City of Deltona

Mayor
John Masiarcyzk

Vice Mayor
Chris Nabicht
District 6

Commissioners:

Mitch Honaker
District 1

Diane Smith
District 2

Heidi Herzberg
District 3

Nancy Schleicher
District 4

Brian Soukup
District 5

City Manager
Jane K. Shang

PUBLIC NOTICE

CITY OF DELTONA
2345 Providence Blvd.
Deltona, FL 32725

City Manager Agenda Review Meeting
2nd Floor Conference Room
Monday, May 16, 2016
5:30 P.M.

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

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

City of Deltona

2345 Providence Blvd.
Deltona, FL 32725

Regular Commission Meeting

City Commission

Mayor John C. Masiarczyk Sr.
Vice Mayor Chris Nabicht
Commissioner Heidi Herzberg
Commissioner Gary Mitch Honaker
Commissioner Nancy Schleicher
Commissioner Diane J. Smith
Commissioner Brian Soukup

Monday, May 16, 2016 | **6:30 PM** | **Deltona Commission Chambers**

1. CALL TO ORDER:

2. ROLL CALL – CITY CLERK:

3. INVOCATION AND PLEDGE TO THE FLAG:

A. Invocation Presented by Commissioner Schleicher - Rev. Dr. Mark Winkler from Emmaus Lutheran Church

Background: At the Regular City Commission Meeting on Monday, October 17, 2011, the City Commission approved to have each Commissioner by District schedule someone to present the invocation at each Regular City Commission meeting rotating each Commissioner by District starting with District #1, #2, #3, #4, #5, #6 and the Mayor.

4. APPROVAL OF MINUTES & AGENDA:

A. Approval of minutes - Regular Commission Meeting of May 2, 2016 - Joyce Raftery, City Clerk (386) 878-8502.

Background: N/A

Attachments: May 2, 2016 Minutes

5. PRESENTATIONS/AWARDS/REPORTS:

A. Proclamation - Emergency Medical Services Week

Background: A proclamation for Emergency Medical Services Week, May 15-21, 2016 with the theme, “Called to Care” to recognize members of emergency medical services teams who are ready to provide lifesaving care to those in need 24 hours a day, seven days a week.

Attachments: Emergency Medical Services Week

B. Recognition to Local VCSO Employees for Their Achievements

Background:

Citizen Observer Volunteer Sonia Cortes - Recognized as the Volusia County Sheriff's Office Volunteer of the 4th Quarter for 2015. Cortes volunteers numerous hours with the Citizen Observer Program (C.O.P.), where she helps recruit new volunteers with her exceptional organizational skills and attention to detail.

Auxiliary Volunteer Sandra Carlson - One of the many generous volunteers who give their time to support the VCSO, was recognized for her friendly, outgoing demeanor and willingness to help in the District 4 office.

K9 Deputy Brett Whitson and K9 Endo - K-9 Endo and his handler, Deputy Brett Whitson, were each honored - Whitson as Deputy of the 4th Quarter 2015, and Endo with a Purple Heart and a Medal of Valor. K9 Endo was awarded these medals for his efforts on a call involving an armed, fleeing suspect. Despite being shot in the neck during the incident, Endo remained vigilant and poised and was willing to re-engage the suspect in order to protect the lives of his fellow deputies. Three hours after the awards ceremony ended, Whitson and Endo were back at it, capturing a driver who fled from a traffic stop and into Brevard County. And a month later, yet another Endo call-out resulted in the following headline from WFTV Channel 9: Even suspect impressed by decorated Volusia County K-9 Endo.

Investigator Jayson Paul - Investigator Paul, nominated for honors twice in 2015, and selected as the Investigator of the 1st Quarter 2015, Investigator of the 4th Quarter 2015, and Investigator of the Year 2015, was recognized for his work in several complex or high-profile cases. His work investigating five organizations involved in a $2 million retail theft ring, resulted in 23 arrest warrants and the dismantling of the ring, his work on a burglary investigation eventually identified a young woman who had been exploited as a victim of human trafficking, and he solved numerous burglary and theft cases, including a rash of tailgate thefts.

Sergeant Karen Pierce - On March 1, Sergeant Pierce, a 9½-year veteran with the Sheriff's Office, made history when a new badge was pinned on her uniform during a promotion ceremony. She became the first-ever African-American female sergeant in the history of the Volusia County Sheriff's Office. With education a priority in her life, Sergeant Pierce is in the final stages of obtaining her doctorate in education from Nova Southeastern University, with a concentration in organizational leadership and a minor in conflict resolution. "I want my promotion to send a message of hope to other females and minorities," said Pierce. "After all, there really is no

glass ceiling. There are only limitations of your beliefs. My message to others is to free yourself to go where others said you couldn't."

Now nearly 25 years into her law enforcement career she will inspire women of color and all minorities and affirm that there's a place for them in law enforcement.

Sergeant Patrick Leahy - The de facto District 4 Ambassador for the Sheriff's Office recently organized a recreational basketball game at the Florida United Methodist Children's Home. After the game, kids and deputies gathered around the FUMCH swimming pool for a cookout. The rec play creates positive interaction between at-risk children and the deputies that serve them. The effort in building a better relationship with the residents and staff at FUMCH has paid off with a reduction in calls for service.

Lieutenant Brian Henderson - Lieutenant Henderson was among 230 law enforcement officers who recently graduated from the prestigious FBI National Academy in Quantico, Va. The 263rd Session of the National Academy consisted of men and women from 47 states, the District of Columbia, 27 international countries, four military organizations and five federal civilian organizations.

C. Recognitions - A. Commissioner Herzberg for Receiving the 2016 Home Rule Hero Award and B. 1st Annual Economic Development Week.

Background:

A. Commissioner Herzberg for Receiving the 2016 Home Rule Hero Award

The Florida League of Cities recently recognized nearly 70 city officials with 2016 Home Rule Hero Awards. These local government officials earned this prestigious award for their tireless efforts to advance the League's legislative agenda and help protect the home rule powers of Florida's cities during the 2016 legislative session.

Home Rule is the ability for a city to establish its own form of government and enact ordinances, codes, plans and resolutions without prior state approval. The Home Rule Hero Award recipients are local government officials - both elected and nonelected - who consistently responded to the League's request to reach out to members of the legislature and help give a local perspective to an issue.

On behalf of the Commission and staff, I would like to congratulate Commissioner Herzberg for receiving this award.

B. 1st Annual Economic Development Week

Deltona celebrated the 1st Annual Economic Development Week

from May 8th -14th. Economic Development Week was created by The International Economic Development Council in commemoration of its 90-year anniversary as the largest professional membership organization for economic developers.

On behalf of the Commission and staff, I would like to recognize Economic Development Week and to extend our appreciation to our Economic Development Manager, Jerry Mayes, Chris Bowley, Director of Planning and Development and the Planning and Development staff for their efforts in generating economic growth, creating better jobs for residents, and facilitating an improved quality of life in our community.

6. CITY COMMISSION SPECIAL REPORTS:

7. PUBLIC FORUM: - Citizen comments limited to items not on the agenda and comments on items listed on the agenda will take place after discussion of each item.

Citizen comments for any items. (4 minute maximum length per speaker)

CONSENT AGENDA: The consent agenda contains items that have been determined to be routine and non-controversial. If anyone in the audience wishes to address a particular item on the consent agenda, now is the opportunity for you to do so. Additionally, if staff or members of the City Commission wish to speak on a consent item, they have the same opportunity.

8. CONSENT AGENDA:

A. Request for approval of Resolution No. 2016-18, authorizing the Florida Department of Transportation (FDOT Local Agency Program (LAP) Agreement for the Lakeshore Shared-Use Path - Chris Bowley, Planning and Development Services (386) 878-8602.

Strategic Goal: Fiscal Issues, Transportation.

Background: The Lakeshore Shared-Use Path (a.k.a. the Lakeshore Loop Trail) project is for a proposed 12-ft. wide paved path extending from the existing Volusia County Trail and Thornby Park to Green Springs Park. The trail is planned to be ±3,100 linear feet and the proposed project cost is estimated at $529,200, much of which is from outside agency/grant funding sources. Ninety (90%) percent of the project cost will be funded by the River to Sea Transportation Planning Organization (TPO) through the FDOT and a portion of the City's 10% match requirements are utilizing Volusia ECHO funds.

To facilitate construction of the Lakeshore Trail, the City is required

to execute a LAP agreement with FDOT. The attached Resolution No. 2016-18 and LAP agreement authorizes the City Manager to execute the LAP agreement with the FDOT.

Attachments: Resolution No. 2016-18
LAP Agreement 041816
Lakeshore Map

9. ORDINANCES AND PUBLIC HEARINGS:

A. Public Hearing - Ordinance No. 09-2015, Amending Section 110-806 of the Land Development Code for Fences, Walls, and Hedges, at second and final reading - Chris Bowley, Planning and Development Services, (386) 878-8602.

Strategic Goal: Economic Development: Update the Economic Development Plan including the Land Development Code (LDC).

Background: In 2015, the City Commission created the Ordinance Review Committee (ORC) to review specific ordinances that they direct to the ORC. The first item for ORC review was Ordinance No. 09-2015, which amends Section 110-806 of the LDC pertaining to fences, walls, and hedges. The initial concept was to focus on hedge heights within front yards, particularly how they relate to visibility between the sidewalk and driveway for public safety. The ORC reviewed the ordinance and made recommendations that also apply to the entire lot, specifically screen material height and opacity percentage (see attached). On February 22, 2016, Ordinance No. 09-2015 was also reviewed by the City Commission at their workshop and additional recommendations were made to the ordinance. On March 16, 2016, the Planning and Zoning Board review both the ORC and City Commission recommendations and unanimously voted to recommend adoption of the ordinance by the City Commission. On April 18, 2016, the City Commission unanimously approved the ordinance at first reading.

Attachments: Ordinance No. 09-2015

B. Public Hearing - Ordinance No. 17-2016, Amending the Firefighters' Pension Plan to Comply with Internal Revenue Code and its Associated Regulations and to add a Share Plan as a requirement of the recently adopted Chapter 2015-39 Laws of Florida, at second and final reading - Becky Vose, Legal Department - (407) 448-0111.

Strategic Goal: Internal & External Communication - Improve Intergovernmental Coordination

Background: With the recent adoption by the Florida Legislature of Chapter

2015-39, Laws of Florida, and changes to the Internal Revenue Code (IRC) and its associated regulations, as well as guidance from the Internal Revenue Service (IRS), the City is bringing forth amendments to the Firefighters' Pension Plan in order to comply with these new regulations.

The changes in Sections 1 through 8 of the proposed Ordinance reflect the changes needed to comply with the revised IRS requirements. Sections 1 through 7 represent clarifications of definitions while Section 8 addresses IRS changes in connection to the Deferred Retirement Option Plan (DROP).

Section 46-26, Definitions; is being amended for IRC changes and requirements, to amend the definitions of: i) "Creditable" (or "Credited") Years of Service to clarify IRC regulations on leave conversions; ii) "Firefighter" to update a reference in Florida Statutes; and iii) "Spouse" to clarify the definition in accordance with a recent US Supreme Court ruling.

Section 46-27, Participation-Conditions of Eligibility, is amended to limit those individuals eligible to opt-out of the system, to comply with recent IRC Treasury Regulation requirements.

Section 46-29, Finances and Fund Management, is amended to further incorporate recent IRC requirements with regard to investments in commingled funds.

Section 46-33, Benefit amounts and eligibility, is being amended to change the Normal Retirement Date to include IRC required language regarding Normal Retirement Age and Normal Retirement Date.
Section 46-35, Disability, is being amended to more clearly identify those individuals who may be eligible to apply for a disability pension who have been terminated by the City due to medical reasons.

Section 46-43, Maximum Pension, has had several subsections amended to comply with IRC changes.

Section 46-44, Minimum· Distribution of Benefits, is being amended for a reference clarification in subsection (b)(2)d.

Section 46-54, Deferred Retirement Option Plan, is being amended in accordance with recent direction from the IRS in connection with the issuance of several recent Favorable Determination Letters to: i) clarify investment returns on DROP accounts, ii) clarify when interest and earnings are calculated and paid, and iii) add several sections clarifying the DROP provisions as required by the IRS.

Section 9 adds Section 46-59, "Supplemental Benefit Component for Special Benefits; Chapter 175 Share Accounts". The adoption of a "Share Plan" is a requirement of recently adopted Chapter 2015-39, Laws of Florida, for all pension plans that are subject to the provisions of Chapter 175.

This Ordinance has been prepared by the Firefighters' Pension Plan's Pension Attorney and has been reviewed and approved by the Firefighters' Pension Board of Trustees.

Attachments: O-17-2016 Revised FF Pension Ordinance

C. Request for approval of Resolution No. 2016-23, approval Indicating General Support of a Proposed Volusia Governments' Water Resources Compact - Becky Vose, Legal Department (407) 448-0111.

Strategic Goal: Economic Development

Background: Each of the municipalities in Volusia County and unincorporated Volusia County have numerous water issues that are key to the sustainability and growth of Volusia County and each of its municipalities. The Volusia Governments can most effectively address water issues together and with a united front to address the myriad common concerns shared by the Volusia Governments. The City of Deltona is generally supportive of a proposed Volusia Governments' Water Resource Compact and will work with the other governments of Volusia County to draft and effectuate such a compact in the future for the benefit of all of Volusia County and its citizens, while retaining its power to govern its own jurisdictional area.

Attachments: Resolution No. 2016-23
Volusia Governments Water Compact - REV 4-22-16

D. Request for approval of Resolution No. 2016-25, declaring certain real property of the City of Deltona as surplus and authorizing the sale or disposal of such property - Becky Vose, Legal Department (407) 448-0111.

Strategic Goal: Beautification

Background: The City of Deltona is the owner of a house located at 1787 Fort Smith Boulevard, Deltona, Volusia County, Florida. The City acquired the property in April, 2003 along with other properties to create a water retention pond to provide relief from flooding in the area. The other properties acquired at the same time, which were on Beechdale Drive, were demolished and used for the retention pond. The Fort Smith property has remained vacant for the last 13 years

and has been going down in value due to deterioration. The roof in now in very bad shape and will have to be replaced if the City keeps the property. There is interest by an investor to purchase the property.

This is real property that is not needed to serve any municipal purpose and therefore the City considers it to be surplus.

Attachments: Appraisal - 1787 Ft. Smith Boulevard
Resolution No. 2016-25

E. Public Hearing - Resolution No. 2016-24-Final resolution to establish Lake McGarity Special Assessment District - Becky Vose, Legal Department (407) 448-0111.

Strategic Goal: Beautification

Background: The City of Deltona has received petitions from 51% of the owners of property on Lake McGarity requesting that chemical treatment of the lake take place to remediate invasive plant species that are doing damage to the lake. The City will not be introducing carp into the lake, because the State of Florida requires 100% of the lakefront property owners to consent to that treatment, and the City has received at least one objection to the introduction of carp. An initial resolution to establish this district was approved by the city commission on April 4, 2016.This is the second and final hearing of two required hearings to establish a special assessment district to pay for the lake remediation.

Attachments: Resolution No. 2016-24

F. Request for approval of Resolution 2016-16, authorizing the issuance of Capital Improvement Revenue Refunding Bonds Series 2016 - Bob Clinger, Finance (386) 878-8552.

Strategic Goals:
Fiscal Issues/Infrastructure - Transportation CIP program
Fiscal Issues - New Senior Community Center

Background: The Financing Plan provides for the issuance of not to exceed $40,000,000 of Capital Improvement Revenue Refunding Bonds, Series 2016 to current refund the City's outstanding Transportation Revenue Bonds, Series 2016,current outstanding in the principal amount of $12,150,000. The 30 year fixed rate bonds will be structured to maintain the City's current Series 2006 Bonds debt service of $1,460,000 for 30 years while providing additional funds to fund a portion of the City's transportation capital improvement program. The Series 2016 Bonds will also provide $8 million to be

used toward the Community Center.

At the Commission workshop held on November 23, 2015, the City Commission expressed the desire to move forward with the planning, financing and construction of the City's future Community Center and to move forward with several road projects to include sidewalks, road resurfacing, road widening, etc.

Attachments: Master Resolution 2016-16

G. Request for approval of Resolution 2016-22 approving the form of documents in relating to the City of Deltona, Florida Capital Improvement Revenue Refunding Bonds, Series 2016 - Bob Clinger, Finance - (386) 878-8552.

Strategic Goals:
Fiscal Issues/Infrastructure - Transportation CIP program
Fiscal Issues - New Community Center

Background: The Financing Plan provides for the issuance of not to exceed $40,000,000 of Capital Improvement Revenue Refunding Bonds, Series 2016 to current refund the City's outstanding Transportation Revenue Bonds, Series 2016,current outstanding in the principal amount of $12,150,000. The 30 year fixed rate bonds will be structured to maintain the City's current Series 2006 Bonds debt service of $1,460,000 for 30 years while providing additional funds to fund a portion of the City's transportation capital improvement program. The Series 2016 Bonds will also provide $8 million to be used toward the Community Center.

At the Commission workshop held on November 23, 2015, the City Commission expressed the desire to move forward with the planning, financing and construction of the City's future Community Center and to move forward with several road projects to include sidewalks, road resurfacing, road widening, etc.

Approval of this Resolution which formally authorizes the following:

- Form of official notice of bond sale and official bid form
- Form of preliminary official statement
- Form of continuing disclosure certificate
- Form of escrow deposit agreement
- Form of first amendment to debt service forward delivery agreement

Attachments: Exhibit A Notice of Sale
Exhibit B Preliminary Official Statement
Exhibit C Continuing Disclosure Agreement
Series 2016 supplemental resolution - 2016-22
Exhibit D Escrow Deposit Agreement
Exhibit E Debt Service Forward Delivery Agreement

H. Public Hearing - Consideration of Purchase of Casey Property - Jane K. Shang, City Manager - (386) 878-8858.

Strategic Goal: Economic Development. Focus on Howland Blvd. as the Gateway for Commercial Growth.

Background: Howland Boulevard has been identified on numerous occasions as the commercial gateway to the City given the proximity to I-4 and the number of commercial parcels available for development.

At the October 17, 2015, and November 7, 2015, Strategic Planning sessions, the Community and the Commission reiterated the need for economic/community development and to develop a City Center. This goal was then included in the City's Strategic Plan (Strategic Goals for FY 15/16-FY 16/17) as Priority Objective 2. Economic Development: "Focus on Howland Boulevard as the gateway for commercial growth (create a City Center and pursue acquisition of the Casey property).

City Centers are generally created by assembling close parcels of land to create dense activity in a concentrated area. Further, at the November 2, 2015, City Commission meeting, the City Commission concurred to authorize the City Manager to start negotiations with Mr. Casey on the property known as the "Casey property", which staff would begin the process to determine the feasibility to acquire the Casey property, given the decision to locate the Senior Community Center at Howland Crossings. Then, at the March 2, 2016 workshop, the Commission directed staff to move forward with negotiations for the Casey property.

The effort is supported by the concept that the assemblage of the Casey property for a City Center makes good sense given:

1. The size of the parcel for development (±46.5-acres in assembly);
2. The commitment by the City to utilize its land acquisition within the Howland Crossings property for a Senior Community Center, in addition to the investment made for Fire Station 65.

3. The mast arm signalized intersection.
4. The proximity and development potential of vacant land in the immediate vicinity for long--range growth. The availability of large parcels for development in the Howland Crossings area is limited and the Casey property is in close proximity to the Howland Crossings City-owned tracts.
5. The tract is adjacent to a Volusia County School Board property for a future elementary school and there is potential to co-locate facilities with that school in the future for synergistic development.

Appraisals of the Casey property have been completed. Earlier appraisals determined a fair market value of $2.3M and $5.2M. At the direction of the Commission a third appraisal was ordered and the appraised value was determined to be $3.35M. With the appraisal efforts completed, staff requests direction from the City Commission on whether to make a formal offer to purchase the Casey property as consideration for a future City Center. Finally, the land will also need to be re-entitled to allow for an array of land uses, if acquired.

It is recommended that if the City Commission wishes to make an offer to purchase the Casey property that the purchase price be set at not to exceed $3.35M, with three contingencies:

- for an inspection period of 120 days with a provision for a satisfactory subsurface soil investigation with the expense to be shared equally between the City and Mr. Casey;
- for delivery to Mr. Casey of a letter from the City regarding the purchase for income tax purposes; and
- for disclosure of beneficial interests by property owner, if applicable, under F.S. 286.23.

Attachments: Casey Land Acquisistion PPP
Appraisal dated 2-04-16 (Craig H. Clayton)
Appraisal dated 10-14-15 (Landmark Appraisal Services)
Howland Blvd. 40 AC Casey Parcel (Heffington) [10-08-15]
Casey Commercial Parcel Howland Blvd. (Heffington) [9-2

10. OLD BUSINESS:

11. NEW BUSINESS:

12. CITY ATTORNEY COMMENTS:

13. CITY MANAGER COMMENTS:

A. Introduction of Richard Adams, Director of Human Resources and Chief Frank Snyder, Fire Chief

14. CITY COMMISSION COMMENTS:

15. ADJOURNMENT:

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

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City of Deltona

2345 Providence Blvd.
Deltona, FL 32725

Agenda Memo

AGENDA ITEM: A.

TO: Mayor and Commission **AGENDA DATE:** 5/16/2016

FROM: Jane K. Shang, City Manager **AGENDA ITEM:** 3 - A

SUBJECT:
Invocation Presented by Commissioner Schleicher - Rev. Dr. Mark Winkler from Emmaus Lutheran Church

LOCATION:
N/A

BACKGROUND:
At the Regular City Commission Meeting on Monday, October 17, 2011, the City Commission approved to have each Commissioner by District schedule someone to present the invocation at each Regular City Commission meeting rotating each Commissioner by District starting with District #1, #2, #3, #4, #5, #6 and the Mayor.

COST:
N/A

SOURCE OF FUNDS:
N/A

ORIGINATING DEPARTMENT:
City Manager's Office

STAFF RECOMMENDATION PRESENTED BY:
N/A - Invocation Only

POTENTIAL MOTION:
N/A - Invocation Only

City of Deltona

2345 Providence Blvd.
Deltona, FL 32725

Agenda Memo

AGENDA ITEM: A.

TO: Mayor and Commission **AGENDA DATE:** 5/16/2016

FROM: Jane K. Shang, City Manager **AGENDA ITEM:** 4 - A

SUBJECT:
Approval of minutes - Regular Commission Meeting of May 2, 2016 - Joyce Raftery, City Clerk (386) 878-8502.

LOCATION:
N/A

BACKGROUND:
N/A

COST:
N/A

SOURCE OF FUNDS:
N/A

ORIGINATING DEPARTMENT:
City Clerk's Office

STAFF RECOMMENDATION PRESENTED BY:
City Clerk Joyce Raftery - That the Commission approve the minutes of the Regular Commission Meeting of May 2, 2016.

POTENTIAL MOTION:
"I move to approve the minutes of the Regular Commission Meeting of May 2, 2016, as presented."

City of Deltona

2345 Providence Blvd.
Deltona, FL 32725

Minutes

City Commission

Monday, May 2, 2016 **6:30 PM** **Deltona Commission Chambers**

1. CALL TO ORDER:

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

2. ROLL CALL – CITY CLERK:

Present: 9 - Commissioner Herzberg
Commissioner Honaker
Commissioner Schleicher
Commissioner Smith
Commissioner Soukup
Vice Mayor Nabicht
Mayor Masiarczyk
City Manager Shang
City Attorney Vose

3. INVOCATION AND PLEDGE TO THE FLAG:

A. Invocation Presented by Commissioner Herzberg

Commissioner Herzberg introduced Nick Pizza with Pizza Family Ministries who gave the invocation and led everyone in the pledge to the flag.

The National Anthem was sung by Kasia Soto a 9th Grader at Deltona High School.

Mayor Masiarczyk introduced the several public service announcements (PSAs) for the new trash rules which will be effective starting June 1, 2016.

4. APPROVAL OF MINUTES & AGENDA:

A. Approval of minutes - Regular Commission Meeting of April 18, 2016 - Joyce Raftery, City Clerk (386) 878-8502.

Motion by Commissioner Herzberg, seconded by Commissioner Smith, to approve the minutes of the Regular Commission Meeting of April 18, 2016, as presented. The motion carried by the following vote:

For: 7 - Commissioner Herzberg, Commissioner Honaker, Commissioner Schleicher, Commissioner Smith, Commissioner Soukup, Vice Mayor Nabicht, and Mayor Masiarczyk

5. PRESENTATIONS/AWARDS/REPORTS:

A. Proclamation - Recognition of Ann McFall

Mayor Masiarczyk and the Commission presented a Proclamation to Ann McFall for her years of service to the residents of Deltona and Volusia County.

B. Recognition - 47th Annual Municipal Clerks Week

Mayor Masiarczyk and the Commission recognized the City Clerk's Department in recognition of the 47th Annual Municipal Clerks Week.

C. Proclamation - National Association of Letter Carriers "Stamp Out Hunger" Food Drive Day

Mayor Masiarczyk and the Commission presented a Proclamation in recognition of the National Association of Letter Carriers "Stamp Out Hunger" Food Drive Day.

D. Recognition - Top Shelf Car Wash

Mayor Masiarczyk and the Commission recognized Top Shelf Car Wash who presented a check in the amount of $1,438.49 to the Commission for funds raised for Relay For Life.

E. Presentation - Quarterly Reports of City Advisory Boards/Committees - Joyce Raftery, City Clerk (386) 878-8502.

Mayor Masiarczyk stated all the Quarterly Reports are in written form and will be accepted as presented.

F. Super Star Student of the Month Certificates for April 2016

Mayor Masiarczyk and the Commission presented Certificates of Recognition to the Super Star Students for the month of April, 2016.

Mayor Masiarczyk called for a recess at 7:04 p.m. and reconvened at 7:06 p.m.

6. CITY COMMISSION SPECIAL REPORTS:

Commissioner Herzberg stated she attended on Saturday the Volusia Government Water Summit to discuss the water compact which is being put together from the Volusia League of Cities (VLOC) in hopes to get all 16 Volusia cities to sign on. There was a pre-signing of the elected officials and staff who committed to taking the compact in a resolution form to their perspective cities to have the elected officials vote on it. She stated Pierson was the only City not represented, the summit was held at Stetson

University's Environmental Lab/Institute and there will be a resolution brought forth to the Commission for approval. She stated she looks forward to moving forward, to letting the State and Federal government know that the 16 cities in Volusia County are going to be addressing water in the next 10 to 20 years and it is not unique to Volusia County but, there is a unique geography. She stated Yale will be doing a cultural cognizant study and will be sending out a survey to the residents.

Vice Mayor Nabicht stated he attended the Transportation Planning Organization (TPO) meeting and that on the River to Sea TPO website there is a link for a survey which allows for citizen input www.tellthetpo.com and he encouraged everyone to fill out the survey. He stated the organization is made up of several components; the City gets additional dollars from them for transportation projects and cooperate with other local governments on transportation projects. He stated State Road 415 is slated to be completed in June.

Vice Mayor Nabicht stated he also attended a free Active Shooters program in Kissimmee put on by the VLOC and everything that was presented can be found on the FBI website at www.FBI.org. He stated City Hall has had some areas hardened and the University of Central Florida (UCF) provided an active shooter class to the City's employees all in an effort to help keep the employees safe.

7. PUBLIC FORUM: - Citizen comments limited to items not on the agenda and comments on items listed on the agenda will take place after discussion of each item.

Maralee Nieves, 2838 Howland Blvd., Deltona, requested funds to support Deltona High School Theater Troupe 4375. The group's float was a winner of one of the Christmas Parade Awards, the group attends competitions at all district levels, and the group helps provide positive role models for the youth of Deltona.

Mike Williams, 2889 Cottageville Street, Deltona, spoke about the Fresh Start Program's new recruiter process and he asked that the Commission help spread the information about the program. He reminded everyone of the Freedom Fund Banquet to take place on June 3rd, the key note speaker will be Val Deming and the group is still working on Deltona's Got Talent.

CONSENT AGENDA: The consent agenda contains items that have been determined to be routine and non-controversial. If anyone in the audience wishes to address a particular item on the consent agenda, now is the opportunity for you to do so. Additionally, if staff or members of the City Commission wish to speak on a consent item, they have the same opportunity.

8. CONSENT AGENDA:

None.

9. ORDINANCES AND PUBLIC HEARINGS:

A. Public Hearing - Ordinance No. 13-2016, Creating a new Article II, "Distribution of Unsolicited Materials," of Chapter 38, "Environment," of the Code of Ordinances, for second and final reading - Becky Vose, Legal Department (407) 448-0111.

Strategic Goal: Public Safety - focus on the City's beautification program.

Motion by Vice Mayor Nabicht, seconded by Commissioner Herzberg, to table Item 9-A for six (6) months to allow staff to work with the newspapers to see if they can come to an agreement that will satisfy the constituents and the Commission and possibly drafting another ordinance to have the ability to hold the newspapers more accountable. The motion carried by the following vote:

For: 5 - Commissioner Herzberg, Commissioner Smith, Commissioner Soukup, Vice Mayor Nabicht, and Mayor Masiarczyk

Against: 2 - Commissioner Honaker, and Commissioner Schleicher

Mayor Masiarczyk opened the public hearing and he stated the item has been tabled so the Commission could not comment on anything being said.

Bill Offill, News-Journal, 901 6th Street, Daytona Beach, spoke about how seriously his organization takes the ordinance that is in place, how he is committed to taking the lead role in a private/public partnership because his organization does more distribution in Deltona than anyone else. He stated he will teach the carriers, even when it is not his organization's publication, that if they see a pile up of newspapers that they are removed. He stated there are a lot of things that his organization can do that it does not do currently. He stated he was unaware this was an issue until Friday afternoon, he has not received any calls regarding this issue, he receives calls all the time that people want the PennySaver but, none asking to stop distributing the PennySaver.

Thomas Heck, Orlando Sentinel, 633 N. Orange Avenue, Orlando, spoke about liter not serving a purpose to anyone, that he is willing to provide his personal phone number as he here was in 2007 when this came up before, the process not working properly as it should which he is willing to look at, being willing to work together to put something together that will serve the needs of the citizens and the readers who use the products, he realizes the aggravation of papers being delivered when someone is not home or a house is vacant and he will work to put together a process that will address every concern and need that is brought to his attention.

Mark Caramanica, Thomas & LoCicero, 601 S. Boulevard, Tampa, stated he is counsel to the Orlando Sentinel, that the issue is important to the Orlando Sentinel who was made aware of the issue this morning, that the comments and frustration is well taken, that upper management wants to reach a resolution and avoid any legal fights, he questioned the constitutionality of the law, and he is ready to work with the City Manager, City Commission and staff to come up with a solution.

Mayor Masiarczyk closed the public hearing.

B. Approval of Ordinance No. 20-2016; Amending Chapter 94, "Impact Fees," Section 94-8, "Payment," of the Code of the City of Deltona; Changing when Impact Fees are Paid and Conditions of Payment, for second and final reading. - Becky Vose, Legal Department (407) 448-0111.

Strategic Goal: City infrastructure improvement and related funding.

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

Motion by Commissioner Schleicher, seconded by Commissioner Honaker, to adopt Ordinance No. 20-2016 at second and final reading.

City Attorney Becky Vose read the title of Ordinance No. 20-2016 for the record.

AN ORDINANCE OF THE CITY OF DELTONA, FLORIDA, AMENDING CHAPTER 94, "IMPACT FEES," SECTION 94-8, "PAYMENT," BY CHANGING WHEN IMPACT FEES ARE PAID AND CONDITIONS OF PAYMENT; AND PROVIDING FOR CONFLICTS, CODIFICATION, SEVERABILITY, AND EFFECTIVE DATE.

The motion carried by the following vote:

For: 7 - Commissioner Herzberg, Commissioner Honaker, Commissioner Schleicher, Commissioner Smith, Commissioner Soukup, Vice Mayor Nabicht, and Mayor Masiarczyk

Ordinance No. 20-2016 was adopted at 7:31 p.m.

C. Public Hearing - Halifax Crossings Final Plat (FP 16-001) - Chris Bowley, Planning and Development Services, (386) 878-8602.

Strategic Goal: Economic Development.

Mayor Masiarczyk opened the public hearing.

Robert Burgess, 2856 Forest Edge Dr., Deltona, asked about the sound barrier off of Forest Edge Drive, the trees have been cleared all the way to the fence line and when he looks out at his backyard all he sees is sand.

Chris Bowley stated they are realigning the road called Halifax Crossing Blvd., they are constructing a master storm pond for the entire system in that area and in doing so they did receive their environmental permit, they did clear land and they are under construction. He stated they did a level of clearing that is not small in scale and the end product has a buffer that was approved by the Commission and has to be maintained.

Mayor Masiarczyk closed the public hearing.

Motion by Commissioner Honaker, seconded by Commissioner Schleicher, to approve the Halifax Crossings Final Plat (FP 16-001). The motion carried by the following vote:

For: 7 - Commissioner Herzberg, Commissioner Honaker, Commissioner Schleicher, Commissioner Smith, Commissioner Soukup, Vice Mayor Nabicht, and Mayor Masiarczyk

D. Request for approval of Resolution No. 2016-19 - Approval of Prior Year (FY 2014/2015) Budget Carry Forward of Municipal Complex Funds - Robert Clinger, Finance Director (386) 878-8552.

Strategic Goal: Infrastructure

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

Motion by Vice Mayor Nabicht, seconded by Commissioner Honaker, to approve Resolution No. 2016-19 allowing for carry over of prior year budget funds in the amount of $26,200 in order to complete certain fiber optic installation projects.

Mayor Masiarczyk read the title of Resolution No. 2016-19 for the record.

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF DELTONA, FLORIDA; AMENDING THE ANNUAL MUNICIPAL COMPLEX FUND BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2015, AND ENDING SEPTEMBER 30, 2016 BY CARRYING FORWARD UNUSED FUNDS PREVIOUSLY ALLOCATED IN THE FY 2014/2015; REPEALING ALL RESOLUTIONS OR PARTS OF RESOLUTIONS IN CONFLICT HEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE.

The motion carried by the following vote:

For: 7 - Commissioner Herzberg, Commissioner Honaker, Commissioner Schleicher, Commissioner Smith, Commissioner Soukup, Vice Mayor Nabicht, and Mayor Masiarczyk

Resolution No. 2016-19 was adopted at 7:54 p.m.

10. OLD BUSINESS:

None.

11. NEW BUSINESS:

A. Request approval of sole source recommendation for Brighthouse - Steve Narvaez, IT (386) 878-8802.

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

Motion by Commissioner Schleicher, seconded by Commissioner Honaker, to approve the sole source for services with Brighthouse as presented. The motion carried by the following vote:

For: 7 - Commissioner Herzberg, Commissioner Honaker, Commissioner Schleicher, Commissioner Smith, Commissioner Soukup, Vice Mayor Nabicht, and Mayor Masiarczyk

12. CITY ATTORNEY COMMENTS:

None.

13. CITY MANAGER COMMENTS:

City Manager Shang recognized the new Fire Chief, Mr. Bill Snyder.

14. CITY COMMISSION COMMENTS:

Commissioner Soukup thanked those who attended the Galaxy Middle School Olympiad and that the school is the first in the County that made it as far as it did in the competition. He recognized and congratulated Paxton Lynch for being drafted to the Denver Broncos, that it was a big night for Deltona and Trinity Christian Academy, and that he is proud of him and wishes him the best.

Commissioner Herzberg echoed Commissioner Soukup's comments about Paxton Lynch. She stated Thursday was the Johana Knox Awards which are West Volusia volunteer awards, the Johana Knox Flutter Award was won by the Community Life Center, and she recognized all the residents of Deltona who were nominated.

Commissioner Honaker spoke about the last meeting where he talked about the mileage and the Fire Assessment Fee and he is working on a presentation to bring forward to the Commission, he reminded everyone of the high school graduations coming up and he encouraged everyone to support the local seniors, and he reminded everyone about the Relay For Life event on May 14th at Dewey O. Boster Sports Complex.

Commissioner Smith congratulated Paxton Lynch and she stated in that one draft he inspired so much community spirit.

Vice Mayor Nabicht stated he wished Paxton Lynch would have ended up with the

Bears, that his Black Hawks lost game seven (7) to St. Louis so there will be no Stanley Cup for them this year. He stated Arbor Day's tree give away was a success, but he requested that staff look at doing something more ceremonial. He asked that staff organize a campaign where residents would bring one (1) canned good or nonperishable item when they attend all City events and the items can be donated to the Community Life Center.

Mayor Masiarczyk asked that Vice Mayor Nabicht be recommended to be the lead person for the TPO and he will continue to be the alternate and the Commission concurred. He welcomed Fire Chief Snyder.

Commissioner Schleicher recognized Jennifer Houdeshell who is an outstanding local artist, she has paintings displayed in a museum in Tallahassee, she has 11 paintings chosen to be in the Voice of America exhibit until May 20th at the Gateway Center for the Arts, and she and author Kristen Zajac were awarded the Literary Classics Seal of Approval for the children's picture book The Veterans' Clubhouse during Red Letter Week. She honored Discovery Elementary School and gave a brief history of the school.

15. ADJOURNMENT:

There being no further business, the meeting adjourned at 8:12 p.m.

_____
John C. Masiarczyk, Sr., MAYOR

ATTEST:

_____
Joyce Raftery, CMC, MMC, CITY CLERK

City of Deltona

2345 Providence Blvd.
Deltona, FL 32725

Agenda Memo

AGENDA ITEM: A.

TO: Mayor and Commission **AGENDA DATE:** 5/16/2016

FROM: Jane K. Shang, City Manager **AGENDA ITEM:** 5 - A

SUBJECT:
Proclamation - Emergency Medical Services Week

LOCATION:
N/A

BACKGROUND:
A proclamation for Emergency Medical Services Week, May 15-21, 2016 with the theme, “Called to Care” to recognize members of emergency medical services teams who are ready to provide lifesaving care to those in need 24 hours a day, seven days a week.

COST:
N/A

SOURCE OF FUNDS:
N/A

ORIGINATING DEPARTMENT:
City Manager’s Office

STAFF RECOMMENDATION PRESENTED BY:
N/A - Proclamation Only

POTENTIAL MOTION:
N/A - Proclamation Only

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***WHEREAS**, emergency medical services are a vital public service; and*

***WHEREAS**, the members of emergency medical services teams are ready to provide lifesaving care to those in need 24 hours a day, seven days a week; and*

***WHEREAS**, access to quality emergency care dramatically improves the survival and recovery rate of those who experience sudden illness or injury; and*

***WHEREAS**, the emergency medical services system consists of emergency physicians, emergency nurses, emergency medical technicians, paramedics, firefighters, educators, administrators and others; and*

***WHEREAS**, the members of emergency medical services teams, whether career or volunteer, engage in thousands of hours of specialized training and continuing education to enhance their lifesaving skills; and*

***WHEREAS**, it is appropriate to recognize the value and the accomplishments of emergency medical services personnel and providers by designating Emergency Medical Services Week;*

***NOW THEREFORE**, we, the Mayor and Commission of the City of Deltona, Florida, in recognition of this event do hereby proclaim the week of May 15-21, 2016, as*

"EMERGENCY MEDICAL SERVICES WEEK"

with the theme, "Called to Care," we encourage the community to observe this week with appropriate programs, ceremonies and activities.

