one year from the date of receipt.

c. The Note proceeds to be used to pay the Refunded Obligations, will be used for such purpose on April 9, 2015 and will not be invested.

d. There are no amounts previously held in a debt service reserve fund for the Refunded Obligations. Amounts previously held in a sinking fund or debt service reserve fund for the Refunded Obligations will be used on the date hereof to pay accrued interest on the Refunded Obligations.

e. All amounts deposited in the Debt Service Fund may be invested at an unrestricted yield for a period of 13 months from the date of deposit of such amounts to such Fund. Investment earnings on such amounts may be invested at an unrestricted yield for a period of 13 months from the date of receipt of the amount earned.

f. Amounts described in this Paragraph 7 that may not be invested at an unrestricted yield shall be invested at a yield not in excess of the yield on the Note or be invested in tax-exempt obligations under Section 103(a) of the code the interest on which is not an item of preference within the meaning of Section 57(a)(5) of the Code. All investments shall be purchased at prevailing market prices and shall be limited to securities for which there is an established market. If the proposed investments include certificates of deposit or investment agreements, the Corporation and the Trustee shall comply with the provisions contained in Treasury Regulation Section 1.148-5(d)(6). For purposes of this paragraph, "tax-exempt obligations" means (1) obligations the interest on which is excludable from gross income for federal income tax purposes under Code Section 103(a), (2) stock of a tax-exempt mutual fund as defined in Treasury Regulations Section 1.150-1(b), and (3) United States Treasury-State and Local Government Series, Demand Deposit Securities.

8. For purposes of this Certificate, "yield" means that yield which when used in computing the present worth of all payments of principal and interest to be paid on an obligation produces an amount equal to the purchase price of such obligation. The yield on obligations acquired with amounts described in Paragraph 7 hereof and the yield on the Note shall be calculated by the use of the same frequency interval of compounding interest. For purposes of computing yield, the purchase price of the Note is the issue price which was determined as described in Paragraph 9 hereof. Any investments acquired with amounts that may not be invested at an unrestricted yield pursuant to Paragraph 7 above shall be purchased at prevailing market prices and shall be limited to securities for which there is an established market, shall be United States Treasury Obligations - State and Local Government Series or shall be tax-exempt obligations under 103(a) of the Code the interest on which is not an item of tax preference within the meaning of Section 57(a)(5) of the Code.

9. The issue price of the Note is the face amount thereof.

10. Based on the assumptions contained in Paragraph 8 and 9 above, the yield on the Note has been determined to be not less than _____%.

11. No portion of the proceeds of the Note will be used as a substitute for other moneys of the City which were otherwise to be used to pay the costs of the Project and which have been or will be used to acquire, directly or indirectly, obligations producing a yield in excess of the yield on the Note.

12. There are no other obligations of the City that (i) are being sold at substantially the same time as the Note (within 15 days); (ii) are being sold pursuant to a common plan of financing together with the Note, and (iii) will be paid out of substantially the same source of funds (or will have substantially the same claim to be paid out of substantially the same source of funds) as the Note.

14. The City has covenanted in the Note Legislation that so long as the Note are outstanding, the moneys on deposit in any fund or account maintained in connection with the Note, will not be used in any manner that would cause the Note to be "arbitrage bonds" within the meaning of Section 148 of the Code or bonds not described under Section 103(a) of the Code and the applicable regulations promulgated from time to time thereunder. Accordingly, the City shall comply with the guidelines and instructions in the Arbitrage Letter of Instructions from Bond Counsel, dated the date hereof, by which the City shall, among other things, pay or cause to be paid to the United States an amount equal to the sum of (i) the excess of the aggregate amount earned from the investment of "Gross Proceeds" of the Note from the date of issue over the amount that would have been earned if such amounts had been invested at a yield equal to the yield of the bonds, plus (ii) the income or earnings attributable to the excess amount described in (i). See Exhibit A attached hereto.

15. The Note are not and will not be a part of a transaction or series of transactions that attempts to circumvent the provisions of Section 148 of the Code (i) enabling the City to exploit the difference between tax-exempt and taxable interest rates to obtain a material financial advantage and (ii) over-burdening the tax-exempt bond market.

16. The proceeds of the Note will not be used in such a manner that (i) more than five (5) percent of such proceeds are reasonably expected to be used to make or finance loans (other than loans which enable the borrower to finance any governmental tax or assessment of general application for an essential governmental function or which are used to acquire or carry non-purpose investments) to any person other than a governmental unit; (ii) more than ten (10) percent of such proceeds are both used for a private business use and as to which the private payment test is met; or (iii) more than five (5) percent of the proceeds are both used for a private business use which is unrelated or disproportionate to the governmental use of the proceeds and as to which the private payment test is met. The City will take no deliberate action that would permit the foregoing limitations to be exceeded.

Private business use means use in the trade or business of any natural person or any activity carried on by any person other than a natural person or a state or local governmental unit, including use resulting from a sale, lease, or management of the Prior Project except as permitted in applicable Treasury Regulations, and including use of the output of the Prior Project pursuant

to a contract that provides the purchaser with the benefits and burdens of ownership of the Prior Project. The private payment test refers to the extent to which the payment of principal and interest is secured by any interest in property used or to be used for private business use, or payments in respect of such property, or is to be derived from payments in respect of property or borrowed money used or to be used for a private business use.

The City reasonably expects to comply with the above limitations for the term of the Note. The City will not sell the Prior Project, nor any portion thereof, nor will the City enter into or permit any contract(s) with one or more nongovernmental persons that provide for the sale of output from the Prior Project, or provide for the use of the Prior Project, or any portion thereof, by, one or more nongovernmental persons, that might cause the foregoing private use limitations to be exceeded.

17. The City is not aware of any facts or circumstances that would cause it to question the accuracy of the representations made by the purchaser of the Note in its letter delivered in connection with the issuance of the Note.

18. To the best of our knowledge, information and belief, the above expectations are reasonable.

IN WITNESS WHEREOF, we have hereunto set our hands as of April 9, 2015.

CITY OF DEERFIELD BEACH,
FLORIDA

By: Jean M. Roll
Mayor

By: [Signature]
Finance Director

EXHIBIT A

April 9, 2015

Mayor
City of Deerfield Beach, Florida

RE: \$8,580,000 City of Deerfield Beach, Florida Revenue Note

Ladies and Gentlemen:

This letter instructs you as to certain requirements of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), with respect to the \$8,580,000 Revenue Note (the "Note") of the City. Capitalized terms used in this letter, not otherwise defined herein, shall have the same meanings as set forth in the City's Tax Certificate (the "Tax Certificate") executed on the date hereof.

This letter is intended to provide you with general guidelines regarding compliance with Section 148(f) of the Code. Because the requirements of the Code are subject to amplification and clarification, you should seek supplements to this letter from time to time to reflect any additional or different requirements of the Code. In particular, you should be aware that regulations implementing the rebate requirements of Section 148(f) (the "Regulations") have been issued by the United States Treasury Department. These Regulations will, by necessity, be subject to continuing interpretation and clarification through future rulings or other announcements of the United States Treasury Department. You should seek further advice of Bond Counsel as to the effect of any such future interpretations before the computation and payment of any arbitrage rebate.

For the purposes of this Letter, (i) any instructions relating to a fund or account shall be deemed to apply only to the portion of such fund or account allocable to the Note and (ii) any reference to "the date hereof" shall be deemed to mean April 9, 2015.

Section 1. Tax Covenants. Pursuant to the Note Legislation, the City has made certain covenants designed to assure that interest with respect to the Note is and shall remain excluded from gross income for federal income tax purposes. The City has agreed, and by this Letter does hereby covenant, that it will not directly or indirectly use or permit the use of any proceeds of the Note or any other funds or take or omit to take any actions that would cause the Note to be "arbitrage bonds" within the meaning of Section 148 of the code and that would cause interest on the Note to be included in gross income for federal income tax purposes under the provisions of the Code. You have further agreed by this letter to comply with all other requirements as shall be determine by Bond Counsel (as hereinafter defined) to be necessary or appropriate to assure that interest on the Note will be excluded from gross income for federal income tax purposes. To that end, the City will comply with all requirements of Section 148 of the Code to the extent applicable to the Note. In particular, the City agrees to cause the proceeds of the Note and certain other amounts described in Paragraph 7 of the Tax Certificate to be

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invested in a manner that is consistent with the expectations set forth in such Certificate. In the event that at any time the City is of the opinion that for purposes of this Section 1 it is necessary to restrict or to limit the yield on the investment of any moneys held by the City, the City shall take such action as may be necessary.

Summary: Based upon the expectations set forth in the Tax Certificate;

1. No amounts held in the Debt Service Fund will be subject to rebate.
2. The net proceeds of the Note to be used to refund the Refunded Obligations will not be invested and thus will not generate any rebatable arbitrage.

Section 2. Definitions. Unless the context otherwise requires, in addition to the use of the terms defined in the Tax Certificate, the following capitalized terms have the following meanings:

“Bond Counsel” shall mean Akerman LLP, or other nationally recognized bond counsel.

“Bond Year” shall mean the one year period that ends at the close of business on the day in the calendar year that is selected by the City. The first and last bond year may be short periods.

“Bond Yield” shall mean that discount rate that, when used in computing the present value on the Delivery Date of all unconditionally payable payments of principal, interest, retirement price, and Qualified Guarantee payments paid and to be paid on the Note, produces an amount equal to the present value on the Delivery Date, using the same discount rate, of the aggregate Issue Price of the Note. Yield is computed under the Economic Accrual Method using any consistently applied compounding interval of not more than one year. Short first and last compounding intervals may be used. Other reasonable, standard financial conventions, such as the 30 days per month/360 days per year convention, may be used in computing yield but must be consistently applied.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations promulgated thereunder.

“Computation Date” shall mean any date selected by the City as a computation date pursuant to Section 1.148-3(e) of the Regulations, and the Final Computation Date.

“Computation Credit Amount” means an amount, as of each Computation Credit Date, equal to \$1,000.

“Computation Credit Date” means the last day of each Bond Year during which there are amounts allocated to Gross Proceeds of the Note that are subject to the rebate requirement of Section 148(f) of the Code, and the Final Computation Date.

“Delivery Date” shall mean April 9, 2015.

“Economic Accrual Method” shall mean the method of computing yield that is based on the compounding of interest at the end of each compounding period (also known as the constant interest method or the actuarial method).

“Final Computation Date” shall mean the date that the last bond that is part of the Note is discharged.

“Gross Proceeds” shall mean with respect to the Note, any proceeds of the Note and any funds (other than the proceeds of the Note) that are a part of a reserve or replacement fund for the issue, which amounts include amounts which are (A) actually or constructively received by the City from the Sale of the Note (other than amounts used to pay Accrued Interest on the Note as set forth in the Tax Certificate); (B) treated as transferred proceeds (as defined in Section 1.148-9(b) of the Regulations); (C) treated as Replacement Proceeds under Section 1.148-1(c) of the Regulations; (D) invested in a reasonably required reserve or replacement fund (as defined in Section 1.148-2(f) of the Regulations); (E) pledged by the City as security for payment of debt service on the Note; (F) received with respect to obligations acquired with proceeds of the Note; (G) used to pay debt service on the Note; and (H) otherwise received as a result of investing any proceeds of the Note. The determination of whether an amount is included within this definition shall be made without regard to whether the amount is credited to any fund or account established under the Note Legislation or (except in the case of an amount described in (E) above) whether the amount is subject to the pledge of such instrument.

“Guaranteed Investment Contract” means any Nonpurpose Investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate, and also includes any agreement to supply investments on two or more future dates (*e.g.*, a forward supply contract).

“Installment Payment Date” shall mean a Computation date that is not later than five years after the Delivery Date and subsequent Computation Dates which occur no later than five years after the immediately preceding Installment Payment Date.

“Investment Property” shall mean any security or obligation, any annuity contract or other investment-type property within the meaning of Section 148(b)(2) of the Code. The term Investment Property shall not include any obligation the interest on which is excluded from gross income (other than a Specified Private Activity Bond) within the meaning of Section 57(a)(5)(C) of the Code) and shall not include an obligation that is a one-day certificate of indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series Program described in 31 CFR, part 344.

“Issue Price” shall mean, with respect to each bond comprising the Note, the issue price determined in the manner described in Paragraph 9 of the Tax Certificate.

“Issue Yield” shall mean the Bond Yield unless the Note are described in Section 1.148-4(b)(3) or (4) of the Regulations, in which case, the Issue Yield shall be the Bond Yield as recomputed in accordance with such provisions of the Regulations.

“Nonpurpose Investment” shall mean any Investment Property in which Gross Proceeds are invested, other than any Purpose Investment as defined in Section 148-1(b) of the Regulations. For purposes of this Letter, Investment Property acquired with revenues deposited in the Bond Service fund to be used to pay debt service on the Note within 13 months of the date of deposit therein shall be disregarded if the annual earnings on such fund are not more than \$100,000.

“Nonpurpose Payment” shall, with respect to a Nonpurpose Investment allocated to the Note, include the following: (1) the amount actually or constructively paid to acquire the Nonpurpose Investment; (2) the Value of an investment not acquired with Gross Proceeds on the date such investment is allocated to the Note, and (3) any payment of Rebatale Arbitrage to the United States Government not later than the date such amount was required to be paid. In addition, the Computation Credit Amount shall be treated as a Nonpurpose Payment with respect to the Note on each Computation Credit Date.

“Nonpurpose Receipt” shall mean any receipt or payment with respect to a Nonpurpose Investment allocated to the Note. For this purpose, the term “receipt” means any amount actually or constructively received with respect to the investment. In the event a Nonpurpose Investment ceases to be allocated to the Note other than by reason of a sale or retirement, such Nonpurpose Investment shall be treated as if sold on the date of such cessation for its Value. In addition, the Value of each Nonpurpose Investment at the close of business on each Computation Date shall be taken into account as a Nonpurpose Receipt as of such date, and each refund of Rebatale Arbitrage pursuant to Section 1.148-3(i) of the regulations shall be treated as a Nonpurpose Receipt.

“Qualified Guarantee” shall have the meaning set forth in the Code.

“Rebatale Arbitrage” shall mean as of any Computation Date the excess of the future value of all Nonpurpose Receipts with respect to the Note over the future value of all Nonpurpose Payments with respect to the Note. The future value of a Nonpurpose Payment or a Nonpurpose Receipt as of any Computation Date is determined using the Economic Accrual Method and equals the value of that payment or receipt when it is paid or received (or treated as paid or received), plus interest assumed to be earned and compounded over the period at a rate equal to the Issue Yield, using the same compounding interval and financial conventions used in computing that yield.

“Retirement Price” shall mean, with respect to a bond, the amount paid in connection with the retirement or redemption of the bond.

“Value” means value as determined under Section 1.148-5(d) of the Regulations for the investments.

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Section 3. Rebate Requirement.

(a) Pursuant to this Letter there shall be established a fund separate from any other fund established and maintained under the Note Legislation designated the Rebate Fund (the "Rebate Fund"). The Issuer shall administer or cause to be administered the Rebate Fund and invest any amounts held therein in Nonpurpose Investments. Moneys shall not be transferred from the Rebate Fund except as provided in this Section 3.

(b) Unless one or more of the Spending Exceptions to Rebate described in Appendix I to this Letter are applicable to all or a portion of the Gross Proceeds of the Note, the Issuer specifically covenants that it will pay or cause to be paid to the United States Government the following amounts:

(i) No later than 60 days after each Installment Payment Date, an amount which, when added to the future value of all previous rebate payments made with respect to the Note, equals at least 90 percent of the Rebatable Arbitrage calculated as of each such Installment Payment date; and

(ii) No later than 60 days after the Final Computation Date, an amount which, when added to the future value of all previous rebate payments made with respect to the Note, equals 100 percent of the Rebatable Arbitrage as of the Final Computation Date.

(c) Any payment of Rebatable Arbitrage made within the 60-day period described in Section 3(b)(1) and (2) above may be treated as paid on the Installment Payment Date or Final Computation Date to which it relates.

(d) On or before 55 days following each Installment Payment Date and the Final Computation Date, the Issuer shall determine the amount of Rebatable Arbitrage to be paid to the United States Government as required by Section 3(b) of this Letter. Upon making this determination, the Issuer shall take the following actions:

(i) If the amount of Rebatable Arbitrage is calculated to be positive, deposit the required amount of Rebatable Arbitrage to the Rebate Fund;

(ii) If the amount of Rebatable Arbitrage is calculated to be negative and money is being held in the Rebate Fund, transfer from the Rebate Fund the amount on deposit in such fund; and

(iii) On or before 60 days following the Installment Payment Date or Final Computation Date, pay the amount described in Section 3(b) of this Letter to the United States Government at the Internal Revenue Service Center, Philadelphia, Pennsylvania 19255. Payment shall be accomplished by Form 8038T. A rebate payment is paid when it is filed with the Internal Revenue Service at the above location.

(e) The Issuer shall keep proper books of record and accounts containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation and application of the money related to the Note, including money derived from, pledged to, or to be used to make payments on the Note. Such records shall specify the account or fund to which each investment (or portion thereof) held by the Issuer is to be allocated and shall set forth, in the case of each investment security, (a) its purchase price; (b) nominal rate of interest; (c) the amount of accrued interest purchased (included in the purchase price); (d) the par or face amount; (e) maturity date; (f) the amount of original issue discount or premium (if any); (g) the type of Investment Property; (h) the frequency of periodic payments; (i) the period of compounding; (j) the yield to maturity; (k) date of disposition; (l) amount realized on disposition (including accrued interest); and (m) market price data sufficient to establish the fair market value of any Nonpurpose Investment as of any Computation Date, and as of the date such Nonpurpose Investment becomes allocable to, or ceases to be allocable to, Gross Proceeds of the Note.