***EXECUTED** this 16th day of May, 2016.*

_____

John Masiarczyk, Mayor

City of Deltona

2345 Providence Blvd.
Deltona, FL 32725

Agenda Memo

AGENDA ITEM: B.

TO: Mayor and Commission **AGENDA DATE:** 5/16/2016

FROM: Jane K. Shang, City Manager **AGENDA ITEM:** 5 - B

SUBJECT:
Recognition to Local VCSO Employees for Their Achievements

LOCATION:
N/A

BACKGROUND:
Citizen Observer Volunteer Sonia Cortes - Recognized as the Volusia County Sheriff's Office Volunteer of the 4th Quarter for 2015. Cortes volunteers numerous hours with the Citizen Observer Program (C.O.P.), where she helps recruit new volunteers with her exceptional organizational skills and attention to detail.

Auxiliary Volunteer Sandra Carlson - One of the many generous volunteers who give their time to support the VCSO, was recognized for her friendly, outgoing demeanor and willingness to help in the District 4 office.

K9 Deputy Brett Whitson and K9 Endo - K-9 Endo and his handler, Deputy Brett Whitson, were each honored - Whitson as Deputy of the 4th Quarter 2015, and Endo with a Purple Heart and a Medal of Valor. K9 Endo was awarded these medals for his efforts on a call involving an armed, fleeing suspect. Despite being shot in the neck during the incident, Endo remained vigilant and poised and was willing to re-engage the suspect in order to protect the lives of his fellow deputies. Three hours after the awards ceremony ended, Whitson and Endo were back at it, capturing a driver who fled from a traffic stop and into Brevard County. And a month later, yet another Endo call-out resulted in the following headline from WFTV Channel 9: Even suspect impressed by decorated Volusia County K-9 Endo.

Investigator Jayson Paul - Investigator Paul, nominated for honors twice in 2015, and selected as the Investigator of the 1st Quarter 2015, Investigator of the 4th Quarter 2015, and Investigator of the Year 2015, was recognized for his work in several complex or high-profile cases. His work investigating five organizations involved in a $2 million retail theft ring, resulted in 23 arrest warrants and the dismantling of the ring, his work on a burglary investigation eventually identified a young woman who had been exploited as a victim of human trafficking, and he solved numerous burglary and theft cases, including a rash of tailgate thefts.

Sergeant Karen Pierce - On March 1, Sergeant Pierce, a 9½-year veteran with the Sheriff's Office, made history when a new badge was pinned on her uniform during a promotion ceremony. She became the first-ever African-American female sergeant in the history of the Volusia County Sheriff's

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Office. With education a priority in her life, Sergeant Pierce is in the final stages of obtaining her doctorate in education from Nova Southeastern University, with a concentration in organizational leadership and a minor in conflict resolution. “I want my promotion to send a message of hope to other females and minorities,” said Pierce. “After all, there really is no glass ceiling. There are only limitations of your beliefs. My message to others is to free yourself to go where others said you couldn’t.”

Now nearly 25 years into her law enforcement career she will inspire women of color and all minorities and affirm that there’s a place for them in law enforcement.

Sergeant Patrick Leahy - The de facto District 4 Ambassador for the Sheriff’s Office recently organized a recreational basketball game at the Florida United Methodist Children’s Home. After the game, kids and deputies gathered around the FUMCH swimming pool for a cookout. The rec play creates positive interaction between at-risk children and the deputies that serve them. The effort in building a better relationship with the residents and staff at FUMCH has paid off with a reduction in calls for service.

Lieutenant Brian Henderson - Lieutenant Henderson was among 230 law enforcement officers who recently graduated from the prestigious FBI National Academy in Quantico, Va. The 263rd Session of the National Academy consisted of men and women from 47 states, the District of Columbia, 27 international countries, four military organizations and five federal civilian organizations.

COST:
N/A

SOURCE OF FUNDS:
N/A

ORIGINATING DEPARTMENT:
City Manager’s Office

STAFF RECOMMENDATION PRESENTED BY:
N/A - Recognition Only

POTENTIAL MOTION:
N/A - Recognition Only

City of Deltona

2345 Providence Blvd.
Deltona, FL 32725

Agenda Memo

AGENDA ITEM: C.

TO: Mayor and Commission **AGENDA DATE:** 5/16/2016

FROM: Jane K. Shang, City Manager **AGENDA ITEM:** 5 - C

SUBJECT:
Recognitions - A. Commissioner Herzberg for Receiving the 2016 Home Rule Hero Award and B. 1st Annual Economic Development Week.

LOCATION:
N/A

BACKGROUND:

A. Commissioner Herzberg for Receiving the 2016 Home Rule Hero Award

The Florida League of Cities recently recognized nearly 70 city officials with 2016 Home Rule Hero Awards. These local government officials earned this prestigious award for their tireless efforts to advance the League's legislative agenda and help protect the home rule powers of Florida's cities during the 2016 legislative session.

Home Rule is the ability for a city to establish its own form of government and enact ordinances, codes, plans and resolutions without prior state approval. The Home Rule Hero Award recipients are local government officials - both elected and nonelected - who consistently responded to the League's request to reach out to members of the legislature and help give a local perspective to an issue.

On behalf of the Commission and staff, I would like to congratulate Commissioner Herzberg for receiving this award.

B. 1st Annual Economic Development Week

Deltona celebrated the 1st Annual Economic Development Week from May 8th -14th. Economic Development Week was created by The International Economic Development Council in commemoration of its 90-year anniversary as the largest professional membership organization for economic developers.

On behalf of the Commission and staff, I would like to recognize Economic Development Week and to extend our appreciation to our Economic Development Manager, Jerry Mayes, Chris Bowley, Director of Planning and Development and the Planning and Development staff for their efforts in generating economic growth, creating better jobs for residents, and facilitating an improved quality of life in our community.

AGENDA ITEM: C.

COST:
N/A

SOURCE OF FUNDS:
N/A

ORIGINATING DEPARTMENT:
City Manager's Office

STAFF RECOMMENDATION PRESENTED BY:
N/A - Recognition Only

POTENTIAL MOTION:
N/A - Recognition Only

City of Deltona

2345 Providence Blvd.
Deltona, FL 32725

Agenda Memo

AGENDA ITEM: A.

TO: Mayor and Commission **AGENDA DATE:** 5/16/2016

FROM: Jane K. Shang, City Manager **AGENDA ITEM:** 8 - A

SUBJECT:
Request for approval of Resolution No. 2016-18, authorizing the Florida Department of Transportation (FDOT Local Agency Program (LAP) Agreement for the Lakeshore Shared-Use Path - Chris Bowley, Planning and Development Services (386) 878-8602.

Strategic Goal: Fiscal Issues, Transportation.

LOCATION:
Along Lakeshore Drive, near the existing Deltona Community Center.

BACKGROUND:
The Lakeshore Shared-Use Path (a.k.a. the Lakeshore Loop Trail) project is for a proposed 12-ft. wide paved path extending from the existing Volusia County Trail and Thornby Park to Green Springs Park. The trail is planned to be ±3,100 linear feet and the proposed project cost is estimated at $529,200, much of which is from outside agency/grant funding sources. Ninety (90%) percent of the project cost will be funded by the River to Sea Transportation Planning Organization (TPO) through the FDOT and a portion of the City's 10% match requirements are utilizing Volusia ECHO funds.

To facilitate construction of the Lakeshore Trail, the City is required to execute a LAP agreement with FDOT. The attached Resolution No. 2016-18 and LAP agreement authorizes the City Manager to execute the LAP agreement with the FDOT.

COST:
$529,200.00

SOURCE OF FUNDS:
River to Sea TPO and Volusia ECHO Funds

ORIGINATING DEPARTMENT:
Planning and Development Services

STAFF RECOMMENDATION PRESENTED BY:
Chris Bowley, Director of Planning and Development Services - Staff recommends that the City Commission approve Resolution No. 2016-18, authorizing the execution and delivery of the Florida Department of Transportation Local Agency Program agreement.

POTENTIAL MOTION:

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AGENDA ITEM: A.

"I hereby move to approve Resolution No. 2016-18 authorizing the execution and delivery of the Florida Department of Transportation Local Agency Program agreement."

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RESOLUTION NO. 2016-18

A RESOLUTION OF THE CITY OF DELTONA, FLORIDA, AUTHORIZING THE EXECUTION AND DELIVERY TO THE STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION OF A LOCAL AGENCY PROGRAM AGREEMENT FOR THE LAKESHORE SHARED-USE PATH PROJECT.

WHEREAS, the State of Florida, Department of Transportation, and the City of Deltona desire to construct the Lakeshore Shared-Use Path project; and

WHEREAS, the State of Florida, Department of Transportation, has requested that the City of Deltona execute and deliver to the State of Florida Department of Transportation the Local Agency Program Agreement, for the Project No. FPN 435671-1-58-01.

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

Section 1. The City Manager is hereby authorized to make, execute, and deliver to the State of Florida, Department of Transportation, the Local Agency Program Agreement, for the Project No. FPN 435671-1-58-01.

Section 2. The City Manager is hereby authorized to bid, execute, and deliver the contract for construction of the shared use path.

PASSED AND ADOPTED BY THE CITY COMMISSION OF THE CITY OF DELTONA, FLORIDA, THIS _____ DAY OF _____, 2016.

_____
JOHN C. MASIARCZYK, SR., Mayor

ATTEST:

_____
JOYCE RAFTERY, CMC, MMC, City Clerk

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

_____
GRETCHEN R. H. VOSE, City Attorney

LOCAL AGENCY PROGRAM AGREEMENT

FPN: 435671-1-58-01	Fund: SU / TALU	FLAIR Approp: 088717
Federal No: 4224-083-C	Org Code: 55054010508	FLAIR Obj: 780000
FPN: 435671-1-68-01	Fund: LF	FLAIR Approp:
Federal No:	Org Code:	FLAIR Obj:
FPN:	Fund:	FLAIR Approp:
Federal No:	Org Code:	FLAIR Obj:
County No: 79	Contract No:	Vendor No: F593-348-668-006

FDOT Data Universal Number System (DUNS) No: 80-939-7102 Local Agency DUNS No: 93-266-1747

Catalog of Federal Domestic Assistance (CFDA): 20.205 Highway Planning and Construction

THIS LOCAL AGENCY PROGRAM AGREEMENT ("Agreement"), is made and entered into this _____ day of _____, 2016 between the State of Florida, Department of Transportation, an agency of the State of Florida ("Department"), and the City of Deltona, 2345 Providence Boulevard, Deltona, Florida 32725, ("Agency").

NOW, THEREFORE, in consideration of the mutual covenants, promises and representations in this Agreement, the parties agree as follows:

1. Authority: The Agency, by Resolution No. _____ dated the _____ day of _____, 2016, a copy of which is attached as Exhibit "F" and made a part of this Agreement, has authorized its officers to execute this Agreement on its behalf. The Department has the authority pursuant to Section 339.12, Florida Statutes, to enter into this Agreement.

2. Purpose of Agreement: The purpose of this Agreement is to provide for the Department's participation in the construction services for the Lake Shore Multi-Use Trail Project, which connects from Thornby Park on Providence Boulevard running along Lake Shore Drive to Green Springs Road, as further described in Exhibit "A", Project Description and Responsibilities attached to and incorporated in this Agreement ("Project"), to provide Department financial assistance to the Agency, state the terms and conditions upon which Department funds will be provided, and to set forth the manner in which the Project will be undertaken and completed.

3. Term of Agreement: The Agency agrees to complete the Project on or before June 30, 2017. If the Agency does not complete the Project within this time period, this Agreement will expire on the last day of the scheduled completion as provided in this paragraph unless an extension of the time period is requested by the Agency and granted in writing by the Department prior to the expiration of this Agreement. Expiration of this Agreement will be considered termination of the Project. The cost of any work performed after the expiration date of this Agreement will not be reimbursed by the Department.

4. Project Cost:

A. The total cost of the Project is $ 577,175.00. This amount is based upon the schedule of funding in Exhibit "B", Schedule of Funding attached to and incorporated in this Agreement. The Agency agrees to bear all expenses in excess of the total cost of the Project and any deficits involved. The schedule of funding may be modified by mutual agreement as provided for in paragraph 5.I.

B. The Department agrees to participate in the Project cost up to the maximum amount of $529,200.00 and as more fully described in Exhibit "B". This amount includes Federal-aid funds which are limited to the actual amount of Federal-aid participation.

C. Project costs eligible for Department participation will be allowed only from the date of this Agreement. It is understood that Department participation in eligible Project costs is subject to:

i. Legislative approval of the Department's appropriation request in the work program year that the Project is scheduled to be committed;

ii. Availability of funds as stated in subparagraphs 5.L. and 5.M. of this Agreement;

iii. Approval of all plans, specifications, contracts or other obligating documents and all other terms of this Agreement; and

iv. Department approval of the Project scope and budget at the time appropriation authority becomes available.

5. Requisitions and Payments:

A. The Agency shall provide quantifiable, measurable, and verifiable units of deliverables. Each deliverable must specify the required minimum level of service to be performed and the criteria for evaluating successful completion. The Project and the quantifiable, measurable, and verifiable units of deliverables are described more fully in Exhibit "A".

B. Invoices shall be submitted by the Agency in detail sufficient for a proper pre-audit and post-audit based on the quantifiable, measurable and verifiable units of deliverables as established in Exhibit "A". Deliverables must be received and accepted in writing by the Department's Project Manager prior to payments.

C. The Agency shall charge to the Project account all eligible costs of the Project except costs agreed to be borne by the Agency or its contractors and subcontractors. Costs in excess of the programmed funding or attributable to actions which have not received the required approval of the Department shall not be considered eligible costs. All costs charged to the Project, including any approved services contributed by the Agency or others, shall be supported by properly executed payrolls, time records, invoices, contracts or vouchers evidencing in proper detail the nature and propriety of the charges.

D. Supporting documentation must establish that the deliverables were received and accepted in writing by the Agency and must also establish that the required minimum level of service to be performed based on the criteria for evaluating successful completion as specified in Exhibit "A" was met.

E. Bills for travel expenses specifically authorized in this Agreement shall be submitted on the Department's Contractor Travel Form No. 300-000-06 and will be paid in accordance with Section 112.061, Florida Statutes and the most current version of the Disbursement Handbook for Employees and Managers.

F. Payment shall be made only after receipt and approval of goods and services unless advance payments are authorized by the Chief Financial Officer of the State of Florida under Chapters 215 and 216, Florida Statutes. If the Department determines that the performance of the Agency is unsatisfactory, the Department shall notify the Agency of the deficiency to be corrected, which correction shall be made within a time-frame to be specified by the Department. The Agency shall, within five days after notice from the Department, provide the Department with a corrective action plan describing how the Agency will address all issues of contract non-performance, unacceptable performance, failure to meet the minimum performance levels, deliverable deficiencies, or contract non-compliance. If the corrective action plan is unacceptable to the Department, the Agency shall be assessed a non-performance retainage equivalent to 10% of the total invoice amount. The retainage shall be applied to the invoice for the then-current billing period. The retainage shall be withheld until the Agency resolves the deficiency. If the deficiency is subsequently resolved, the Agency may bill the Department for the retained amount during the next billing period. If the Agency is unable to resolve the deficiency, the funds retained may be forfeited at the end of the Agreement's term.

G. Agencies providing goods and services to the Department should be aware of the following time frames. Inspection and approval of goods or services shall take no longer than 20 days from the Department's receipt of the invoice. The Department has 20 days to deliver a request for payment (voucher) to the Department of Financial Services. The 20 days are measured from the latter of the date the invoice is received or the goods or services are received, inspected, and approved.

If a payment is not available within 40 days, a separate interest penalty at a rate as established pursuant to ***Section 55.03(1), F.S.***, will be due and payable, in addition to the invoice amount, to the Agency. Interest penalties of less than one (1) dollar will not be enforced unless the Agency requests payment. Invoices that have to be returned to an Agency because of Agency preparation errors will result in a delay in the payment. The invoice payment requirements do not start until a properly completed invoice is provided to the Department.

A Vendor Ombudsman has been established within the Department of Financial Services. The duties of this individual include acting as an advocate for Agencies who may be experiencing problems in obtaining timely payment(s) from a state agency. The Vendor Ombudsman may be contacted at (850) 413-5516.

H. Records of costs incurred under the terms of this Agreement shall be maintained and made available upon request to the Department at all times during the period of this Agreement and for five years after final payment is made. Copies of these documents and records shall be furnished to the Department upon request. Records of costs incurred include the Agency's general accounting records and the project records, together with supporting documents and records, of the contractor and all subcontractors performing work on the project, and all other records of the Contractor and subcontractors considered necessary by the Department for a proper audit of costs.

I. Prior to the execution of this Agreement, a Project schedule of funding shall be prepared by the Agency and approved by the Department. The Agency shall maintain said schedule of funding, carry out the Project, and shall incur obligations against and make disbursements of Project funds only in conformity with the latest approved schedule of funding for the Project. The schedule of funding may be revised by execution of a Local Agency Program ("LAP") Supplemental Agreement between the Department and the Agency. The Agency acknowledges and agrees that funding for this project may be reduced upon determination of the agency's contract award amount. If revised, a copy of the Supplemental Agreement shall be forwarded to the Department's Comptroller. No increase or decrease shall be effective unless it complies with fund participation requirements of this Agreement and is approved by the Department's Comptroller.

J. If, after Project completion, any claim is made by the Department resulting from an audit or for work or services performed pursuant to this Agreement, the Department may offset such amount from payments due for work or services done under any agreement which it has with the Agency owing such amount if, upon demand, payment of the amount is not made within 60 days to the Department. Offsetting any amount pursuant to this paragraph shall not be considered a breach of contract by the Department.

K. The Agency must submit the final invoice on the Project to the Department within 120 days after the completion of the Project. Invoices submitted after the 120-day time period may not be paid.

L. The Department's performance and obligation to pay under this Agreement is contingent upon an annual appropriation by the Legislature. If the Department's funding for this Project is in multiple fiscal years, funds approval from the Department's Comptroller must be received each fiscal year prior to costs being incurred. See Exhibit "B" for funding levels by fiscal year. Project costs utilizing these fiscal year funds are not eligible for reimbursement if incurred prior to funds approval being received. The Department will notify the Agency, in writing, when funds are available.

M. In the event this Agreement is in excess of $25,000 and has a term for a period of more than one year, the provisions of Section 339.135(6)(a), Florida Statutes, are hereby incorporated:

> "The Department, during any fiscal year, shall not expend money, incur any liability, or enter into any contract which, by its terms, involves the expenditure of money in excess of the amounts budgeted as available for expenditure during such fiscal year. Any contract, verbal or written, made in violation of this subsection is null and void, and no money may be paid on such contract. The Department shall require a statement from the comptroller of the Department that funds are available prior to entering into any such contract or other binding commitment of funds. Nothing herein contained shall prevent the making of contracts for periods exceeding 1 year, but any contract so made shall be

executory only for the value of the services to be rendered or agreed to be paid for in succeeding fiscal years, and this paragraph shall be incorporated verbatim in all contracts of the Department which are for an amount in excess of $25,000 and which have a term for a period of more than 1 year."

6. Department Payment Obligations: Subject to other provisions of this Agreement, the Department will honor requests for reimbursement to the Agency pursuant to this Agreement. However, notwithstanding any other provision of this Agreement, the Department may elect by notice in writing not to make a payment if:

A. The Agency shall have made misrepresentation of a material nature in its application, or any supplement or amendment to its application, or with respect to any document or data furnished with its application or pursuant to this Agreement;

B. There is any pending litigation with respect to the performance by the Agency of any of its duties or obligations which may jeopardize or adversely affect the Project, the Agreement or payments to the Project;

C. The Agency shall have taken any action pertaining to the Project which, under this Agreement, requires the approval of the Department or has made a related expenditure or incurred related obligations without having been advised by the Department that same are approved;

D. There has been any violation of the conflict of interest provisions contained in paragraph 16.J.; or

E. The Agency has been determined by the Department to be in default under any of the provisions of the Agreement.

The Department may suspend or terminate payment for that portion of the Project which the Federal Highway Administration ("FHWA"), or the Department acting in lieu of FHWA, may designate as ineligible for Federal-aid.

In determining the amount of the payment, the Department will exclude all Project costs incurred by the Agency prior to the Department's issuance of a Notice to Proceed ("NTP"), costs incurred after the expiration of the Agreement, costs which are not provided for in the latest approved schedule of funding in Exhibit "B" for the Project, costs agreed to be borne by the Agency or its contractors and subcontractors for not meeting the Project commencement and final invoice time lines, and costs attributable to goods or services received under a contract or other arrangements which have not been approved in writing by the Department.

7. General Requirements: The Agency shall complete the Project with all practical dispatch, in a sound, economical, and efficient manner, and in accordance with the provisions in this Agreement, and all applicable laws. The Project will be performed in accordance with all applicable Department procedures, guidelines, manuals, standards, and directives as described in the Department's Local Agency Program Manual, which by this reference is made a part of this Agreement. Time is of the essence as to each and every obligation under this Agreement.

A. A full time employee of the Agency, qualified to ensure that the work being pursued is complete, accurate, and consistent with the terms, conditions, and specifications of this Agreement shall be in responsible charge of the Project, which employee should be able to perform the following duties and functions:

i. Administers inherently governmental project activities, including those dealing with cost, time, adherence to contract requirements, construction quality and scope of Federal-aid projects;

ii. Maintains familiarity of day to day Project operations, including Project safety issues;

iii. Makes or participates in decisions about changed conditions or scope changes that require change orders or supplemental agreements;

iv. Visits and reviews the Project on a frequency that is commensurate with the magnitude and complexity of the Project;

v. Reviews financial processes, transactions and documentation to ensure that safeguards are in place to minimize fraud, waste, and abuse;

vi. Directs Project staff, agency or consultant, to carry out Project administration and contract oversight, including proper documentation;

vii. Is aware of the qualifications, assignments and on-the-job performance of the Agency and consultant staff at all stages of the Project.

B. Once the Department issues the NTP for the Project, the Agency shall be obligated to submit an invoice or other request for reimbursement to the Department on a quarterly basis, beginning from the day the NTP is issued. If the Agency fails to submit quarterly invoices to the Department, and in the event the failure to timely submit invoices to the Department results in the "FHWA" removing any unbilled funding or the loss of State appropriation authority (which may include the loss of state and federal funds, if there are state funds programmed to the Project), then the Agency will be solely responsible to provide all funds necessary to complete the Project and the Department will not be obligated to provide any additional funding for the Project. The Agency waives the right to contest such removal of funds by the Department, if the removal is related to FHWA's withdrawal of funds or if the removal is related to the loss of State appropriation authority. In addition to the loss of funding for the Project, the Department will also consider the de-certification of the Agency for future LAP Projects. No cost may be incurred under this Agreement until after the Agency has received a written NTP from the Department. The Agency agrees to advertise or put the Project out to bid thirty (30) days from the date the Department issues the NTP to advertise the Project. If the Agency is not able to meet the scheduled advertisement, the District LAP Administrator should be notified as soon as possible.

C. If all funds are removed from the Project, including amounts previously billed to the Department and reimbursed to the Agency, and the Project is off the state highway system, then the Department will have to request repayment for the previously billed amounts from the Agency. No state funds can be used on off-system projects, unless authorized pursuant to Exhibit "G", State Funds Addendum, which will be attached to and incorporated in this Agreement in the event state funds are used on the Project.

D. In the event that any election, referendum, approval, permit, notice or other proceeding or authorization is required under applicable law to enable the Agency to enter into this Agreement or to undertake the Project or to observe, assume or carry out any of the provisions of the Agreement, the Agency will initiate and consummate, as provided by law, all actions necessary with respect to any such matters.

E. The Agency shall initiate and prosecute to completion all proceedings necessary, including Federal-aid requirements, to enable the Agency to provide the necessary funds for completion of the Project.

F. The Agency shall submit to the Department such data, reports, records, contracts, and other documents relating to the Project as the Department and FHWA may require. The Agency shall use the Department's Local Agency Program Information Tool and applicable information systems as required.

G. Federal-aid funds shall not participate in any cost which is not incurred in conformity with applicable federal and State laws, the regulations in 23 Code of Federal Regulations (C.F.R.) and 49 C.F.R., and policies and procedures prescribed by the Division Administrator of FHWA. Federal funds shall not be paid on account of any cost incurred prior to authorization by FHWA to the Department to proceed with the Project or part thereof involving such cost (23 C.F.R. 1.9 (a)). If FHWA or the Department determines that any amount claimed is not eligible, federal participation may be approved in the amount determined to be adequately supported and the Department shall notify the Agency in writing citing the reasons why items and amounts are not eligible for federal participation. Where correctable non-compliance with provisions of law or FHWA requirements exists. Federal funds may be withheld until compliance is obtained. Where non-compliance is not correctable, FHWA or the Department may deny participation in parcel or Project costs in part or in total. For any amounts determined to be ineligible for federal reimbursement for which the Department has advanced payment, the Agency shall promptly reimburse the Department for all such amounts within 90 days of written notice.

H. For any project requiring additional right-of-way, the Agency must submit to the Department an annual report of its real property acquisition and relocation assistance activities on the project. Activities shall be reported on a federal fiscal year basis, from October 1 through September 30. The report must be prepared using the format prescribed in 49 C.F.R. Part 24, Appendix B, and be submitted to the Department no later than October 15 of each year.

8. Audit Reports: The administration of resources awarded through the Department to the Agency by this Agreement may be subject to audits and/or monitoring by the Department. The following requirements do not limit the authority of the Department to conduct or arrange for the conduct of additional audits or evaluations of federal awards or limit the authority of any State agency inspector general, the State of Florida Auditor General or any other State official. The Agency shall comply with all audit and audit reporting requirements as specified below.

A. In addition to reviews of audits conducted in accordance with OMB Circular A-133, for fiscal years beginning before December 26, 2014, and in accordance with 2 CFR Part 200, Subpart F – Audit Requirements, for fiscal years beginning on or after December 26, 2014, monitoring procedures may include but not be limited to on-site visits by Department staff and/or other procedures including, reviewing any required performance and financial reports, following up, ensuring corrective action, and issuing management decisions on weaknesses found through audits when those findings pertain to federal awards provided through the Department by this Agreement. By entering into this Agreement, the Agency agrees to comply and cooperate fully with any monitoring procedures/processes deemed appropriate by the Department. The Agency further agrees to comply and cooperate with any inspections, reviews, investigations, or audits deemed necessary by the Department, State of Florida Chief Financial Officer (CFO) or State of Florida Auditor General.

B. The Agency, a non-federal entity as defined by OMB Circular A-133, for fiscal years beginning before December 26, 2014, and as defined by 2 CFR Part 200, Subpart F – Audit Requirements, for fiscal years beginning on or after December 26, 2014, as a subrecipient of a federal award awarded by the Department through this Agreement is subject to the following requirements:

i. In the event the Agency expends a total amount of federal awards equal to or in excess of the threshold established by OMB Circular A-133, for fiscal years beginning before December 26, 2014, and established by 2 CFR Part 200, Subpart F – Audit Requirements, for fiscal years beginning on or after December 26, 2014, the Agency must have a federal single or program-specific audit for such fiscal year conducted in accordance with the provisions of OMB Circular A-133, for fiscal years beginning before December 26, 2014, and in accordance with the provisions of 2 CFR Part 200, Subpart F – Audit Requirements, for fiscal years beginning on or after December 26, 2014. **Exhibit "1", Federal Financial Assistance (Single Audit Act)** to this Agreement provides the required federal award identification information needed by the Agency to further comply with the requirements of OMB Circular A-133, for fiscal years beginning before December 26, 2014, and the requirements of 2 CFR Part 200, Subpart F – Audit Requirements, for fiscal years beginning on or after December 26, 2014. In determining federal awards expended in a fiscal year, the Agency must consider all sources of federal awards based on when the activity related to the federal award occurs, including the federal award provided through the Department by this Agreement. The determination of amounts of federal awards expended should be in accordance with the guidelines established by OMB Circular A-133, for fiscal years beginning before December 26, 2014, and established by 2 CFR Part 200, Subpart F – Audit Requirements, for fiscal years beginning on or after December 26, 2014. An audit conducted by the State of Florida Auditor General in accordance with the provisions of OMB Circular A-133, for fiscal years beginning before December 26, 2014, and in accordance with 2 CFR Part 200, Subpart F – Audit Requirements, for fiscal years beginning on or after December 26, 2014, will meet the requirements of this part.

ii. In connection with the audit requirements, the Agency shall fulfill the requirements relative to the auditee responsibilities as provided in OMB Circular A-133, for fiscal years beginning before December 26, 2014, and as provided in 2 CFR Part 200, Subpart F – Audit Requirements, for fiscal years beginning on or after December 26, 2014.

iii. In the event the Agency expends less than the threshold established by OMB Circular A-133, for fiscal years beginning before December 26, 2014, and established by 2 CFR Part 200, Subpart F – Audit Requirements, for fiscal years beginning on or after December 26, 2014, in federal awards, the Agency is exempt from federal audit requirements for that fiscal year. However, the Agency must provide a single audit exemption statement to the Department at FDOTSingleAudit@dot.state.fl.us no later than nine months after the end of the Agency's audit period for each applicable audit year. In the event the Agency expends less than the threshold established by OMB Circular A-133, for fiscal years beginning before December 26, 2014, and established by 2 CFR Part 200, Subpart F – Audit Requirements, for fiscal years beginning on or after December 26, 2014, in federal awards in a fiscal year and elects to have an audit conducted in accordance with the provisions of OMB Circular A-133, for fiscal years beginning before December 26, 2014, and in accordance with 2 CFR Part 200, Subpart F – Audit Requirements, for fiscal years beginning on or after December 26, 2014, the cost of the audit must be paid from non-federal resources (*i.e.*, the cost of such an audit must be paid from the Agency's resources obtained from other than federal entities).

iv. The Agency must electronically submit to the Federal Audit Clearinghouse (FAC) at https://harvester.census.gov/facweb/ the audit reporting package as required by OMB Circular A-133, for fiscal years beginning before December 26, 2014, and as required by 2 CFR Part 200, Subpart F – Audit Requirements, for fiscal years beginning on or after December 26, 2014, within the earlier of 30 calendar days after receipt of the auditor's report(s) or nine months after the end of the audit period. The FAC is the repository of record for audits required by OMB Circular A-133, for fiscal years beginning before December 26, 2014, and for audits required by 2 CFR Part 200, Subpart F – Audit Requirements, for fiscal years beginning on or after December 26, 2014, and this Agreement. However, the Department requires a copy of the audit reporting package also be submitted to FDOTSingleAudit@dot.state.fl.us within the earlier of 30 calendar days after receipt of the auditor's report(s) or nine months after the end of the audit period as required by OMB Circular A-133, for fiscal years beginning before December 26, 2014, and as required by 2 CFR Part 200, Subpart F – Audit Requirements, for fiscal years beginning on or after December 26, 2014.

v. Within six months of acceptance of the audit report by the FAC, the Department will review the Agency's audit reporting package, including corrective action plans and management letters, to the extent necessary to determine whether timely and appropriate action on all deficiencies has been taken pertaining to the federal award provided through the Department by this Agreement. If the Agency fails to have an audit conducted in accordance with OMB Circular A-133, for fiscal years beginning before December 26, 2014, and in accordance with 2 CFR Part 200, Subpart F – Audit Requirements, for fiscal years beginning on or after December 26, 2014, the Department may impose additional conditions to remedy noncompliance. If the Department determines that noncompliance cannot be remedied by imposing additional conditions, the Department may take appropriate actions to enforce compliance, which actions may include but not be limited to the following:

1. Temporarily withhold cash payments pending correction of the deficiency by the Agency or more severe enforcement action by the Department;
2. Disallow (deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance;
3. Wholly or partly suspend or terminate the federal award;
4. Initiate suspension or debarment proceedings as authorized under 2 C.F.R. Part 180 and federal awarding agency regulations (or in the case of the Department, recommend such a proceeding be initiated by the federal awarding agency);
5. Withhold further federal awards for the Project or program;
6. Take other remedies that may be legally available.

vi. As a condition of receiving this federal award, the Agency shall permit the Department, or its designee, the CFO or State of Florida Auditor General access to Agency's records including

financial statements, the independent auditor's working papers and project records as necessary. Records related to unresolved audit findings, appeals or litigation shall be retained until the action is complete or the dispute is resolved.

vii. The Department's contact information for requirements under this part is as follows:

Office of Comptroller, MS 24
605 Suwannee Street
Tallahassee, Florida 32399-0450
FDOTSingleAudit@dot.state.fl.us

C. The Agency shall retain sufficient records demonstrating its compliance with the terms of this Agreement for a period of five years from the date the audit report is issued and shall allow the Department, or its designee, the CFO or State of Florida Auditor General access to such records upon request. The Agency shall ensure that the audit working papers are made available to the Department, or its designee, the CFO, or State of Florida Auditor General upon request for a period of five years from the date the audit report is issued unless extended in writing by the Department.

9. Termination or Suspension of Project: The Department may, by written notice to the Agency, suspend any or all of the Agency's obligations under this Agreement until such time as the event or condition resulting in such suspension has ceased or been corrected or the Department may terminate this Agreement in whole or in part at any time the interest of the Department requires such termination.

A. If the Department determines that the performance of the Agency is not satisfactory, the Department shall notify the Agency of the deficiency in writing with a requirement that the deficiency be corrected within thirty (30) days of such notice. Such notice shall provide reasonable specificity to the Agency of the deficiency that requires correction. If the deficiency is not corrected within such time period, the Department may either (1) immediately terminate the Agreement as set forth in paragraph 9.B. below, or (2) take whatever action is deemed appropriate by the Department to correct the deficiency. In the event the Department chooses to take action and not terminate the Agreement, the Agency shall, upon demand, promptly reimburse the Department for any and all costs and expenses incurred by the Department in correcting the deficiency.

B. If the Department terminates the Agreement, the Department shall notify the Agency of such termination in writing, with instructions to the effective date of termination or specify the stage of work at which the Agreement is to be terminated.

C. If the Agreement is terminated before the Project is completed, the Agency shall be paid only for the percentage of the Project satisfactorily performed for which costs can be substantiated. Such payment, however, shall not exceed the equivalent percentage of the contract price. All work in progress on Department right-of-way will become the property of the Department and will be turned over promptly by the Agency.

D. The Department reserves the right to unilaterally cancel this Agreement for refusal by the Agency or any contractor, sub-contractor or materials vendor to allow public access to all documents, papers, letters or other material subject to the provisions of Chapter 119, Florida Statutes, and made or received in conjunction with this Agreement unless the records are exempt.

E. Upon receipt of any final termination or suspension notice under this paragraph 9., the Agency shall proceed promptly to carry out the actions required in such notice, which may include any or all of the following: (a) necessary action to terminate or suspend, as the case may be, Project activities and contracts and such other action as may be required or desirable to keep to a minimum the costs upon the basis of which the financing is to be computed; or (b) furnish a statement of the Project activities and contracts and other undertakings the cost of which are otherwise includable as Project costs. The termination or suspension shall be carried out in conformity with the latest schedule, plan, and cost as approved by the Department or upon the basis of terms and conditions imposed by the Department upon

the failure of the Agency to furnish the schedule, plan, and estimate within a reasonable time. The closing out of federal financial participation in the Project shall not constitute a waiver of any claim which the Department may otherwise have arising out of this Agreement.

10. Contracts of the Agency:

A. Except as otherwise authorized in writing by the Department, the Agency shall not execute any contract or obligate itself in any manner requiring the disbursement of Department funds, including consultant or construction contracts or amendments thereto, with any third party with respect to the Project without the written approval of the Department. Failure to obtain such approval shall be sufficient cause for nonpayment by the Department. The Department specifically reserves the right to review the qualifications of any consultant or contractor and to approve or disapprove the employment of such consultant or contractor.

B. It is understood and agreed by the parties to this Agreement that participation by the Department in a project with the Agency, where said project involves a consultant contract for engineering, architecture or surveying services, is contingent on the Agency's complying in full with provisions of Section 287.055, Florida Statutes, Consultants' Competitive Negotiation Act, the federal Brooks Act, 23 C.F.R. 172, and 23 U.S.C. 112. At the discretion of the Department, the Agency will involve the Department in the consultant selection process for all projects funded under this Agreement. In all cases, the Agency shall certify to the Department that selection has been accomplished in compliance with the Consultants' Competitive Negotiation Act and the federal Brooks Act.

C. The Agency shall comply with, and require is consultants and contractors to comply with applicable federal law pertaining to the use of Federal-aid funds. The Agency shall comply with the provisions in the FHWA-1273 form as set forth in Exhibit "C", FHWA 1273 attached to and incorporated in this Agreement. The Agency shall include FHWA-1273 in all contracts with consultants and contractors performing work on the Project.

11. Disadvantaged Business Enterprise (DBE) Policy and Obligation: It is the policy of the Department that DBE's, as defined in 49 C.F.R. Part 26, as amended, shall have the opportunity to participate in the performance of contracts financed in whole or in part with Department funds under this Agreement. The DBE requirements of applicable federal and state laws and regulations apply to this Agreement.

The Agency and its contractors agree to ensure that DBE's have the opportunity to participate in the performance of this Agreement. In this regard, all recipients and contractors shall take all necessary and reasonable steps in accordance with applicable federal and state laws and regulations to ensure that the DBE's have the opportunity to compete for and perform contracts. The Agency and its contractors and subcontractors shall not discriminate on the basis of race, color, national origin or sex in the award and performance of contracts, entered pursuant to this Agreement.

12. Compliance with Conditions and Laws: The Agency shall comply and require its contractors and subcontractors to comply with all terms and conditions of this Agreement and all federal, state, and local laws and regulations applicable to this Project. Execution of this Agreement constitutes a certification that the Agency is in compliance with, and will require its contractors and subcontractors to comply with, all requirements imposed by applicable federal, state, and local laws and regulations, including the "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions," in 49 C.F.R. Part 29, and 2 C.F.R. Part 200 when applicable.

13. Performance Evaluations: Agencies are evaluated on a project-by-project basis. The evaluations provide information about oversight needs and provide input for the recertification process. Evaluations are submitted to the Agency's person in responsible charge or designee as part of the Project closeout process. The Department provides the evaluation to the Agency no more than 30 days after final acceptance.

A. Each evaluation will result in one of three ratings. A rating of Unsatisfactory Performance means the Agency failed to develop the Project in accordance with applicable federal and state regulations, standards and procedures, required excessive District involvement/oversight, or the Project was brought in-house by the Department. A rating of Satisfactory Performance means the Agency developed the

Project in accordance with applicable federal and state regulations, standards and procedures, with minimal District involvement/oversight. A rating of Above Satisfactory Performance means the Agency developed the Project in accordance with applicable federal and state regulations, standards and procedures, without District involvement/oversight.

B. The District will determine which functions can be further delegated to Agencies that continuously earn Satisfactory and Above Satisfactory evaluations.

14. Restrictions, Prohibitions, Controls, and Labor Provisions: During the performance of this Agreement, the Agency agrees as follows, and agrees to require its contractors and subcontractors to include in each subcontract the following provisions:

A. The Agency will comply with all the requirements imposed by Title VI of the Civil Rights Act of 1964, the regulations of the U.S. Department of Transportation issued thereunder, and the assurance by the Agency pursuant thereto. The Agency shall include the attached Exhibit “E”, Title VI Assurances in all contracts with consultants and contractors performing work on the Project that ensure compliance with Title VI of the Civil Rights Act of 1964, 49 C.F.R. Part 21, and related statutes and regulations.

B. The Agency will comply with all the requirements as imposed by the ADA, the regulations of the Federal government issued thereunder, and assurance by the Agency pursuant thereto.

C. A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity; may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor or consultant under a contract with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes, for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list.

D. In accordance with Section 287.134, Florida Statutes, an entity or affiliate who has been placed on the Discriminatory Vendor List, kept by the Florida Department of Management Services, may not submit a bid on a contract to provide goods or services to a public entity; may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor or consultant under a contract with any public entity; and may not transact business with any public entity.

E. An entity or affiliate who has had its Certificate of Qualification suspended, revoked, denied or have further been determined by the Department to be a non-responsible contractor may not submit a bid or perform work for the construction or repair of a public building or public work on a contract with the Agency.

F. Neither the Agency nor any of its contractors or their subcontractors shall enter into any contract, subcontract or arrangement in connection with the Project or any property included or planned to be included in the Project in which any member, officer or employee of the Agency or the locality during tenure or for 2 years thereafter has any interest, direct or indirect. If any such present or former member, officer or employee involuntarily acquires or had acquired prior to the beginning of tenure any such interest, and if such interest is immediately disclosed to the Agency, the Agency, with prior approval of the Department, may waive the prohibition contained in this paragraph provided that any such present member, officer or employee shall not participate in any action by the Agency or the locality relating to such contract, subcontract or arrangement. The Agency shall insert in all contracts entered into in connection with the Project or any property included or planned to be included in any Project, and shall require its contractors to insert in each of their subcontracts, the following provision:

"No member, officer or employee of the Agency or of the locality during his tenure or for 2 years thereafter shall have any interest, direct or indirect, in this contract or the proceeds thereof."

The provisions of this paragraph shall not be applicable to any agreement between the Agency and its fiscal depositories or to any agreement for utility services the rates for which are fixed or controlled by a governmental agency.

G. No member or delegate to the Congress of the United States shall be admitted to any share or part of this Agreement or any benefit arising therefrom.

15. Indemnification and Insurance:

A. It is specifically agreed between the parties executing this Agreement that it is not intended by any of the provisions of any part of this Agreement to create in the public or any member thereof, a third party beneficiary under this Agreement, or to authorize anyone not a party to this Agreement to maintain a suit for personal injuries or property damage pursuant to the terms or provisions of this Agreement. The Agency guaranties the payment of all just claims for materials, supplies, tools, or labor and other just claims against the Agency or any subcontractor, in connection with this Agreement. Additionally, the Agency agrees to include the following indemnification in all contracts with contractors/subcontractors, or consultants/subconsultants who perform work in connection with this Agreement:

"To the fullest extent permitted by law, the Agency's contractor shall indemnify and hold harmless the Agency, the State of Florida, Department of Transportation, and its officers and employees, from liabilities, damages, losses and costs, including, but not limited to, reasonable attorney's fees, to the extent caused by the negligence, recklessness or intentional wrongful misconduct of the contractor and persons employed or utilized by the contractor in the performance of this Contract.

This indemnification shall survive the termination of this Contract. Nothing contained in this paragraph is intended to nor shall it constitute a waiver of the State of Florida and the Agency's sovereign immunity.

To the fullest extent permitted by law, the Agency's consultant shall indemnify and hold harmless the Agency, the State of Florida, Department of Transportation, and its officers and employees, from liabilities, damages, losses and costs, including, but not limited to, reasonable attorney's fees, to the extent caused by the negligence, recklessness or intentional wrongful misconduct of the consultant and persons employed or utilized by the consultant in the performance of this Contract.

This indemnification shall survive the termination of this Contract. Nothing contained in this paragraph is intended to nor shall it constitute a waiver of the State of Florida and the Agency's sovereign immunity."

B. The Agency shall, or cause its contractor or consultant to carry and keep in force, during the term of this Agreement, a general liability insurance policy or policies with a company or companies authorized to do business in Florida, affording public liability insurance with combined bodily injury limits of at least $200,000 per person and $300,000 each occurrence, and property damage insurance of at least $200,000 each occurrence, for the services to be rendered in accordance with this Agreement. The Agency shall also, or cause its contractor or consultant to carry and keep in force Workers' Compensation Insurance as required by the State of Florida under the Workers' Compensation Law. With respect to any general liability insurance policy required pursuant to this Agreement, all such policies shall be issued by companies licensed to do business in the State of Florida. The Agency shall provide to the Department certificates showing the required coverage to be in effect with endorsements showing the Department to be an additional insured prior to commencing any work under this Agreement. Policies that include Self Insured Retention will not be accepted. The certificates and policies shall provide that in the event of any material change in or cancellation of the policies reflecting the required coverage, thirty days advance notice shall be given to the Department or as provided in accordance with Florida law.

16. Miscellaneous Provisions:

A. The Agency will be solely responsible for compliance with all applicable environmental regulations, for any liability arising from non-compliance with these regulations, and will reimburse the Department for any loss incurred in connection therewith. The Agency will be responsible for securing any applicable permits. The Agency shall include in all contracts and subcontracts for amounts in excess of $150,000, a provision requiring compliance with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387).

B. The Department shall not be obligated or liable hereunder to any individual or entity not a party to this Agreement.

C. In no event shall the making by the Department of any payment to the Agency constitute or be construed as a waiver by the Department of any breach of covenant or any default which may then exist on the part of the Agency and the making of such payment by the Department, while any such breach or default shall exist, shall in no way impair or prejudice any right or remedy available to the Department with respect to such breach or default.

D. If any provision of this Agreement is held invalid, the remainder of this Agreement shall not be affected. In such an instance, the remainder would then continue to conform to the terms and requirements of applicable law.

E. By execution of the Agreement, the Agency represents that it has not paid and, also agrees not to pay, any bonus or commission for the purpose of obtaining an approval of its application for the financing hereunder.

F. Nothing in the Agreement shall require the Agency to observe or enforce compliance with any provision or perform any act or do any other thing in contravention of any applicable state law. If any of the provisions of the Agreement violate any applicable state law, the Agency will at once notify the Department in writing in order that appropriate changes and modifications may be made by the Department and the Agency to the end that the Agency may proceed as soon as possible with the Project.

G. In the event that this Agreement involves constructing and equipping of facilities, the Agency shall submit to the Department for approval all appropriate plans and specifications covering the Project. The Department will review all plans and specifications and will issue to the Agency a written approval with any approved portions of the Project and comments or recommendations covering any remainder of the Project deemed appropriate. After resolution of these comments and recommendations to the Department's satisfaction, the Department will issue to the Agency a written approval with said remainder of the Project. Failure to obtain this written approval shall be sufficient cause of nonpayment by the Department.

H. Upon completion of right-of-way activities on the Project, the Agency must certify compliance with all applicable federal and state requirements. Certification is required prior to authorization for advertisement for or solicitation of bids for construction of the Project, including if no right-of-way is required.

I. The Agency will certify in writing, prior to Project closeout that the Project was completed in accordance with applicable plans and specifications, is in place on the Agency's facility, adequate title is in the Agency's name, and the Project is accepted by the Agency as suitable for the intended purpose.

J. The Agency agrees that no federally-appropriated funds have been paid, or will be paid by or on behalf of the Agency, to any person for influencing or attempting to influence any officer or employee of any federal agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension,

continuation, renewal, amendment or modification of any federal contract, grant, loan or cooperative agreement. If any funds other than federally-appropriated funds have been paid by the Agency to any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with this Agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. The Agency shall require that the language of this paragraph be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. No funds received pursuant to this contract may be expended for lobbying the Legislature, the judicial branch or a state agency.

K. The Agency may not permit the Engineer of Record to perform Construction, Engineering and Inspection services on the Project.

L. The Agency agrees to maintain any project not on the State Highway System constructed under this Agreement. If the Agency constructs any improvement on Department right-of-way, the Agency ☒ will ☐ will not maintain the improvements made for their useful life.

M. The Agency shall comply with all applicable federal guidelines, procedures, and regulations. If at any time a review conducted by Department and or FHWA reveals that the applicable federal guidelines, procedures, and regulations were not followed by the Agency and FHWA requires reimbursement of the funds, the Agency will be responsible for repayment to the Department of all funds awarded under the terms of this Agreement.

N. The Agency:

i. shall utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by Agency during the term of the contract; and

ii. shall expressly require any contractor and subcontractors performing work or providing services pursuant to the state contract to likewise utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by the subcontractor during the contract term.

O. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute the same Agreement. A facsimile or electronic transmission of this Agreement with a signature on behalf of a party will be legal and binding on such party.

P. The Parties agree to comply with s.20.055(5), Florida Statutes, and to incorporate in all subcontracts the obligation to comply with s.20.055(5), Florida Statutes.

Q. If the Project is procured pursuant to Chapter 255 for construction services and at the time of the competitive solicitation for the Project 50 percent or more of the cost of the Project is to be paid from state-appropriated funds, then the Agency must comply with the requirements of Section 255.0991, Florida Statutes.

R. Exhibits

i. Exhibit "A", Project Description and Responsibilities, is attached and incorporated into this Agreement.

ii. Exhibit "B", Schedule of Funding, is attached and incorporated into this Agreement.

iii. ☒ If this Project includes Phase 58 (construction) activities, then Exhibit "C", FHWA FORM 1273, is attached and incorporated into this Agreement.

iv. ☐ An Alternative Pay Method is used on this Project. If an alternative Pay Method is used on this Project, then Exhibit "D", Alternative Pay Method, is attached and incorporated into this Agreement.

v. Exhibit "E", Title VI Assurances is attached and incorporated into this Agreement.

vi. Exhibit "F", the Agency Resolution authorizing entry into this Agreement, is attached and incorporated into this Agreement.

vii. ☐ State Funds are used on this Project. If State Funds are used on this Project, then Exhibit "G", State Funds Addendum, is attached and incorporated into this Agreement.

viii. ☒ This Project is located off the State Highway System and includes funding for landscaping. If this Project is located off the State Highway System and includes funding for landscaping, then Exhibit "L"is attached and incorporated into this Agreement.

ix. ☐ This Project utilizes Advance Project Reimbursement. If this Project utilizes Advance Project Reimbursement, then Exhibit "R" is attached and incorporated into this Agreement.

x. ☐ This Project includes funding for a roadway lighting system. If the Project includes funding for roadway lighting system, Exhibit "RL" is attached and incorporated into this Agreement.

xi. ☐ This Project includes funding for traffic signals and/or traffic signal systems. If this Project includes funding for traffic signals and/or traffic signals systems, Exhibit "T" is attached and incorporated into this Agreement.

xii. Exhibit "1", Federal Financial Assistance (Single Audit Act) is attached and incorporated into this Agreement.

xiii. ☐ State Funds are used on this Project. If State Funds are used on this Project, then Exhibit "2", State Financial Assistance (Florida Single Audit Act), is attached and incorporated into this Agreement.

The remainder of this page intentionally left blank.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year written above.

AGENCY CITY OF DELTONA

By: _____
Name:
Title:

Attest: _____
Title:

STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION

By: _____
Name: Frank J. O'Dea, P.E.
Title: Director of Transportation Development

Legal Review:

_____

EXHIBIT "A"

PROJECT DESCRIPTION AND RESPONSIBILITIES

FPN: 435671-1-58/68-01

This exhibit forms an integral part of the Local Agency Program Agreement between the State of Florida, Department of Transportation and

The City of Deltona, 2345 Providence Boulevard, Deltona, Florida 32725

PROJECT LOCATION:

☐ The project is on the National Highway System.

☐ The project is on the State Highway System.

PROJECT LENGTH AND MILE POST LIMITS: ~ 3,100 linear feet and from M/P 0.300 to M/P 0.745

PROJECT DESCRIPTION:

The Lake Shore Multi-Use Trail Project is located in the City of Deltona. The project includes the installation of approximately 3,100 linear feet of a 12-foot wide asphalt trail. The trail will connect from Thornby Park on Providence Blvd., then run east along Lake Shore Drive to Green Springs Road. The trail will connect Thornby Park to Green Springs Park. Project elements include optional base material, ADA compliant asphalt for trail, driveway reconstruction to meet current ADA compliance, Type B and ribbon curb, concrete curb ramps, detectable warning surfaces, landscaping, relocation of pedestrian scaled lights, signage, and thermoplastic striping. Two pre-engineered steel truss pedestrian bridges with railing are included as part of this project. The bridges will extend over wetlands. They are approximately 68 feet and 48 feet in length and both are 10 feet wide. Within Green Springs Park, the existing 5-foot sidewalk will be removed and replaced with a 10-foot wide ADA compliant sidewalk with gravity wall and railing. Mobilization, maintenance of traffic (MOT), erosion control, clearing and grubbing, and sodding are also included as part of this project.

SPECIAL CONSIDERATIONS BY AGENCY:

The audit report(s) required in the Agreement shall include a Schedule of Project Assistance that will reflect the Department's contract number, the Financial Project Number (FPN), the Federal Authorization Number (FAN), where applicable, the amount of state funding action (receipt and disbursement of funds), any federal or local funding action, and the funding action from any other source with respect to the project.

Invoices shall be submitted on a quarterly basis and progress reports shall be submitted as requested to:

Vince Vacchiano, Construction Manager
Florida Department of Transportation
719 South Woodland Boulevard, MS 3-506
DeLand, Florida 32720

The Agency is required to provide a copy of the design plans for the Department's review and approval to coordinate permitting with the Department, and notify the Department prior to commencement of any right-of-way activities.

The Agency shall commence the project's activities subsequent to the execution of this Agreement and shall perform in accordance with the following schedule:

EXHIBIT "A"

PROJECT DESCRIPTION AND RESPONSIBILITIES

a) Study to be completed by N/A.
b) Design to be completed by N/A.
c) Right-of-Way requirements identified and provided to the Department by N/A.
d) Right-of-Way to be certified by N/A.
e) Construction contract to be let by 6/27/2016.
f) Construction to be completed by 2/10/2017.

If this schedule cannot be met, the Agency will notify the Department in writing with a revised schedule or the project is subject to the withdrawal of federal funding.

SPECIAL CONSIDERATIONS BY DEPARTMENT:

Invoice payments will be made on a pro-rata basis as a percentage of the federal funding amount compared to the actual award amount.
The funding provided by the City for the CEI phase constitutes the River to Sea TPO's funding match requirement.

The project funding may be reduced to an amount equal to the award amount and/or the actual contract costs.

EXHIBIT "B"

SCHEDULE OF FUNDING

AGENCY NAME & BILLING ADDRESS	FPN:
City of Deltona 2345 Providence Boulevard Deltona, Florida 32725	435671-1-58-01 435671-1-68-01

TYPE OF WORK By Fiscal Year	FUNDING			
	(1) TOTAL PROJECT FUNDS	(2) LOCAL FUNDS	(3) STATE FUNDS	(4) FEDERAL FUNDS
Planning-18 FY:				
FY:				
FY:				
Total Planning Cost				
Project Development & Environment (PD&E) - 28 FY:				
FY:				
FY:				
Total PD&E Cost				
Design - 38 FY:				
FY:				
FY:				
Total Design Cost				
Right-of-Way - 48 FY:				
FY:				
FY:				
Total Right-of-Way Cost				
Construction-58 FY: 2015-2016	$529,200.00			$529,200.00
FY:				
FY:				
FY:				
Total Construction Cost	$529,200.00			$529,200.00
Construction Engineering and Inspection (CEI) - 68 FY: 2015-2016	$ 47,975.00	$ 47,975.00		
FY:				
FY:				
Total CEI Cost	$ 47,975.00	$ 47,975.00		
Operations – 88 FY:				
FY:				
FY:				
Total Operations Costs				
TOTAL COST OF THE PROJECT	$577,175.00	$ 47,975.00		$529,200.00

The Department's fiscal year begins on July 1. For this project, funds are not projected to be available until after the 1st of July of each fiscal year. The Department will notify the Agency, in writing, when funds are available.

EXHIBIT "C"

FHWA FORM 1273
FEDERAL RESOURCES AWARDED PURSUANT TO THIS AGREEMENT ARE AS FOLLOWS:

LEGAL REQUIREMENTS AND RESPONSIBILITY TO THE PUBLIC – COMPLIANCE WITH FHWA 1273.

The FHWA-1273 version dated May 1, 2012 is appended in its entirety to this Exhibit. FHWA-1273 may also be referenced on the Department's website at the following URL address: http://www.fhwa.dot.gov/programadmin/contracts/1273/1273.pdf

Sub-recipients of federal grants awards for Federal-Aid Highway construction shall take responsibility to obtain this information and comply with all provisions contained in FHWA-1273.

Exhibit "E"
TITLE VI ASSURANCES

During the performance of this contract, the consultant or contractor, for itself, its assignees and successors in interest (hereinafter collectively referred to as the "contractor") agrees as follows:

(1.) **Compliance with REGULATIONS:** The contractor shall comply with the Regulations relative to nondiscrimination in federally-assisted programs of the U.S. Department of Transportation (hereinafter, "USDOT") ***Title 49, Code of Federal Regulations, Part 21,*** as they may be amended from time to time, (hereinafter referred to as the ***REGULATIONS),*** which are herein incorporated by reference and made a part of this contract.

(2.) **Nondiscrimination:** The Contractor, with regard to the work performed by it during the contract, shall not discriminate on the basis of race, color, national origin, or sex in the selection and retention of sub-contractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by ***Section 21.5*** of the ***REGULATIONS,*** including employment practices when the contract covers a program set forth in ***Appendix B*** of the ***REGULATIONS.***

(3.) **Solicitations for Sub-contractors, including Procurements of Materials and Equipment:** In all solicitations either by competitive bidding or negotiation made by the contractor for work to be performed under sub-contract, including procurements of materials or leases of equipment, each potential sub-contractor or supplier shall be notified by the contractor of the contractor's obligations under this contract and the ***REGULATIONS*** relative to nondiscrimination on the basis of race, color, national origin, or sex.

(4.) **Information and Reports:** The contractor shall provide all information and reports required by the ***REGULATIONS*** or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the *Florida Department of Transportation* or the *Federal Highway Administration, Federal Transit Administration, Federal Aviation Administration, and Federal Motor Carrier Safety Administration* to be pertinent to ascertain compliance with such ***REGULATIONS,*** orders and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish this information the contractor shall so certify to the *Florida Department of Transportation,* or the *Federal Highway Administration, Federal Transit Administration, Federal Aviation Administration, or Federal Motor Carrier Safety Administration* as appropriate, and shall set forth what efforts it has made to obtain the information.

(5.) Sanctions for Noncompliance: In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the Florida Department of Transportation shall impose such contract sanctions as it or the Federal Highway Administration, Federal Transit Administration, Federal Aviation Administration, or

Federal Motor Carrier Safety Administration may determine to be appropriate, including, but not limited to:

a. withholding of payments to the contractor under the contract until the contractor complies, and/or

b. cancellation, termination or suspension of the contract, in whole or in part.

(6.) **Incorporation of Provisions:** The contractor shall include the provisions of paragraphs (1) through (7) in every sub-contract, including procurements of materials and leases of equipment, unless exempt by the ***REGULATIONS,*** or directives issued pursuant thereto. The contractor shall take such action with respect to any sub-contract or procurement as the *Florida Department of Transportation* or the *Federal Highway Administration, Federal Transit Administration, Federal Aviation Administration, or Federal Motor Carrier Safety Administration* may direct as a means of enforcing such provisions including sanctions for noncompliance, provided, however, that, in the event a contractor becomes involved in, or is threatened with, litigation with a sub-contractor or supplier as a result of such direction, the contractor may request the *Florida Department of Transportation* to enter into such litigation to protect the interests of the *Florida Department of Transportation,* and, in addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

(7.) **Compliance with Nondiscrimination Statutes and Authorities**: Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin); and 49 CFR Part 21; The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects); Federal-Aid Highway Act of 1973, (23 U.S.C. § 324 et seq.), (prohibits discrimination on the basis of sex); Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR Part 27; The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 et seq.), (prohibits discrimination on the basis of age); Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex); The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not); Titles II and III of the Americans with Disabilities Act, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 -- 12189) as implemented by Department of Transportation regulations at 49 C.F.R. parts 37 and 38; The Federal Aviation Administration’s Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex); Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations; Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100); Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

EXHIBIT "F"

AGENCY RESOLUTION

The agency Resolution authorizing entry into this Agreement is attached and incorporated into this Agreement.

EXHIBIT "L"

LANDSCAPE MAINTENANCE

Paragraph 16.L is modified to include the following provisions:

1. Until such time as the Project is removed from the project highway pursuant to paragraphs 3 and 4 of this Exhibit, the Agency shall, at all times, maintain the Project in a reasonable manner and with due care in accordance with all applicable Department guidelines, standards, and procedures hereinafter called "Project Standards." Specifically, the Agency agrees to:

   a) Properly water and fertilize all plants, keeping them as free as practicable from disease and harmful insects;

   b) Properly mulch plant beds;

   c) Keep the premises free of weeds;

   d) Mow and/or cut the grass to the proper length;

   e) Properly prune all plants which responsibility includes removing dead or diseased parts of plants and/or pruning such parts thereof which present a visual hazard for those using the roadway; and

   f) Remove or replace dead or diseased plants in their entirety, or remove or replace those plants that fall below original Project Standards.

   The Agency agrees to repair, remove or replace at its own expense all or part of the Project that falls below Project Standards caused by the Agency's failure to maintain the same in accordance with the provisions of this Exhibit. In the event any part or parts of the Project, including plants, has to be removed and replaced for whatever reason, then they shall be replaced by parts of the same grade, size, and specification as provided in the original plans for the Project. Furthermore, the Agency agrees to keep litter removed from the project highway.

2. Maintenance of the Project shall be subject to periodic inspections by the Department. In the event that any of the aforementioned responsibilities are not carried out or are otherwise determined by the Department to not be in conformance with the applicable Project Standards, the Department, in addition to its right of termination under paragraph 4(a) in this Exhibit, may at its option perform any necessary maintenance without the need of any prior notice and charge the cost thereof to the Agency.

3. It is understood between the parties to this Agreement that any portion of or the entire Project may be removed, relocated or adjusted at any time in the future as determined to be necessary by the Department in order that the adjacent state road be widened, altered or otherwise changed to meet with the future criteria or planning of the Department. The Agency shall be given notice regarding such removal, relocation or adjustment and shall be allowed 60 days to remove all or part of the Project at its own cost. The Agency will own that part of the Project it removed. After the 60-day removal period, the Department will become the owner of the unresolved portion of the Project, and the Department then may remove, relocate or adjust the Project as it deems best, with the Agency being responsible for the cost incurred for the removal of the Project.

4. This Exhibit shall remain in force during the life of the originally installed landscaping and/or the life of any replacement landscaping installed with the mutual consent of the parties hereto until superseded by a Landscape Maintenance Agreement between the Department and the Agency.

EXHIBIT 1

FEDERAL FINANCIAL ASSISTANCE (SINGLE AUDIT ACT)

FEDERAL RESOURCES AWARDED PURSUANT TO THIS AGREEMENT ARE AS FOLLOWS:

CFDA No.:	20.205
CFDA Title:	Highway Planning and Construction Federal-Aid Highway Program, Federal Lands Highway Program
CFDA Program Site:	**https://www.cfda.gov/**
Award Amount:	**$529,200.00**
Awarding Agency:	Florida Department of Transportation
Award is for R&D:	No
Indirect Cost Rate:	N/A

FEDERAL RESOURCES AWARDED TO THE RECIPIENT PURSUANT TO THIS AGREEMENT CONSIST OF THE FOLLOWING:

2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles & Audit Requirements for Federal Awards
http://www.ecfr.gov/

OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*
http://www.whitehouse.gov/sites/default/files/omb/assets/a133/a133_revised_2007.pdf

OMB Circular A-133 Compliance Supplement 2014
http://www.whitehouse.gov/omb/circulars/a133_compliance_supplement_2014

FEDERAL RESOURCES AWARDED PURSUANT TO THIS AGREEMENT MAY ALSO BE SUBJECT TO THE FOLLOWING:

OMB Circular A-87 (Revised), *Cost Principles for State, Local and Indian Tribal Governments*
http://www.whitehouse.gov/omb/circulars_a087_2004/

OMB Circular A-102, *Grants and Cooperative Agreements with State and Local Governments*
http://www.whitehouse.gov/omb/circulars_a102/

Title 23 – Highways, United States Code
http://uscode.house.gov/browse/prelim@title23&edition=prelim

Title 49 – Transportation, United States Code
http://uscode.house.gov/browse/prelim@title49&edition=prelim

Map-21 – Moving Ahead for Progress in the 21st Century, Public Law 112-141
http://www.gpo.gov/fdsys/pkg/PLAW-112publ141/pdf/PLAW-112publ141.pdf

Federal Highway Administration – Florida Division
http://www.fhwa.dot.gov/fldiv/

Federal Funding Accountability and Transparency Act (FFATA) Sub-award Reporting System (FSRS)
https://www.fsrs.gov/

Sprinkle CONSULTING
Active Transportation Planners • Engineers

Lakeshore Shared Use Path Feasibility Study

from Thornby Park to Green Springs Park

VOLUSIA TPO
TRANSPORTATION PLANNING ORGANIZATION
VISION · PLAN · IMPLEMENT

Figure 1

Recommended Conceptual Alignment

0' 200'
SCALE: 1" = 200'

City of Deltona

2345 Providence Blvd.
Deltona, FL 32725

Agenda Memo

AGENDA ITEM: A.

TO: Mayor and Commission **AGENDA DATE:** 5/16/2016

FROM: Jane K. Shang, City Manager **AGENDA ITEM:** 9 - A

SUBJECT:
Public Hearing - Ordinance No. 09-2015, Amending Section 110-806 of the Land Development Code for Fences, Walls, and Hedges, at second and final reading - Chris Bowley, Planning and Development Services, (386) 878-8602.

Strategic Goal: Economic Development: Update the Economic Development Plan including the Land Development Code (LDC).

LOCATION:
City-wide

BACKGROUND:
In 2015, the City Commission created the Ordinance Review Committee (ORC) to review specific ordinances that they direct to the ORC. The first item for ORC review was Ordinance No. 09-2015, which amends Section 110-806 of the LDC pertaining to fences, walls, and hedges. The initial concept was to focus on hedge heights within front yards, particularly how they relate to visibility between the sidewalk and driveway for public safety. The ORC reviewed the ordinance and made recommendations that also apply to the entire lot, specifically screen material height and opacity percentage (see attached). On February 22, 2016, Ordinance No. 09-2015 was also reviewed by the City Commission at their workshop and additional recommendations were made to the ordinance. On March 16, 2016, the Planning and Zoning Board review both the ORC and City Commission recommendations and unanimously voted to recommend adoption of the ordinance by the City Commission. On April 18, 2016, the City Commission unanimously approved the ordinance at first reading.

COST:
N/A

SOURCE OF FUNDS:
N/A

ORIGINATING DEPARTMENT:
Planning and Development Services

STAFF RECOMMENDATION PRESENTED BY:
Chris Bowley, Director, Planning and Development Services - Staff recommends that the City Commission adopt Ordinance No. 09-2015, as amended, at second and final reading.

AGENDA ITEM: A.

POTENTIAL MOTION:
"I hereby move to adopt Ordinance No. 09-2015, as amended, at second and final reading."

ORDINANCE NO. 09-2015

AN ORDINANCE OF THE CITY OF DELTONA, FLORIDA, AMENDING SECTION 110-806, "FENCES, WALLS, AND HEDGES," OF ARTICLE VIII, "SUPPLEMENTARY REGULATIONS", OF CHAPTER 110 "ZONING", OF THE LAND DEVELOPMENT CODE OF THE CITY OF DELTONA; PROVIDING FOR AMENDMENTS ADDRESSING STRUCTURAL HEIGHT, DEFINITION, OPACITY, AND PUBLIC SAFETY; PROVIDING FOR CONFLICTS, CODIFICATION, SEVERABILITY, AND AN EFFECTIVE DATE.

WHEREAS, the City of Deltona adopted Article VIII, Supplementary Regulations, and Chapter 110, Zoning, as its "Zoning Code"; and

WHEREAS, the City of Deltona has included Chapter 110, Zoning, within the Land Development Code; and

WHEREAS, Section 110-806, "Fences, Walls and Hedges", of Article VIII, "Supplementary Regulations", of Chapter 110, "Zoning", of the Land Development Code shall be amended to address the maximum allowable height and opacity percentage for fences, walls, and hedges, and increased public safety, a strategic goal within the City of Deltona.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF DELTONA, FLORIDA, as follows:

Section 1. The Ordinance for Section 110-806, "Fences, Walls and Hedges", of Article VIII, "Supplementary Regulations", of Chapter 110, "Zoning", of the Land Development Code of the City of Deltona, is hereby amended to read, as follows:

Sec. 110-806. - Fences, walls and hedges.

(a) Purpose and intent. Fences, walls, and hedges are a recognized method to establish property boundaries, provide a level of privacy and security, and contain domesticated animals. However, fences, especially along roads, can alter the streetscape, where vistas associated with the open space and natural characteristics of the city are diminished. In addition, fencing along roads can harmfully impact pedestrian and motorist safety by

impeding sightlines and visibility. The requirements of this section are intended to ensure that the benefits of fencing, walls, and hedges remain an option, while protecting the scenic characteristics of the city and maintaining a level of safety for the traveling public.

(b) A fence permit is required prior to building or installing any fence or wall within the City of Deltona.

(c) Walls erected in accordance with this section shall meet the requirements of the Florida Building Code, as amended.

(d) Materials.

(1) Fences or walls may be constructed of wood, chain link, masonry, concrete, vinyl, or wrought iron and with a uniform percentage of opaqueness. It shall be the homeowner's responsibility to maintain fences, walls, and hedges on their property.

(2) Agricultural fencing along the perimeter of a property, such as razor wire, barbed wire, chicken wire, and electric fences are prohibited in residential zoning districts or for development; with the exception that electric fences to contain horses are permitted in the RE-5 and RE-1 zoning districts, where lots are 2.45 acres or larger and horses are present on the lots.

(e) Height and setback requirements. The measurement of fence, wall, and hedge height shall be taken from the natural contour of the ground of adjoining lots or the particular lot above the natural grade and relative to adjoining properties ~~(whichever is lower)~~. Refer to section 70-30 (Definitions) for graphic illustration of yard areas. For fence height and setback requirements on waterfront and golf course lots, refer to section 110-806(g).

(1) Front yard. Fences, walls, and hedges no higher than ~~four (4)~~ five (5) feet may be erected, placed, or maintained within any front yard and a minimum six (6) foot visibility triangle be maintained from the intersection of a sidewalk and a driveway.

(2) Rear yard. Any fence or wall constructed along the rear property line shall not exceed six (6) feet in height. ~~For fence height and setback requirements on waterfront and golf course lots, refer to section 110-806(g).~~

(3) Side yard. Any fence or wall constructed along a side lot line between properties shall not exceed six (6) feet in height.

(4) Side street yard. Any fence or wall constructed along a side street yard shall not exceed six (6) feet in height and may be placed within the side street yard, as allowed below, in order to facilitate greater use of the yard.

a. The nearest exterior wall of the dwelling;

b. The side street setback line; or

c. The side street accessory structure setback line for the R1-AAA, AA, A, and R1, per section 110-307(e).

(f) ~~Residential f~~ Fences shall be constructed with the finished side facing outward from the property. Fence posts and support beams shall be on the side of the fence facing away from the neighboring property.

(g) Fences, walls, and hedges on waterfront, or golf course lot. ~~On waterfront or golf course properties, f~~ Fences, walls, and hedges constructed along the rear or side yard property/lot line ~~and within that portion of the side lot lines located within the rear yard shall comply with the following~~ on a waterfront or golf course lot, shall be of uniform height and opacity along the property perimeter. Fences, walls, and hedges shall not exceed six (6) feet in height if it has less than 25 percent opacity; and shall not exceed four (4) feet in height if it has 25 percent or greater opacity, as measured from above natural grade.

~~(1) Up to four (4) feet in height: Fences, walls, and hedges constructed on a waterfront or golf course lot with opacity of 25 percent or more shall not exceed four (4) feet in height, above natural grade.~~

~~(2) Up to six (6) feet in height: Fences, walls, and hedges constructed on a waterfront or golf course lot with an opacity of 25 percent opacity or less shall not exceed six (6) feet in height, above natural grade.~~

~~(3) Fences shall be built with a uniform percentage of opaqueness.~~

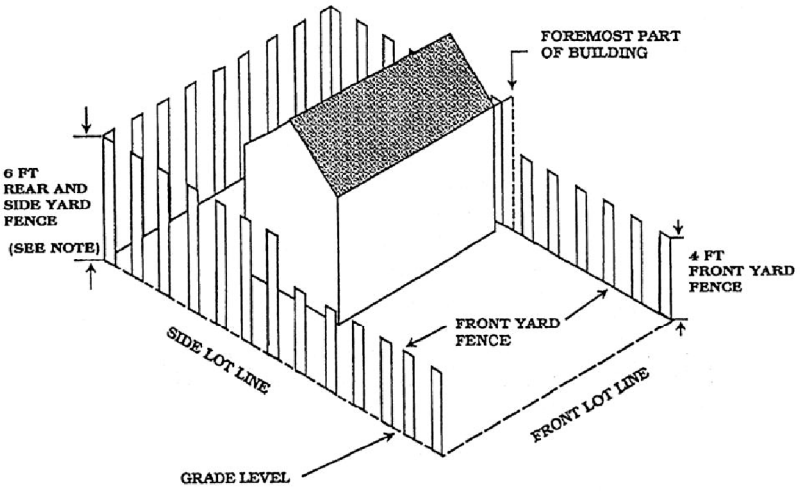
(h) Fences, walls, and hedges on vacant lots. On vacant lots, the permitted fencing is the same as that for developed lots in the same zoning district. On vacant corner lots, fences, walls, and hedges shall be located only within the minimum allowable setback area. If a dwelling is added later, the fence, wall or hedge may need to be relocated with possible height adjustments to meet code requirements.

(i) Non-conforming fences. Unless it is integral or a necessary part of another structure, whether principal or accessory, at such time that an entire fence on a property is destroyed or planned to be replaced, the property owner shall obtain a building permit and locate the new fence in accordance with the provisions of the City Code. In cases where the fence is integral or a necessary part of the structure noted above, the type, size, and location of the fence may be replaced in-kind.

(j) The above regulations also apply to residential uses within non-residential zoning districts.

(k) This section shall not be applied to any agricultural, commercial, industrial, resource protection (RP), public (P) use classifications, or any publicly used property.

FENCING REQUIREMENTS



Section 2. Conflicts. All Ordinances or parts of Ordinances, insofar as they are inconsistent or in conflict with the provisions of this Ordinance, are hereby repealed to the extent of any conflict.

Section 3. Codification. The provisions of this Ordinance shall be codified as and become and be made a part of the Code of Ordinances of the City of Deltona. The sections of this Ordinance may be renumbered or relettered to accomplish such intention.

Section 4. Severability. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect any other provision or application of this ordinance which can be given effect without the invalid provision or application.

Section 5. Effective Date. This Ordinance shall take effect immediately upon its final adoption by the City Commission.

PASSED AND ADOPTED BY THE CITY COMMISSION OF THE CITY OF DELTONA, FLORIDA THIS _____ DAY OF _____, 2016.

First Reading: _____

Advertised: _____

Second Reading: _____

BY: _____
JOHN C. MASIARCZYK, SR., Mayor

ATTEST:

_____
JOYCE RAFTERY, CMC, MMC, City Clerk

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

_____
GRETCHEN R. H. VOSE, City Attorney

City of Deltona

2345 Providence Blvd.
Deltona, FL 32725

Agenda Memo

AGENDA ITEM: B.

TO: Mayor and Commission **AGENDA DATE:** 5/16/2016

FROM: Jane K. Shang, City Manager **AGENDA ITEM:** 9 - B

SUBJECT:
Public Hearing - Ordinance No. 17-2016, Amending the Firefighters' Pension Plan to Comply with Internal Revenue Code and its Associated Regulations and to add a Share Plan as a requirement of the recently adopted Chapter 2015-39 Laws of Florida, at second and final reading - Becky Vose, Legal Department - (407) 448-0111.

Strategic Goal: Internal & External Communication - Improve Intergovernmental Coordination

LOCATION:
Fire Department

BACKGROUND:
With the recent adoption by the Florida Legislature of Chapter 2015-39, Laws of Florida, and changes to the Internal Revenue Code (IRC) and its associated regulations, as well as guidance from the Internal Revenue Service (IRS), the City is bringing forth amendments to the Firefighters' Pension Plan in order to comply with these new regulations.

The changes in Sections 1 through 8 of the proposed Ordinance reflect the changes needed to comply with the revised IRS requirements. Sections 1 through 7 represent clarifications of definitions while Section 8 addresses IRS changes in connection to the Deferred Retirement Option Plan (DROP).

Section 46-26, Definitions; is being amended for IRC changes and requirements, to amend the definitions of: i) "Creditable" (or "Credited") Years of Service to clarify IRC regulations on leave conversions; ii) "Firefighter" to update a reference in Florida Statutes; and iii) "Spouse" to clarify the definition in accordance with a recent US Supreme Court ruling.

Section 46-27, Participation-Conditions of Eligibility, is amended to limit those individuals eligible to opt-out of the system, to comply with recent IRC Treasury Regulation requirements.

Section 46-29, Finances and Fund Management, is amended to further incorporate recent IRC requirements with regard to investments in commingled funds.

Section 46-33, Benefit amounts and eligibility, is being amended to change the Normal Retirement Date to include IRC required language regarding Normal Retirement Age and Normal Retirement Date.
Section 46-35, Disability, is being amended to more clearly identify those individuals who may be

eligible to apply for a disability pension who have been terminated by the City due to medical reasons.

Section 46-43, Maximum Pension, has had several subsections amended to comply with IRC changes.

Section 46-44, Minimum· Distribution of Benefits, is being amended for a reference clarification in subsection (b)(2)d.

Section 46-54, Deferred Retirement Option Plan, is being amended in accordance with recent direction from the IRS in connection with the issuance of several recent Favorable Determination Letters to: i) clarify investment returns on DROP accounts, ii) clarify when interest and earnings are calculated and paid, and iii) add several sections clarifying the DROP provisions as required by the IRS.

Section 9 adds Section 46-59, "Supplemental Benefit Component for Special Benefits; Chapter 175 Share Accounts". The adoption of a "Share Plan" is a requirement of recently adopted Chapter 2015-39, Laws of Florida, for all pension plans that are subject to the provisions of Chapter 175.

This Ordinance has been prepared by the Firefighters' Pension Plan's Pension Attorney and has been reviewed and approved by the Firefighters' Pension Board of Trustees.