Section 4. Prohibited Investments and Dispositions.

(a) No Investment Property shall be acquired with Gross Proceeds for an amount (including transaction costs) in excess of the fair market value of such Investment Property. No Investment Property shall be sold or otherwise disposed of for an amount (including transaction costs) less than the fair market value of the Investment Property.

(b) For purposes of subsection 4(a), the fair market value of any Investment Property for which there is an established market shall be determined as provided in subsection 4(c). Except as otherwise provided in subsections 4(e) and (f), any market especially established to provide Investment Property to an issuer of governmental obligations shall not be treated as an established market.

(c) The fair market value of any Investment Property for which there is an established market is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's-length transaction. Fair market value is generally determined on the date on which a contract to purchase or sell the Investment Property becomes binding (i.e., the trade date rather than the settlement date). If a United States Treasury obligation is acquired directly from or disposed of directly to the United States Treasury, such acquisition or disposition shall be treated as establishing a market for the obligation and as establishing the fair market value of the obligation.

(d) Except to the extent provided in subsections (e) and (f), any Investment Property for which there is not an established market shall be rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value.

(e) In the case of a certificate of deposit that has a fixed interest rate, a fixed payment schedule, and a substantial penalty for early withdrawal, the purchase price of such a certificate of deposit is treated as its fair market value on its purchase date if the

yield on the certificate of deposit is not less than (1) the yield on reasonably comparable direct obligations of the United States; and (2) the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(f) The purchase price of a Guaranteed Investment Contract is treated as its fair market value on the purchase date if:

(i) The Issuer makes a bona fide solicitation for the Guaranteed Investment Contract with specified material terms and receives at least three qualifying bids from different reasonably competitive providers of Guaranteed Investment Contracts that have no material financial interest in the Note;

(ii) The Issuer purchases the highest-yielding Guaranteed Investment Contract for which a qualifying bid is made (determined net of broker' fees);

(iii) The determination of the terms of the Guaranteed Investment Contract takes into account as a significant factor the Issuer's reasonably expected drawdown schedule for the funds to be invested, exclusive of float funds and reasonably required reserve and replacement funds;

(iv) The collateral security requirements for the Guaranteed Investment Contract are reasonable, based on all the facts and circumstances;

(v) The obligor of the Guaranteed Investment Contract certifies those administrative costs that it is paying (or expects to pay) to third parties in connection with the contract; and

(vi) The yield on the Guaranteed Investment Contract is not less than the yield currently available from the obligor on reasonably comparable investment contracts offered to other persons, if any, from a source of funds other than Gross Proceeds of tax-exempt bonds.

Section 5. Accounting for Gross Proceeds. In order to perform the calculations required by the Code and the Regulations, it is necessary to track the investment and expenditure of all Gross Proceeds. To that end, the Issuer must adopt a reasonable and consistently applied method of accounting for all Gross Proceeds.

Section 6. Administrative Costs of Investments.

(a) Except as otherwise provided in this Section, an allocation of Gross Proceeds of the Note to a payment or receipt on a Nonpurpose Investment is not adjusted to take into account any costs or expenses paid, directly or indirectly, to purchase, carry, sell or retire the Nonpurpose Investment (administrative costs). Thus, administrative

costs generally do not increase the payments for, or reduce the receipts from, Nonpurpose Investment.

(b) In determining payments and receipts on Nonpurpose Investments, Qualified Administrative Costs are taken into account by increasing payments for, or reducing the receipts from, the Nonpurpose Investments. Qualified Administrative Costs are reasonable, direct administrative costs, other than carrying costs, such as separately stated brokerage or selling commissions, but not legal and accounting fees, recordkeeping, custody, and similar costs. General overhead costs and similar indirect costs of the Issuer such as employee salaries and office expenses and costs associated with computing Rebutable Arbitrage are not Qualified Administrative Costs.

(c) Qualified Administrative Costs include all reasonable administrative costs, without regard to the limitation on indirect costs stated in subsection (b) above, incurred by:

(i) A publicly offered regulated investment company (as defined in Section 67(c)(2)(B) of the Code; and

(ii) A commingled fund in which the Issuer and any related parties do not own more than 10 percent of the beneficial interest in the fund.

(d) For a Guaranteed Investment Contract, a broker's commission paid on behalf of either the Issuer or the provider is not a Qualified Administrative Cost to the extent that the commission exceeds 0.05 percent of the amount reasonably expected to be invested per year.

Section 7. Records; Bond Counsel Opinion.

(a) The Issuer shall retain all records with respect to the calculations and instructions required by this Letter for at least six years after the date on which the last of the principal of and interest on the Note has been paid, whether upon maturity, redemption or acceleration thereof.

(b) Notwithstanding any provisions of this Letter, if the Issuer shall be provided an opinion of Bond Counsel that any specified action required under this Letter is no longer required or that some further or different action is required to maintain or assure the exclusion from federal gross income of interest with respect to the Note, the Issuer may conclusively rely on such opinion in complying with the requirements of this Letter.

Section 8. Survival of Defeasance. Notwithstanding anything in this Letter to the contrary, the obligation of the Issuer to remit the Rebate Requirement to the United States Department of the Treasury and to comply with all other requirements contained in this Letter must survive the defeasance or payment of the Note.

Very truly yours,

AKERMAN LLP

Received and acknowledged:

City of Deerfield Beach, Florida

By: 

Finance Director

Dated: April 9, 2015

APPENDIX I

Spending Exceptions to Rebate

(a) Generally. All, or certain discrete portions, of an issue are treated as meeting the Rebate Requirement of Section 148(f) of the Code if one or more of the spending exceptions set forth in this Appendix are satisfied. Use of the spending exceptions is not mandatory, except that where an issuer elects to apply the 1-1/2 percent penalty (as described below) the issuer must apply that penalty to the Construction Issue. An issuer may apply the Rebate Requirement to an issue that otherwise satisfies a spending exception. Special definitions relating to the spending exceptions are contained in section (h) of this Appendix.

Where several obligations that otherwise constitute a single issue are used to finance two or more separate governmental purposes, the issue constitutes a "multipurpose issue" and the bonds, as well as their respective proceeds, allocated to each separate purpose may be treated as separate issues for purposes of the spending exceptions. In allocating an issue among its several separate governmental purposes, "common costs" are generally not treated as separate governmental purposes and must be allocated ratably among the discrete separate purposes unless some other allocation method more accurately reflects the extent to which any particular separate discrete purpose enjoys the economic benefit (or bears the economic burden) of the certain common costs (e.g., a newly funded reserve for a parity issue that is partially new money and partially a refunding for savings on prior bonds).

Separate purposes include refunding a separate prior issue, financing a separate Purpose Investment (e.g., a separate loan), financing a Construction Issue, and any clearly discrete governmental purpose reasonably expected to be financed by the issue. In addition, as a general rule, all integrated or functionally related capital Projects qualifying for the same initial temporary period (e.g., 3 years) are treated as having a single governmental purpose. Finally, separate purposes may be combined and treated as a single purpose if the proceeds are eligible for the same initial temporary period (e.g., advance refundings of several separate prior issues could be combined, or several non-integrated and functionally unrelated capital Projects such as airport runway improvements and a water distribution Project).

The spending exceptions described in this Appendix are applied separately to each separate issue component of a multi-purpose issue unless otherwise specifically noted.

(b) Six-Month Exception. An issue is treated as meeting the Rebate Requirement under this exception if (i) the gross proceeds of the issue are allocated to expenditures for the governmental purposes of the issue within the six-month period beginning on the issue date (the "six-month spending period") and (ii) the Rebate Requirement is met for amounts not required to be spent within the six-month spending period (excluding earnings on a bona fide debt service fund). For purposes of the six-month exception, "gross proceeds" mean Gross Proceeds other than amounts (i) in a bona

bona fide debt service fund, (ii) in a reasonably required reserve or replacement fund, (iii) that, as of the issue date, are not reasonably expected to be Gross Proceeds but that become Gross Proceeds after the end of the six-month spending period (iv) that represent Sale Proceeds or Investment Proceeds derived from payments under any Purpose Investment of the issue and (v) that represent repayments of grants (as defined in Treasury Regulation Section 1.148-6(d)(4)) financed by the issue. In the case of an issue no bond of which is a private activity bond (other than a qualified 501(c)(3) bond) or a tax or revenue anticipation bond, the six-month spending period is extended for an additional six months for the portion of the proceeds of the issue which are not expended within six-month spending period if such portion does not exceed the lesser of 5 percent of the Proceeds of the issue or \$100,000.

(c) 18-Month Exception. An issue is treated as meeting the Rebate Requirement under this exception if all of the following requirements are satisfied:

(i) the gross proceeds are allocated to expenditures for a governmental purpose of the issue in accordance with the following schedule (the "18-month expenditure schedule") measured from the issue date: (A) at least 15 percent within six months, (B) at least 60 percent within 12 months and (C) 100 percent within 18 months;

(ii) the Rebate Requirement is met for all amounts not required to be spent in accordance with the 18-month expenditure schedule (other than earnings on a bona fide debt service fund); and

(iii) all of the gross proceeds of the issue qualify for the initial temporary period under Treasury Regulation Section 1.148-2(e)(2).

For purposes of the 18-month exception, "gross proceeds" mean Gross Proceeds other than amounts (i) in a bona fide debt service fund, (ii) in a reasonably required reserve or replacement fund, (iii) that, as of the issue date, are not reasonably expected to be Gross Proceeds but that become Gross Proceeds after the end of the 18-month expenditure schedule, (iv) that represent Sale Proceeds or Investment Proceeds derived from payments under any Purpose Investment of the issue and (v) that represent repayments of grants (as defined in Treasury Regulation Section 1.148-6(d)(4)) financed by the issue. In addition, for purposes of determining compliance with the first two spending periods, the investment proceeds included in gross proceeds are based on the issuer's reasonable expectations as of the issue date rather than the actual Investment Proceeds; for the third, final period, actual Investment Proceeds earned to date are used in place of the reasonably expected earnings. An issue does not fail to satisfy the spending requirement for the third spending period above as a result of a Reasonable Retainage if the Reasonable Retainage is allocated to expenditures within 30 months of the issue date. The 18-month exception does not apply to an issue any portion of which is treated as meeting the Rebate Requirement as a result of satisfying the two-year exception.

(d) Two-Year Exception. A Construction Issue is treated as meeting the Rebate Requirement for Available Construction Proceeds under this exception if those proceeds are allocated to expenditures for governmental purposes of the issue in

accordance with the following schedule (the “two-year expenditure schedule”), measured from the issue date:

- (i) at least 10 percent within six months;
- (ii) at least 45 percent within one year;
- (iii) at least 75 percent within 18 months; and
- (iv) 100 percent within two years.

An issue does not fail to satisfy the spending requirement for the fourth spending period above as a result of unspent amounts for Reasonable Retainage if those amounts are allocated to expenditures within three years of the issue date.

(e) Expenditures for Governmental Purposes of the Issue. For purposes of the spending exceptions, expenditures for the governmental purposes of an issue include payments for interest, but not principal, on the issue and for principal or interest on another issue of obligations. The preceding sentence does not apply for purposes of the 18-month and two-year exceptions if those payments cause the issue to be a refunding issue.

(f) DeMinimis Rule. Any failure to satisfy the final spending requirement of the 18-month exception or the two-year exception is disregarded if the issuer exercises due diligence to complete the Project financed and the amount of the failure does not exceed the lesser of three percent of the issue price of the issue or \$250,000.

(g) Elections Applicable to the Two-Year Exception. An issuer may make one or more of the following elections with respect to the two-year spending exception:

(1) Earnings on Reasonably Required Reserve or Replacement Fund. An issuer may elect on or before the issue date to exclude from Available Construction Proceeds the earnings on any reasonably required reserve or replacement fund. If the election is made, the Rebate Requirement applies to the excluded amounts from the issue date.

(2) Actual Facts. For the provisions relating to the two-year exception that apply based on the issuer’s reasonable expectations, an issuer may elect on or before the issue date to apply all of those provisions based on actual facts. This election does not apply for purposes of determining whether an issue is a Construction Issue and if the 1-1/2 percent penalty election is made.

(3) Separate Issue. For purposes of the two-year exception, if any proceeds of any issue are to be used for Construction Expenditures, the issuer may elect on or before the issue date to treat the portion of the issue that is not a refunding issue as two, and only two, separate issues, if (i) one of the separate issues is a Construction Issue, (ii) the issuer reasonably expects, as of the issue date, that such Construction Issue will finance all of the Construction Expenditures to be financed by the issue, and (iii) the issuer makes an

election to apportion the issue in which it identifies the amount of the issue price of the issue allocable to the Construction Issue.

(4) **Penalty in Lieu of Rebate.** An issuer of a Construction Issue may irrevocably elect on or before the issue date to pay a penalty (the "1-1/2 percent penalty") to the United States in lieu of the obligation to pay the rebate amount on Available Construction Proceeds upon failure to satisfy the spending requirements of the two-year expenditure schedule. The 1-1/2 percent penalty is calculated separately for each spending period, including each semiannual period after the end of the fourth spending period, and is equal to 1.5 percent times the underexpended proceeds as of the end of the spending period. For each spending period, underexpended proceeds equal the amount of Available Construction Proceeds required to be spent by the end of the spending period, less the amount actually allocated to expenditures for the governmental purposes of the issue by that date. The 1-1/2 percent penalty must be paid to the United States no later than 90 days after the end of the spending period to which it relates. The 1-1/2 percent penalty continues to apply at the end of each spending period and each semiannual period thereafter until the earliest of the following: (i) the termination of the penalty under Treasury Regulation Section 1.148-7(1), (ii) the expenditure of all of the Available Construction Proceeds, or (iii) the last stated final maturity date of bonds that are part of the issue and any bonds that refund those bonds. If an issue meets the exception for Reasonable Retainage except that all retainage is not spent within three years of the issue date, the issuer must pay the 1-1/2 percent penalty to the United States for any Reasonable Retainage that was not so spent as of the close of the three-year period and each later spending period.

(h) **Special Definitions Relating to Spending Expenditures.**

(1) **Available Construction Proceeds** shall mean, with respect to an issue, the amount equal to the sum of the issue price of the issue, earnings on such issue price, earnings on amounts in any reasonably required reserve or replacement fund not funded from the issue and earnings on all of the foregoing earnings, less the amount of such issue price in any reasonably required reserve or replacement fund and less the issuance costs financed by the issue. For purposes of this definition, earnings include earnings on any tax-exempt bond. For the first three spending periods of the two-year expenditure schedule described in Treasury Regulation Section 1.148-7(e), Available Construction Proceeds include the amount of future earnings that the issuer reasonably expected as of the issue date. For the fourth spending period described in Treasury Regulation Section 1.148-7(e), Available Construction Proceeds include the actual earnings received. Earnings on any reasonably required reserve or replacement fund are Available Construction Proceeds only to the extent that those earnings accrue before the earlier of (i) the date construction is substantially completed, or (ii) the date that is two years after the issue date. For this purpose, construction may be treated as substantially completed when the issuer abandons construction or when at least 90 percent of the total costs of the construction that the issuer reasonably expects as of such date will be financed with proceeds of the issue have been allocated to expenditures. If only a portion of the construction is abandoned, the date of substantial completion is the date the non-abandoned portion of the construction is substantially completed.

(2) Construction Expenditures shall mean capital expenditures (as defined in Treasury Regulation Section 1.150-1) that are allocable to the cost of Real Property or Constructed Personal Property. Construction Expenditures do not include expenditures for acquisitions of interest in land or other existing Real Property.

(3) Construction Issue shall mean any issue that is not a refunding issue if (i) the issuer reasonably expects, as of the issue date, that at least 75 percent of the Available Construction Proceeds of the issue will be allocated to Construction Expenditures for property owned by a governmental unit or a 501(c)(3) organization, and (ii) any private activity bonds that are part of the issue are qualified 501(c)(3) bonds or private activity bonds issued to financed property to be owned by a governmental unit or a 501(c)(3) organization.

(4) Constructed Personal Property shall mean Tangible Personal Property or Specially Developed Computer Software if (i) a substantial portion of the property is completed more than six months after the earlier of the date construction or rehabilitation commenced and the date the issuer entered into an acquisition contract; (ii) based on the reasonable expectations of the issuer, if any, or representations of the person constructing the property, with the exercise of due diligence, completion of construction or rehabilitation (and delivery to the issuer) could not have occurred within that six-month period; and (iii) if the issuer itself builds or rehabilitates the property, not more than 75 percent of the capitalizable cost is attributable to property acquired by the issuer.

(5) Real Property shall mean land and improvements to land, such as buildings or other inherently permanent structures, including interests in real property. For example, Real Property includes wiring in a building, plumbing Projects, central heating or air-conditioning Projects, pipes or ducts, elevators, escalators installed in a building, paved parking areas, roads, wharves and docks, bridges, and sewage lines.

(6) Reasonable Retainage shall mean an amount, not to exceed five percent of (i) Available Construction Proceeds as of the end of the two-year expenditure schedule (in the case of the two-year exception to the Rebate Requirement), or (ii) Net Sale Proceeds as of the end of the 18-month expenditure schedule (in the case of the 18-month exception to the Rebate Requirement), that is retained for reasonable business purposes relating to the property financed with the issue. For example, a Reasonable Retainage may include a retention to ensure or promote compliance with a construction contract in circumstances in which the retained amount is not yet payable, or in which the issuer reasonably determines that a dispute exists regarding completion or payment.