COST:
N/A

SOURCE OF FUNDS:
N/A

ORIGINATING DEPARTMENT:
City Attorney

STAFF RECOMMENDATION PRESENTED BY:
Becky Vose, City Attorney - Recommends approval of Ordinance No. 17-2016, amending the Firefighters' Pension Plan to comply with Internal Revenue Code and its associated regulations and to add a Share Plan as a requirement of the recently adopted Chapter 2015-39, Laws of Florida.

POTENTIAL MOTION:
"I move to approve Ordinance No. 17-2016, amending the Firefighters' Pension Plan to comply with Internal Revenue Code and its associated regulations and to add a Share Plan as a requirement of the recently adopted Chapter 2015-39 Laws of Florida at second and final reading."

ORDINANCE NO. 17 -2016

AN ORDINANCE OF THE CITY OF DELTONA. FLORIDA, AMENDING CHAPTER 46, ARTICLE II, FIREFIGHTERS' PENSION PLAN, OF THE CODE OF ORDINANCES OF THE CITY OF DELTONA BY AMENDING SECTION 46-26, DEFINITIONS; AMENDING SECTION 46-27, PARTICIPATION - CONDITIONS OF ELIGIBILITY; AMENDING SECTION 46-29, FINANCES AND FUND MANAGEMENT, AMENDING SECTION 46-33, BENEFIT AMOUNTS AND ELIGIBILITY; AMENDING SECTION 46-35, DISABILITY; AMENDING SECTION 46-43, MAXIMUM PENSION; AMENDING SECTION 46-44, MINIMUM DISTRIBUTION OF BENEFITS; AMENDING SECTION 46-54, DEFERRED RETIREMENT OPTION PLAN; ADDING SECTION 46-59, SUPPLEMENTAL BENEFIT COMPONENT FOR SPECIAL BENEFITS; CHAPTER 175 SHARE ACCOUNTS; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF DELTONA, FLORIDA;

SECTION 1: Chapter 46, Article II, Firefighters' Pension Plan, of the Code of Ordinances of the City of Deltona is hereby amended by amending Section 46-26, "Definitions," so as to amend the definitions of "*Creditable (or credited) years of service*", "*Firefighter*", and "*Spouse*", to read as follows:

* * *

Creditable (or credited) years of service means the total number of years, and fractional parts of years, of service of any participant completed after October 1, 1997 omitting intervening years and fractional parts of years, when such participant may not be employed by the city. However, a participant may receive creditable years of service for service completed prior to October 1, 1997 under the plan under section 46-32, subject to the requirements and limitations contained therein. Service completed prior to October 1, 1997 that is credited pursuant to section 46-32 is sometimes referred to as "years of past service credit". However, no participant will receive credit for years or fractional parts of years of service for which he or she has withdrawn his or her accumulated contributions to the fund for those years or fractional parts of years of service, unless the participant repays into the fund the accumulated contributions he or she has withdrawn, with interest, as determined by the board, within 90 days after reemployment. Further, a participant may voluntarily leave his or her accumulated contributions in the fund for a period of five years after leaving the employ of the fire department, pending the possibility of being rehired by the same department, without losing credit for the time he or she was a participant. If he or she is not reemployed as a firefighter, with the same department within five years, his or her accumulated contributions shall be returned to him or her only upon his or her written request. If a participant who is not vested is not reemployed as a firefighter with the fire department within five years, his accumulated contributions, if $1,000.00 or less, shall be returned. If a participant who is not vested is not reemployed within five years, his accumulated contributions, if more than $1,000.00, will be returned only upon the written request of the participant and upon completion of a written election to receive a cash lump sum or to rollover the lump sum amount on forms designated by the board.

The years or fractional parts of a year that a participant performs "Qualified Military Service" consisting of voluntary or involuntary "service in the uniformed services" as defined in the Uniformed Services Employment and Reemployment Rights Act (USERRA) (P.L.103-353), after separation from employment as a firefighter with the city to perform training or service, shall be added to his or her years of credited service for all purposes, including vesting, provided that:

(1) The participant is entitled to reemployment under the provisions USERRA.

(2) The participant returns to his or her employment as a firefighter within one year from the earlier of the date of his or her military discharge or his or her release from active service, unless otherwise required by USERRA.

(3) The maximum credit for military service pursuant to this paragraph shall be five years.

(4) This paragraph is intended to satisfy the minimum requirements of USERRA. To the extent that this paragraph does not meet the minimum standards of USERRA, as it may be amended from time to time, the minimum standards shall apply.

In the event a participant dies on or after January 1, 2007, while performing USERRA Qualified Military Service, the beneficiaries of the are entitled to any benefits (other than benefit accruals relating to the period of qualified military service) as if the participant had resumed employment and then died while employed.

Beginning January 1, 2009, to the extent required by section 414(u)(12) of the code, an individual receiving differential wage payments (as defined under section 3401(h)(2) of the code) from an employer shall be treated as employed by that employer, and the differential wage payment shall be treated as compensation for purposes of applying the limits on annual additions under section 415(c) of the code. This provision shall be applied to all similarly situated individuals in a reasonably equivalent manner.

Leave conversions of unused accrued paid time off shall not be permitted to be applied toward the accrual of credited service either during each plan year of a participant's employment with the City or in the plan year in which the participant terminates employment.

* * *

Firefighter means an actively employed full-time person employed by the city, including his or her initial probationary employment period, who is certified as a firefighter as a condition of employment in accordance with the provisions of F.S. § 633.~~35~~408, and whose duty it is to extinguish fires, to protect life and to protect property. The term includes all certified, supervisory, and command personnel whose duties include, in whole or in part, the supervision, training, guidance, and management responsibilities of full-time firefighters, part-time firefighters, or auxiliary firefighters but does not include part-time firefighters or auxiliary firefighters.

* * *

Spouse means the ~~lawful wife or husband of a participant or retiree~~ participant's or retiree's spouse under applicable law at the time benefits become payable.

* * *

SECTION 2: Chapter 46, Article II, "Firefighters' Pension Plan," of the Code of Ordinances of the City of Deltona is hereby amended by amending Section 46-27, "Participation - Conditions of Eligibility," to read as follows:

Sec. 46-27. Participation – Conditions of eligibility.

All full-time firefighters shall, as a condition of employment, become participants in this plan as of the later of October 1, 1997 or his or her date of employment (or reemployment, if applicable) with the city. Notwithstanding the previous sentence, a new employee who is hired as the fire chief may, ~~within the first three months of~~ upon employment as fire chief~~, or within thirty (30) days of the effective date of the ordinance adopting this provision,~~ notify the board and the city, in writing, of his election to not be a ~~member~~ participant of the system. Current employees of the city who are selected to become fire chief are not eligible for the opt-out provided for herein. In the event of any such election, he shall be barred from future membership in the system ~~and any contributions made after employment and prior to opting out shall be refunded~~. Thereafter, contributions to the plan in accordance with Section 46-31 shall not be required, he shall not be eligible to be elected as a member trustee on the board or vote for a member trustee and shall not be eligible for any other benefits from the plan.

SECTION 3: Chapter 46, Article II, "Firefighters' Pension Plan," of the Code of Ordinances of the City of Deltona is hereby amended by amending Section 46-29, "Finances and Fund Management," subsection (g)(2)j, to read as follows:

* * *

(g)(2) j. The board may, upon recommendation by the board's investment consultant, make investments in group trusts meeting the requirements of Internal Revenue Service Revenue Ruling 81-100, ~~and~~ Revenue Ruling 2011-1, IRS Notice 2012-6 and Revenue Ruling 2014-24 or successor rulings or guidance of similar import, and operated or maintained exclusively for the commingling and collective investment of monies, provided that the funds in the group trust consist exclusively of trust assets held under plans qualified under section 401(a) of the code, individual retirement accounts that are exempt under section 408(e) of the code, eligible governmental plans that meet the requirements of section 457(b) of the code, and governmental plans under 401(a)(24) of the code. For this purpose, a trust includes a custodial account or a separate tax favored account maintained by an insurance company that is treated as a trust under section 401(f) or under section 457(g)(3) of the code. While any portion of the assets of the fund are invested in such a group trust, such group trust is itself adopted as a part of the system or plan.

1. Any collective or common group trust to which assets of the fund are transferred pursuant to subsection j. shall be adopted by the board as part of the plan by executing appropriate participation, adoption agreements, and/or trust agreements with the group trust's trustee.

2. The separate account maintained by the group trust for the plan pursuant to subsection j. shall not be used for, or diverted to, any purpose other than for the exclusive benefit of the participants and beneficiaries of the plan.

3. For purposes of valuation, the value of the separate account maintained by the group trust for the plan shall be the fair market

value of the portion of the group trust held for the plan, determined in accordance with generally recognized valuation procedures.

SECTION 4: Chapter 46, Article II, "Firefighters' Pension Plan," of the Code of Ordinances of the City of Deltona is hereby amended by amending Section 46-33, "Benefit Amounts and Eligibility," subsection (a), *Normal Retirement Date*, to read as follows:

* * *

(a) *Normal retirement age and date*. ~~A participant's normal retirement date shall be the first day of the month coincident with, or next following the earlier of the attainment of age 55 and the completion of ten years of credited service or the completion of 25 years of credited service years regardless of age. A participant may retire on his or her normal retirement date or on the first day of any month thereafter, and each participant shall become 100 percent vested in his or her accrued benefit on the participant's normal retirement date. Normal retirement under the system is retirement from employment with the city on or after the normal retirement date.~~ A participant's normal retirement age is the earlier of the attainment of age 55 and the completion of ten years of credited service or the completion of 25 years of credited service, regardless of age. Each participant shall become one hundred percent (100%) vested in his accrued benefit at normal retirement age. A participant's normal retirement date shall be the first day of the month coincident with or next following the date the participant retires from the City after attaining normal retirement age.

* * *

SECTION 5: That Chapter 46, Article II, "Firefighters' Pension Plan," of the Code of Ordinances of the City of Deltona is hereby amended by amending Section 46-35, "Disability," subsection (a)(3), to read as follows:

* * *

(3) Terminated persons, either vested or non-vested, are not eligible for disability benefits~~, except that those terminated by the city for medical reasons may apply for a disability within 30 days after termination~~. Notwithstanding the previous sentence, if a participant is terminated by the city for medical reasons, the terminated person may apply for a disability benefit if the application is filed with the board within thirty (30) days from the date of termination. If a timely application is received, it shall be processed and the terminated person shall be eligible to receive a disability benefit if the board otherwise determines that he is totally and permanently disabled as provided for above.

* * *

SECTION 6: Chapter 46, Article II, "Firefighters' Pension Plan," of the Code of Ordinances of the City of Deltona is hereby amended by amending Section 46-43, "Maximum Pension," subsections (f), (h), (l)(2), and by adding subsection (m), to read as follows:

* * *

(f) *Less than Ten (10) Years of Participation ~~or Service~~*. The maximum retirement benefits payable under this section to any participant who has completed less than ten (10) years of ~~credited service with the City~~ participation shall be the amount determined under subsection (a) of this section multiplied by a fraction, the numerator of which is the number of the participant's years of ~~credited service~~ participation and the denominator of which is ten (10). The reduction provided by this subsection cannot reduce the maximum benefit below 10% of the limit determined without regard to this subsection. The reduction provided for in this subsection

shall not be applicable to pre-retirement disability benefits paid pursuant to Sec. 46-35 or pre-retirement death benefits paid pursuant to Sec. 46-34.

* * *

(h) *Ten Thousand Dollar ($10,000) Limit; Less Than Ten Years of Service*. Notwithstanding anything in this section 46-43 , the retirement benefit payable with respect to a participant shall be deemed not to exceed the limit set forth in this subsection (h) of section 46-43 if the benefits payable, with respect to such participant under this system and under all other qualified defined benefit pension plans to which the City contributes, do not exceed ten thousand dollars ($10,000) for the applicable limitation year and or for any prior limitation year, and the City has not at any time maintained a qualified defined contribution plan in which the participant participated; provided, however, that if the ~~member~~ participant has completed less than ten (10) years of credited service with the City, the limit under this subsection (h) of section 46-43 shall be a reduced limit equal to ten thousand dollars ($10,000) multiplied by a fraction, the numerator of which is the number of the ~~member's~~ participant's years of credited service and the denominator of which is ten (10).

* * *

(l)(2) No participant of the system shall be allowed to receive a retirement benefit or pension which is in part or in whole based upon any service with respect to which the participant is already receiving, or will receive in the future, a retirement benefit or pension from a different employer's retirement system or plan. This restriction does not apply to social security benefits or federal benefits under Chapter ~~67~~ 1223, Title 10, U.S. Code.

(m) *Effect of Direct Rollover on 415(b) Limit*. If the plan accepts a direct rollover of an employee's or former employee's benefit from a defined contribution plan qualified under Code Section 401(a) which is maintained by the employer, any annuity resulting from the rollover amount that is determined using a more favorable actuarial basis than required under Code Section 417(e) shall be included in the annual benefit for purposes of the limit under Code Section 415(b).

SECTION 7: Chapter 46, Article II, "Firefighters' Pension Plan," of the Code of Ordinances of the City of Deltona is hereby amended by amending Section 46-44, "Minimum Distribution of Benefits," subsection (b)(2)d., to read as follows:

* * *

d. If the participant's surviving spouse is the participant's sole designated beneficiary and the surviving spouse dies after the participant but before distributions to the surviving spouse begin, this subsection (b)(2), other than subsection (b)(2)a., will apply as if the surviving spouse were the participant.

For purposes of this subsection (b)(2) ~~and subsection (e)~~, distributions are considered to begin on the participant's required beginning date or, if subsection (b)(2)d. applies, the date of distributions are required to begin to the surviving spouse under subsection (b)(2)a. If annuity payments irrevocably commence to the participant before the participant's required beginning date (or to the participant's surviving spouse before the date distributions are required to begin to the surviving spouse under subsection (b)(2)a.) the date distributions are considered to begin is the date distributions actually commence.

* * *

SECTION 8: Chapter 46, Article II, "Firefighters' Pension Plan," of the Code of Ordinances of the City of Deltona is hereby amended by amending Section 46-54, "Deferred Retirement Option Plan," to read as follows:

Sec. 46-54. Deferred retirement option plan.

(a) *Definitions*. As used in this section 46-55, the following definitions apply:

(1) "*DROP*" --The City of Deltona Firefighters' Pension Plan Deferred Retirement Option Plan.

(2) "*DROP account*" --The account established for each DROP participant under subsection (c).

(3) *"Total return of the assets"* -- For purposes of calculating earnings on a participant's DROP account pursuant to subsection (c)(2)b.2., for each fiscal year quarter, the percentage increase (or decrease) in the interest and dividends earned on investments, including realized and unrealized gains (or losses), of the total Plan assets.

(b) *Participation*.

(1) *Eligibility to participate*. In lieu of terminating his or her employment as a Firefighter, any participant who is eligible for normal retirement under the system may elect to defer receipt of such service retirement pension and to participate in the DROP.

(2) *Election to participate*. A participant's election to participate in the DROP must be made in writing in a time and manner determined by the board and shall be effective on the first day of the first calendar month which is at least 15 business days after it is received by the board.

(3) *Period of participation*. A participant who elects to participate in the DROP under subsection (b)(2), shall participate in the DROP for a period terminating not later than the earlier of:

a. ninety-six (96) months from the date his or her election to participate in the DROP first becomes effective; or

b. the completion of thirty-five (35) total years of service (including service while in the DROP and including any years purchased for prior military service or prior fire service); or

c. the attainment of age sixty (60) years of age.

An election to participate in the DROP shall constitute an irrevocable election to resign from the service of the city not later than the date provided for above. A participant may participate only once.

(4) *Termination of participation*.

a. A participant's participation in the DROP shall cease at the earlier of:

1. The end of his or her permissible period of participation in the DROP as determined under subsection (b)(3); or

2. Termination of his or her employment as a firefighter.

b. Upon the participant's termination of participation in the DROP, pursuant to subsection 1 above, all amounts provided for in subsection (c)(2), including monthly benefits and investment earnings and losses or interest, shall cease to be transferred from the system to his or her DROP account. Any amounts remaining in his or her DROP account shall be paid to him in accordance with the provisions of subsection (d) when he terminates his or her employment as a Firefighter.

c. A participant who terminates his or her participation in the DROP under this subsection (b)(4) shall not be permitted to again become a participant in the DROP.

(5) *Effect of DROP participation on the system*.

a. A participant's credited service and his or her accrued benefit under the system shall be determined on the date his or her election to participate in the DROP first becomes effective. The participant shall not accrue any additional credited service or any additional benefits under the system (except for <u>any supplemental benefit payable to DROP participants or</u> any additional benefits provided under any cost-of-living adjustment for retirees in the system) while he is a participant in the DROP. After a participant commences participation, he shall not be permitted to again contribute to the system nor shall he be eligible for disability or pre-retirement death benefits, except as provided for in section 46-56.

b. No amounts shall be paid to a participant from the system while the participant is a participant in the DROP. Unless otherwise specified in the system, if a participant's participation in the DROP is terminated other than by terminating his or her employment as a firefighter, no amounts shall be paid to him from the system until he terminates his or her employment as a firefighter. Unless otherwise specified in the system, amounts transferred from the system to the participant's DROP account shall be paid directly to the participant only on the termination of his or her employment as a firefighter.

(c) *Funding*.

(1) *Establishment of DROP account*. A DROP account shall be established for each participant participating in the DROP. A participant's DROP account shall consist of amounts transferred to the DROP under subsection (c)(2), and earnings or interest on those amounts.

(2) *Transfers from retirement system*.

a. As of the first day of each month of a participant's period of participation in the DROP, the monthly retirement benefit he would have received under the system had he terminated his or her employment as a Firefighter and elected to receive monthly benefit payments thereunder shall be transferred to his or her DROP account, except as otherwise provided for

in subsection (b)(4)b. A participant's period of participation in the DROP shall be determined in accordance with the provisions of subsections (b)(3) and (b)(4), but in no event shall it continue past the date he terminates his or her employment as a firefighter.

b. Except as otherwise provided in subsection (b)(4)b., a participant's DROP account under this subsection (c)(2) shall be debited or credited ~~after each fiscal year quarter, based on the balance in the account at the beginning of the previous quarter, by electing one of the following investment options~~ with either:

1. ~~A fixed interest rate~~ Interest at an effective rate of six percent per annum compounded quarterly, determined on the last business day of the prior quarter's ending balance and credited to the participant's DROP account as of such date (to be applicable to all current and future DROP participants); or

2. Earnings, to be credited or debited to the participant's DROP account, determined as of the last business day of each fiscal year quarter and debited or credited as of such date, determined as follows:

   The average daily balance in a participant's DROP Account shall be credited or debited at a rate equal to the net investment ~~rate~~ return realized by the retirement system for ~~each~~ that quarter. "Net investment ~~rate~~ return" for the purpose of this paragraph is the total ~~percentage rate of~~ return of the assets in which the participant's DROP account is invested by the board net of brokerage commissions, transactions costs, account fees and management fees.

   For purposes of calculating earnings on a participant's DROP account pursuant to this subsection (c)(2)b.2., brokerage commissions, transaction costs, and management fees shall be determined for each quarter by the investment consultant pursuant to contracts with fund managers as reported in the custodial statement. The investment consultant shall report these quarterly contractual fees to the board. The investment consultant shall also report the net investment return for each manager and the net investment return for the total plan assets.

Upon electing to participate in the DROP, the participant shall select either:

Option 1--Fixed interest rate, or

Option 2--Net investment interest.

Only once during his or her DROP participation may the participant elect to change his or her selection. Such request to change the investment option shall be in writing. An election to change the investment option shall be effective beginning the following quarter after the election is received by the ~~firefighters' pension~~ board.

c. A participant's DROP account shall only be credited or debited with interest and monthly benefits while the participant is a participant in the DROP. A participant's final DROP account value for distribution to the participant upon termination of participation in the DROP shall be the value of the account at the end of the quarter immediately preceding termination of participation ~~date~~ plus any monthly periodic additions made to the DROP account subsequent to the end of the previous quarter and prior to distribution. If a participant fails to terminate employment after participating in the DROP for the permissible period of DROP participation, then beginning with the participant's first month of employment following the last month of the permissible period of DROP participation, the participant's DROP account will no longer be credited with interest, nor will monthly benefits be transferred to the DROP account. All such non-transferred amounts shall be forfeited and continue to be forfeited while the participant is employed by the Fire Department. A participant employed by the Fire Department after the permissible period of DROP participation will be eligible for pre-retirement death or disability benefits and will accrue additional credited service only as provided for in section 46-56.

(d) *Distribution of DROP accounts on termination of employment*.

(1) *Eligibility for benefits*. A participant shall receive the balance in his or her DROP account in accordance with the provisions of this subsection (d) upon his or her termination of employment as a firefighter. Except as provided in subsection (d)(5), no amounts shall be paid to a participant from the DROP prior to his or her termination of employment as a firefighter.

(2) *Form of distribution*.

a. Unless the participant elects otherwise, distribution of his or her DROP account shall be made in a lump sum, subject to the direct rollover provisions set forth in subsection (d)(6). Elections under this paragraph shall be in writing and shall be made in such time or manner as the board shall determine.

b. If a participant dies before his or her benefit is paid, his or her DROP account shall be paid to his or her beneficiary in such optional form as his or her beneficiary may select. If no beneficiary designation is made, the DROP account shall be distributed to the participant's estate.

(3) *Date of payment of distribution*. Except as otherwise provided in this subsection (d), distribution of a participant's DROP account shall be made as soon as administratively practicable following the participant's termination of employment.

(4) *Proof of death and right of beneficiary or other person*. The board may require and rely upon such proof of death and such evidence of the right of any beneficiary or other person to receive the value of a deceased participant's DROP account as the board may deem proper and its determination of the right of that beneficiary or other person to receive payment shall be conclusive.

(5) *Distribution limitation*. Notwithstanding any other provision of this subsection (d), all distributions from the DROP shall conform to the "minimum distribution of benefits" provisions as provided for herein.

(6) *Direct rollover of certain distributions*. This subsection applies to distributions

made on or after January 1, 2002. Notwithstanding any provision of the DROP to the contrary, a distributee may elect to have any portion of an eligible rollover distribution paid in a direct rollover as otherwise provided under the system in section 46-51.

(e) *Administration of DROP*.

(1) *Board administers the DROP*. The general administration of the DROP, the responsibility for carrying out the provisions of the DROP and the responsibility of overseeing the investment of the DROP's assets shall be placed in the board. The participants of the board may appoint from their number such subcommittees with such powers as they shall determine; may adopt such administrative procedures and regulations as they deem desirable for the conduct of their affairs; may authorize one or more of their number or any agent to execute or deliver any instrument or make any payment on their behalf; may retain counsel, employ agents and provide for such clerical, accounting, actuarial and consulting services as they may require in carrying out the provisions of the DROP; and may allocate among themselves or delegate to other persons all or such portion of their duties under the DROP, other than those granted to them as trustee under any trust agreement adopted for use in implementing the DROP, as they, in their sole discretion, shall decide. A trustee shall not vote on any question relating exclusively to himself.

(2) *Individual accounts, records and reports*. The board shall maintain records showing the operation and condition of the DROP, including records showing the individual balances in each participant's DROP account, and the board shall keep in convenient form such data as may be necessary for the valuation of the assets and liabilities of the DROP. The board shall prepare and distribute to participants participating in the DROP and other individuals or file with the appropriate governmental agencies, as the case may be, all necessary descriptions, reports, information returns, and data required to be distributed or filed for the DROP pursuant to the Code and any other applicable laws.

(3) *Establishment of rules*. Subject to the limitations of the DROP, the board from time to time shall establish rules for the administration of the DROP and the transaction of its business. The board shall have discretionary authority to construe and interpret the DROP (including but not limited to determination of an individual's eligibility for DROP participation, the right and amount of any benefit payable under the DROP and the date on which any individual ceases to be a participant in the DROP). The determination of the board as to the interpretation of the DROP or its determination of any disputed questions shall be conclusive and final to the extent permitted by applicable law.

(4) *Limitation of liability*.

a. The trustees shall not incur any liability individually or on behalf of any other individuals for any act or failure to act, made in good faith in relation to the DROP or the funds of the DROP.

b. Neither the board nor any trustee of the board shall be responsible for any reports furnished by any expert retained or employed by the board, but they shall be entitled to rely thereon as well as on certificates furnished by an accountant or an actuary, and on all opinions of counsel. The board shall be fully protected with respect to any action taken or suffered by it in good faith in reliance upon such expert, accountant, actuary or counsel, and all actions taken or suffered in such reliance shall be conclusive upon any person with any interest in the DROP.

(f) *General provisions*.

(1) *The DROP is not a separate retirement plan*. Instead, it is a program under which a participant who is eligible for normal retirement under the system may elect to accrue future retirement benefits in the manner provided in this section 46-54 for the remainder of his employment, rather than in the normal manner provided under the plan. Upon termination of employment, a participant is entitled to a lump sum distribution of his or her DROP account balance or may elect a rollover. The DROP account distribution is in addition to the participant's monthly benefit.

(2) *Notional account*. The DROP account established for such a participant is a notional account, used only for the purpose of calculation of the DROP distribution amount. It is not a separate account in the system. There is no change in the system's assets, and there is no distribution available to the participant until the participant's termination from the DROP. The participant has no control over the investment of the DROP account.

(3) *No employer discretion*. The DROP benefit is determined pursuant to a specific formula which does not involve employer discretion.

(4) *IRC limit*. The DROP account distribution, along with other benefits payable from the system, is subject to limitation under Internal Revenue Code Section 415(b).

(~~1~~ 5) *Amendment of DROP*. The DROP may be amended by an ordinance of the city at any time and from time to time, and retroactively if deemed necessary or appropriate, to amend in whole or in part any or all of the provisions of the DROP. However, except as otherwise provided by law, no amendment shall make it possible for any part of the DROP's funds to be used for, or diverted to, purposes other than for the exclusive benefit of persons entitled to benefits under the DROP. No amendment shall be made which has the effect of decreasing the balance of the DROP account of any participant.

(~~2~~ 6) *Facility of payment*. If a participant or other person entitled to a benefit under the DROP is unable to care for his or her affairs because of illness or accident or is a minor, the board shall direct that any benefit due him shall be made only to a duly appointed legal representative. Any payment so made shall be a complete discharge of the liabilities of the DROP for that benefit.

(~~3~~ 7) *Information*. Each participant, beneficiary or other person entitled to a benefit, before any benefit shall be payable to him or on his or her account under the DROP, shall file with the board the information that it shall require to establish his or her rights and benefits under the DROP.

(~~4~~ 8) *Prevention of escheat*. If the board cannot ascertain the whereabouts of any person to whom a payment is due under the DROP, the board may, no earlier than three years from the date such payment is due, mail a notice of such due and owing payment to the last known address of such person, as shown on the records of the board or the city. If such person has not made written claim therefor within three months of the date of the mailing, the board may, if it so elects and upon receiving advice from counsel to the system, direct that such payment and all remaining payments otherwise due such person be canceled on the records of the system. Upon such cancellation, the system shall have no further liability therefor except that, in the event such person or his or her beneficiary later notifies the board of his or her whereabouts and requests the payment or payments due to him

under the DROP, the amount so applied shall be paid to him in accordance with the provisions of the DROP.

(~~5~~ 9) *Written elections, notification*.

a. Any elections, notifications or designations made by a participant pursuant to the provisions of the DROP shall be made in writing and filed with the board in a time and manner determined by the board under rules uniformly applicable to all employees similarly situated. The board reserves the right to change from time to time the manner for making notifications, elections or designations by participants under the DROP if it determines after due deliberation that such action is justified in that it improves the administration of the DROP. In the event of a conflict between the provisions for making an election, notification or designation set forth in the DROP and such new administrative procedures, those new administrative procedures shall prevail.

b. Each participant or retiree who has a DROP account shall be responsible for furnishing the board with his or her current address and any subsequent changes in his or her address. Any notice required to be given to a participant or retiree hereunder shall be deemed given if directed to him at the last such address given to the board and mailed by registered or certified United States mail. If any check mailed by registered or certified United States mail to such address is returned, mailing of checks will be suspended until such time as the participant or Retiree notifies the board of his or her address.

(~~6~~ 10) *Benefits not guaranteed*. All benefits payable to a participant from the DROP shall be paid only from the assets of the participant's DROP account and neither the city nor the board shall have any duty or liability to furnish the DROP with any funds, securities or other assets except to the extent required by any applicable law.

(~~7~~ 11) *Construction*.

a. The DROP shall be construed, regulated and administered under the laws of Florida, except where other applicable law controls.

b. The titles and headings of the subsections in this section 46-49.4 are for convenience only. In the case of ambiguity or inconsistency, the text rather than the titles or headings shall control.

(~~8~~ 12) *Forfeiture of retirement benefits*. Nothing in this section shall be construed to remove DROP participants from the application of any forfeiture provisions applicable to the system. DROP participants shall be subject to forfeiture of all retirement benefits, including DROP benefits.

(~~9~~ 13) *Effect of DROP participation on employment*. Participation in the DROP is not a guarantee of employment and DROP participants shall be subject to the same employment standards and policies that are applicable to employees who are not DROP participants.

SECTION 9: Chapter 46, Article II, "Firefighters' Pension Plan," of the Code of Ordinances of the City of Deltona is hereby amended by adding Section 46-59, "Supplemental Benefit Component for Special Benefits; Chapter 175 Share Accounts," to read as follows:

Sec. 46-59. Supplemental benefit component for special benefits; Chapter 175 share accounts.

There is hereby established an additional plan component to provide special benefits in the form of a supplemental retirement, termination, death and disability benefits to be in addition to the benefits provided for in the previous Sections of this Plan, such benefit to be funded solely and entirely by F.S. Chapter 175, premium tax monies for each plan year which are allocated to this supplemental component as provided for in F.S. §175.351. Amounts allocated to this supplemental component ("Share Plan"), if any, shall be further allocated to the participants and DROP participants as follows:

(a) *Individual Participant Share Accounts*. The board shall create individual "participant share accounts" for all actively employed plan participants and DROP participants and maintain appropriate books and records showing the respective interest of each participant or DROP participant hereunder. Each participant or DROP participant shall have a participant share account for his share of the F.S. Chapter 175 tax revenues described above, forfeitures and income and expense adjustments relating thereto. The board shall maintain separate participant share accounts, however, the maintenance of separate accounts is for accounting purposes only and a segregation of the assets of the trust fund to each account shall not be required or permitted.

(b) *Share Account Funding*.

(1) Individual participant share accounts shall be established as of December 31, 2015 for all participants and DROP participants who were actively employed as of December 31, 2015. Individual participant share accounts shall be credited with an allocation as provided for in the following subsection (c) of any premium tax monies which have been allocated to the share plan for that calendar year, beginning with the year ending December 31, 2015.

(2) Any forfeitures as provided in subsection (d), shall be used to reduce the City's required pension contributions in the current plan year.

(c) *Allocation of Monies to Share Accounts*.

(1) *Allocation of Chapter 175 Contributions*.

a. Effective as of December 31, 2015, the amount of any premium tax monies allocated to the share plan shall be allocated to individual participant share accounts as provided for in this subsection. Actively employed participants and DROP participants on December 31, 2015 shall receive an allocation. In addition, all premium tax monies allocated to the share plan in any subsequent plan year shall also be allocated as provided for in subsection b. Available premium tax monies shall be allocated to individual participant share accounts at the end of each year on December 31 (a "valuation date").

b. On each valuation date beginning December 31, 2015, each current actively employed participant of the plan not participating in the DROP and each DROP participant shall receive a share allocation as follows:

The total funds subject to the initial allocation on December 31, 2015 shall be one-half ($145,605) of the excess state monies reserve, which shall be allocated to each participant share account of those eligible for an allocation in an amount equal to a fraction of the total amount, the numerator of which shall be the individual's total years and fractional

parts of years of credited service as of the valuation date, and the denominator of which shall be the sum of the total years and fractional parts of years of credited service as of the valuation date of all individuals to whom allocations are being made.

The total funds subject to subsequent allocations of available funds on each valuation date shall be divided equally among those persons eligible for an allocation and allocated to the participant share account of those eligible for an allocation.

c. Re-employed retirees shall be deemed new employees and shall receive an allocation based solely on the credited service in the reemployment period.

(2) *Allocation of Investment Gains and Losses*. On each valuation date, each individual participant share account shall be adjusted to reflect the net earnings or losses resulting from investments during the year. The net earnings or losses allocated to the individual participant share accounts shall be the same percentage which is earned or lost by the total plan investments, including realized and unrealized gains or losses, net of brokerage commissions, transaction costs and management fees.

Net earnings or losses are determined as of the last business day of the calendar year, which is the valuation date, and are debited or credited as of such date.

For purposes of calculating net earnings or losses on a participant's share account pursuant to this subsection, brokerage commissions, transaction costs, and management fees for the immediately preceding calendar year shall be determined for each year by the investment consultant pursuant to contracts with fund managers as reported in the custodial statement. The investment consultant shall report these annual contractual fees to the board. The investment consultant shall also report the net investment return for each manager and the net investment return for the total plan assets.

(3) *Allocation of Costs, Fees and Expenses*. On each valuation date, each individual participant share account shall be adjusted to allocate its pro rata share of the costs, fees and expenses of administration of the share plan. These fees shall be allocated to each individual participant share account on a proportionate basis taking the costs, fees and expenses of administration of the share plan as a whole multiplied by a fraction, the numerator of which is the total assets in each individual participant share account (after adding the annual investment gain or loss) and the denominator of which is the total assets of the fund as a whole as of the same date.

(4) *No Right to Allocation*. The fact of allocation or credit of an allocation to a participant's share account by the board shall not vest in any participant, any right, title, or interest in the assets of the trust or in the Chapter 175 tax revenues except at the time or times, to the extent, and subject to the terms and conditions provided in this Section.

(5) Participants and DROP participants shall be provided annual statements setting forth their share account balance as of the end of the calendar year.

(d) *Forfeitures*. Any participant who has less than ten (10) years of service credit and who is not otherwise eligible for payment of benefits after termination of employment with the city as provided for in subsection (e) shall forfeit his individual participant share account. Forfeited amounts shall be used to reduce the City's required pension contribution in the current plan year.

(e) *Eligibility For Benefits*. Any participant (or his beneficiary)who terminates employment as a firefighter with the City or who dies, upon application filed with the board, shall be entitled to be paid the value of his individual participant share account, subject to the following criteria:

(1) *Retirement Benefit*.

a. A participant shall be entitled to one hundred percent (100%) of the value of his share account upon normal or early retirement pursuant to Section 46-33, or if the participant enters the DROP, upon termination of employment.

b. Such payment shall be made as provided in subsection (f).

(2) *Termination Benefit*.

a. In the event that a participant's employment as a firefighter is terminated by reason other than retirement, death or disability, he shall be entitled to receive the value of his share account only if he is vested in accordance with Section 46-36 and he does not request a refund of his contributions.

b. Such payment shall be determined as provided in subsection (f), but shall not be distributed until monthly benefits actually commence.

(3) *Disability Benefit*.

a. In the event that a participant is determined to be eligible for either an in-line of duty or not in-line of duty disability benefit pursuant to Section 46-35, subsection (a), he shall be entitled to one hundred percent (100%) of the value of his share account.

b. Such payment shall be made as provided in subsection (f).

(4) *Death Benefit*.

a. In the event that a participant or DROP participant dies while actively employed as a firefighter, one hundred percent (100%) of the value of his participant share account shall be paid to his designated Beneficiary as provided in Section 46-34.

b. Such payment shall be made as provided in subsection (f).

(f) *Payment of Benefits*. If a participant or DROP participant terminates employment for any reason or dies and he or his beneficiary is otherwise entitled to receive the balance in the participant's share account, the participant's share account shall be valued as of the immediately preceding valuation date prior to the date of termination of employment or death. Payment of the calculated share account balance shall be payable as soon as administratively practicable, but not later than sixty (60) days, following termination or death, and shall be paid in one lump sum

payment. No optional forms of payments shall be permitted, but the payment may be subject to a rollover.

(g) *Benefits Not Guaranteed*. All benefits payable under this Section 46-59 shall be paid only from the assets accounted for in individual participant share accounts. Neither the City nor the board shall have any duty or liability to furnish any additional funds, securities or other assets to fund share account benefits. Neither the board nor any trustee shall be liable for the making, retention, or sale of any investment or reinvestment made as herein provided, nor for any loss or diminishment of the participant share account balances, except due to his or its own negligence, willful misconduct or lack of good faith. All investments shall be made by the board subject to the restrictions otherwise applicable to fund investments.

(h) *Notional account*. The participant share account is a notional account, used only for the purpose of calculation of the share distribution amount. It is not a separate account in the system. There is no change in the system's assets, and there is no distribution available to the participant or DROP participant until the participant's or DROP participant's termination from employment. The participant or DROP participant has no control over the investment of the share account.

(i) *No employer discretion*. The share account benefit is determined pursuant to a specific formula which does not involve employer discretion.

(j) *Maximum Additions*. Notwithstanding any other provision of this Section, annual additions under this Section shall not exceed the limitations of Section 415(c) of the code pursuant to the provisions of Section 46-43, subsection (k).

(k) *IRC limit*. The share account distribution, along with other benefits payable from the system, is subject to limitation under Internal Revenue Code Section 415(b).

SECTION 10. CONFLICTS. All Ordinances or parts of Ordinances, insofar as they are inconsistent or in conflict with the provisions of this Ordinance, are hereby repealed to the extent of any conflict.

SECTION 11. CODIFICATION. The provisions of this Ordinance shall be codified as and become and be made a part of the Code of Ordinances of the City of Deltona. The sections of this Ordinance may be renumbered or re-lettered to accomplish such intention.

SECTION 12. SEVERABILITY. In the event that any portion or section of this Ordinance is determined to be invalid, illegal or unconstitutional by a court of competent jurisdiction, such decision shall in no manner affect the remaining portions or sections of this Ordinance on which shall remain in full force and effect.

SECTION 13. EFFECTIVE DATE. This Ordinance shall take effect immediately upon its final passage and adoption.

PASSED AND ADOPTED THIS ____ DAY OF _____, 2016.

FIRST READING: _____

ADVERTISED: _____

SECOND READING: _____

_____

JOHN C. MASIARCZYK SR., MAYOR

ATTEST:

_____

JOYCE RAFTERY, CITY CLERK

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

_____

GRETCHEN R. H. VOSE, CITY ATTORNEY

City of Deltona

2345 Providence Blvd.
Deltona, FL 32725

Agenda Memo

AGENDA ITEM: C.

TO: Mayor and Commission **AGENDA DATE:** 5/16/2016

FROM: Jane K. Shang, City Manager **AGENDA ITEM:** 9 - C

SUBJECT:
Request for approval of Resolution No. 2016-23, approval Indicating General Support of a Proposed Volusia Governments' Water Resources Compact - Becky Vose, Legal Department (407) 448-0111.

Strategic Goal: Economic Development

LOCATION:
City-wide

BACKGROUND:
Each of the municipalities in Volusia County and unincorporated Volusia County have numerous water issues that are key to the sustainability and growth of Volusia County and each of its municipalities. The Volusia Governments can most effectively address water issues together and with a united front to address the myriad common concerns shared by the Volusia Governments. The City of Deltona is generally supportive of a proposed Volusia Governments' Water Resource Compact and will work with the other governments of Volusia County to draft and effectuate such a compact in the future for the benefit of all of Volusia County and its citizens, while retaining its power to govern its own jurisdictional area.