(7) Specially Developed Computer Software shall mean any programs or routines used to cause a computer to perform a desired task or set of tasks, and the documentation required to describe and maintain those programs, provided that the software is specially developed and is functionally related and subordinate to Real Property and other Constructed Personal Property.

(8) Tangible Personal Property shall mean any tangible personal property other than Real Property, including interests in tangible personal property. For example, Tangible Personal Property includes machinery that is not a structural component of a building, subway cars, fire trucks, automobiles, office equipment, testing equipment, and furnishings.

(i) Special Rules Relating to Refundings.

(1) Transferred Proceeds. In the event that a prior issue that might otherwise qualify for one of the spending exceptions is refunded, then for purposes of applying the spending exceptions to the prior issue, proceeds of the prior issue that become transferred proceeds of the refunding issue continue to be treated as unspent proceeds of the prior issue; if such unspent proceeds satisfy the requirements of one of the spending exceptions then they are not subject to rebate either as proceeds of the prior issue or of the refunding issue. Generally, the only spending exception applicable to refunding issues is the six-month exception. In applying the six-month exception to a refunding of a prior issue, only transferred proceeds of the refunding issue from a taxable prior issue and other amounts excluded from the definition of gross proceeds of the prior issue under the special definition of gross proceeds contained in section (b) above are treated as gross proceeds of the refunding issue and so are subject to the six-month exception applicable to the refunding issue.

(2) Series of Refundings. In the event that an issuer undertakes a series of refundings for a principal purpose of exploiting the difference between taxable and tax-exempt interest rates, the six-month spending exception is measured for all issues in the series commencing on the date the first bond of the series is issued.

(j) Elections Applicable to Pool Note. An issuer of a pooled financing issue can elect to apply the spending exceptions separately to each loan from the date such loan is made or, if earlier, on the date on year after the date the pool bonds are issued. In the event this election is made, no spending exceptions are available and the normal Rebate Requirement applies to Gross Proceeds prior to the date on which the applicable spending periods begin. In the event this election is made, the issuer may also elect to make all elections applicable to the two-year spending exception, described in section (g) above, separately for each loan; any such elections that must ordinarily be made prior to the issue date must then be made by the issuer before the earlier of the date the loan is made or one year after the issue date.

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CERTIFICATE OF THE LENDER

April 9, 2015

Mayor
City Commission
City of Deerfield Beach, Florida

Akerman LLP
Jacksonville, Florida

Re: City of Deerfield Beach, Florida \$8,580,000 Revenue Note

In connection with the making of the loan to the City evidenced by the above-styled obligation (the "Note") of the City of Deerfield Beach, Florida (the "City"), Wells Fargo Municipal Capital Strategies, LLC (the "Lender") hereby makes the following representations, which are solely for the benefit of the persons to whom this letter is addressed and are not to be relied upon by any other person for any other purpose:

(a) It is a Delaware limited liability company which is a wholly-owned subsidiary of a national banking corporation and it is duly and legally authorized to accept the Note.

(b) It is sufficiently knowledgeable and experienced in financial and business matters, including the purchase and ownership of municipal and other tax-exempt obligations, to be able to determine what investigation of the business and financial affairs of the City is necessary in order to evaluate the investment risks associated with the purchase of the Note and to evaluate the risks and merits of the investment represented by the Note.

(c) It has been offered copies of or full access to all documents related to the authorization, sale, and issuance of the Note and all records, reports, financial statements and other information concerning the financial and business operations of the City and pertinent to the Pledged Revenues (as defined in the Note) which it deemed to be significant in making its investment decision, and which were requested by it (provided that it does not waive any rights it may have against the City or its representatives, with respect to any information so supplied or any misstatements or omissions).

(d) It is accepting the Note solely for its own account and not on behalf of others, and with no present intent to resell or otherwise distribute all or any part of or interest in the Note.

(e) It has been informed by the City and agrees that in reliance upon the representations of the Lender contained herein, (i) no official statement, placement memorandum, or other disclosure document has been prepared and is being delivered in connection with the delivery of the Note, and (ii) the Note (A) is not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (B) will not be listed on any stock or other securities exchange, (C) will carry no rating from any rating service and (D) is not likely to be readily marketable.

(f) It will not offer, sell or otherwise dispose of all or any part of or interest in the Note, except in full good faith compliance with all applicable securities regulations, broker-dealer, anti-fraud and other applicable provisions of the state and federal laws, and in accordance with the Loan Agreement.

(g) The interest rate on the Note is a fixed rate of interest, subject to adjustment upon the occurrence of certain events as set forth in the Note. The Note was purchased at a price of par, without any accrued interest. The purchase price of the Note was negotiated at arm's length between the Lender, a willing lender, and the City, a willing borrower.

The undersigned authorized officer of the Bank hereby acknowledges receipt of the Note.

[Signature Page to Follow]

WELLS FARGO MUNICIPAL CAPITAL
STRATEGIES, LLC

By: 

Name: Dan George

Its: Senior Vice President

9

Law Offices
Andrew S. Maurodis, P.L.

ANDREW S. MAURODIS
SHARON L. CRUZ
JEFFREY S. SINIAWSKY

SUITE 200
710 EAST HILLSBORO BOULEVARD
DEERFIELD BEACH, FLORIDA 33441

(954) 429-1440
FAX (954) 429-1442

April 9, 2015

Wells Fargo Municipal Capital Strategies,
LLC
New York, New York

Gentlemen:

I am counsel to the City of Deerfield Beach, Florida (the "Borrower"), and have been requested by the Borrower to give this opinion in connection with the loan by Wells Fargo Municipal Capital Strategies, LLC (the "Lender") to the Borrower of funds to refinance certain outstanding loans pursuant to a Loan Agreement, dated as of April 9, 2015 (the "Loan Agreement"), between the Borrower and the Lender.

In this connection, we have reviewed such records, certificates and other documents as we have considered necessary or appropriate for the purposes of this opinion, including applicable laws, and ordinances enacted by the City Commission of the Borrower, the Loan Agreement, the City of Deerfield Beach, Florida Revenue Note, dated April 9, 2015 (the "Note", Ordinance No. 2015/009 enacted by the City Commission of the Borrower on April 7, 2015 (the "Ordinance") and Resolution No. 080 adopted by the City Commission of the Borrower on April 7, 2015 (the "Resolution" and, together with the Ordinance, the "Loan Legislation"). Based on such review, and such other considerations of law and fact as we believe to be relevant, we are of the opinion that:

(a) The Borrower is a municipality duly organized and validly existing under the Constitution and laws of the State of Florida and under the provisions of the Constitution and laws of the State of Florida. The Borrower has the legal right and all requisite power and authority to enter into the Loan Agreement to pledge the Pledged Funds, to enact the Ordinance, to adopt the Resolution, to issue the Note and to consummate the transactions contemplated thereby and otherwise to carry on its activities and own its property.

(b) The Borrower has duly authorized, executed and delivered the Ordinance, the Resolution, the Loan Agreement and the Note, and such instruments are legal and binding obligations of the Borrower enforceable against the Borrower in accordance with their respective terms, except to the extent that the enforceability hereof may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity, and to the sovereign police powers of the State of Florida and the constitutional powers of the United States of America.

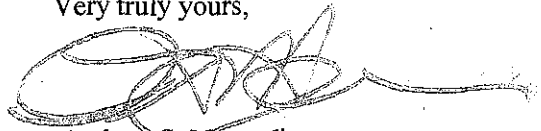
(c) The enactment of the Ordinance, the adoption of the Resolution and the execution and delivery of the Loan Agreement, the issuance of the Note, the consummation of the transactions contemplated thereby, the refinancing of the outstanding loans to be refinanced with the proceeds of the loan and the fulfillment of or compliance with the terms and conditions of the Loan Agreement do not and will not conflict with or result in a material breach of or default under any of the terms, conditions or provisions of any agreement, contract or other instrument, or law, ordinance, regulation, or judicial or other governmental order, to which the Borrower is now a party or it or its properties is otherwise subject or bound, and the Borrower is not otherwise in violation of any of the foregoing in a manner material to the transactions contemplated by the Loan Agreement.

(d) Except as set forth in the Summary of Litigation and Pending Claims, a copy of which is attached to this opinion, there is no litigation or legal or governmental action, proceeding, inquiry or investigation pending or, to the best of our knowledge, threatened by governmental authorities or to which the Borrower is a party or of which any property of the Borrower is subject, which if determined adversely to the Borrower, would individually or in the aggregate materially and adversely affect the validity or the enforceability of the Loan Agreement.

The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the laws of the United States of America. In addition, no opinions of any kind are offered or expressed relating to securities laws, financial matters or opinions related thereto, or the tax treatment of the Note or the interest thereon.

The opinions express herein are predicated upon present law, facts and circumstances and are to the best of the undersigned's knowledge, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'Andrew S. Maurodis', with a long horizontal flourish extending to the right.