COST:
N/A

SOURCE OF FUNDS:
N/A

ORIGINATING DEPARTMENT:
Legal Department

STAFF RECOMMENDATION PRESENTED BY:
Becky Vose, City Attorney - Staff recommends consideration of Resolution No. 2016-23, indicating general support of a proposed Volusia Governments' Water Resources Compact.

POTENTIAL MOTION:
"I hereby move to approve Resolution No. 2016-23, indicating general support of a proposed Volusia Governments' Water Resources Compact."

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RESOLUTION NO. 2016-23

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF DELTONA, FLORIDA, INDICATING GENERAL SUPPORT OF A PROPOSED VOLUSIA GOVERNMENTS' WATER RESOURCES COMPACT, AND PROVIDING FOR CONFLICTS AND AN EFFECTIVE DATE.

WHEREAS, each of the municipalities in Volusia County and unincorporated Volusia County have numerous water issues that are key to the sustainability and growth of Volusia County and each of its municipalities (hereinafter "Volusia Governments"); and

WHEREAS, the Volusia Governments face pressing water issues, including, but not limited to those relating to septic tank replacements through sewer treatment expansion, wastewater and re-use water, potable water supply, water quality projects to protect the Indian River Lagoon, the Halifax River, the St. Johns River, and the Outstanding Florida Springs (Blue, DeLeon, Gemini); and

WHEREAS, the Volusia Governments can most effectively address water issues together and with a united front to address the myriad common concerns shared by the Volusia Governments;

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

SECTION 1: The City of Deltona is generally supportive of a proposed Volusia Governments' Water Resource Compact and will work with the other governments of Volusia County to draft and effectuate such a compact in the future for the benefit of all of Volusia County and its citizens.

SECTION 2. The indication of support as set forth herein, is contingent upon the final drafting and adoption of the compact by the Deltona City Commission and the other governments of Volusia County, Florida.

SECTION 3. Conflicts. All resolutions or parts of resolutions in conflict herewith be and the same are hereby repealed.

SECTION 4. Effective Date. This resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED BY THE CITY COMMISSION OF THE CITY OF DELTONA, FLORIDA, THIS _____ DAY OF _____, 2016.

_____

JOHN C. MASIARCZYK, SR., Mayor

ATTEST:

_____

JOYCE RAFTERY, City Clerk

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

_____

GRETCHEN R. H. VOSE, City Attorney

VOLUSIA GOVERNMENTS WATER RESOURCES COMPACT

WHEREAS, each of the municipalities in Volusia County and unincorporated Volusia County have numerous water issues that are key to the sustainability and growth of Volusia County and each of its municipalities (hereinafter "Volusia Governments"); and

WHEREAS, the Volusia Governments face pressing water issues, including, but not limited to those relating to septic tank replacements through sewer treatment expansion, wastewater and re-use water, potable water supply, water quality projects to protect the Indian River Lagoon, the Halifax River, the St. Johns River, and the Outstanding Florida Springs (Blue, DeLeon, Gemini) ; and

WHEREAS, the Volusia Governments can most effectively address water issues together and with a united front to address the myriad common concerns shared by the Volusia Governments;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARDS OF EACH OF THE VOLUSIA GOVERNMENTS:

SECTION 1: "The Compact" shall refer to this document, and the collective efforts undertaken in furtherance of the aims of each of the Volusia Governments.

SECTION 2: The Volusia Governments commit to support the following activities:

- Development of and advocacy for joint positions on federal and state legislation, regulations, and administrative policies pertaining to water issues, including, but not limited to, those relating to septic tank replacements through sewer treatment expansion, wastewater and re-use water, potable water supply, water quality projects to protect the Indian River Lagoon, the Halifax River, the St. Johns River, and the Outstanding Florida Springs (Blue, DeLeon, Gemini).
- Creation of common regional baseline information, relating to all relevant water issues.
- Convocation of an annual Volusia Governments Water Summit.
- Development of a Regional Water Action Plan, including strategies to accomplish the common goals of the Volusia County Governments relating to water issues, to be revised every five years from the date of publication of the first Action Plan.
- Solicitation of external funding and resources to support Compact initiatives.
- Establishment of an enduring organizational structure for the Compact, subject to the approval of each of the Volusia Governments to facilitate Compact work, enhance the strong relationships among the Compact governments, and improve the Compact's competitiveness in seeking external funding and resources.

SECTION 3. The Volusia Governments will continue to support and foster expanded public, private, and nonprofit engagement in Compact initiatives at the local, regional, state, national, and international levels, with an emphasis on communications, partnerships, and capacity building.

SECTION 4. In pursuit of the common aims of the Volusia Governments under the Compact, each such government pledges not to work at cross-purposes with the other governments. However, nothing in this document shall be deemed to limit the power of each governmental entity to govern its respective jurisdictional area.

SECTION 5. The commitments contained herein shall not be effective until approved through the required procedures of each respective member of the Compact.

City of Deltona

2345 Providence Blvd.
Deltona, FL 32725

Agenda Memo

AGENDA ITEM: D.

TO: Mayor and Commission **AGENDA DATE:** 5/16/2016

FROM: Jane K. Shang, City Manager **AGENDA ITEM:** 9 - D

SUBJECT:
Request for approval of Resolution No. 2016-25, declaring certain real property of the City of Deltona as surplus and authorizing the sale or disposal of such property - Becky Vose, Legal Department (407) 448-0111.

Strategic Goal: Beautification

LOCATION:
1787 Fort Smith Boulevard, Deltona

BACKGROUND:
The City of Deltona is the owner of a house located at 1787 Fort Smith Boulevard, Deltona, Volusia County, Florida. The City acquired the property in April, 2003 along with other properties to create a water retention pond to provide relief from flooding in the area. The other properties acquired at the same time, which were on Beechdale Drive, were demolished and used for the retention pond. The Fort Smith property has remained vacant for the last 13 years and has been going down in value due to deterioration. The roof in now in very bad shape and will have to be replaced if the City keeps the property. There is interest by an investor to purchase the property.

This is real property that is not needed to serve any municipal purpose and therefore the City considers it to be surplus.

COST:
N/A

SOURCE OF FUNDS:
N/A

ORIGINATING DEPARTMENT:
Legal Department

STAFF RECOMMENDATION PRESENTED BY:
Becky Vose, City Attorney - That the City Commission adopt Resolution No. 2016-25 declaring certain real property at 1787 Fort Smith Boulevard as surplus and authorizing the sale or disposal of such property.

POTENTIAL MOTION:

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AGENDA ITEM: D.

“I move to adopt Resolution No. 2016-25 declaring certain real property at 1787 Fort Smith Boulevard as surplus and authorizing the sale or disposal of such property.”

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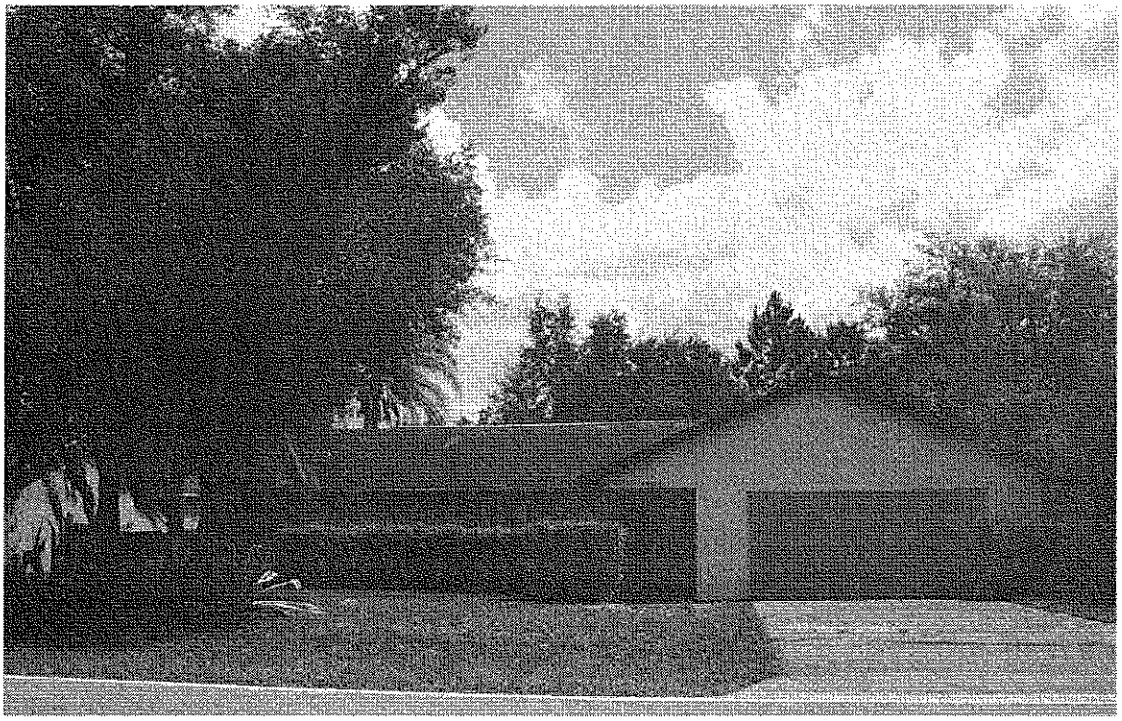


LOCATED AT

1787 Fort Smith Blvd
Deltona, FL 32725
Lot 24 Block 345 Deltona Lakes Unit 9

FOR

City of Deltona
2345 Providence Blvd., Deltona FL 32725

AS OF

July 22, 2015

BY

Lonna K. Heffington
Heffington And Associates
911 Beville Rd
Daytona Beach, FL 32119
815 Lake Dr
DeLand FL 32724
386-738-1411
DeLand@Heffingtonandassociates.com

SUBJECT

Neighborhood Name North/Central Deltona | Map Reference 19660 | Census Tract 0910.27

Occupant ☐ Owner ☐ Tenant ☒ Vacant | Special Assessments $ 0 | ☐ PUD HOA $ ☐ per year ☐ per month

Property Rights Appraised ☒ Fee Simple ☐ Leasehold ☐ Other (describe)

Assignment Type ☐ Purchase Transaction ☐ Refinance Transaction ☒ Other (describe) For client purposes

Lender/Client City of Deltona | Address 2345 Providence Blvd., Deltona FL 32725

Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? ☐ Yes ☒ No

Report data source(s) used, offering price(s), and date(s). MLS 7/21/2015

CONTRACT

I ☐ did ☐ did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed. Not Applicable

Contract Price $ | Date of Contract | Is the property seller the owner of public record? ☐ Yes ☐ No Data Source(s)

Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? ☐ Yes ☐ No

If Yes, report the total dollar amount and describe the items to be paid.

NEIGHBORHOOD

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics			One-Unit Housing Trends			One-Unit Housing			Present Land Use %	
Location	☐ Urban	☒ Suburban ☐ Rural	Property Values	☐ Increasing	☒ Stable ☐ Declining	PRICE		AGE	One-Unit	90 %
Built-Up	☒ Over 75%	☐ 25-75% ☐ Under 25%	Demand/Supply	☐ Shortage	☒ In Balance ☐ Over Supply	$ (000)		(yrs)	2-4 Unit	%
Growth	☐ Rapid	☒ Stable ☐ Slow	Marketing Time	☒ Under 3 mths	☐ 3-6 mths ☐ Over 6 mths	50	Low	6	Multi-Family	%
Neighborhood Boundaries	N) Howland Blvd E) Montecito Ave S) Newmark Ave W) Urbana Ave					150	High	40	Commercial	5 %
						110	Pred.	30	Other	5 %

Neighborhood Description Deltona is a 42 square mile subdivision which became a city in the mid 1990s. The development began in the late 1960's and progressed from west to east, with the subject's neighborhood being developed primarily in the 1980's. "Other" 5% land use development is churches and vacant land.

Market Conditions (including support for the above conclusions) After rapid inflation the market slowed in 2006 and began a decline, but stabilized in the middle of 2011. Interest rates are historically low and this appears to be helping the market. Local Realtors and sales reports indicate that the market may be increasing; but, at this time, this office is not making Market Conditions adjustments.

SITE

Dimensions 78+/- x 175+/- | Area 13,650 sf | Shape Irregular Rectangle | View Retent'nPond/Busy Rd

Specific Zoning Classification R-1 | Zoning Description Single Family Residential

Zoning Compliance ☒ Legal ☐ Legal Nonconforming (Grandfathered Use) ☐ No Zoning ☐ Illegal (describe)

Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? ☒ Yes ☐ No If No, describe

Utilities	Public	Other (describe)		Public	Other (describe)	Off-site Improvements - Type	Public	Private
Electricity	☒	☐	Water	☒	☐	Street Asphalt	☒	☐
Gas	☐	☐ None	Sanitary Sewer	☐	☒ Septic	Alley None	☐	☐

FEMA Special Flood Hazard Area ☒ Yes ☐ No | FEMA Flood Zone AE | FEMA Map # 12127C0640J | FEMA Map Date 2/19/2014

Are the utilities and off-site improvements typical for the market area? ☒ Yes ☐ No If No, describe

Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? ☐ Yes ☒ No If Yes, describe

This home was flooded during a period of excess rain, prior to 2003. According to the City of Deltona and the engineers involved, since that time, the water runoff which created the problem has been rectified. This appraisal assumes that there is no longer a flooding problem.

IMPROVEMENTS

General Description		Foundation		Exterior Description	materials/condition	Interior	materials/condition
Units	☒ One ☐ One with Accessory Unit	☒ Concrete Slab	☐ Crawl Space	Foundation Walls	CB/Avg	Floors	Vinyl,Carpet/Poor
# of Stories	1	☐ Full Basement	☐ Partial Basement	Exterior Walls	Stucco ov CB/Avg(-)	Walls	Drywall/Fair
Type	☒ Det. ☐ Att. ☐ S-Det./End Unit	Basement Area	0 sq.ft.	Roof Surface	Comp Shgl/Poor	Trim/Finish	Wood/Avg
☒ Existing	☐ Proposed ☐ Under Const.	Basement Finish	0 %	Gutters & Downspouts	Yes/Avg (-)	Bath Floor	Vinyl/Fair
Design (Style)	Ranch	☐ Outside Entry/Exit	☐ Sump Pump	Window Type	SH and Sliders/Avg	Bath Wainscot	Ceramic/Avg
Year Built	1981	Evidence of ☐ Infestation		Storm Sash/Insulated	No	Car Storage	☐ None
Effective Age (Yrs)	40	☐ Dampness	☐ Settlement	Screens	Yes/Avg	☒ Driveway	# of Cars 2
Attic	☐ None	Heating ☐ FWA	☐ HWBB ☐ Radiant	Amenities	☐ Woodstove(s) # 0	Driveway Surface	Concrete
☐ Drop Stair	☐ Stairs	☒ Other Missing	Fuel Elec	☒ Fireplace(s) # 1	☐ Fence None	☒ Garage	# of Cars 2
☐ Floor	☒ Scuttle	Cooling ☐ Central Air Conditioning		☐ Patio/Deck None	☐ Porch Screened	☐ Carport	# of Cars 0
☐ Finished	☐ Heated	☐ Individual	☒ Other Missing	☐ Pool None	☒ Other None	☒ Att.	☐ Det. ☐ Built-in

Appliances ☐ Refrigerator ☐ Range/Oven ☐ Dishwasher ☐ Disposal ☐ Microwave ☐ Washer/Dryer ☐ Other (describe)

Finished area **above** grade contains: 6 Rooms 3 Bedrooms 2 Bath(s) 1,702 Square Feet of Gross Living Area Above Grade

Additional features (special energy efficient items, etc.). None

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). This home is located in an area which flooded in previous years due to runoff from adjoining areas. The house was damaged and was purchased by the city in 2003. In its current condition, it needs 1) a new roof and replacement of some soffit areas, 2) repair of damaged drywall in the master bath, behind one bedroom door and on the ceiling in the garage. 3) replacement of appliances, missing water heater and missing CHAC units, 4) fresh interior paint, 5) new floor coverings throughout, 6) repair of screening and removal of debris on screened porch and repair of damaged aluminum at ceiling line.

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? ☒ Yes ☐ No If Yes, describe

Please see above description of the condition of this property.

SALES COMPARISON APPROACH

Proximity to Subject				1.95 miles E				2.74 miles S			4.02 miles NE	
Sale Price	$					$ 34,000			$ 53,000			$ 56,000
Sale Price/Gross Liv. Area	$		sq.ft.	$ 26.94	sq.ft.		$ 33.27	sq.ft.		$ 37.94	sq.ft.	
Data Source(s)				MLS#V4704163			MLS#V4701713			MLS#V4700742		
Verification Source(s)				VolCnty PubRecds/ Realtor			VolCnty PubRecds			VolCnty PubRecds		
VALUE ADJUSTMENTS	DESCRIPTION			DESCRIPTION		+(-) $ Adjustment	DESCRIPTION		+(-) $ Adjustment	DESCRIPTION		+(-) $ Adjustment
Sales or Financing				Cash			Cash			Cash		
Concessions				None			None			None		
Date of Sale/Time				Closed 3/2015			Closed 10/2014			Closed 10/2014		
Location	Deltona Unit 9			Deltona Unit 45		0	Deltona Unit 12		0	Deltona Unit 32		0
Leasehold/Fee Simple	Fee Simple			Fee Simple			Fee Simple			Fee Simple		
Site	13,650 sf			10,000 sf		+2,000	10,000 sf		+2,000	10,000 sf		+2,000
View	Retent'nPond/Busy Rd			Avg Residential		0	Avg Residential		0	Avg Residential		0
Design (Style)	Ranch			Ranch			Ranch			Ranch		
Quality of Construction	CB Stucco/Avg			CB Stucco/Avg			CB Stucco/Avg			CB Stucco/Avg		
Actual Age	34			34			35		0	23		0
Condition	Fair			Fire Damage		+10,000	Fair			Avg (-)		-10,000
Above Grade	Total	Bdrms.	Baths	Total	Bdrms.	Baths	Total	Bdrms.	Baths	Total	Bdrms.	Baths
Room Count	6	3	2	5	2	2	+2,000	5	3	2	0	5	3	1.1	+2,000
Gross Living Area		1,702	sq.ft.		1,262	sq.ft.	+8,800		1,593	sq.ft.	+2,200		1,476	sq.ft.	+4,500
Basement & Finished	0			None			None			None		
Rooms Below Grade	0			0			0			0		
Functional Utility	Average			Average			Average			Average		
Heating/Cooling	CHAC Missing			CHAC Missing			CHAC		-3,000	CHAC		-3,000
Energy Efficient Items	Typical			Typical			Typical			Typical		
Garage/Carport	2 Car Garage			VyLg 2C Garg		-2,000	2 Car Garage			1 Car Garage		+2,000
Porch/Patio/Deck	Screened Pch			Patio, Fence		+500	Screened Pch			Large Patio		+800
Extras	Fireplace			None		+1,000	Fireplace			None		+1,000
Net Adjustment (Total)				☒ + ☐ -		$ 22,300	☒ + ☐ -		$ 1,200	☐ + ☒ -		$ -700
Adjusted Sale Price				Net Adj.	65.6 %		Net Adj.	2.3 %		Net Adj.	1.3 %	
of Comparables				Gross Adj.	77.4 %	$ 56,300	Gross Adj.	13.6 %	$ 54,200	Gross Adj.	45.2 %	$ 55,300

I ☒ did ☐ did not research the sale or transfer history of the subject property and comparable sales. If not, explain

My research ☐ did ☒ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s) Public Records 7/22/2015

My research ☒ did ☐ did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data Source(s) Public Records 7/22/2015

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE #1	COMPARABLE SALE #2	COMPARABLE SALE #3
Date of Prior Sale/Transfer	Not Applicable	Not Applicable	8/2014	2/2015
Price of Prior Sale/Transfer	Not Applicable	Not Applicable	$100	$119,600
Data Source(s)	Public Records	Public Records	Public Records	Public Records
Effective Date of Data Source(s)	07/22/2015	07/22/2015	07/22/2015	07/22/2015

Analysis of prior sale or transfer history of the subject property and comparable sales There have been no prior transactions of the subject or Sale #1 in the last three years. The prior transfer of Sale #2 was a return to the lender. The prior transfer of Sale #3 was also a return to the lender.

Summary of Sales Comparison Approach The sales search included the following parameters: 1200 to 1900 square feet of living area, a one or two car garage, no pool, not short sales, in a condition that would require repairs. Of the 10 sales located in Average(-) to poor condition, five are frame construction and were eliminated. The remaining five are included in this report. These five, after adjustments, indicate a range from $52,200 to $55,900, with the highest adjusted value being Sale #1, which requires the heaviest adjustments. It is, therefore, accorded the least weight. Reconciliation is at $54,000.

Indicated Value by Sales Comparison Approach $ 54,000

Indicated Value by: Sales Comparison Approach $ 54,000 **Cost Approach (if developed) $** **Income Approach (if developed) $**

RECONCILIATION

This appraisal is made ☒ "as is", ☐ subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, ☐ subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or ☐ subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair:

SALES COMPARISON APPROACH

Sale Price/Gross Liv. Area	$ sq.ft.	$ 38.12 sq.ft.		$ 42.74 sq.ft.		$ sq.ft.	
Data Source(s)		MLS#O5313859		MLS#O5303976			
Verification Source(s)		VolCnty PubRecds		VolCnty PubRecds			
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) $ Adjustment	DESCRIPTION	+(-) $ Adjustment	DESCRIPTION	+(-) $ Adjustment
Sales or Financing		Cash		Cash			
Concessions		None		None			
Date of Sale/Time		Closed 11/2014		Closed 10/2014			
Location	Deltona Unit 9	Deltona Unit 08	0	Deltona Unit 65	0		
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple			
Site	13,650 sf	12,000 sf	+1,000	10,000 sf	+2,000		
View	Retent'nPond/Busy Rd	Avg Residential	0	Avg Residential	0		
Design (Style)	Ranch	Ranch		Ranch			
Quality of Construction	CB Stucco/Avg	CB Stucco/Avg		CB Stucco/Avg			
Actual Age	34	35	0	36	0		
Condition	Fair	Avg (-)	-10,000	Avg (-)	-10,000		
Above Grade	Total / Bdrms. / Baths	Total / Bdrms. / Baths		Total / Bdrms. / Baths		Total / Bdrms. / Baths	
Room Count	6 / 3 / 2	5 / 2 / 2	+2,000	5 / 3 / 2	0	/ /	
Gross Living Area	1,702 sq.ft.	1,574 sq.ft.	+2,600	1,404 sq.ft.	+6,000	sq.ft.	
Basement & Finished	None	None		None			
Rooms Below Grade	0						
Functional Utility	Average	Average		Average			
Heating/Cooling	CHAC Missing	CHAC	-3,000	CHAC	-3,000		
Energy Efficient Items	Typical	Typical		Typical			
Garage/Carport	2 Car Garage	2 Car Garage		2 Car Garage			
Porch/Patio/Deck	Screened Pch	Sup'rScrnd Pch	-1,000	Sup'rScrnd Pch	-1,000		
Extras	Fireplace	None	+1,000	None	+1,000		
Net Adjustment (Total)		☐ + ☒ -	$ -7,400	☐ + ☒ -	$ -5,000	☐ + ☐ -	$
Adjusted Sale Price		Net Adj. 12.3 %		Net Adj. 8.3 %		Net Adj. %	
of Comparables		Gross Adj. 34.3 %	$ 52,600	Gross Adj. 38.3 %	$ 55,000	Gross Adj. %	$

SALE HISTORY

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE # 4	COMPARABLE SALE # 5	COMPARABLE SALE # 6
Date of Prior Sale/Transfer	Not Applicable	1/2013	Not Applicable	
Price of Prior Sale/Transfer	Not Applicable	$82,000	Not Applicable	
Data Source(s)	Public Records	Public Records	Public Records	
Effective Date of Data Source(s)	07/22/2015	07/22/2015	07/22/2015	

Analysis of prior sale or transfer history of the subject property and comparable sales: The prior transfer of Sale 4 was a return to the lender.

ANALYSIS / COMMENTS

Analysis/Comments

ADDITIONAL COMMENTS

Sale Price to List Price Ratio: Typical sale price to listing price ratio, if properties are priced competitively, is 95%-100%.

Concessions: Concessions on the part of sellers can be typical, and if this information is available, sales are adjusted to reflect an As-Cash value.

Estimate of reasonable exposure time: 90 days

Additional Certification: I have performed no services as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three year period immediately preceding acceptance of this assignment.

COST APPROACH

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) The Cost Approach would not be applicable for a home the age of the subject property.

ESTIMATED ☐ REPRODUCTION OR ☐ REPLACEMENT COST NEW	OPINION OF SITE VALUE			=$
Source of cost data	DWELLING	Sq.Ft. @ $		=$
Quality rating from cost service Effective date of cost data		Sq.Ft. @ $		=$
Comments on Cost Approach (gross living area calculations, depreciation, etc.)				=$
Not Applicable	Garage/Carport	Sq.Ft. @ $		=$
	Total Estimate of Cost-New			=$
	Less Physical	Functional	External	
	Depreciation			=$( )
	Depreciated Cost of Improvements			=$
	"As-is" Value of Site Improvements			=$
Estimated Remaining Economic Life (HUD and VA only) 20 Years	**INDICATED VALUE BY COST APPROACH**			=$

INCOME

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent $ X Gross Rent Multiplier = $ Indicated Value by Income Approach

Summary of Income Approach (including support for market rent and GRM)

PUD INFORMATION

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? ☐ Yes ☐ No Unit type(s) ☐ Detached ☐ Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal Name of Project

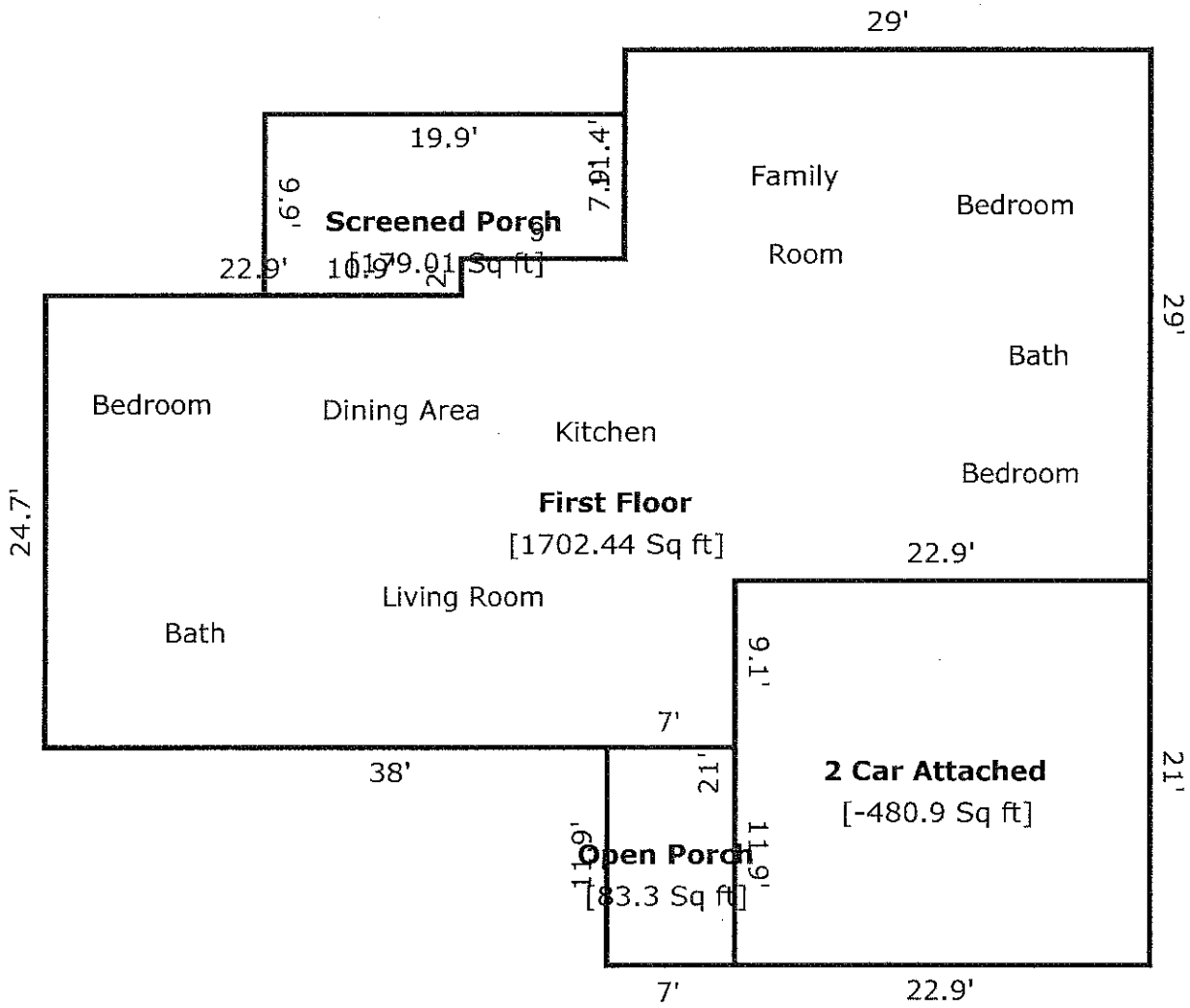
Total number of phases Total number of units Total number of units sold

Total number of units rented Total number of units for sale Data source(s)

Was the project created by the conversion of existing building(s) into a PUD? ☐ Yes ☐ No If Yes, date of conversion.

Does the project contain any multi-dwelling units? ☐ Yes ☐ No Data Source

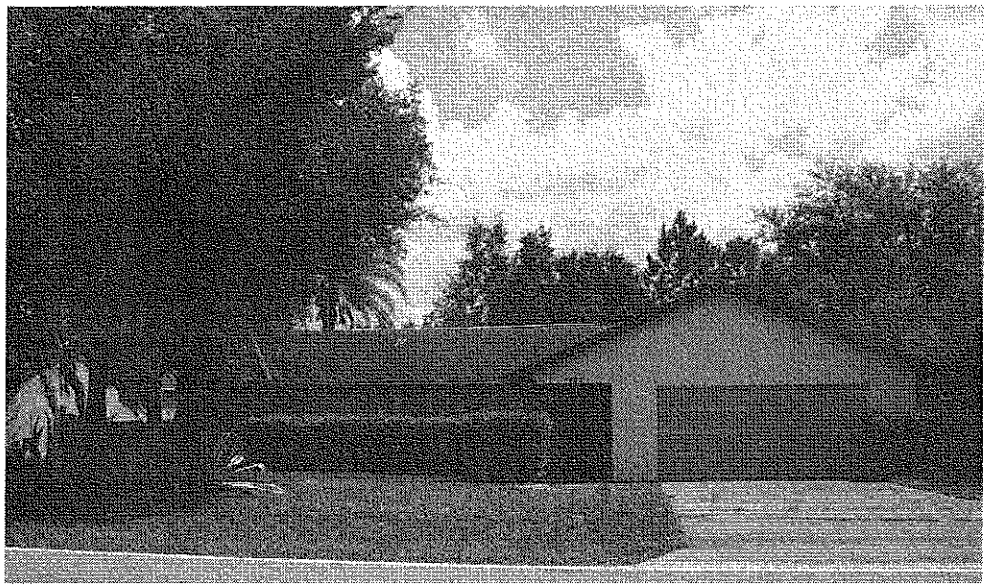
Are the units, common elements, and recreation facilities complete? ☐ Yes ☐ No If No, describe the status of completion.



TOTAL Sketch by a la mode, inc.

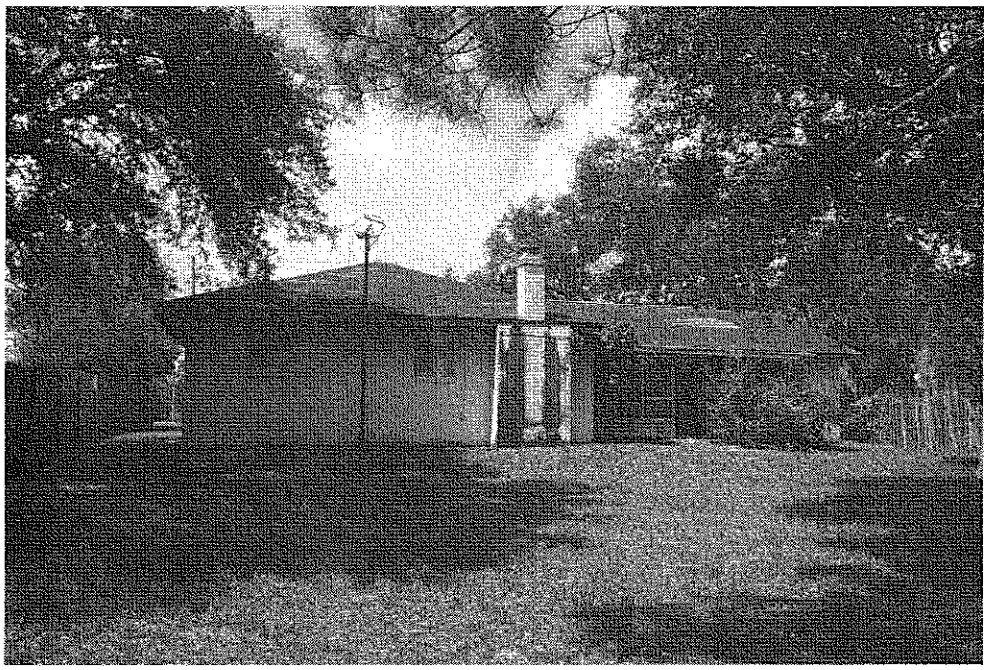
Area Calculations Summary

Living Area		**Calculation Details**
First Floor	1702.44 Sq ft	24.7 × 22.9 = 565.63
		29 × 22.9 = 664.1
		15.1 × 26.7 = 403.17
		11.4 × 6.1 = 69.54
2 Car Attached	-480.9 Sq ft	22.9 × 21 = 480.9
Total Living Area (Rounded):	**1702 Sq ft**	
Non-living Area		
Open Porch	83.3 Sq ft	7 × 11.9 = 83.3
Screened Porch	179.01 Sq ft	9.9 × 10.9 = 107.91



1787 Fort Smith Blvd

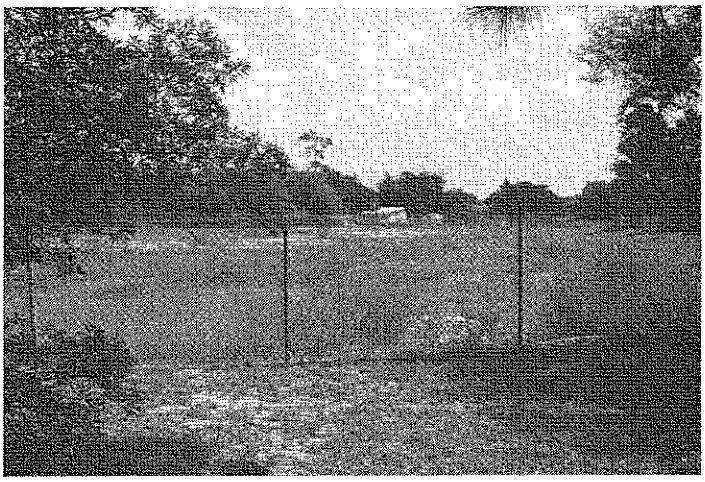
Sales Price	
G.L.A.	1,702
Tot. Rooms	6
Tot. Bedrms.	3
Tot. Bathrms.	2
Location	Deltona Unit 9
View	Retent'nPond/Busy Rd
Site	13,650 sf
Quality	CB Stucco/Avg
Age	34



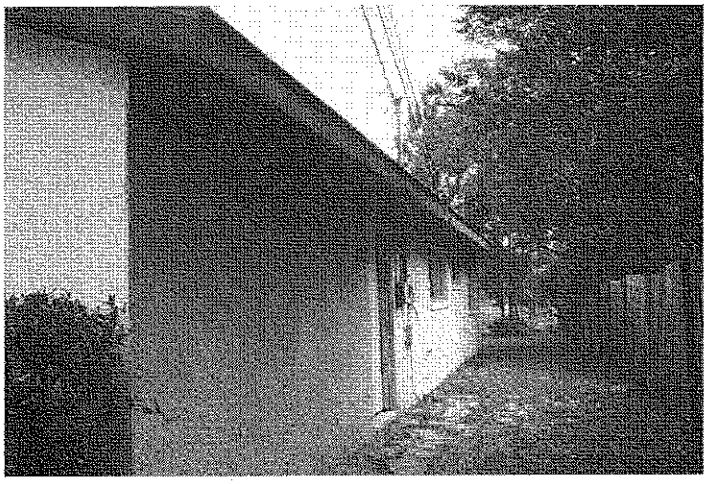
Subject Rear

Subject Street

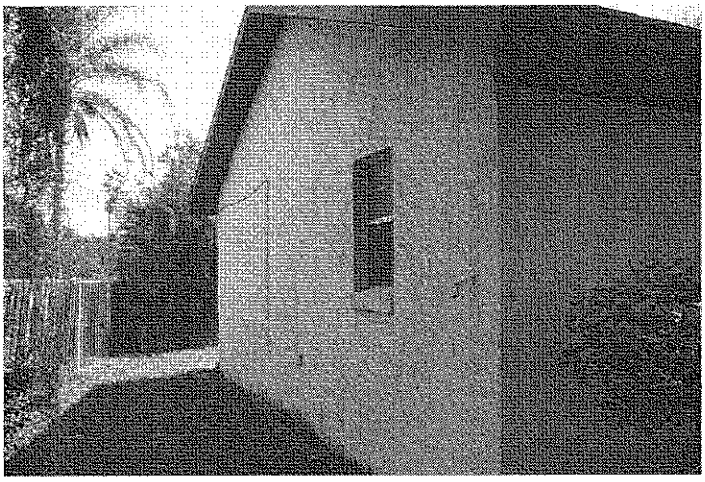
View Across The Road



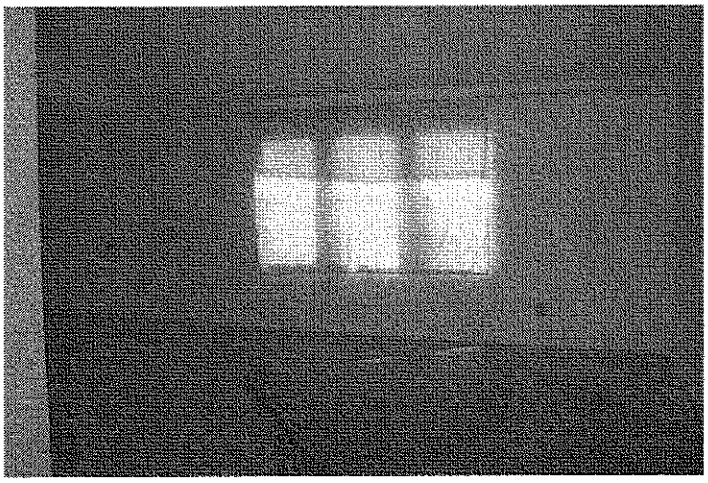
Retention Area Behind Property

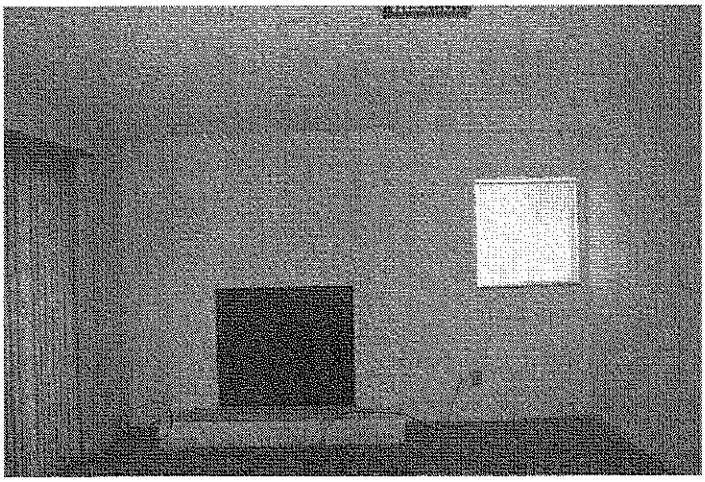


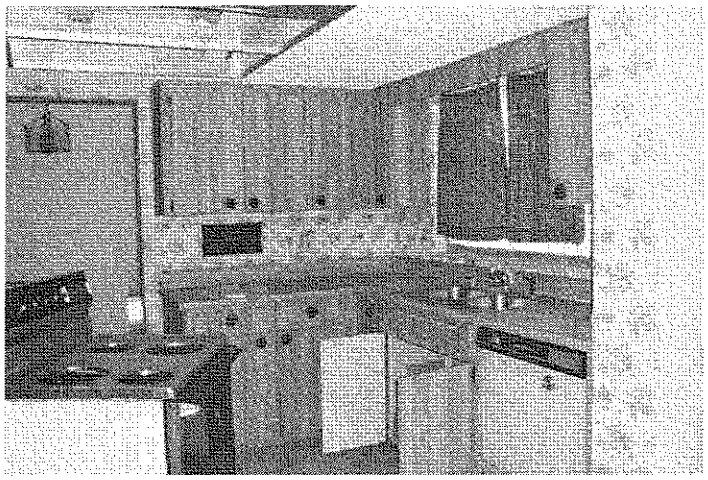
Right Side of Home



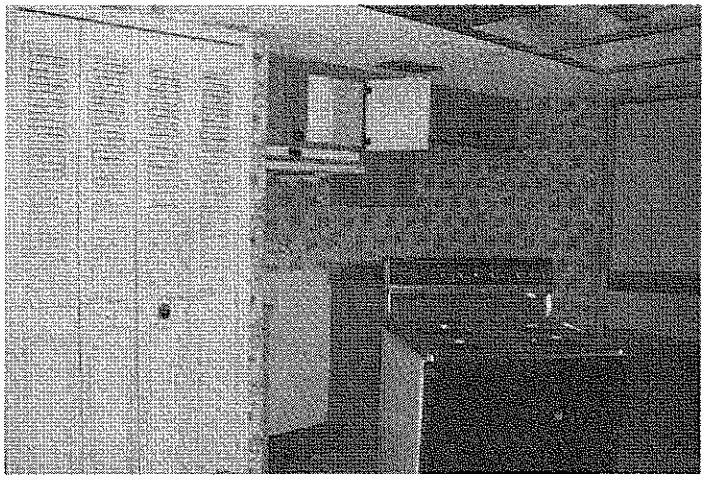
Left Side of Home



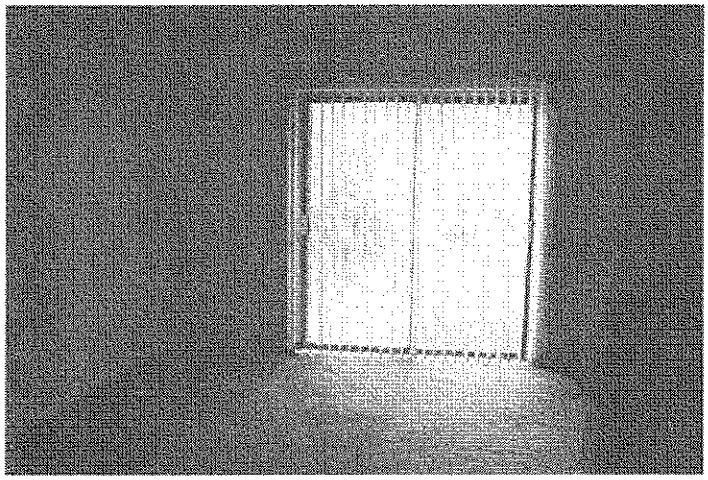




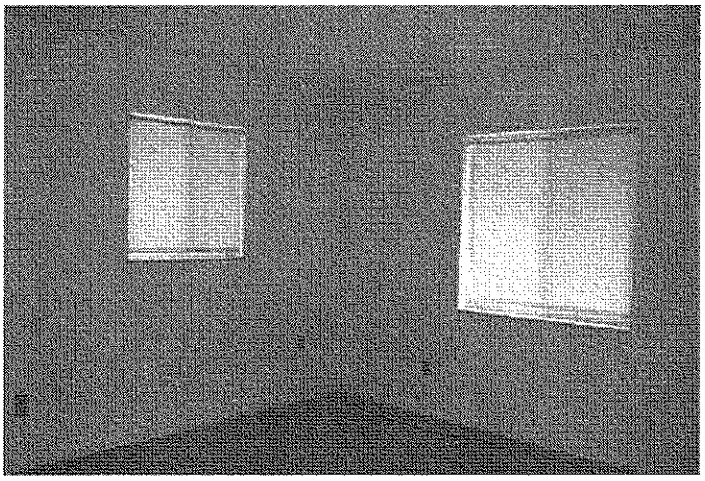
Kitchen



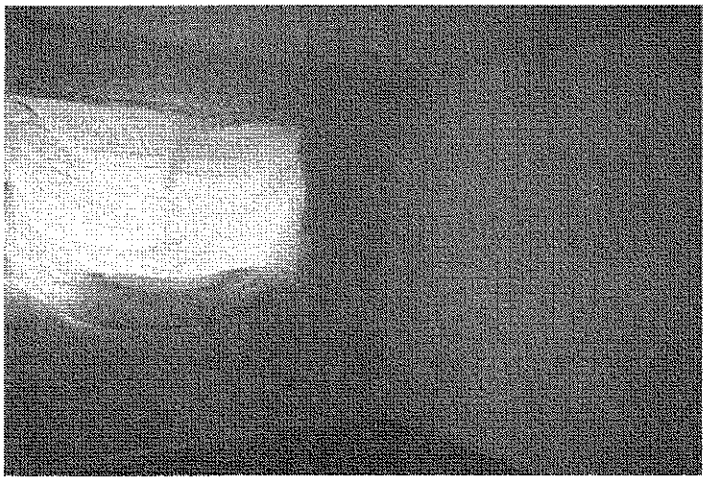
Additional View of Kitchen

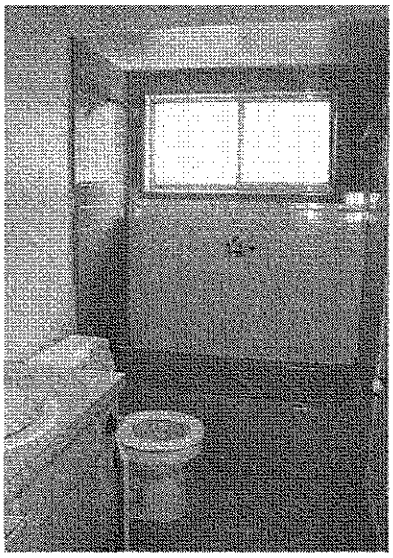


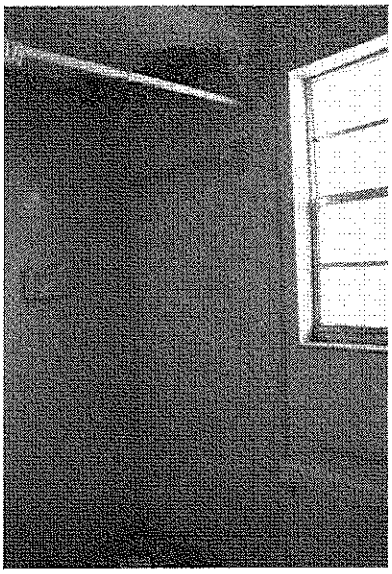
Master Bedroom



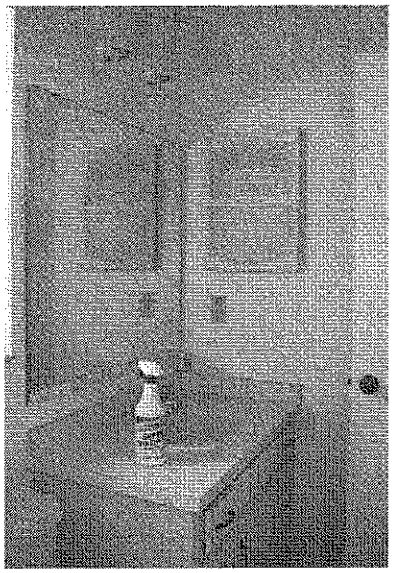
Additional Bedroom



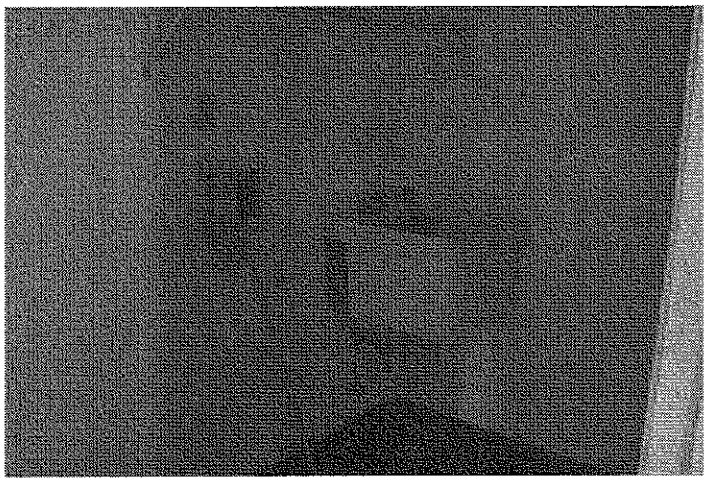




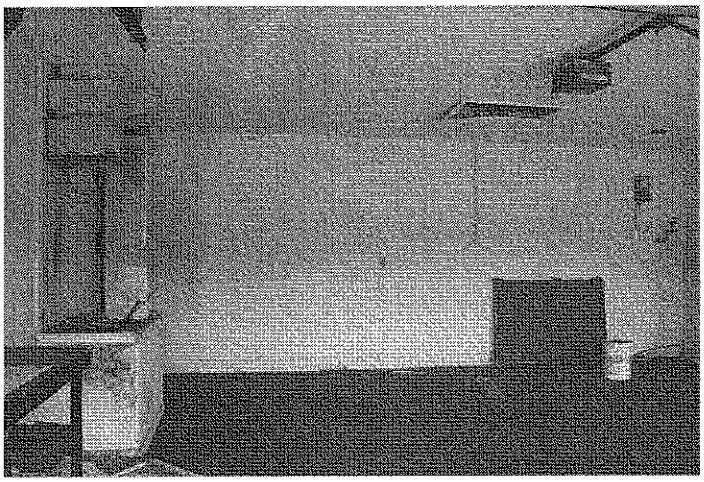
Master Bath (note ceiling damage)



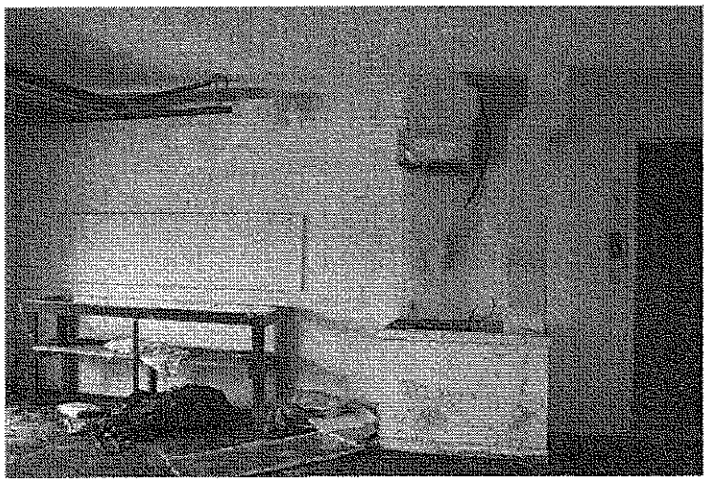
Master Bath

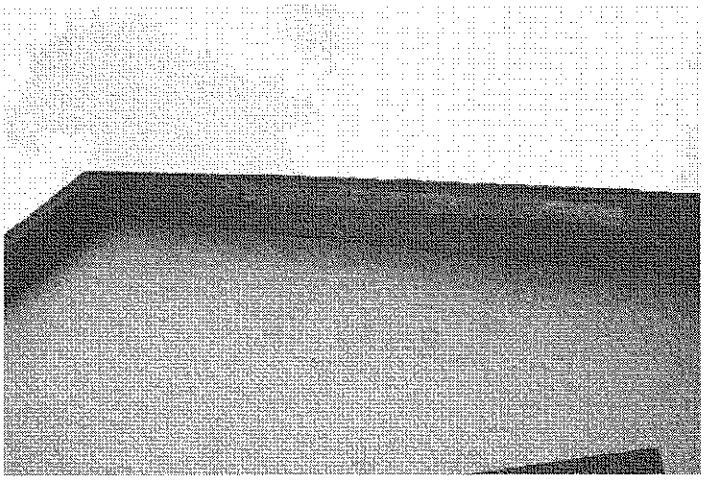


Laundry Room



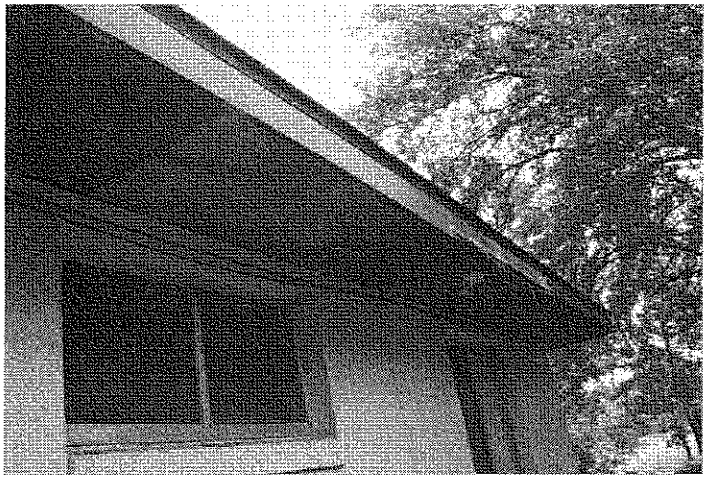
View of Garage



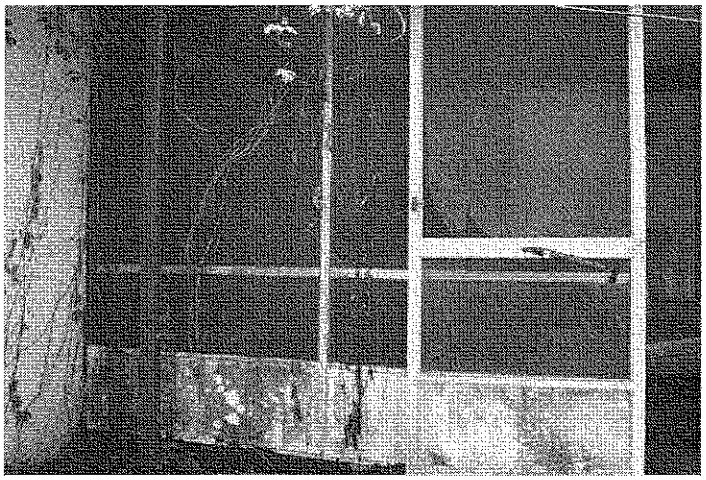


Photograph Addendum

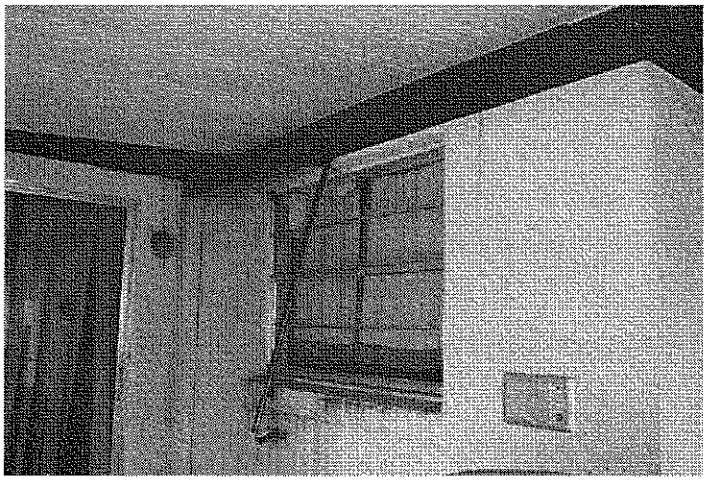
Borrower	Client: City of Deltona						
Property Address	1787 Fort Smith Blvd						
City	Deltona	County	Volusia	State	FL	Zip Code	32725
Lender/Client	City of Deltona						



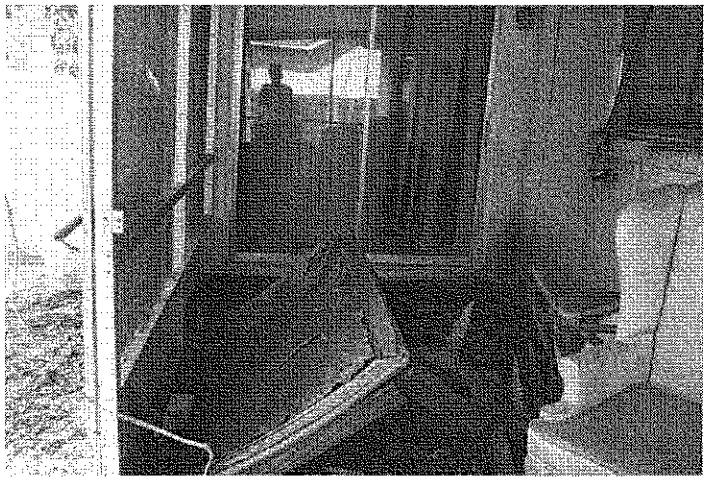
Soffit Damage



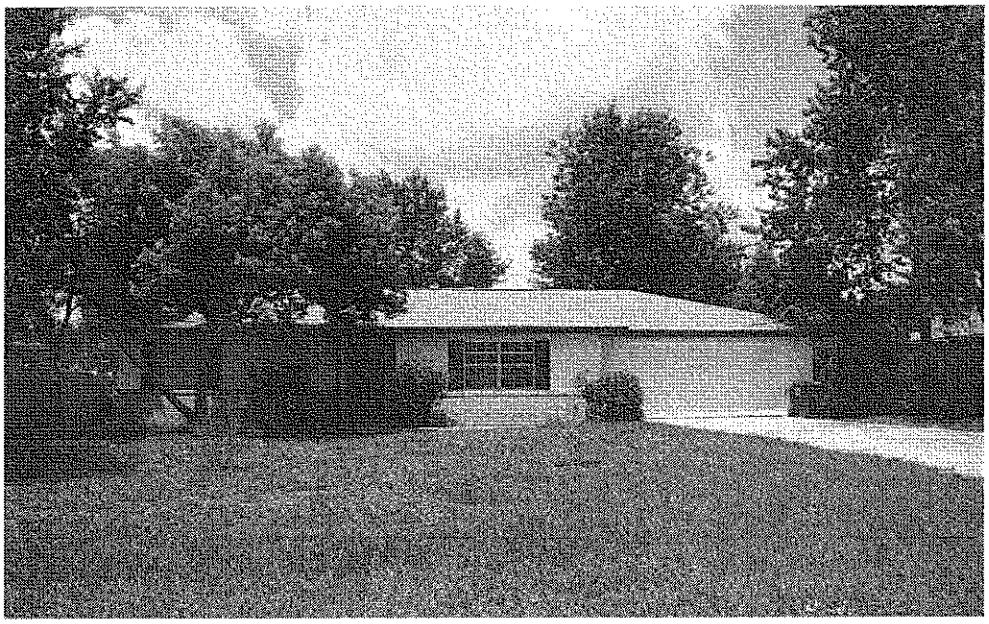
View of Torn Screen on Screened Porch



Interior of Screened Porch

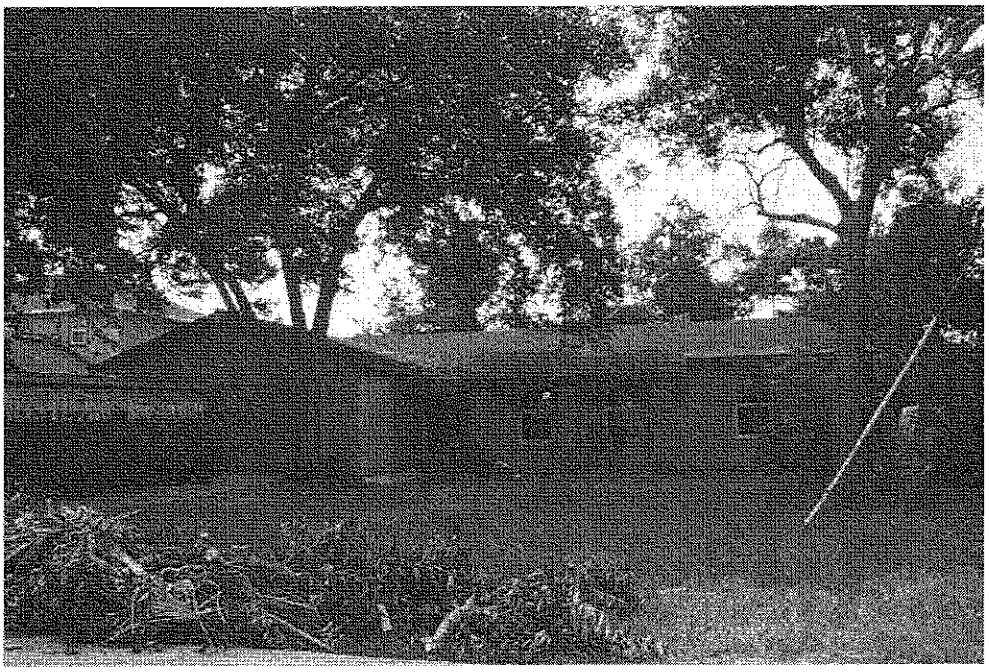


Interior of Screened Porch



1690 Dublin Rd

Proximity	1.95 miles E
Sale Price	34,000
GLA	1,262
Total Rooms	5
Total Bedrms	2
Total Bathrms	2
Location	Deltona Unit 45
View	Avg Residential
Site	10,000 sf
Quality	CB Stucco/Avg
Age	34



Comparable 2

989 Windbrook Dr

Proximity	2.74 miles S
Sale Price	53,000
GLA	1,593
Total Rooms	5
Total Bedrms	3
Total Bathrms	2
Location	Deltona Unit 12
View	Avg Residential
Site	10,000 sf
Quality	CB Stucco/Avg
Age	35

Property is being renovated.

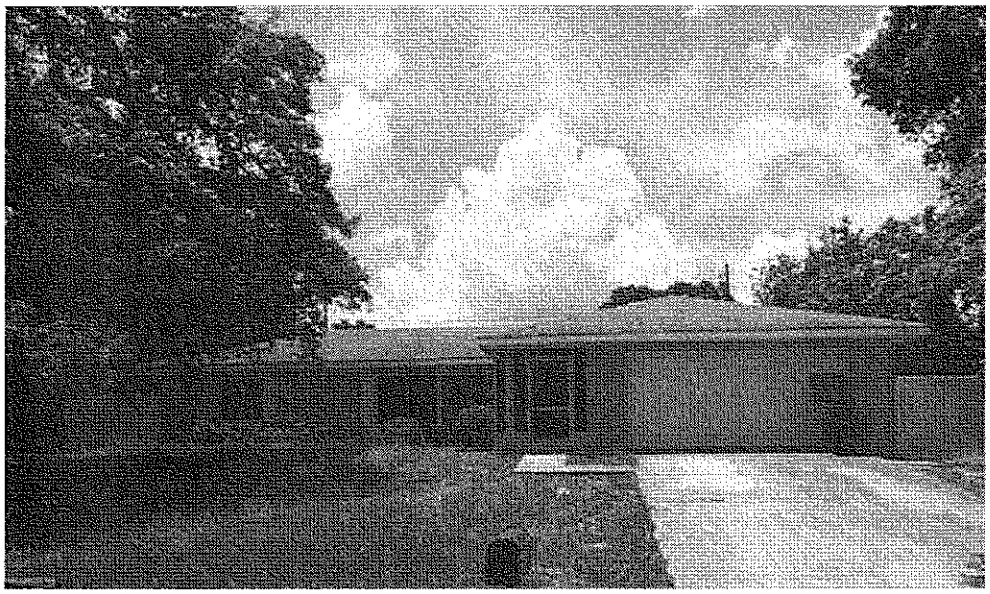
Comparable 3

2776 S Slater Dr

Proximity	4.02 miles NE
Sale Price	56,000
GLA	1,476
Total Rooms	5
Total Bedrms	3
Total Bathrms	1.1
Location	Deltona Unit 32
View	Avg Residential
Site	10,000 sf
Quality	CB Stucco/Avg
Age	23

961 Sylvia Dr

Proximity	1.03 miles NW
Sale Price	60,000
GLA	1,574
Total Rooms	5
Total Bedrms	2
Total Bathrms	2
Location	Deltona Unit 08
View	Avg Residential
Site	12,000 sf
Quality	CB Stucco/Avg
Age	35

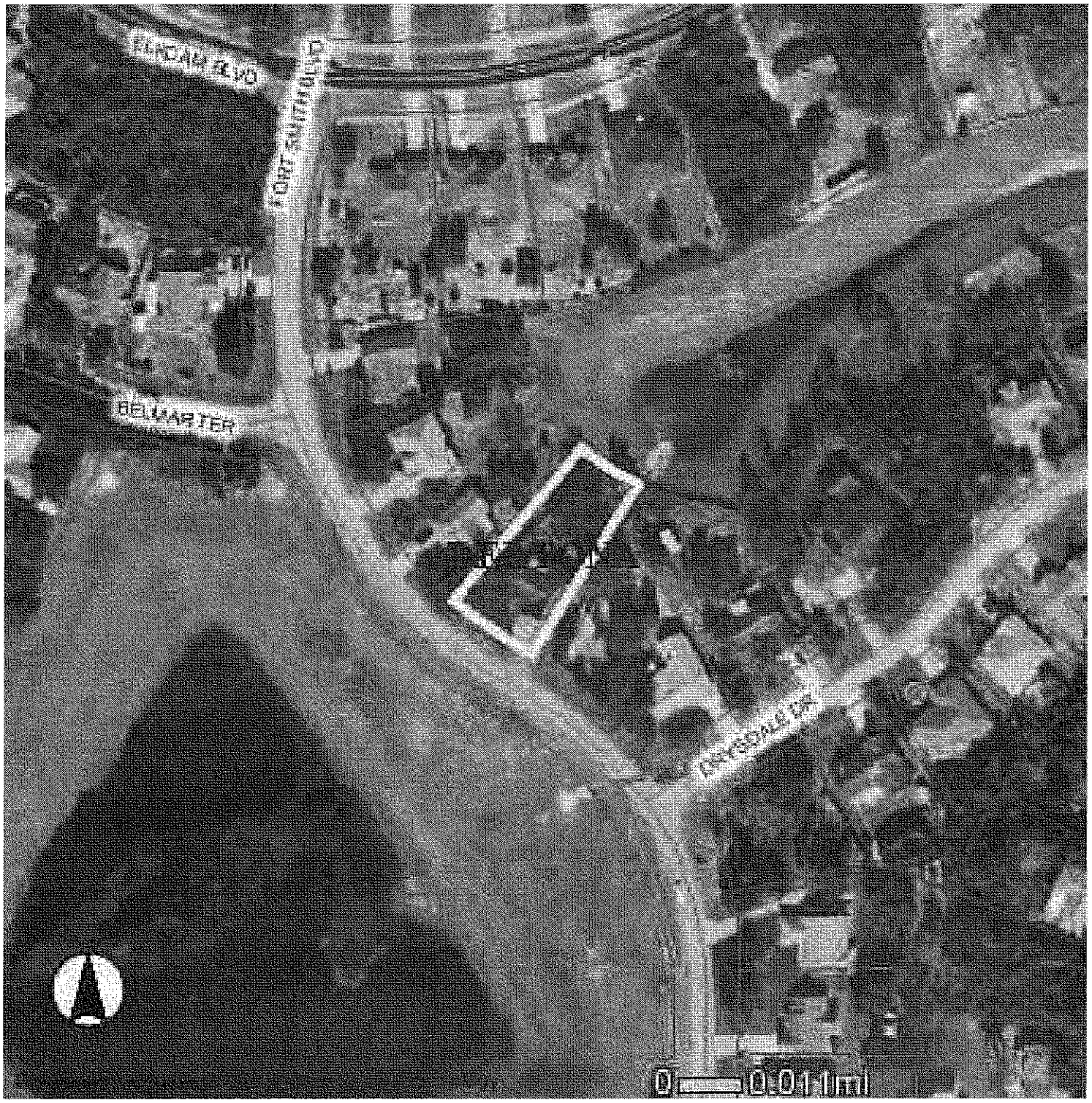


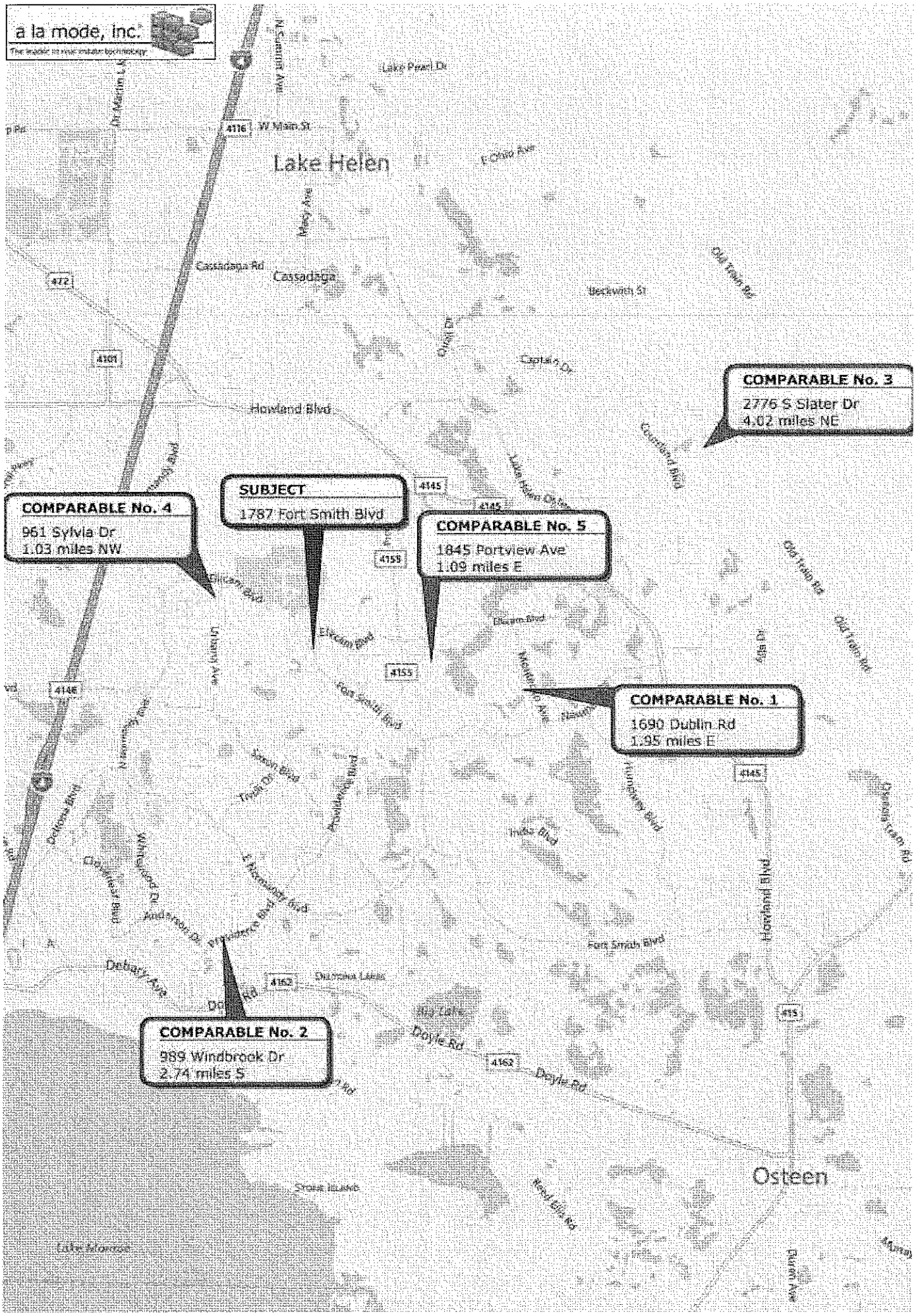
Comparable 5

1845 Portview Ave

Proximity	1.09 miles E
Sale Price	60,000
GLA	1,404
Total Rooms	5
Total Bedrms	3
Total Bathrms	2
Location	Deltona Unit 65
View	Avg Residential
Site	10,000 sf
Quality	CB Stucco/Avg
Age	36

No remodeling in this photo


BROAD BLVD
FORT SUMTER DR
BELVARTER
0 0.01 mi


a la mode, inc.
Lake Helen
Cassadaga
Howland Blvd
Fort Smith Blvd
Doyle Rd
Osteen
SUBJECT
1787 Fort Smith Blvd
COMPARABLE No. 1
1690 Dublin Rd
1.95 miles E
COMPARABLE No. 2
989 Windbrook Dr
2.74 miles S
COMPARABLE No. 3
2776 S Slater Dr
4.02 miles NE
COMPARABLE No. 4
961 Sylvia Dr
1.03 miles NW
COMPARABLE No. 5
1845 Portview Ave
1.09 miles E

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.

2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.

3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.

4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.

5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing the appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.

6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.

3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.

4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.

5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.

6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.

7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.

8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.

9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.

10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.

11. I have knowledge and experience in appraising this type of property in this market area.

12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.

13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.

14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.

15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.

16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.

17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.

18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).

19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.

obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.

2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.

3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.

4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.

5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature
Name Lonna K. Heffington
Company Name Heffington And Associates
Company Address 911 Beville Rd Daytona Beach, FL 32119

Telephone Number 386-738-1411
Email Address DeLand@Heffingtonandassociates.com
Date of Signature and Report 07/23/2015
Effective Date of Appraisal July 22, 2015
State Certification # RZ 100
or State License #
or Other (describe) State #
State FL
Expiration Date of Certification or License 11/30/2016

ADDRESS OF PROPERTY APPRAISED
1787 Fort Smith Blvd
Deltona, FL 32725
APPRAISED VALUE OF SUBJECT PROPERTY $ 54,000

LENDER/CLIENT
Name
Company Name City of Deltona
Company Address 2345 Providence Blvd., Deltona FL 32725

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature
Name
Company Name
Company Address

Telephone Number
Email Address
Date of Signature
State Certification #
or State License #
State
Expiration Date of Certification or License

SUBJECT PROPERTY

☐ Did not inspect subject property
☐ Did inspect exterior of subject property from street
Date of Inspection
☐ Did inspect interior and exterior of subject property
Date of Inspection

COMPARABLE SALES

☐ Did not inspect exterior of comparable sales from street

RICK SCOTT, GOVERNOR

KEN LAWSON, SECRETARY

STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA REAL ESTATE APPRAISAL BD

LICENSE NUMBER
RD1344

The CERTIFIED RESIDENTIAL APPRAISER
Named below IS CERTIFIED
Under the provisions of Chapter 475 FS
Expiration date: NOV 30, 2016

HEFFINGTON, LONNA K
815 LAKE DR
DE LAND FL 32724

ISSUED: 10/29/2014

DISPLAY AS REQUIRED BY LAW

SEQ # L1410290003849

QUALIFICATIONS OF THE APPRAISER

LONNA K. HEFFINGTON
DELAND, FL 32724
ST.CERT.RES.REA #0001344
DeLand@HeffingtonAndAssociates.com

BUSINESS AND PROFESSIONAL AFFILIATIONS:

Certified Residential Appraiser, 1992
Registered Real Estate Salesman - State of Florida
Member, DeLand West Volusia Board of Realtors
Member, National Association of Realtors
Member, Florida Association of Realtors

EDUCATION

University of Kentucky, B.A. - Bachelor of Arts Degree, 1964
Appraisal Institute:
Course 8-2: Residential Valuation
Course 102: Residential Valuation
Real Estate Salesman Course: Watson Realty
Continuing Education as required by law

APPRAISAL EXPERIENCE:

Heffington and Associates
September 1982 to Present

Single Family Residences
Vacant Lots
Condominiums
Multifamily Residences
Acreage
Subdivisions
Automobile Dealerships
Right-of-Way Acquisitions

PARTIAL LIST OF CLIENTS:

City of DeLand
County of Volusia
FNMA
SunTrust Bank
Florida Mortgage Affiliates
TD Bank
Mainstreet Community Bank
ACI

RESOLUTION NO. 2016-25

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF DELTONA, FLORIDA, DECLARING PROPERTY AT 1787 FORT SMITH BOULEVARD AS SURPLUS AND AUTHORIZING THE SALE OR DISPOSAL OF SUCH PROPERTY; PROVIDING FOR CONFLICT RESOLUTION; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Deltona, Florida, is the owner of record of real property located at 1787 Fort Smith Boulevard, Deltona, Volusia County, Florida, to wit: Lot 24, Block 345, Deltona Lakes Unit 9, as recorded in Map Book 25, Pages 178 to 185 inclusive, per OR 5049, Page 2908; and

WHEREAS, Ch. 166, F.S., the Municipal Home Rule Powers Act, grants to municipalities broad home rule powers; and

WHEREAS, under this broad grant of powers, the City has the power and authority to acquire and dispose of real property or interest therein for municipal purposes; and

WHEREAS, this property is not needed to serve any municipal purposes and is of no beneficial use to the City; and

WHEREAS, the City is authorized to dispose of the real property pertaining to said parcel by the most appropriate method.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF DELTONA, VOLUSIA COUNTY, FLORIDA, as follows:

SECTION 1. The City Commission of the City of Deltona hereby declares the following parcel of real estate as surplus:

1787 Fort Smith Boulevard, Deltona, Volusia County, Florida
PARCEL ID NO.: 8130-09-32-0240

SECTION 2. The City Manager is hereby directed to dispose of the real property located at the address listed above in the means deemed most appropriate as permitted by City Code.