Andrew S. Maurodis
For the Law Offices of Andrew S. Maurodis, P.L.
City Attorney

SOURCES AND USES OF FUNDS

Deerfield Beach - SRF Loans
 Refunding Revenue Bond, Series 2015
 Refunding of SRF Loan DW0606010
 Wells Fargo - 1.63% (Make-Whole)
 Senior Lien - Level Savings
 FINAL NUMBERS

Dated Date 04/09/2015
 Delivery Date 04/09/2015

Sources:

Bond Proceeds:	
Par Amount	8,580,000.00
Other Sources of Funds:	
Accrued Interest	105,621.03
	<u>8,685,621.03</u>

Uses:

Refunding Escrow Deposits:	
Cash Deposit	8,639,239.98
Delivery Date Expenses:	
Cost of Issuance	46,381.05
	<u>8,685,621.03</u>

Notes:

30/360 Interest Calculation
 Estimated Cost of Issuance
 Semiannual Interest - Annual Principal
 First Interest Payment 5/15/15 - First Principal Payment 11/15/15
 Assume City to Pay Accrued Interest
 Assume No Fee for Repayment to SRF
 Assume No DSRF

BOND SUMMARY STATISTICS

Deerfield Beach - SRF Loans
 Refunding Revenue Bond, Series 2015
 Refunding of SRF Loan DW0606010
 Wells Fargo - 1.63% (Make-Whole)
 Senior Lien - Level Savings
 FINAL NUMBERS

Dated Date	04/09/2015
Delivery Date	04/09/2015
First Coupon	05/15/2015
Last Maturity	11/15/2021
Arbitrage Yield	1.630150%
True Interest Cost (TIC)	1.630150%
Net Interest Cost (NIC)	1.630000%
All-In TIC	1.784121%
Average Coupon	1.630000%
Average Life (years)	3.678
Duration of Issue (years)	3.553
Par Amount	8,580,000.00
Bond Proceeds	8,580,000.00
Total Interest	514,313.90
Net Interest	514,313.90
Total Debt Service	9,094,313.90
Maximum Annual Debt Service	1,321,190.00
Average Annual Debt Service	1,377,926.35
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	PV of 1 bp change
Serial	8,580,000.00	100.000	1.630%	3.678	12/12/2018	3,016.10
	8,580,000.00			3.678		3,016.10

BOND SUMMARY STATISTICS

Deerfield Beach - SRF Loans
Refunding Revenue Bond, Series 2015
Refunding of SRF Loan DW0606010
Wells Fargo - 1.63% (Make-Whole)
Senior Lien - Level Savings
FINAL NUMBERS

	TIC	All-In TIC	Arbitrage Yield
Par Value	8,580,000.00	8,580,000.00	8,580,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-46,381.05	
- Other Amounts			
Target Value	8,580,000.00	8,533,618.95	8,580,000.00
Target Date	04/09/2015	04/09/2015	04/09/2015
Yield	1.630150%	1.784121%	1.630150%

SUMMARY OF REFUNDING RESULTS

Deerfield Beach - SRF Loans
Refunding Revenue Bond, Series 2015
Refunding of SRF Loan DW0606010
Wells Fargo - 1.63% (Make-Whole)
Senior Lien - Level Savings
FINAL NUMBERS

Dated Date	04/09/2015
Delivery Date	04/09/2015
Arbitrage yield	1.630150%
Escrow yield	
Value of Negative Arbitrage	
Bond Par Amount	8,580,000.00
True Interest Cost	1.630150%
Net Interest Cost	1.630000%
Average Coupon	1.630000%
Average Life	3.678
Par amount of refunded bonds	8,533,618.95
Average coupon of refunded bonds	3.116565%
Average life of refunded bonds	3.475
PV of prior debt to 04/09/2015 @ 1.630150%	9,062,131.58
Net PV Savings	376,510.55
Percentage savings of refunded bonds	4.412085%
Percentage savings of refunding bonds	4.388235%

SUMMARY OF BONDS REFUNDED

Deerfield Beach - SRF Loans
 Refunding Revenue Bond, Series 2015
 Refunding of SRF Loan DW0606010
 Wells Fargo - 1.63% (Make-Whole)
 Senior Lien - Level Savings
 FINAL NUMBERS

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
DW0606010 2.58 Rate, 258RATE:					
SERIAL	05/15/2015	2.580%	6,359.13	04/09/2015	100.000
	11/15/2015	2.580%	6,441.16	04/09/2015	100.000
	05/15/2016	2.580%	6,524.25	04/09/2015	100.000
	11/15/2016	2.580%	6,608.41	04/09/2015	100.000
	05/15/2017	2.580%	6,693.66	04/09/2015	100.000
	11/15/2017	2.580%	6,780.01	04/09/2015	100.000
	05/15/2018	2.580%	6,867.47	04/09/2015	100.000
	11/15/2018	2.580%	6,956.06	04/09/2015	100.000
	05/15/2019	2.580%	7,045.79	04/09/2015	100.000
	11/15/2019	2.580%	7,136.69	04/09/2015	100.000
	05/15/2020	2.580%	7,228.75	04/09/2015	100.000
	11/15/2020	2.580%	7,322.00	04/09/2015	100.000
	05/15/2021	2.580%	7,416.45	04/09/2015	100.000
	11/15/2021	2.580%	7,512.00	04/09/2015	100.000
			96,891.83		
DW0606010 2.99 Rate, 299RATE:					
SERIAL	05/15/2015	2.990%	71,671.43	04/09/2015	100.000
	11/15/2015	2.990%	72,742.92	04/09/2015	100.000
	05/15/2016	2.990%	73,830.42	04/09/2015	100.000
	11/15/2016	2.990%	74,934.19	04/09/2015	100.000
	05/15/2017	2.990%	76,054.45	04/09/2015	100.000
	11/15/2017	2.990%	77,191.47	04/09/2015	100.000
	05/15/2018	2.990%	78,345.48	04/09/2015	100.000
	11/15/2018	2.990%	79,516.75	04/09/2015	100.000
	05/15/2019	2.990%	80,705.52	04/09/2015	100.000
	11/15/2019	2.990%	81,912.07	04/09/2015	100.000
	05/15/2020	2.990%	83,136.65	04/09/2015	100.000
	11/15/2020	2.990%	84,379.55	04/09/2015	100.000
	05/15/2021	2.990%	85,641.02	04/09/2015	100.000
	11/15/2021	2.990%	86,921.39	04/09/2015	100.000
			1,106,983.31		
DW0606010 3.12 Rate, 312RATE:					
SERIAL	05/15/2015	3.120%	449,782.37	04/09/2015	100.000
	11/15/2015	3.120%	456,798.97	04/09/2015	100.000
	05/15/2016	3.120%	463,925.04	04/09/2015	100.000
	11/15/2016	3.120%	471,162.27	04/09/2015	100.000
	05/15/2017	3.120%	478,512.40	04/09/2015	100.000
	11/15/2017	3.120%	485,977.19	04/09/2015	100.000
	05/15/2018	3.120%	493,558.44	04/09/2015	100.000
	11/15/2018	3.120%	501,257.95	04/09/2015	100.000
	05/15/2019	3.120%	509,077.57	04/09/2015	100.000
	11/15/2019	3.120%	517,019.18	04/09/2015	100.000
	05/15/2020	3.120%	525,084.68	04/09/2015	100.000
	11/15/2020	3.120%	533,276.00	04/09/2015	100.000
	05/15/2021	3.120%	541,595.11	04/09/2015	100.000
	11/15/2021	3.120%	550,044.02	04/09/2015	100.000
			6,977,071.19		

SUMMARY OF BONDS REFUNDED

Deerfield Beach - SRF Loans
 Refunding Revenue Bond, Series 2015
 Refunding of SRF Loan DW0606010
 Wells Fargo - 1.63% (Make-Whole)
 Senior Lien - Level Savings
 FINAL NUMBERS

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
DW0606010 3.57 Rate, 357RATE:					
SERIAL	05/15/2015	3.570%	22,397.28	04/09/2015	100.000
	11/15/2015	3.570%	22,797.08	04/09/2015	100.000
	05/15/2016	3.570%	23,204.00	04/09/2015	100.000
	11/15/2016	3.570%	23,618.19	04/09/2015	100.000
	05/15/2017	3.570%	24,039.78	04/09/2015	100.000
	11/15/2017	3.570%	24,468.89	04/09/2015	100.000
	05/15/2018	3.570%	24,905.66	04/09/2015	100.000
	11/15/2018	3.570%	25,350.22	04/09/2015	100.000
	05/15/2019	3.570%	25,802.73	04/09/2015	100.000
	11/15/2019	3.570%	26,263.31	04/09/2015	100.000
	05/15/2020	3.570%	26,732.11	04/09/2015	100.000
	11/15/2020	3.570%	27,209.27	04/09/2015	100.000
	05/15/2021	3.570%	27,694.96	04/09/2015	100.000
	11/15/2021	3.570%	28,189.14	04/09/2015	100.000
			352,672.62		
			8,533,618.95		