SECTION 3. Conflicts. All resolutions or parts thereof that are in conflict with this Resolution, be and the same are hereby repealed.

SECTION 4. Effective Date. This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED BY THE CITY COMMISSION OF THE CITY OF DELTONA, FLORIDA THIS _____ DAY OF _____, 2016.

_____
JOHN C. MASIARCZYK, SR., MAYOR

ATTEST:

_____
JOYCE RAFTERY, City Clerk

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

_____
GRETCHEN R. H. VOSE, City Attorney

City of Deltona

2345 Providence Blvd.
Deltona, FL 32725

Agenda Memo

AGENDA ITEM: E.

TO: Mayor and Commission **AGENDA DATE:** 5/16/2016

FROM: Jane K. Shang, City Manager **AGENDA ITEM:** 9 - E

SUBJECT:
Public Hearing - Resolution No. 2016-24-Final resolution to establish Lake McGarity Special Assessment District - Becky Vose, Legal Department (407) 448-0111.

Strategic Goal: Beautification

LOCATION:
Lake McGarity waterfront properties

BACKGROUND:
The City of Deltona has received petitions from 51% of the owners of property on Lake McGarity requesting that chemical treatment of the lake take place to remediate invasive plant species that are doing damage to the lake. The City will not be introducing carp into the lake, because the State of Florida requires 100% of the lakefront property owners to consent to that treatment, and the City has received at least one objection to the introduction of carp. An initial resolution to establish this district was approved by the city commission on April 4, 2016.This is the second and final hearing of two required hearings to establish a special assessment district to pay for the lake remediation.

COST:
None directly to City; Lake McGarity property owners pay costs involved.

SOURCE OF FUNDS:
Special assessments to Lake McGarity property owners

ORIGINATING DEPARTMENT:
Legal Department

STAFF RECOMMENDATION PRESENTED BY:
Gerald Chancellor, Public Works (386) 878-8998 - Staff recommends approval of Resolution 2016-24 - the second and final resolution to establish the Lake McGarity Special Assessment District.

POTENTIAL MOTION:
“I move to adopt Resolution 2016-24, the second and final resolution to establish the Lake McGarity Special Assessment District.”

RESOLUTION NO. 2016-24

A RESOLUTION OF THE CITY OF DELTONA, VOLUSIA COUNTY, FLORIDA, PERTAINING TO A SPECIAL ASSESSMENT DISTRICT FOR AQUATIC WEED CONTROL OF LAKE McGARITY; ESTABLISHING THE RATE OF ASSESSMENT; IMPOSING THE ASSESSMENTS AGAINST THE ASSESSED PROPERTY LOCATED WITHIN THE DISTRICT; APPROVING AND ADOPTING THE FINAL ASSESSMENT ROLL; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Article I, Chapter 54 of the Code of Ordinances, City of Deltona, Florida authorizes special assessments for programs providing special benefit to identified properties within the city and proscribes a method for such assessments as an alternative to Chapter 170, Florida Statutes; and

WHEREAS, the scope of public aquatic weed control services funded by non-ad-valorem assessment includes those services associated with managing aquatic plant communities as deemed beneficial and/or critical to restoring, developing and/or maintaining conditions that enhance the water quality and over-all health of the waterbody; with emphasis on providing public services for public purposes which by definition of public are limited to the waterbody and respective shoreline when/where noxious and/or invasive exotic vegetation could/would threaten or impede the waterbody; and

WHEREAS, the owners of fifty-five (55%) of the lots to be assessed hereunder have petitioned the City Commission to establish a special assessment district for the purpose of providing aquatic weed control in said area; and

WHEREAS, the City Commission has determined that it would be in the best interests of the City and of the persons owning land within the area described to impose a special assessment

programs within the Lake McGarity Special Assessment District using the tax bill collection method for the Fiscal Year beginning on October 1, 2017; and

WHEREAS, the City Commission, on April 4, 2016, adopted Resolution No. 2014-12 (the "Initial Assessment Resolution"), containing a brief and general description of the services to be provided to the Assessed Property, describing the method of apportioning the Assessed Cost to compute the Assessment for services and programs against Assessed Property, estimating a rate of assessment, and directing preparation of the Assessment Roll and provision of the notice required by law; and

WHEREAS, pursuant to the provisions of law, the City is required to confirm or repeal the Initial Assessment Resolution, after hearing comments and objections of all interested parties; and

WHEREAS, the Assessment Roll has heretofore been made available for inspection by the public, as required by law; and

WHEREAS, a public hearing was held on May 16, 2016, and comments and objections of all interested persons have been heard and considered as required by law.

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

SECTION 1. AUTHORITY. This Resolution is adopted pursuant to Chapter 54, of the Code of the City of Deltona, Resolution No. 2016-12, Sections 166.021 and 166.041, and Chapter 197, Florida Statutes, and other applicable provisions of law.

SECTION 2. SPECIAL ASSESSMENTS.

(A) The parcels of Assessed Property described in the Assessment Roll, which is hereby approved, are hereby found to be specifically benefited by the provision of the services

and program described in the Initial Assessment Resolution, in the amount of the Assessment set forth in the Assessment Roll, a copy of which was presented or available for inspection at the above referenced public hearing and is incorporated herein by reference. It is hereby ascertained, determined and declared that each parcel of Assessed Property within the District will be benefited by the City's provision of services and programs in an amount not less than the Assessment for such parcel, computed in the manner set forth in the Initial Assessment Resolution. Adoption of this Final Assessment Resolution constitutes a legislative determination that all parcels assessed derive a special benefit, as set forth by law and the Initial Assessment Resolution, from the services and programs to be provided and a legislative determination that the Assessments are fairly and reasonably apportioned among the properties that receive the special benefits as set forth in the Initial Assessment Resolution.

(B) The method for computing Assessments described in the Initial Assessment Resolution is hereby approved.

(C) The Assessments to be assessed and apportioned among benefited parcels pursuant to the Cost Apportionment and Parcel Apportionment to generate the estimated Assessed Cost for the Fiscal Year commencing October 1, 2017 are hereby established so that each lot assessed shall pay a 1/164th share of the total annual assessment or approximately $487.80 in the first year, $219.51 in the second year, $134.15 in the third year and each year thereafter, subject to annual adjustment. The estimated total cost to be assessed is $80,000 in the first year, $36,000 in the second year, and $22,000 in the third year and each year thereafter, subject to annual adjustment.

(D) The above rates of estimated assessment are hereby approved. Assessments for services and programs in the amounts set forth in the Assessment Roll, as hereby approved, are hereby levied and imposed on all parcels of Assessed Property described in the Assessment Roll.

(E) Assessments shall constitute a lien upon the Assessed Property so assessed equal in rank and dignity with the liens of all state, county, district or municipal taxes and other non-ad valorem assessments. Except as otherwise provided by law, such lien shall be superior in dignity to all other liens, titles and claims, until paid.

(F) The Assessment Roll, as herein approved, together with the correction of any errors or omissions as provided for by law, shall be delivered to the Tax Collector for collection using the tax bill collection method in the manner prescribed by law.

SECTION 3. CONFIRMATION OF INITIAL ASSESSMENT RESOLUTION.

The Initial Assessment Resolution is hereby confirmed.

SECTION 4. EFFECT OF ADOPTION OF RESOLUTION. The adoption of this Final Assessment Resolution shall be the final adjudication of the issues presented (including, but not limited to, the determination of special benefit and fair apportionment to the Assessed Property, the method of apportionment and assessment, the rate of assessment, the Assessment Roll and the levy and lien of the Assessments), unless proper steps shall be initiated in a court of competent jurisdiction to secure relief within 20 days from the date of this Final Assessment Resolution.

SECTION 5. EFFECTIVE DATE. This Final Assessment Resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED by the City Commission of the City of Deltona this 16th day of May, 2016.

BY: _____
JOHN C. MASIARCZYK, SR., Mayor

ATTEST:

_____
JOYCE RAFTERY, CMC, City Clerk

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

_____
GRETCHEN R. H. VOSE, City Attorney

City of Deltona

2345 Providence Blvd.
Deltona, FL 32725

Agenda Memo

AGENDA ITEM: F.

TO: Mayor and Commission **AGENDA DATE:** 5/16/2016

FROM: Jane K. Shang, City Manager **AGENDA ITEM:** 9 - F

SUBJECT:
Request for approval of Resolution 2016-16, authorizing the issuance of Capital Improvement Revenue Refunding Bonds Series 2016 - Bob Clinger, Finance (386) 878-8552.

Strategic Goals:
Fiscal Issues/Infrastructure - Transportation CIP program
Fiscal Issues - New Senior Community Center

LOCATION:
N/A

BACKGROUND:
The Financing Plan provides for the issuance of not to exceed $40,000,000 of Capital Improvement Revenue Refunding Bonds, Series 2016 to current refund the City's outstanding Transportation Revenue Bonds, Series 2016,current outstanding in the principal amount of $12,150,000. The 30 year fixed rate bonds will be structured to maintain the City's current Series 2006 Bonds debt service of $1,460,000 for 30 years while providing additional funds to fund a portion of the City's transportation capital improvement program. The Series 2016 Bonds will also provide $8 million to be used toward the Community Center.

At the Commission workshop held on November 23, 2015, the City Commission expressed the desire to move forward with the planning, financing and construction of the City's future Community Center and to move forward with several road projects to include sidewalks, road resurfacing, road widening, etc.

COST:
Payment of the issuance costs netted against bond proceeds

SOURCE OF FUNDS:
Bond proceeds

ORIGINATING DEPARTMENT:
Finance Department

STAFF RECOMMENDATION PRESENTED BY:
Robert Clinger, Finance Director recommends approval of Resolution 2016-16 authorizing the issuance of not to exceed $40,000,000 in aggregate principal amount of Capital Improvement

Revenue Refunding Bonds Series 2016 for the purpose of financing and/or reimbursing the design, permitting, acquisition, installation and construction of roadway improvements and a community center, other capital projects and the refunding of all of the City's outstanding Transportation Capital Improvement Bonds, Series 2006, pledging the City's half-cent sales tax revenues, local communications services tax revenues and public utilities and services tax revenues to secure payment of the bonds and covenanting to budget and appropriate non-ad valorem revenues in the amount to pay the Series 2016 Bonds to the extent of any insufficiency in the pledged funds.

POTENTIAL MOTION:

"I move to approve Resolution 2016-16 authorizing the issuance of not to exceed $40,000,000 in aggregate principal amount of Capital Improvement Revenue Refunding Bonds Series 2016 for the purpose of financing and/or reimbursing the design, permitting, acquisition, installation and construction of roadway improvements and a community center, other capital projects and the refunding of all of the City's outstanding Transportation Capital Improvement Bonds, Series 2006, pledging the City's half-cent sales tax revenues, local communications services tax revenues and public utilities and services tax revenues to secure payment of the bonds and covenanting to budget and appropriate non-ad valorem revenues in the amount to pay the Series 2016 Bonds to the extent of any insufficiency in the pledged funds."

RESOLUTION NO. 2016-16

A RESOLUTION OF THE CITY OF DELTONA, FLORIDA AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $40,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF CITY OF DELTONA, FLORIDA CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2016 FOR THE PURPOSE OF FINANCING AND/OR REIMBURSING THE DESIGN, PERMITTING, ACQUISITION, INSTALLATION, CONSTRUCTION AND EQUIPPING OF ROADWAY IMPROVEMENTS AND A COMMUNITY CENTER AND OTHER CAPITAL PROJECTS AS PROVIDED HEREIN AND THE REFUNDING OF ALL OR A PORTION OF THE CITY'S OUTSTANDING TRANSPORTATION CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2006 AS DESCRIBED HEREIN; PLEDGING HALF-CENT SALES TAX REVENUES, LOCAL COMMUNICATIONS SERVICES TAX REVENUES AND PUBLIC UTILITIES AND SERVICES TAX REVENUES TO SECURE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH BONDS; COVENANTING TO BUDGET AND APPROPRIATE NON-AD VALOREM REVENUES IN AMOUNTS TO PAY SUCH 2016 BONDS TO THE EXTENT OF ANY INSUFFICIENCY IN THE PLEDGED FUNDS; MAKING CERTAIN COVENANTS AND AGREEMENTS FOR THE BENEFIT OF THE HOLDERS OF SUCH BONDS; AUTHORIZING CERTAIN OFFICIALS AND EMPLOYEES OF THE CITY TO TAKE ALL ACTIONS REQUIRED IN CONNECTION WITH THE SALE, ISSUANCE AND DELIVERY OF SUCH BONDS; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE.

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NOW, THEREFORE, BE IT RESOLVED by the City Commission of the City of Deltona, Florida, that:

ARTICLE I
GENERAL

SECTION 1.01 **Definitions**. When used in this Resolution, the following terms shall have the following meanings, unless the context clearly otherwise requires:

"**Act**" shall mean the Constitution and laws of the State of Florida, Chapter 166, Florida Statutes, Chapter 218, Parts II and VI, Florida Statutes, Chapter 202, Florida Statutes, the City of Deltona Charter, Ordinance No. 96-01 duly enacted by the City Commission on March 4, 1996, other applicable provisions of law.

"**Additional Bonds**" shall mean the obligations issued at any time under the provisions of Section 5.02 hereof on a parity with the Series 2016 Bonds.

"**Additional Project**" shall mean the designing, permitting, acquisition, construction, reconstruction and/or equipping of the facilities and general infrastructure within the City and as permitted by applicable law outside the City and shall include all property rights, easements, franchises and equipment relating thereto and deemed necessary or convenient for the design, permitting, installation, acquisition, construction, reconstruction, equipping and/or the operation thereof which are financed or refinanced in whole or in part with the proceeds of Additional Bonds.

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

"**Annual Debt Service**" shall mean, with respect to any Bond Year, the aggregate amount of (1) all interest required to be paid on the Outstanding Bonds during such Bond Year, except to the extent that such interest is to be paid from (a) deposits in the Interest Account made from Bond proceeds or (b) a direct subsidy payment expected to be received from the United States Treasury relating to Direct Subsidy Bonds or any other interest subsidy or similar payments made by the federal government, (2) all principal of Outstanding Bonds maturing in such Bond Year (other than Term Bonds), and (3) all Amortization Installments designated with respect to such Bond Year.

"**Bond Amortization Account**" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.04 hereof.

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

"**Bond Year**" shall mean the period commencing on October 2 and ending twelve months later on October 1.

"**Bondholder**" or "**Holder**" or "**holder**" or "**Owner**" or any similar term, when used with reference to a Bond or Bonds, shall mean any Person who shall be the registered owner of any Outstanding Bond or Bonds as provided in the registration books of the Issuer.

"**Bonds**" shall mean the Series 2016 Bonds, together with any Additional Bonds issued pursuant to this Resolution.

"**Business Day**" shall mean any day other than a Saturday or Sunday or legal holiday or a day on which the principal office of the Issuer, the Registrar or any Paying Agent is closed.

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

"**City Attorney**" shall mean the duly appointed City Attorney or assistant City Attorney of the Issuer.

"**City Clerk**" shall mean the City Clerk or assistant or deputy City Clerk of the Issuer, or such other person as may be duly authorized by the City Commission of the Issuer to act on his or her behalf.

"**City Manager**" shall mean the City Manager or assistant, deputy, interim or acting City Manager of the Issuer.

"**Code**" shall mean the Internal Revenue Code of 1986, as amended, and the regulations and rules thereunder in effect or proposed.

"**Compounded Amounts**" shall mean, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Capital Appreciation Bond (the principal amount at its initial offering) plus the interest accrued on such Capital Appreciation Bond from the date of delivery to the original purchasers thereof to the Interest Date next preceding the date of computation or the date of computation if an Interest Date, such interest to accrue at the applicable rate which shall not exceed the legal rate, compounded semiannually, plus, with respect to matters related to the payment upon redemption of the Capital Appreciation Bonds, if such date of computation shall not be an Interest Date, a portion of the difference between the Compounded Amount as of the immediately preceding Interest Date and the Compounded Amount as of the immediately succeeding Interest Date, calculated based on the assumption that Compounded Amount

accrues during any semi-annual period in equal daily amounts on the basis of a 360-day year of twelve 30-day months.

"**Construction Fund**" shall mean the City of Deltona, Florida Capital Improvement Revenue Refunding Bonds, Series 2016 Construction Fund established pursuant to Section 4.03 hereof.

"**Cost**" when used in connection with a Project, shall mean (1) the Issuer's cost of physical construction; (2) costs of acquisition by or for the Issuer of such Project; (3) costs of land and interests therein and the cost of the Issuer incidental to such acquisition; (4) the cost of any indemnity and surety bonds and premiums for insurance during construction; (5) all interest due to be paid on the Bonds and other obligations relating to the Project during, and if deemed advisable by the Issuer for a reasonable period up for up to one year after the end of the construction period of such Project, if permitted by the Code; (6) engineering, legal and other consultant fees and expenses; (7) costs and expenses incidental to the issuance of the Bonds, including the fees and expenses of any attorneys, financial advisors, auditors, engineers, Paying Agent, Registrar or depository; (8) payments, when due (whether at the maturity of principal or the due date of interest or upon redemption) on any indebtedness of the Issuer (other than the Bonds) incurred for such Project; (9) costs of machinery or equipment required by the Issuer for the commencement of operation of such Project; or (10) any other costs properly attributable to such construction or acquisition, as determined by generally accepted accounting principles and shall include reimbursement to the Issuer, in accordance with applicable provisions of law, for any such items of Cost theretofore paid by the Issuer. Any Supplemental Resolution may provide for additional items to be included in the aforesaid Costs.

"**Debt Service Fund**" shall mean the City of Deltona, Florida Capital Improvement Revenue Bonds Debt Service Fund established pursuant to Section 4.04 hereof.

"**Direct Subsidy Bonds**" shall mean any Taxable Bond issued by the Issuer hereunder for which either (1) the Issuer receives direct subsidy payments or any other interest subsidy or similar payments made by the federal government in an amount equal to a percentage of the interest paid on such Bond or Bonds, or (2) the holder of such Bond or Bonds receives a tax credit in an amount equal to a percentage of the interest paid on such Bond or Bonds.

"**Escrow Deposit Agreement**" shall mean that document entitled Escrow Deposit Agreement between the Issuer and the escrow agent, as defined in said escrow deposit agreement dated the date of delivery of the Series 2016 Bonds pursuant to which money will be deposited to defease the Refunded Bonds.

"**Event of Default**" shall mean any of the events described in Section 6.01 hereof.

"**Federal Securities**" shall mean (1) cash, (2) non-callable direct obligations of the United States of America and/or (3) obligations, the principal of and interest on which are unconditionally guaranteed by the United States of America as to full and timely payment.

"**Finance Director**" shall mean the Finance Director of the Issuer, or such other person as may be duly authorized by the City Manager of the Issuer to act on his or her behalf.

"**Financial Advisor**" shall mean Hilltop Securities, Inc., an independent SEC and MSRB registered financial advisor, or another financial advisor acceptable to the Issuer.

"**Fiscal Year**" shall mean the period commencing on October 1 of each year and continuing through the next succeeding September 30, or such other period as may be prescribed by law.

"**Governing Body**" shall mean the City Commission of the Issuer, or its successor in function.

"**Half-Cent Sales Tax Revenues**" means monies received by the Issuer from the Local Government Half-Cent Sales Tax Clearing Trust Fund pursuant to the provisions of Chapter 218, Part VI, Florida Statutes.

"**Initial Project**" shall mean the construction, designing, permitting, installing, acquisition and equipping of certain additions, extensions and improvements to public facilities within the Issuer, including without limitation roadway improvements and a community center. In addition to the foregoing, the Initial Project may include the refunding of all or a portion of the Issuer's Transportation Capital Improvement Revenue Bonds, Series 2006. Such Initial Project shall include, without limitation, all property rights, appurtenances, easements, franchises and equipment relating thereto and deemed necessary or convenient for the construction, designing, permitting, reconstruction, acquisition and equipping thereof, in accordance with certain plans on file or to be on file with the City Clerk, with such changes, deletions, additions or modifications to the enumerated improvements, equipment and facilities, or such other improvements as approved by the City Commission of the Issuer in a Supplemental Resolution in accordance with the Act.

"**Insurance Policy**" or "**Insurance Policies**" shall mean any policy of bond insurance, letter of credit, guarantee, or other similar form of credit enhancement issued by an Insurer and insuring or guaranteeing the payment when due of all or any portion of the principal of and interest on any Series of Bonds. All references in this Resolution to the Insurance Policy or Insurance Policies shall be of no force and effect (i) if there is a default in the performance of any obligations thereunder by the applicable Insurer, or (ii) at such time as there are no Bonds Outstanding with respect to which an Insurer has issued an Insurance Policy or Insurance Policies.

"**Insurer**" shall mean any issuer or issuers of any Insurance Policy or any successor corporation that assumes the obligations of the issuer of such Insurance Policy. All references in this Resolution to the Insurer and/or an Insurance Policy shall be of no force and effect to a particular Series of Bonds if such Bonds are not insured, and/or at such time as there are no Bonds Outstanding with respect to which an Insurer has issued an Insurance Policy.

"**Interest Account**" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.04 hereof.

"**Interest Date**" unless otherwise provided by Supplemental Resolution, shall be April 1 and October 1 of each year.

"**Issuer**" shall mean the City of Deltona, Florida, a municipal corporation of the State of Florida.

"**Local Communications Services Tax**" shall mean such tax as levied and collected by the Issuer pursuant to Chapter 202, Florida Statutes, as amended including Section 202.20, Florida Statutes.

"**Local Communications Services Tax Revenues**" shall mean all revenues received by the Issuer from the levy of the Local Communications Services Taxes.

"**Maximum Annual Debt Service**" shall mean the largest amount of Annual Debt Service for any Bond Year in which Bonds shall be Outstanding, excluding all Bond Years which shall have ended prior to the Bond Year in which Maximum Annual Debt Service shall be computed.

"**Maximum Interest Rate**" shall mean, with respect to any particular Variable Rate Bonds, the maximum rate of interest such Bonds may at any time bear in the future in accordance with the terms of the Supplemental Resolution of the Issuer delineating the details of such Bonds.

"**Mayor**" shall mean the Mayor of the Issuer, or in his or her absence, the Vice Mayor of the Issuer or such other person as may be duly authorized by the City Commission of the Issuer to act on his or her behalf.

"**Non-Ad Valorem Revenues**" shall mean all revenues of the Issuer derived from any source whatsoever other than ad valorem taxation on real or personal property which are legally available to make the payments required herein, but only after provision has been made by the Issuer for the payment of all essential or legally mandated services.

"**Outstanding**" when used with reference to Bonds and as of any particular date, shall describe all Bonds theretofore and thereupon being authenticated and delivered except, (1) any Bond in lieu of which another Bond or other Bonds have been issued under an agreement to replace lost, mutilated or destroyed Bonds, (2) any Bond surrendered by the Holder thereof in exchange for another Bond or other Bonds under Sections 2.06 and 2.08 hereof, and (3) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity.

"**Paying Agent**" shall mean any paying agent for Bonds appointed by or pursuant to a Supplemental Resolution and its successors or assigns, and any other Person which may at any time be substituted in its place pursuant to this Resolution.

"**Permitted Investments**" shall mean any investments authorized pursuant to the laws of the State and the Issuer's written investment policy, if any.

"**Person**" shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or governmental entity.

"**Pledged Funds**" shall mean the Pledged Revenues and until applied in accordance with the provisions of this Resolution, all moneys, including investments thereof, in the funds and accounts established hereunder, other than the Unrestricted Revenue Account; provided, however, that proceeds deposited in the Construction Fund in connection with the issuance of a particular Series of Bonds shall only secure such Series.

"**Pledged Revenues**" shall mean the Half-Cent Sales Tax Revenues, Local Communications Services Tax Revenues and Public Utilities and Services Tax Revenues, and shall not include any direct subsidy payments received from the United States Treasury relating to Direct Subsidy Bond or any other interest subsidy or similar payments made by the federal government until deposited into the Interest Account.

"**Principal Account**" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.04 hereof.

"**Project**" shall mean the Initial Project and any Additional Project.

"**Public Utilities and Services Tax**" shall mean such tax as levied and collected by the Issuer pursuant Ordinance No. 96-01 duly enacted by the Issuer on March 4, 1996, as amended and supplemented all in accordance with and pursuant to Section 166.231, Florida Statutes.

"**Public Utilities and Services Tax Revenues**" shall mean all revenues received by the Issuer from the levy of Public Utilities and Services Taxes.

"**Redemption Price**" shall mean, with respect to any Bond or portion thereof, the principal amount or portion thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or this Resolution.

"**Refunded Bonds**" shall mean all or that a portion of the Issuer's Outstanding Transportation Capital Improvement Revenue Bonds, Series 2006 as described in the Escrow Deposit Agreement.

"**Registrar**" shall mean any registrar for the Bonds appointed by or pursuant to a Supplemental Resolution and its successors and assigns, and any other Person which may at any time be substituted in its place pursuant to a Supplemental Resolution.

"**Reserve Account**" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.04 hereof.

"**Reserve Account Requirement**" shall mean the least of (1) Maximum Annual Debt Service for all Outstanding Bonds secured thereby, (2) 125% of the average Annual Debt Service for all Outstanding Bonds secured thereby, or (3) the maximum amount allowed under the Code in order to maintain the exclusion of interest on the Outstanding Bonds secured thereby from gross income for federal income tax purposes (other than Taxable Bonds). Notwithstanding anything herein to the contrary, the determination of such amount must be in the best economic interests of the Issuer, based on the advice of the Financial Advisor. Further, the Issuer may establish by Supplemental Resolution the amount of the Reserve Account Requirement applicable to such account or any subaccount hereafter created in the Reserve Account to secure a Series of Bonds pursuant to Section 4.05(A)4. hereof and may also establish by Supplemental Resolution that a Series of Bonds is not secured by the Reserve Account or any subaccount therein.

"**Resolution**" shall mean this Resolution, as the same may from time to time be amended, modified or supplemented by Supplemental Resolution.

"**Restricted Revenue Account**" shall mean the separate account in the Revenue Fund established pursuant to Section 4.04 hereof.

"**Revenue Fund**" shall mean the City of Deltona, Florida Capital Improvement Revenue Bonds Revenue Fund established pursuant to Section 4.04 hereof.

"**Serial Bonds**" shall mean all of the Bonds other than the Capital Appreciation Bonds, Term Bonds and Variable Rate Bonds.

"**Series**" shall mean all the Bonds delivered on original issuance in a simultaneous transaction and identified pursuant to Sections 2.01 and 2.02 hereof or a Supplemental Resolution authorizing the issuance by the Issuer of such Bonds as a separate Series, regardless of variations in maturity, interest rate, Amortization Installments or other provisions.

"**Series 2016 Bonds**" shall mean the Issuer's Capital Improvement Revenue Refunding Bonds, Series 2016 authorized pursuant to Section 2.02 hereof, or such other name or names as shall be designated pursuant to the authorization in Section 2.02 hereof.

"**State**" shall mean the State of Florida.

"**Subordinated Indebtedness**" shall mean that indebtedness of the Issuer, subordinate and junior to the Bonds, issued in accordance with the provisions of Section 5.01 hereof.

"**Supplemental Resolution**" shall mean any resolution of the Issuer amending or supplementing this Resolution adopted and becoming effective in accordance with the terms of Sections 7.01, 7.02 and 7.03 hereof.

"**Taxable Bond**" shall mean any Bond which states, in the body thereof, that the interest income thereon is includable in the gross income of the Holder thereof for federal income tax purposes or that such interest is subject to federal income taxation.

"**Term Bonds**" shall mean those Bonds which shall be designated as Term Bonds hereby or by Supplemental Resolution of the Issuer and which are subject to mandatory redemption by Amortization Installments.

"**Unrestricted Revenue Account**" shall mean the separate account in the Revenue Fund established pursuant to Section 4.04 hereof.

"**Variable Rate Bonds**" shall mean Bonds issued with a variable, adjustable, convertible or other similar rate which is not fixed in percentage for the entire term thereof at the date of issue.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms, shall refer to this Resolution; the term heretofore shall mean before the date of adoption of this Resolution; and the term "hereafter" shall mean after the date of adoption of this Resolution.

Words importing the masculine gender include every other gender.

Words importing the singular number include the plural number, and vice versa.

SECTION 1.02 **Authority for Resolution**. This Resolution is adopted pursuant to the provisions of the Act.

SECTION 1.03 **Resolution to Constitute Contract**. In consideration of the purchase and acceptance of any or all of the Bonds by those who shall hold the same from time to time, the provisions of this Resolution shall be a part of the contract of the Issuer with the Holders of the Bonds and shall be deemed to be and shall constitute a contract between the Issuer and the Holders from time to time of the Bonds. The pledge made in this Resolution and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be for the equal benefit, protection and security of the Holders of any and all of said Bonds and the Insurers. All of the Bonds, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or pursuant to this Resolution.

SECTION 1.04 **Findings**. It is hereby ascertained, determined and declared:

(A) That the Issuer deems it necessary, desirable and in the best interests of the Issuer and its citizens and to serve a public purpose that the Initial Project be constructed, designed, permitted, reconstructed, acquired and equipped including that the Refunded Bonds be refunded and defeased.

(B) That all or a portion of the Initial Project shall be financed by and/or reimbursed from a portion of the proceeds of the Series 2016 Bonds.

(C) That the purposes for which the Series 2016 Bonds are being issued include the promotion of the public health, welfare, safety and social benefit to the Issuer and its citizens.

(D) That, as of the date hereof, the Pledged Revenues are not pledged or encumbered in any manner and are estimated to be sufficient to pay the principal of and interest on the Series 2016 Bonds, as the same become due, and all other payments provided for in this Resolution.

(E) That the principal of and interest on the Series 2016 Bonds and all other payments provided for in this Resolution will be payable solely from the Pledged Funds; and lawfully available Non-Ad Valorem Revenues as provided in Section 4.08 hereof and the ad valorem taxing power of the Issuer will never be necessary or authorized to pay the principal of and interest on the Bonds and, except as otherwise provided herein, the Bonds shall not constitute a lien upon any property of the Issuer.

SECTION 1.05 **Authorization of the Initial Project Including Refunding of Refunded Bonds**. The Issuer does hereby authorize the acquisition, construction, design, permitting, installing and equipping of the capital improvements which comprise the Initial Project and the refunding of the Refunded Bonds.

ARTICLE II
AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION OF BONDS

SECTION 2.01 **Authorization of Bonds**. This Resolution creates an issue of Bonds of the Issuer to be designated as "City of Deltona, Florida, Capital Improvement Revenue Refunding Bonds" which may be issued in one or more Series as hereinafter provided. The aggregate principal amount of the Bonds which may be executed and delivered under this Resolution is not limited except as is or may hereafter be provided in this Resolution or as limited by the Act or by law.

The Bonds may, if and when authorized by the Issuer pursuant to this Resolution, be issued in one or more Series, with such further appropriate particular designations added to or incorporated in such title for the Bonds of any particular Series as the Issuer may determine and as may be necessary to distinguish such Bonds from the Bonds of any other Series. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

The Bonds shall be issued for such purpose or purposes; shall bear interest at such rate or rates not exceeding the maximum rate permitted by law; and shall be payable in lawful money of the United States of America on such dates; all as determined by Supplemental Resolution of the Issuer.

The Bonds shall be issued in denominations of $5,000 or integral multiples thereof, in such form, whether coupon or registered; shall be dated such date; shall bear such numbers; shall be payable at such place or places; shall contain such redemption provisions; shall have such Paying Agents and Registrars; shall mature in such years and amounts; shall provide that the proceeds thereof be used in such manner; may be Capital Appreciation Bonds, Serial Bonds, Term Bonds or Variable Rate Bonds (subject to the provisions of Section 5.02 hereof); all as determined by Supplemental Resolution of the Issuer.

SECTION 2.02 **Authorization and Description of Bonds**. A Series of Bonds entitled to the benefit, protection and security of this Resolution is hereby authorized in an aggregate principal amount of not to exceed $40,000,000 for the principal purposes of financing and/or reimbursing all or a portion of the Costs of the Initial Project including refunding of the Refunded Bonds, funding the Reserve Account, if required, and paying certain costs of issuance incurred with respect to such Series. Such Series shall be designated as, and shall be distinguished from the Bonds of all other Series by the title "City of Deltona, Florida Capital Improvement Revenue Refunding Bonds, Series 2016," provided the Issuer may change such designation in the event that the total authorized amount of Series 2016 Bonds are not issued as a single series and/or are not issued in calendar year 2016.

The Series 2016 Bonds shall be dated as of the date of delivery of the Series 2016 Bonds to the purchaser or purchasers thereof or such other date as may be set forth by Supplemental Resolution of the Issuer; shall be issued as fully registered Series 2016 Bonds; shall be numbered consecutively from one upward in order of maturity preceded by the letter "R-"; shall be in such denominations and shall bear interest at a rate or rates not exceeding the maximum rate permitted by law, payable in such manner and on such dates; shall consist of such amounts of Serial Bonds and/or Term Bonds; maturing in such amounts or Amortization Installments and in such years not exceeding forty (40) years from their date; shall be payable at such place or places; shall have such Paying Agent and Registrar; and shall contain such redemption provisions; all as the Issuer shall provide hereafter by Supplemental Resolution.

The principal of or Redemption Price, if applicable, on the Series 2016 Bonds are payable upon presentation and surrender of the Series 2016 Bonds at the designated office of the Paying Agent unless otherwise provided in a Supplemental Resolution. Interest payable on any Series 2016 Bond on any Interest Date will be paid by check or draft of the Paying Agent to the Holder in whose name such Series 2016 Bond shall be registered at the close of business on the date which shall be the fifteenth day (whether or not a business day) of the calendar month next preceding such Interest Date, or, unless otherwise provided by Supplemental Resolution, at the option of the Paying Agent, and at the request and expense of such Holder, by bank wire transfer for the account of such Holder. In the event the interest payable on any Series 2016 Bond is not punctually paid or duly provided for by the Issuer on such Interest Date, such defaulted interest will be paid to the Holder in whose name such Series 2016 Bond shall be registered at the close of business on a special record date for the payment of such defaulted interest as established by notice to such Holder, not less than ten days preceding such special record date. All payments of principal of or Redemption Price, if applicable, and interest on the

Series 2016 Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

SECTION 2.03 **Application of Series 2016 Bond Proceeds** Except as otherwise provided by Supplemental Resolution, the proceeds derived from the sale of the Series 2016 Bonds, including accrued interest and premium, if any, shall, simultaneously with the delivery of the Series 2016 Bonds to the purchaser or purchasers thereof, be applied by the Issuer as follows:

(A) Accrued interest, if any, shall be deposited in the Interest Account and shall be used only for the purpose of paying the interest which shall thereafter become due on the Series 2016 Bonds.

(B) A sufficient amount of the Series 2016 Bond proceeds shall be applied to the payment of costs and expenses relating to the issuance of the Series 2016 Bonds which must be paid upon delivery of the Series 2016 Bonds. Such amount may, at the option of the Issuer, be deposited in and disbursed from the Construction Fund.

(C) A sufficient amount of Series 2016 Bond proceeds shall be deposited in the Reserve Account which, together with any moneys and securities on deposit therein and any surety bond, irrevocable letter of credit, guaranty or insurance policies obtained in accordance with Section 4.05 hereof, shall equal the applicable Reserve Account Requirement.

(D) A sufficient amount of proceeds of the Series 2016 Bonds shall be deposited in the escrow fund created pursuant to the Escrow Deposit Agreement to allow for the retirement of the Refunded Bonds on the redemption date provided for in the Escrow Deposit Agreement.

(E) The balance of the Series 2016 Bond proceeds shall be deposited in the Construction Fund to be used to pay all or a portion of the Costs of the Initial Project.

SECTION 2.04 **Execution of Bonds** The Bonds shall be executed in the name of the Issuer with the manual or facsimile signature of the Mayor and the official seal of the Issuer shall be imprinted thereon, attested and countersigned with the manual or facsimile signature of the City Clerk. In case any one or more of the officers who shall have signed or sealed any of the Bonds, or whose facsimile signature shall appear thereon shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bond may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of such Bond shall hold the proper office of the Issuer, although, at the date of such Bond, such person may not have held such office or may not have been so authorized. The Issuer may adopt and use for such purposes the facsimile signatures of any such persons who shall have held such offices at any time after the date of the adoption of this Resolution, notwithstanding that either or both shall have ceased to hold such office at the time the Bonds shall be actually sold and delivered.

SECTION 2.05 **Authentication** No Bond of any Series shall be secured hereunder or be entitled to the benefit hereof or shall be valid or obligatory for any purpose unless there shall be manually endorsed on such Bond a certificate of authentication by the Registrar or such other entity as may be approved by the Issuer for such purpose. Such certificate on any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Resolution. The form of such certificate shall be substantially in the form provided in Section 2.10 hereof.

SECTION 2.06 **Temporary Bonds** Until the definitive Bonds of any Series are prepared, the Issuer may execute, in the same manner as is provided in Section 2.04 hereof, and deliver, upon authentication by the Registrar pursuant to Section 2.05 hereof, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, except as to the denominations thereof, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in denominations authorized by the Issuer by Supplemental Resolution, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The Issuer, at its own expense, shall prepare and execute definitive Bonds, which shall be authenticated by the Registrar. Upon the surrender of such temporary Bonds for exchange, the Registrar, without charge to the Holder thereof, shall deliver in exchange therefor definitive Bonds, of the same aggregate principal amount and Series and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds issued pursuant to this Resolution. All temporary Bonds surrendered in exchange for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith canceled by the Registrar.

SECTION 2.07 **Bonds Mutilated, Destroyed, Stolen or Lost** In case any Bond shall become mutilated, or be destroyed, stolen or lost, the Issuer may, in its discretion, issue and deliver, and the Registrar shall authenticate, a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost (e.g., Serial Bonds will be exchanged for Serial Bonds and Capital Appreciation Bonds will be exchanged for Capital Appreciation Bonds), in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder furnishing the Issuer and the Registrar proof of such Holder's ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer and the Registrar may incur. All Bonds so surrendered or otherwise substituted shall be canceled by the Registrar. If any of the Bonds shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same or cause the Bond to be paid, upon being indemnified as aforesaid, and if such Bonds be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this Section 2.07 shall constitute original, additional contractual obligations on the part of the Issuer whether or not the lost, stolen or destroyed Bond be at any time found by anyone, and such duplicate Bond shall be entitled to

equal and proportionate benefits and rights as to lien on the Pledged Funds to the same extent as all other Bonds issued hereunder.

SECTION 2.08 **Transfer** Bonds, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder thereof or such Holder's attorney duly authorized in writing, may, at the option of the Holder thereof, be exchanged for an equal aggregate principal amount of registered Bonds of the same Series, maturity of any other authorized denominations and type (e.g., Serial Bonds will be exchanged for Serial Bonds and Capital Appreciation Bonds will be exchanged for Capital Appreciation Bonds).

The Bonds issued under this Resolution shall be and have all the qualities and incidents of negotiable instruments under the law merchant and the Uniform Commercial Code of the State, subject to the provisions for registration and transfer contained in this Resolution and in the Bonds. So long as any of the Bonds shall remain Outstanding, the Issuer shall maintain and keep, at the office of the Registrar, books for the registration and transfer of the Bonds.