SAVINGS

Deerfield Beach - SRF Loans
 Refunding Revenue Bond, Series 2015
 Refunding of SRF Loan DW0606010
 Wells Fargo - 1.63% (Make-Whole)
 Senior Lien - Level Savings
 FINAL NUMBERS

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Annual Savings	Present Value to 04/09/2015 @ 1.6301498%
04/09/2015		105,621.03	-105,621.03		-105,621.03		-105,621.03
05/15/2015	682,054.40		682,054.40	13,985.40	668,069.00		666,985.24
11/15/2015	684,169.22		684,169.22	1,204,927.00	-520,757.78	41,690.19	-515,709.57
05/15/2016	682,514.98		682,514.98	60,676.75	621,838.23		610,831.42
11/15/2016	683,730.76		683,730.76	1,255,676.75	-571,945.99	49,892.24	-557,280.05
05/15/2017	682,342.80		682,342.80	50,937.50	631,405.30		610,240.77
11/15/2017	683,876.31		683,876.31	1,260,937.50	-577,061.19	54,344.11	-553,209.19
05/15/2018	682,493.85		682,493.85	41,076.00	641,417.85		609,934.34
11/15/2018	683,722.91		683,722.91	1,271,076.00	-587,353.09	54,064.76	-554,007.73
05/15/2019	682,649.63		682,649.63	31,051.50	651,598.13		609,636.44
11/15/2019	683,564.70		683,564.70	1,281,051.50	-597,486.80	54,111.33	-554,490.27
05/15/2020	682,923.17		682,923.17	20,864.00	662,059.17		609,448.40
11/15/2020	683,316.20		683,316.20	1,280,864.00	-597,547.80	64,511.37	-545,616.27
05/15/2021	682,976.07		682,976.07	10,595.00	672,381.07		608,982.28
11/15/2021	683,232.93		683,232.93	1,310,595.00	-627,362.07	45,019.00	-563,614.24
	9,563,567.93	105,621.03	9,457,946.90	9,094,313.90	363,633.00	363,633.00	376,510.55

Savings Summary

Dated Date	04/09/2015
Delivery Date	04/09/2015
PV of savings from cash flow	376,510.55
Net PV Savings	376,510.55

SAVINGS

Deerfield Beach - SRF Loans
 Refunding Revenue Bond, Series 2015
 Refunding of SRF Loan DW0606010
 Wells Fargo - 1.63% (Make-Whole)
 Senior Lien - Level Savings
 FINAL NUMBERS

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 04/09/2015 @ 1.6301498%
11/15/2015	1,366,223.62	105,621.03	1,260,602.59	1,218,912.40	41,690.19	45,654.64
11/15/2016	1,366,245.74		1,366,245.74	1,316,353.50	49,892.24	53,551.38
11/15/2017	1,366,219.11		1,366,219.11	1,311,875.00	54,344.11	57,031.58
11/15/2018	1,366,216.76		1,366,216.76	1,312,152.00	54,064.76	55,926.61
11/15/2019	1,366,214.33		1,366,214.33	1,312,103.00	54,111.33	55,146.17
11/15/2020	1,366,239.37		1,366,239.37	1,301,728.00	64,511.37	63,832.13
11/15/2021	1,366,209.00		1,366,209.00	1,321,190.00	45,019.00	45,368.04
	9,563,567.93	105,621.03	9,457,946.90	9,094,313.90	363,633.00	376,510.55

Savings Summary

Dated Date	04/09/2015
Delivery Date	04/09/2015
PV of savings from cash flow	376,510.55
Net PV Savings	376,510.55

BOND DEBT SERVICE

Deerfield Beach - SRF Loans
 Refunding Revenue Bond, Series 2015
 Refunding of SRF Loan DW0606010
 Wells Fargo - 1.63% (Make-Whole)
 Senior Lien - Level Savings
 FINAL NUMBERS

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
05/15/2015			13,985.40	13,985.40	
11/15/2015	1,135,000	1.630%	69,927.00	1,204,927.00	1,218,912.40
05/15/2016			60,676.75	60,676.75	
11/15/2016	1,195,000	1.630%	60,676.75	1,255,676.75	1,316,353.50
05/15/2017			50,937.50	50,937.50	
11/15/2017	1,210,000	1.630%	50,937.50	1,260,937.50	1,311,875.00
05/15/2018			41,076.00	41,076.00	
11/15/2018	1,230,000	1.630%	41,076.00	1,271,076.00	1,312,152.00
05/15/2019			31,051.50	31,051.50	
11/15/2019	1,250,000	1.630%	31,051.50	1,281,051.50	1,312,103.00
05/15/2020			20,864.00	20,864.00	
11/15/2020	1,260,000	1.630%	20,864.00	1,280,864.00	1,301,728.00
05/15/2021			10,595.00	10,595.00	
11/15/2021	1,300,000	1.630%	10,595.00	1,310,595.00	1,321,190.00
	8,580,000		514,313.90	9,094,313.90	9,094,313.90

PRIOR BOND DEBT SERVICE

Deerfield Beach - SRF Loans
 Refunding Revenue Bond, Series 2015
 Refunding of SRF Loan DW0606010
 Wells Fargo - 1.63% (Make-Whole)
 Senior Lien - Level Savings
 FINAL NUMBERS

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
05/15/2015	550,210.21	** %	131,844.19	682,054.40	
11/15/2015	558,780.13	** %	125,389.09	684,169.22	1,366,223.62
05/15/2016	567,483.71	** %	115,031.27	682,514.98	
11/15/2016	576,323.06	** %	107,407.70	683,730.76	1,366,245.74
05/15/2017	585,300.29	** %	97,042.51	682,342.80	
11/15/2017	594,417.56	** %	89,458.75	683,876.31	1,366,219.11
05/15/2018	603,677.05	** %	78,816.80	682,493.85	
11/15/2018	613,080.98	** %	70,641.93	683,722.91	1,366,216.76
05/15/2019	622,631.61	** %	60,018.02	682,649.63	
11/15/2019	632,331.25	** %	51,233.45	683,564.70	1,366,214.33
05/15/2020	642,182.19	** %	40,740.98	682,923.17	
11/15/2020	652,186.82	** %	31,129.38	683,316.20	1,366,239.37
05/15/2021	662,347.54	** %	20,628.53	682,976.07	
11/15/2021	672,666.55	** %	10,566.38	683,232.93	1,366,209.00
	8,533,618.95		1,029,948.98	9,563,567.93	9,563,567.93

AGGREGATE DEBT SERVICE

Deerfield Beach - SRF Loans
 Refunding Revenue Bond, Series 2015
 Refunding of SRF Loan DW0606010
 Wells Fargo - 1.63% (Make-Whole)
 Senior Lien - Level Savings
 FINAL NUMBERS

Period Ending	Refunding Revenue Bond, Series 2015	FMLC 2008A	Aggregate Debt Service
11/15/2015	1,218,912.40	1,024,422.05	2,243,334.45
11/15/2016	1,316,353.50	1,352,748.86	2,669,102.36
11/15/2017	1,311,875.00	1,354,702.50	2,666,577.50
11/15/2018	1,312,152.00	1,354,952.00	2,667,104.00
11/15/2019	1,312,103.00	1,355,214.02	2,667,317.02
11/15/2020	1,301,728.00	1,354,192.90	2,655,920.90
11/15/2021	1,321,190.00	1,355,777.00	2,676,967.00
11/15/2022		1,311,079.92	1,311,079.92
11/15/2023		1,358,597.92	1,358,597.92
11/15/2024		1,358,142.20	1,358,142.20
11/15/2025		1,359,282.66	1,359,282.66
11/15/2026		1,359,648.04	1,359,648.04
11/15/2027		1,360,033.48	1,360,033.48
11/15/2028		1,360,262.82	1,360,262.82
	9,094,313.90	18,619,056.37	27,713,370.27

COST OF ISSUANCE

Deerfield Beach - SRF Loans
Refunding Revenue Bond, Series 2015
Refunding of SRF Loan DW0606010
Wells Fargo - 1.63% (Make-Whole)
Senior Lien - Level Savings
FINAL NUMBERS

Cost of Issuance	\$/1000	Amount
Bond Counsel	1.39860	12,000.00
Financial Advisor	1.63170	14,000.00
Bank Counsel	1.16550	10,000.00
City Attorney	0.46620	4,000.00
Miscellaneous	0.74371	6,381.05
	5.40572	46,381.05

ESCROW REQUIREMENTS

Deerfield Beach - SRF Loans
Refunding Revenue Bond, Series 2015
Refunding of SRF Loan DW0606010
Wells Fargo - 1.63% (Make-Whole)
Senior Lien - Level Savings
FINAL NUMBERS

Dated Date 04/09/2015
Delivery Date 04/09/2015

Period Ending	Interest	Principal Redeemed	Total
04/09/2015	105,621.03	8,533,618.95	8,639,239.98
	105,621.03	8,533,618.95	8,639,239.98

FORM 8038 STATISTICS

Deerfield Beach - SRF Loans
 Refunding Revenue Bond, Series 2015
 Refunding of SRF Loan DW0606010
 Wells Fargo - 1.63% (Make-Whole)
 Senior Lien - Level Savings
 FINAL NUMBERS

Dated Date 04/09/2015
 Delivery Date 04/09/2015

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Serial:						
	11/15/2015	1,135,000.00	1.630%	100.000	1,135,000.00	1,135,000.00
	11/15/2016	1,195,000.00	1.630%	100.000	1,195,000.00	1,195,000.00
	11/15/2017	1,210,000.00	1.630%	100.000	1,210,000.00	1,210,000.00
	11/15/2018	1,230,000.00	1.630%	100.000	1,230,000.00	1,230,000.00
	11/15/2019	1,250,000.00	1.630%	100.000	1,250,000.00	1,250,000.00
	11/15/2020	1,260,000.00	1.630%	100.000	1,260,000.00	1,260,000.00
	11/15/2021	1,300,000.00	1.630%	100.000	1,300,000.00	1,300,000.00
		8,580,000.00			8,580,000.00	8,580,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	11/15/2021	1.630%	1,300,000.00	1,300,000.00		
Entire Issue			8,580,000.00	8,580,000.00	3.6775	1.6301%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	46,381.05
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00
Proceeds used to currently refund prior issues	8,639,239.98
Proceeds used to advance refund prior issues	0.00
Remaining weighted average maturity of the bonds to be currently refunded	3.4755
Remaining weighted average maturity of the bonds to be advance refunded	0.0000

FORM 8038 STATISTICS

Deerfield Beach - SRF Loans
 Refunding Revenue Bond, Series 2015
 Refunding of SRF Loan DW0606010
 Wells Fargo - 1.63% (Make-Whole)
 Senior Lien - Level Savings
 FINAL NUMBERS

Refunded Bonds

Bond Component	Date	Principal	Coupon	Price	Issue Price
DW0606010 2.58 Rate:					
SERIAL	05/15/2015	6,359.13	2.580%	100.000	6,359.13
SERIAL	11/15/2015	6,441.16	2.580%	100.000	6,441.16
SERIAL	05/15/2016	6,524.25	2.580%	100.000	6,524.25
SERIAL	11/15/2016	6,608.41	2.580%	100.000	6,608.41
SERIAL	05/15/2017	6,693.66	2.580%	100.000	6,693.66
SERIAL	11/15/2017	6,780.01	2.580%	100.000	6,780.01
SERIAL	05/15/2018	6,867.47	2.580%	100.000	6,867.47
SERIAL	11/15/2018	6,956.06	2.580%	100.000	6,956.06
SERIAL	05/15/2019	7,045.79	2.580%	100.000	7,045.79
SERIAL	11/15/2019	7,136.69	2.580%	100.000	7,136.69
SERIAL	05/15/2020	7,228.75	2.580%	100.000	7,228.75
SERIAL	11/15/2020	7,322.00	2.580%	100.000	7,322.00
SERIAL	05/15/2021	7,416.45	2.580%	100.000	7,416.45
SERIAL	11/15/2021	7,512.00	2.580%	100.000	7,512.00
		96,891.83			96,891.83
DW0606010 2.99 Rate:					
SERIAL	05/15/2015	71,671.43	2.990%	100.000	71,671.43
SERIAL	11/15/2015	72,742.92	2.990%	100.000	72,742.92
SERIAL	05/15/2016	73,830.42	2.990%	100.000	73,830.42
SERIAL	11/15/2016	74,934.19	2.990%	100.000	74,934.19
SERIAL	05/15/2017	76,054.45	2.990%	100.000	76,054.45
SERIAL	11/15/2017	77,191.47	2.990%	100.000	77,191.47
SERIAL	05/15/2018	78,345.48	2.990%	100.000	78,345.48
SERIAL	11/15/2018	79,516.75	2.990%	100.000	79,516.75
SERIAL	05/15/2019	80,705.52	2.990%	100.000	80,705.52
SERIAL	11/15/2019	81,912.07	2.990%	100.000	81,912.07
SERIAL	05/15/2020	83,136.65	2.990%	100.000	83,136.65
SERIAL	11/15/2020	84,379.55	2.990%	100.000	84,379.55
SERIAL	05/15/2021	85,641.02	2.990%	100.000	85,641.02
SERIAL	11/15/2021	86,921.39	2.990%	100.000	86,921.39
		1,106,983.31			1,106,983.31
DW0606010 3.12 Rate:					
SERIAL	05/15/2015	449,782.37	3.120%	100.000	449,782.37
SERIAL	11/15/2015	456,798.97	3.120%	100.000	456,798.97
SERIAL	05/15/2016	463,925.04	3.120%	100.000	463,925.04
SERIAL	11/15/2016	471,162.27	3.120%	100.000	471,162.27
SERIAL	05/15/2017	478,512.40	3.120%	100.000	478,512.40
SERIAL	11/15/2017	485,977.19	3.120%	100.000	485,977.19
SERIAL	05/15/2018	493,558.44	3.120%	100.000	493,558.44
SERIAL	11/15/2018	501,257.95	3.120%	100.000	501,257.95
SERIAL	05/15/2019	509,077.57	3.120%	100.000	509,077.57
SERIAL	11/15/2019	517,019.18	3.120%	100.000	517,019.18
SERIAL	05/15/2020	525,084.68	3.120%	100.000	525,084.68
SERIAL	11/15/2020	533,276.00	3.120%	100.000	533,276.00
SERIAL	05/15/2021	541,595.11	3.120%	100.000	541,595.11

FORM 8038 STATISTICS

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Refunded Bonds

Bond Component	Date	Principal	Coupon	Price	Issue Price
DW0606010 3.12 Rate:					
SERIAL	11/15/2021	550,044.02	3.120%	100.000	550,044.02
		6,977,071.19			6,977,071.19
DW0606010 3.57 Rate:					
SERIAL	05/15/2015	22,397.28	3.570%	100.000	22,397.28
SERIAL	11/15/2015	22,797.08	3.570%	100.000	22,797.08
SERIAL	05/15/2016	23,204.00	3.570%	100.000	23,204.00
SERIAL	11/15/2016	23,618.19	3.570%	100.000	23,618.19
SERIAL	05/15/2017	24,039.78	3.570%	100.000	24,039.78
SERIAL	11/15/2017	24,468.89	3.570%	100.000	24,468.89
SERIAL	05/15/2018	24,905.66	3.570%	100.000	24,905.66
SERIAL	11/15/2018	25,350.22	3.570%	100.000	25,350.22
SERIAL	05/15/2019	25,802.73	3.570%	100.000	25,802.73
SERIAL	11/15/2019	26,263.31	3.570%	100.000	26,263.31
SERIAL	05/15/2020	26,732.11	3.570%	100.000	26,732.11
SERIAL	11/15/2020	27,209.27	3.570%	100.000	27,209.27
SERIAL	05/15/2021	27,694.96	3.570%	100.000	27,694.96
SERIAL	11/15/2021	28,189.14	3.570%	100.000	28,189.14
		352,672.62			352,672.62
		8,533,618.95			8,533,618.95

	Last Call Date	Issue Date	Remaining Weighted Average Maturity
DW0606010 2.58 Rate	04/09/2015	11/15/2005	3.4541
DW0606010 2.99 Rate	04/09/2015	11/15/2001	3.4705
DW0606010 3.12 Rate	04/09/2015	11/15/2001	3.4757
DW0606010 3.57 Rate	04/09/2015	05/15/2005	3.4936
All Refunded Issues	04/09/2015		3.4755

PROOF OF ARBITRAGE YIELD

Deerfield Beach - SRF Loans
 Refunding Revenue Bond, Series 2015
 Refunding of SRF Loan DW0606010
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Date	Debt Service	Present Value to 04/09/2015 @ 1.6301497802%
05/15/2015	13,985.40	13,962.71
11/15/2015	1,204,927.00	1,193,246.48
05/15/2016	60,676.75	59,602.74
11/15/2016	1,255,676.75	1,223,478.46
05/15/2017	50,937.50	49,230.09
11/15/2017	1,260,937.50	1,208,818.45
05/15/2018	41,076.00	39,059.82
11/15/2018	1,271,076.00	1,198,914.14
05/15/2019	31,051.50	29,051.84
11/15/2019	1,281,051.50	1,188,864.07
05/15/2020	20,864.00	19,206.03
11/15/2020	1,280,864.00	1,169,546.99
05/15/2021	10,595.00	9,596.00
11/15/2021	1,310,595.00	1,177,422.17
	9,094,313.90	8,580,000.00

Proceeds Summary

Delivery date	04/09/2015
Par Value	8,580,000.00
Target for yield calculation	8,580,000.00