Each Bond shall be transferable only upon the books of the Issuer, at the office of the Registrar, under such reasonable regulations as the Issuer may prescribe, by the Holder thereof in person or by such Holder's attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed and guaranteed by the Holder or such Holder's duly authorized attorney. Upon the transfer of any such Bond, the Issuer shall issue, and cause to be authenticated, in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and Series and maturity as the surrendered Bond. The Issuer, the Registrar and any Paying Agent or fiduciary of the Issuer may deem and treat the Person in whose name any Outstanding Bond shall be registered upon the books of the Issuer as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price, if applicable, and interest on such Bond and for all other purposes, and all such payments so made to any such Holder or upon such Holder's order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid and neither the Issuer nor the Registrar nor any Paying Agent or other fiduciary of the Issuer shall be affected by any notice to the contrary.

The Registrar, in any case where it is not also the Paying Agent in respect to any Series of Bonds, forthwith (A) following the fifteenth day prior to an Interest Date for such Series; (B) following the fifteenth day next preceding the date of first mailing of notice of redemption of any Bonds of such Series; and (C) at any other time as reasonably requested by the Paying Agent of such Series, shall certify and furnish to such Paying Agent the names, addresses and holdings of Bondholders and any other relevant information reflected in the registration books. Any Paying Agent of any fully registered Bond shall effect payment of interest on such Bonds by mailing a check or draft to the Holder entitled thereto or may, in lieu thereof, upon the request and at the expense of such Holder, transmit such payment by bank wire transfer for the account of such Holder.

In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the Issuer shall execute and the Registrar shall authenticate and deliver such Bonds in accordance with the provisions of this Resolution. Execution of Bonds pursuant to Section 2.04 hereof for purposes of exchanging, replacing or transferring Bonds may occur at the time of the original delivery of the Series of which such Bonds are a part. All Bonds surrendered in any such exchanges or transfers shall be held by the Registrar in safekeeping until directed by the Issuer to be canceled by the Registrar. For every such exchange or transfer of Bonds, the Issuer or the Registrar may make a charge sufficient to reimburse it for any tax, fee, expense or other governmental charge required to be paid with respect to such exchange or transfer. The Issuer and the Registrar shall not be obligated to make any such exchange or transfer of Bonds of any Series during the fifteen days next preceding an Interest Date on the Bonds of such Series (other than Variable Rate Bonds), or, in the case of any proposed redemption of Bonds of such Series, then during the fifteen days next preceding the date of the first mailing of notice of such redemption and continuing until such redemption date.

SECTION 2.09 **Coupon Bonds; Capital Appreciation Bonds; Variable Rate Bonds** The Issuer, at its discretion, may by Supplemental Resolution authorize the issuance of coupon Bonds, registrable as to principal only or as to both principal and interest, Capital Appreciation Bonds or Variable Rate Bonds. Such Supplemental Resolution shall provide for the negotiability, transfer, interchangeability, denominations and form of such Bonds and, if applicable, coupons appertaining thereto. Coupon Bonds (other than Taxable Bonds) shall only be issued if an opinion of Bond Counsel is received to the effect that issuance of such coupon Bonds will not adversely affect the exclusion from gross income of interest earned on such Bonds for federal income tax purposes.

SECTION 2.10 **Form of Bonds** The text of the Bonds, except as otherwise provided pursuant to Section 2.09 hereof (the form of which shall be provided by Supplemental Resolution of the Issuer) shall be in substantially the following form with such non-material omissions, insertions and variations as may be necessary and/or desirable and approved by the Mayor prior to the issuance thereof (which necessity and/or desirability and approval shall be presumed by the Issuer's delivery of the Bonds to the purchaser or purchasers thereof):

No. R-____ $_____

UNITED STATES OF AMERICA
STATE OF FLORIDA
VOLUSIA COUNTY
CITY OF DELTONA
CAPITAL IMPROVEMENT REVENUE BOND, SERIES _____

Interest Rate	Maturity Date	Date of Original Issue	CUSIP
%	_____ 1, ____	_____ __, ____	_____

Registered Holder: _____

Principal Amount: _____

KNOW ALL MEN BY THESE PRESENTS, that the City of Deltona, Florida, a municipality created and existing under and by virtue of the laws of the State of Florida (the "Issuer"), for value received, hereby promises to pay from the Pledged Funds hereinafter described, to the Registered Holder identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and interest on such Principal Amount from the Date of Original Issue identified above or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum identified above on April 1 and October 1 of each year commencing _____ 1, ____, until such Principal Amount shall have been paid, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be or become applicable hereto. Interest on this Bond shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

Such Principal Amount and interest and the redemption premium, if any, on this Bond are payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts. Such Principal Amount and the redemption premium, if any, on this Bond, are payable, upon presentation and surrender hereof, at the designated corporate trust office of _____, _____, as Paying Agent. Payment of each installment of interest shall be made to the person in whose name this Bond shall be registered on the registration books of the Issuer maintained by _____, _____, as Registrar, at the close of business on the date which shall be the fifteenth day (whether or not a business day) of the calendar month next preceding each interest payment date and shall be paid by a check or draft of such Paying Agent mailed to such Registered Holder at the address appearing on such registration books or, at the option of such Paying Agent, and at the request and expense of such Registered Holder, by bank wire transfer for the account of such Holder. In the event interest payable on this Bond is not punctually paid or duly provided for by the

Issuer on such interest payment date, payment of each installment of such defaulted interest shall be made to the person in whose name this Bond shall be registered at the close of business on a special record date for the payment of such defaulted interest as established by notice to such Registered Holder, not less than ten days preceding such special record date.

This Bond is one of an authorized issue of Bonds in the aggregate principal amount of $_____ (the "Bonds") of like date, tenor and effect, except as to maturity date, interest rate, denomination and number, issued to finance and/or reimburse the cost of construction, designing, permitting, reconstruction, acquisition and equipping of certain additions, extensions and improvements to public facilities within the Issuer, under the authority of and in full compliance with the Constitution and laws of the State of Florida, Chapter 166, Florida Statutes, Chapter 218, Part II and VI, Florida Statutes, Chapter 202, Florida Statutes, City of Deltona Charter, Ordinance No. 96-01 duly enacted by the Issuer on March 4, 1996 and other applicable provisions of law (collectively, the "Act"), and Resolution No. 2016-16 duly adopted by the City Commission of the Issuer on May 16, 2016, as amended and supplemented from time to time, and as particularly supplemented by Resolution No. ____-____ duly adopted by the City Commission of the Issuer on _____, _____ (collectively, the "Resolution"), and is subject to the terms and conditions of the Resolution. Capitalized undefined terms used herein shall have the meaning ascribed thereto in the Resolution.

The Bonds and the interest thereon are payable from and secured by a lien upon and a pledge of Half-Cent Sales Tax Revenues, Local Communications Services Tax Revenues and Public Utilities and Services Tax Revenues, and until applied in accordance with the provisions of the Resolution, all moneys, including investments thereof, in certain of the funds and accounts established by the Resolution, all in the manner and to the extent described in the Resolution (collectively, the "Pledged Funds").

The Issuer has covenanted and agreed subject to the provisions of the Resolution to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues lawfully available in each Fiscal Year, amounts sufficient to make up any deficiencies in the Interest Account, Principal Account and Bond Amortization Account in the event Pledged Funds are insufficient for such purpose.

IT IS EXPRESSLY AGREED BY THE REGISTERED HOLDER OF THIS BOND THAT THE FULL FAITH AND CREDIT OF THE ISSUER, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF, ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL, REDEMPTION PREMIUM, IF ANY, AND INTEREST ON THIS BOND AND THAT SUCH HOLDER SHALL NEVER HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF ANY TAXING POWER OF THE ISSUER, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF, TO THE PAYMENT OF SUCH PRINCIPAL, REDEMPTION PREMIUM, IF ANY, OR INTEREST. THIS BOND AND THE OBLIGATION EVIDENCED HEREBY SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OF THE ISSUER OTHER THAN THE PLEDGED FUNDS AND CERTAIN LAWFULLY AVAILABLE NON-AD VALOREM REVENUES ALL AS PROVIDED IN THE RESOLUTION.

Neither the members of the City Commission of the Issuer nor any person executing this Bond shall be liable personally hereon or be subject to any personal liability or accountability by reason of the issuance hereof.

This Bond shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Registrar.

IN WITNESS WHEREOF, the City of Deltona, Florida has issued this Bond and has caused the same to be executed by the manual signature of the Mayor, attested and countersigned by the manual signature of its City Clerk, and its official seal or a facsimile thereof to be affixed or reproduced hereon, all as of the ____ day of _____ __, 20__.

CITY OF DELTONA, FLORIDA

[SEAL]

By _____
Mayor

ATTESTED AND COUNTERSIGNED:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue described in the within-mentioned Resolution.

DATE OF AUTHENTICATION:

_____

_____

Registrar

By:_____

Authorized Officer

This Bond is transferable in accordance with the terms of the Resolution only upon the books of the Issuer kept for that purpose at the designated corporate trust office of the Registrar by the Registered Holder hereof in person or by such Holder's attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Holder or such Holder's attorney duly authorized in writing, and thereupon a new Bond or Bonds in the same aggregate principal amount shall be issued to the transferee in exchange therefor, and upon the payment of the charges, if any, therein prescribed. The Bonds are issuable in the form of fully registered Bonds in the denominations of $5,000 and integral multiples thereof, not exceeding the aggregate principal amount of the Bonds maturing on the same date. The Issuer, the Registrar and any Paying Agent may treat the Registered Holder of this Bond as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary. The Issuer and the Registrar shall not be obligated to make any exchange or transfer of the Bonds during the fifteen days next preceding an interest payment date, or in the case of any proposed redemption of the Bonds, then, during the fifteen days next preceding the date of the first mailing of notice of such redemption.

[INSERT REDEMPTION PROVISIONS]

Notice of redemption, unless waived, is to be given by the Registrar by mailing an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the Registered Holders of the Bonds to be redeemed at such Holders' addresses shown on the registration books maintained by the Registrar or at such other addresses as shall be furnished in writing by such Registered Holders to the Registrar. Provided, however, that no defect in any such notice to any Registered Holder of Bonds to be redeemed nor failure to give such notice to any such Registered Holder nor failure of any such Registered Holder to receive such notice shall in any manner defeat the effectiveness of a call for redemption as to all other Registered Holders of

Bonds to be redeemed. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price), such Bonds or portions of Bonds shall cease to bear interest.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond, exist, have happened and have been performed, in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, and that the issuance of the Bonds does not violate any constitutional or statutory limitations or provisions.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

_____.

[Insert Name, Address, Social Security or Other Identifying Number of Assignee]

the within Bond and does hereby irrevocably constitute and appoint _____ as attorneys to register the transfer of the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

_____

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature to this assignment must correspond with the name of the Registered Holder as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or other identifying number of such assignee must be supplied.

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common
TEN ENT -- as tenants by the entireties
JT TEN-- as joint tenants with right of survivorship and not as tenants in common
UNIF TRANS MIN ACT -- _____
(Cust.)
Custodian for _____
under Uniform Transfer to Minors Act of _____
(State)

Additional abbreviations may also be used though not in the list above.

STATEMENT OF INSURANCE

[IF APPLICABLE, INSERT INSURER LANGUAGE]

ARTICLE III
REDEMPTION OF BONDS

SECTION 3.01 **Privilege of Redemption** The terms of this Article III shall apply to redemption of Bonds other than Variable Rate Bonds. The terms and provisions relating to redemption of Variable Rate Bonds shall be provided by Supplemental Resolution.

SECTION 3.02 **Selection of Bonds to be Redeemed** The Bonds shall be redeemed only in the principal amount of $5,000 each and integral multiples thereof. The Issuer shall, except in the case of a redemption of an Amortization Instrument for which no notice from the Issuer shall be required, at least sixty days prior to the redemption date (unless a shorter time period shall be satisfactory to the Registrar) notify the Registrar of such redemption date and of the principal amount, maturity and Series (and, if applicable, interest rate) of Bonds to be redeemed. For purposes of any redemption of less than all of the Outstanding Bonds of a single maturity of a Series, the particular Bonds or portions of Bonds to be redeemed shall be selected not more than forty-five days prior to the redemption date by the Registrar from the Outstanding Bonds of the maturity or maturities designated by the Issuer by such method as the Registrar shall deem fair and appropriate and which may provide for the selection for redemption of Bonds or portions of Bonds in principal amounts of $5,000 and integral multiples thereof.

If less than all of the Outstanding Bonds of a single maturity of a Series are to be redeemed, the Registrar shall promptly notify the Issuer and Paying Agent (if the Registrar is not the Paying Agent for such Bonds) in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

SECTION 3.03 **Notice of Redemption** Unless waived by any Holder of Bonds to be redeemed, notice of any redemption made pursuant to this section shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail at least thirty days and not more than sixty days prior to the date fixed for redemption to each Holder of Bonds to be redeemed at the address of such Holder shown on the registration books maintained by the Registrar or at such other address as shall be furnished in writing by such Holder to the Registrar; provided, however, that no defect in any notice given pursuant to this Section to any Holder of Bonds to be redeemed nor failure to give such notice shall in any manner defeat the effectiveness of a call for redemption as to all other Holders of Bonds to be redeemed.

Every official notice of redemption shall be dated and shall state:

1. the redemption date,

2. the Redemption Price,

3. if less than all Outstanding Bonds are to be redeemed, the number (and, in the case of a partial redemption of any Bond, the principal amount) of each Bond to be redeemed,

4. that, on the redemption date, the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and

5. that such Bonds to be redeemed, whether as a whole or in part, are to be surrendered for payment of the Redemption Price at the designated office of the Registrar.

No later than any redemption date, the Issuer shall deposit with the Registrar an amount of money sufficient to pay the Redemption Price and accrued interest on of all the Bonds or portions of Bonds which are to be redeemed on that date.

Notwithstanding the foregoing or any other provision hereof, notice of optional redemption pursuant to this Section 3.03 may be conditioned upon the occurrence or non-occurrence of such event or events as shall be specified in such notice of optional redemption and may also be subject to rescission by the Issuer if expressly set forth in such notice.

SECTION 3.04 **Redemption of Portions of Bonds** Any Bond which is to be redeemed only in part shall be surrendered at any place of payment specified in the notice of redemption (with due endorsement by, or written instrument of transfer in form satisfactory to, the Registrar duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing) and the Issuer shall execute and the Registrar shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds, of the same Series, interest rate and maturity, and of any authorized denomination as requested by such Holder, in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bonds so surrendered.

SECTION 3.05 **Payment of Redeemed Bonds** Notice of redemption having been given substantially as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar and/or Paying Agent at the appropriate Redemption Price, plus accrued interest. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. All Bonds which have been redeemed shall be canceled by the Registrar and shall not be reissued.

ARTICLE IV
SECURITY, SPECIAL FUNDS AND APPLICATION THEREOF

SECTION 4.01 **Bonds not to be Indebtedness of Issuer**. THE BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE ISSUER AS "BONDS" WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, BUT SHALL BE SPECIAL OBLIGATIONS OF THE ISSUER, PAYABLE FROM AND SECURED BY A LIEN UPON AND PLEDGE OF THE PLEDGED FUNDS AND LAWFULLY AVAILABLE NON-AD VALOREM REVENUES APPROPRIATED BY THE ISSUER AS PROVIDED IN SECTION 4.08 HEREOF. NO HOLDER OF ANY BOND SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER TO PAY SUCH BOND, OR BE ENTITLED TO PAYMENT OF SUCH BOND FROM ANY MONEYS OF THE ISSUER EXCEPT FROM THE PLEDGED FUNDS AND LAWFULLY AVAILABLE NON-AD VALOREM REVENUES, IN THE MANNER PROVIDED HEREIN.

The Pledged Funds shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer.

SECTION 4.02 **Security for Bonds**. The payment of the principal of, Redemption Price, if applicable, and interest on the Bonds shall be secured forthwith equally and ratably by a pledge of and lien upon the Pledged Funds. The Issuer does hereby irrevocably pledge the Pledged Funds to the payment of the principal of or Redemption Price, if applicable, and interest on the Bonds in accordance with the provisions hereof.

SECTION 4.03 **Construction Fund**. The Issuer covenants and agrees to establish a separate fund to be known as the "City of Deltona, Florida Capital Improvement Revenue Bonds Construction Fund" (the "Construction Fund") which shall be used only for payment of the Cost of a Project. Moneys in the Construction Fund which derive from a particular Series of Bonds, until applied in payment of any item of the Cost of a Project, in the manner hereinafter provided, shall be held in trust by the Issuer and shall be subject to a lien and charge in favor of the Holders of such Series of Bonds and for the further security of such Holders.

SECTION 4.04 **Funds and Accounts**. The Issuer covenants and agrees to establish with a bank or trust company in the State of Florida, which is eligible under the laws of such State to receive funds of the Issuer, separate funds to be known as the "City of Deltona, Florida Capital Improvement Revenue Bonds Revenue Fund" (the "Revenue Fund") and the "City of Deltona, Florida Capital Improvement Revenue Bonds Debt Service Fund" (the "Debt Service Fund"). The Issuer shall maintain in the Revenue Fund two accounts: the "Restricted Revenue Account" and the "Unrestricted Revenue Account." The Issuer shall maintain in the Debt Service Fund four accounts: the "Interest Account," the "Principal Account," the "Bond Amortization Account," and the "Reserve Account." Moneys in the aforementioned funds and accounts, other than the Unrestricted Revenue Account, until applied in accordance with the

provisions hereof, shall be subject to a lien and charge in favor of the Holders and for the further security of the Holders.

The Issuer may at any time and from time to time appoint one or more qualified depositories to hold, for the benefit of the Bondholders, any one or more of the funds and accounts established hereby. Such depository or depositories shall perform at the direction of the Issuer the duties of the Issuer in depositing, transferring and disbursing moneys to and from each of such funds and accounts as herein set forth, and all records of such depositary in performing such duties shall be open at all reasonable times to inspection by the Issuer and its agents and employees.

SECTION 4.05 **Flow of Funds**.

(A) Beginning on the date the Series 2016 Bonds are issued, the Issuer shall deposit the Pledged Revenues (only to the extent a sufficient amount is not already on deposit from other legally available revenue sources of the Issuer in amounts sufficient to satisfy all payment obligations hereunder), and any direct subsidy payments received from the United States Treasury relating to Direct Subsidy Bonds or any other interest subsidy or similar payments made by the federal government, into the Restricted Revenue Account promptly upon receipt thereof. The moneys in the Restricted Revenue Account shall be deposited or credited on or before the 21st day of each month, commencing with the month in which delivery of the Series 2016 Bonds shall be made to the purchaser or purchasers thereof, or such later date as hereinafter provided, in the following manner and in the following order of priority:

1. Interest Account. The Issuer shall deposit into or credit to the Interest Account the sum which, together with the balance in said Account, shall equal the interest on all Outstanding Bonds (other than Capital Appreciation Bonds) accrued and unpaid and to accrue to the end of the then current calendar month. Moneys in the Interest Account shall be used to pay interest on the Bonds (other than Capital Appreciation Bonds) as and when the same become due, whether by redemption or otherwise, and for no other purpose. The Issuer shall adjust the amount of the deposit into the Interest Account not later than the month immediately preceding any Interest Date so as to provide sufficient moneys in the Interest Account to pay the interest on the Bonds coming due on such Interest Date. Any direct subsidy payments received from the United States Treasury relating to Direct Subsidy Bonds or any other interest subsidy or similar payments made by the federal government shall be used to pay interest on Bonds (other than Capital Appreciation Bonds) issued as Direct Subsidy Bonds.

2. Principal Account. Next, the Issuer shall deposit into or credit to the Principal Account the sum which, together with the balance in said Account, shall equal the principal amounts (or Compounded Amount with respect to Capital Appreciation Bonds) on all Outstanding Bonds due and unpaid and that portion of the principal (or Compounded Amount with respect to Capital Appreciation Bonds) next due within one year which would have accrued on said Bonds during the then current calendar month

if such principal amounts (or Compounded Amount with respect to Capital Appreciation Bonds) were deemed to accrue monthly (assuming that a year consists of twelve (12) equivalent calendar months of thirty (30) days each) in equal amounts from the next preceding principal payment due date, or, if there is no such preceding principal payment due date, from a date one year preceding the due date of such principal amount (or Compounded Amount with respect to Capital Appreciation Bonds). Moneys in the Principal Account shall be used to pay the principal (or Compounded Amount with respect to Capital Appreciation Bonds) of the Bonds as and when the same shall mature, and for no other purpose. The Issuer shall adjust the amount of deposit to the Principal Account not later than the month immediately preceding any principal payment date so as to provide sufficient moneys in the Principal Account to pay the principal (or Compounded Amount with respect to Capital Appreciation Bonds) on Bonds becoming due on such principal payment date.

3. Bond Amortization Account. Commencing in the month which is one year prior to any Amortization Installment due date, the Issuer shall deposit into or credit to the Bond Amortization Account the sum which, together with the balance in said Account, shall equal the Amortization Installments on all Bonds Outstanding due and unpaid and that portion of the Amortization Installments of all Bonds Outstanding next due which would have accrued on such Bonds during the then current calendar month if such Amortization Installments were deemed to accrue monthly (assuming that a year consists of twelve (12) equivalent calendar months having thirty (30) days each) in equal amounts from the next preceding Amortization Installment due date, or, if there is no such preceding Amortization Installment due date, from a date one year preceding the due date of such Amortization Installment. Moneys in the Bond Amortization Account shall be used to purchase or redeem Term Bonds in the manner herein provided, and for no other purpose. The Issuer shall adjust the amount of the deposit into the Bond Amortization Account not later than the month immediately preceding any date for payment of an Amortization Installment so as to provide sufficient moneys in the Bond Amortization Account to pay the Amortization Installments on the Bonds coming due on such date. Payments to the Bond Amortization Account shall be on a parity with payments to the Principal Account.

Amounts accumulated in the Bond Amortization Account with respect to any Amortization Installment (together with amounts accumulated in the Interest Account with respect to interest, if any, on the Term Bonds for which such Amortization Installment was established) may be applied by the Issuer, on or prior to the sixtieth day preceding the due date of such Amortization Installment (a) to the purchase of Term Bonds of the Series and maturity for which such Amortization Installment was established, at a price not greater than the Redemption Price at which such Term Bonds may be redeemed on the first date thereafter on which such Term Bonds shall be subject to redemption, or (b) to the redemption at the applicable Redemption Price of such Term Bonds, if then redeemable by their terms. The applicable Redemption Price (or principal amount of maturing Term Bonds) of any Term Bonds so purchased or redeemed shall be

deemed to constitute part of the Bond Amortization Account until such Amortization Installment date, for the purposes of calculating the amount of such Account. As soon as practicable after the sixtieth day preceding the due date of any such Amortization Installment, the Issuer shall proceed to call for redemption on such due date, by causing notice to be given as provided in Section 3.03 hereof, Term Bonds of the Series and maturity for which such Amortization Installment was established (except in the case of Term Bonds maturing on an Amortization Installment date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Amortization Installment. The Issuer shall pay out of the Bond Amortization Account and the Interest Account to the appropriate Paying Agents, on or before the day preceding such redemption date (or maturity date), the amount required for the redemption (or for the payment of such Term Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment). All expenses in connection with the purchase or redemption of Term Bonds shall be paid by the Issuer from the Revenue Fund.

4. Reserve Account. Next, the Issuer shall deposit into or credit to the Reserve Account and/or any subaccount hereafter created therein a sum sufficient to maintain therein an amount equal to the applicable Reserve Account Requirement. Moneys in the Reserve Account (or any subaccount therein) shall be used only for the purpose of the payment of maturing principal, interest or Amortization Installments on the Bonds which are secured thereby when the other moneys in the Debt Service Fund are insufficient therefor, and for no other purpose. However, whenever the moneys on deposit in the Reserve Account (or any subaccount therein) exceed the applicable Reserve Account Requirement, such excess shall be withdrawn and deposited into the Interest Account.

Upon the issuance of any Additional Bonds under the terms, limitations and conditions as herein provided, the Issuer may, on the date of delivery of such Additional Bonds, create and establish a separate subaccount in the Reserve Account to secure solely such Series of Bonds, and may also establish an applicable Reserve Account Requirement. Such required sum may be paid in full or in part from the proceeds of such Additional Bonds. The Issuer may also provide by Supplemental Resolution that a Series of Bonds is not secured by the Reserve Account or any subaccount therein.

Notwithstanding the foregoing provisions, in lieu of the required cash deposits into the Reserve Account (or any subaccounts therein), subject to the written consent of the Insurer or Insurers, the Issuer may, at any time, cause to be deposited into the Reserve Account (or any subaccounts therein) a surety bond, irrevocable letter of credit, guaranty or an insurance policy for the benefit of the applicable Bondholders in an amount equal to the difference between the applicable Reserve Account Requirement and the sums then on deposit in the Reserve Account and/or subaccount therein. Such surety bond, irrevocable letter of credit, guaranty or insurance policy shall be payable to the Paying Agent (upon the giving of notice as required thereunder) on any Interest

Date on which a deficiency exists which cannot be cured by funds in any other fund or account held pursuant to this Resolution and available for such purpose. Repayment of draws made from a surety bond, irrevocable letter of credit, guaranty or an insurance policy provided pursuant to this paragraph, shall be made in accordance with a Supplemental Resolution.

Whenever the amount in the Reserve Account or any subaccount therein, together with the other amounts in the Debt Service Fund, are sufficient to fully pay all applicable Outstanding Bonds in accordance with their terms (including principal or applicable Redemption Price and interest thereon), the funds on deposit in the Reserve Account (or any subaccounts therein) may be transferred to the other accounts of the Debt Service Fund for the payment of such Bonds.

5. Unrestricted Revenue Account. The balance of any moneys after the deposits required by Sections 4.05(A)(1) through 4.05(A)(4) hereof may be transferred, at the discretion of the Issuer, to the Unrestricted Revenue Account or to any other appropriate fund or account of the Issuer and be used for any lawful purpose.

(B) The Issuer, in its discretion, may use moneys in the Principal Account and the Interest Account to purchase or redeem Bonds coming due on the next principal payment date, provided such purchase or redemption does not adversely affect the Issuer's ability to pay the principal or interest coming due on such principal payment date on the Bonds not so purchased or redeemed.

(C) At least one business day prior to the date established for payment of any principal of or Redemption Price, if applicable, or interest on the Bonds, the Issuer shall withdraw from the appropriate account of the Debt Service Fund sufficient moneys to pay such principal or Redemption Price, if applicable, or interest and deposit such moneys with the Paying Agent for the Bonds to be paid.

SECTION 4.06 **Investments**. The Construction Fund, the Restricted Revenue Account and the Debt Service Fund shall be continuously secured in the manner by which the deposit of public funds are authorized to be secured by the laws of the State and the investment policy of the Issuer. Moneys on deposit in the Construction Fund, the Restricted Revenue Account and the Debt Service Fund may be invested and reinvested in Permitted Investments maturing no later than the date on which the moneys therein will be needed. Any and all income received by the Issuer from the investment of moneys in each account of the Construction Fund, the Interest Account, the Principal Account, the Bond Amortization Account, the Reserve Account or any subaccounts therein (but only to the extent that the amount therein is less than the applicable Reserve Account Requirement) and the Restricted Revenue Account shall be retained in such respective Fund or Account unless otherwise required by applicable law. To the extent that the amount in the Reserve Account or any subaccounts therein is equal to or greater than the applicable Reserve Account Requirement,

any and all income received by the Issuer from the investment of moneys therein shall be transferred, upon receipt, and deposited into the Interest Account.

Nothing contained in this Resolution shall prevent any Permitted Investments acquired as investments of or security for funds held under this Resolution from being issued or held in book-entry form on the books of the Department of the Treasury of the United States.

SECTION 4.07 **Separate Accounts**. 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 Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues for certain purposes and to establish certain priorities for application of such revenues as herein provided.

SECTION 4.08 **Covenant to Budget and Appropriate**. The Issuer covenants and agrees to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues lawfully available in each Fiscal Year, amounts sufficient to make up any deficiencies in the Interest Account, Principal Account and Bond Amortization Account in the event Pledged Funds are insufficient for such purpose. Such covenant and agreement on the part of the Issuer to budget and appropriate such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated and actually paid and deposited in the applicable account(s). Notwithstanding the foregoing covenant of the Issuer, the Issuer does not covenant to maintain any services or programs, now provided or maintained by the Issuer, which generate Non-Ad Valorem Revenues.

Such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the Issuer from pledging in the future its Non-Ad Valorem Revenues, nor does it require the Issuer to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Bondholder a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the Issuer. Such covenant to appropriate Non-Ad Valorem Revenue is subject in all respects to the payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereinafter entered into (including the payment of debt service on bonds and other debt instruments). However, the covenant to budget and appropriate in its general annual budget for the purposes and in the manner stated herein shall have the effect of making available for the above-described payments and deposits Non-Ad Valorem Revenues and placing on the Issuer a positive duty to

appropriate and budget by amendment, if necessary, amounts sufficient to meet its obligations hereunder; subject, however, in all respects to the restrictions of Section 166.241(2), Florida Statutes, which provides, in part, that the governing body of each municipality make appropriations for each fiscal year which in any one year, shall not exceed the amounts to be received from taxation or other sources; and subject, further, to the payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the Issuer or which are legally mandated by applicable law.

ARTICLE V
SUBORDINATED INDEBTEDNESS, ADDITIONAL BONDS, AND COVENANTS OF ISSUER

SECTION 5.01 **Subordinated Indebtedness**. The Issuer will not issue any other obligations, except under the conditions and in the manner provided in Section 5.01 and Section 5.02 hereof, payable from the Pledged Funds. The Issuer will not voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge on the Pledged Funds having priority to the lien thereon in favor of the Bonds and the interest thereon. The Issuer may at any time or from time to time issue evidences of indebtedness payable in whole or in part out of the Pledged Funds and which may be secured by a pledge of the Pledged Funds; provided, however, that such pledge shall be, and shall be expressed to be, subordinated in all respects to the pledge of the Pledged Funds created by this Resolution. The Issuer shall have the right to covenant with the holders from time to time of any Subordinated Indebtedness to add to the conditions, limitations and restrictions under which any Additional Bonds may be issued pursuant to Section 5.02 hereof. The Issuer agrees to pay promptly from available Pledged Revenues any Subordinated Indebtedness as the same shall become due.

SECTION 5.02 **Issuance of Additional Bonds**. No Additional Bonds, payable on a parity with the Bonds then Outstanding pursuant to this Resolution, shall be issued except upon the conditions and in the manner herein provided. The Issuer may issue one or more Series of Additional Bonds for any one or more of the following purposes: financing or refinancing the Cost of an Additional Project, or the completion thereof or of the Initial Project of the Issuer, or refinancing Bonds or Subordinate Indebtedness.

No such Additional Bonds shall be issued unless the following conditions are complied with:

(A) There shall have been obtained and filed with the Issuer a statement of the Finance Director (1) setting forth the amount of the Pledged Revenues which have been received by the Issuer during the most recent Fiscal Year for which audited financial statements are available; and (2) stating that the amount of the Pledged Revenues received during the aforementioned twelve-month period equaled at least 1.35 times the Maximum Annual Debt Service of all Bonds then Outstanding including such proposed Additional Bonds with respect to which such statement is made together with Policy Costs. "Policy Costs" means any repayment or payment obligations due and owing in connection with any surety bond on

deposit in the Reserve Account. In the event the Act is amended to provide for additional Pledged Revenues to be distributed to the Issuer, the Issuer may then for the purpose of determining whether there are sufficient Pledged Revenues to meet the coverage tests specified in this Section 5.02(A), have the Finance Director assume that such additional Pledged Revenues were in effect during the applicable Fiscal Year.

For the purposes of the covenants contained in this Section 5.02, Annual Debt Service with respect to Variable Rate Bonds shall be determined assuming that such obligations bear interest at the higher of 6.00% per annum or the actual interest rate borne during the month immediately preceding the date of calculation. The foregoing notwithstanding, for purposes of calculating Annual Debt Service, any Variable Rate Bonds with respect to which the Issuer has entered into an interest rate swap or interest rate cap for a notional amount equal to the principal amount of such Variable Rate Bonds shall be treated for purposes of this Section 5.02 as bearing interest at a fixed rate equal to the fixed rate payable by the Issuer under the interest rate swap, or the capped rate provided by the interest rate cap.

(B) Additional Bonds shall be deemed to have been issued pursuant to this Resolution the same as the Outstanding Bonds, and all of the other covenants and other provisions of this Resolution (except as to details of such Additional Bonds inconsistent therewith) shall be for the equal benefit, protection and security of the Holders of all Bonds issued pursuant to this Resolution. All Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Pledged Funds and their sources and security for payment therefrom without preference of any Bond over any other, except as expressly provided herein or in the applicable Supplemental Resolution.

(C) In the event any Additional Bonds are issued for the purpose of refunding any Bonds then Outstanding, the conditions of Section 5.02(A) shall not apply, provided that the issuance of such Additional Bonds shall not result in an increase in the aggregate amount of Annual Debt Service on the Outstanding Bonds becoming due in the current Bond Year or in any subsequent Bond Year. The conditions of Section 5.02(A) hereof shall apply to Additional Bonds issued to refund Subordinated Indebtedness and to Additional Bonds issued for refunding purposes which cannot meet the conditions of this paragraph.

(D) The Issuer shall receive the prior written consent of the Insurer or Insurers prior to the issuance of any Variable Rate Bonds secured by the Pledged Funds; provided, however, that such written consent may be in the form of a covenant made for the benefit of the Insurer or Insurers in a Supplemental Resolution.

SECTION 5.03 **Bond Anticipation Notes**. Subject to Sections 5.01 or 5.02 hereof, the Issuer may issue notes in anticipation of the issuance of Bonds which shall have such terms and details and be secured in such manner, not inconsistent with this Resolution, as shall be provided by Resolution of the Issuer.

SECTION 5.04 **Books and Records**. The Issuer will keep books and records of the receipt of the Pledged Revenues in accordance with generally accepted accounting principles, and any Holder or Holders of Bonds shall have the right at all reasonable times to inspect the records, accounts and data of the Issuer relating thereto.

SECTION 5.05 **Annual Audit**. The Issuer shall, within a reasonable amount of time after the close of each Fiscal Year, cause the financial statements of the Issuer to be properly audited by a recognized independent certified public accountant or recognized independent firm of certified public accountants, and shall require such accountants to complete their report on the annual financial statements in accordance with applicable law. Such annual financial statements shall contain, but not be limited to, a balance sheet, a statement of revenues, expenditures and changes in fund balance, and any other statements as required by law or accounting convention. The annual financial statements shall be prepared in conformity with generally accepted accounting principles.

SECTION 5.06 **No Impairment**. As long as there are Bonds Outstanding hereunder, the pledging of the Pledged Funds in the manner provided herein shall not be subject to repeal, modification or impairment by any subsequent ordinance, resolution or other proceedings of the City Commission of the Issuer.

SECTION 5.07 **Collection of Pledged Revenues**. The Issuer covenants to do all things necessary on its part to continue the receipt of the Pledged Revenues in compliance with the Act and any successor provision of law governing the same. The Issuer will proceed diligently to perform legally and effectively all steps required on its part to receive the Pledged Revenues and shall exercise all legally available remedies to enforce such collections now or hereafter available under State law.

SECTION 5.08 **Federal Income Tax Covenants; Taxable Bonds**. The Issuer covenants with the Holders of each Series of Bonds (other than Taxable Bonds) that it shall not use the proceeds of such Series of Bonds in any manner which would cause the interest on such Series of Bonds to be or become includable in the gross income of the Holder thereof for federal income tax purposes.

(A) The Issuer covenants with the Holders of each Series of Bonds (other than Taxable Bonds) that neither the Issuer nor any Person under its control or direction will make any use of the proceeds of such Series of Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause such Series of Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and neither the Issuer nor any other Person shall do any act or fail to do any act which would cause the interest on such Series of Bonds to become includable in the gross income of the Holder thereof for federal income tax purposes.

(B) The Issuer hereby covenants with the Holders of each Series of Bonds (other than Taxable Bonds) that it will comply with all provisions of the Code necessary to maintain the exclusion of interest on the Bonds from the gross income of the Holder thereof for federal

income tax purposes, including, in particular, the payment of any amount required to be rebated to the U.S. Treasury pursuant to the Code.

(C) The Issuer may, if it so elects, issue one or more Series of Taxable Bonds the interest on which is (or may be) includable in the gross income of the Holder thereof for federal income tax purposes, so long as each Bond of such Series states in the body thereof that interest payable thereon is (or may be) subject to federal income taxation and provided that the issuance thereof will not cause the interest on any other Bonds theretofore issued hereunder to be or become includable in the gross income of the Holder thereof for federal income tax purposes. The covenants set forth in paragraphs (A), (B) and (C) above shall not apply to any Taxable Bonds.

ARTICLE VI
EVENTS OF DEFAULT AND REMEDIES

SECTION 6.01 **Events of Default**. The following events shall each constitute an "Event of Default":

(A) The Issuer shall fail to make a payment of the principal of, Amortization Installment, redemption premium or interest on any Bond when such payment becomes due.

(B) There shall occur the dissolution or liquidation of the Issuer, or the filing by the Issuer of a voluntary petition in bankruptcy, or the commission by the Issuer of any act of bankruptcy, or adjudication of the Issuer as a bankrupt, or assignment by the Issuer for the benefit of its creditors, or appointment of a receiver for the Issuer, or the entry by the Issuer into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Issuer in any proceeding for its reorganization instituted under the provisions of the Federal Bankruptcy Act, as amended, or under any similar act in any jurisdiction which may now be in effect or hereafter enacted.

(C) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Resolution on the part of the Issuer to be performed, and such default shall continue for a period of thirty days after written notice of such default shall have been received from the Holders of not less than twenty-five percent (25%) of the aggregate principal amount of Bonds Outstanding or the Insurer of such amount of Bonds. Notwithstanding the foregoing, the Issuer shall not be deemed in default hereunder if such default can be cured within a reasonable period of time and if the Issuer in good faith institutes curative action and diligently pursues such action until the default has been corrected.

SECTION 6.02 Remedies. Any Holder of Bonds issued under the provisions of this Resolution or any trustee or receiver acting for such Bondholders may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State, or granted and contained in this

Resolution, and may enforce and compel the performance of all duties required by this Resolution or by any applicable statutes to be performed by the Issuer or by any officer thereof.

The Holder or Holders of Bonds in an aggregate principal amount of not less than twenty-five percent (25%) of the Bonds then Outstanding may by a duly executed certificate in writing appoint a trustee for Holders of Bonds issued pursuant to this Resolution with authority to represent such Bondholders in any legal proceedings for the enforcement and protection of the rights of such Bondholders and such certificate shall be executed by such Bondholders or their duly authorized attorneys or representatives, and shall be filed in the office of the City Clerk. Notice of such appointment, together with evidence of the requisite signatures of the Holders of not less than twenty-five percent (25%) in aggregate principal amount of Bonds Outstanding and the trust instrument under which the trustee shall have agreed to serve shall be filed with the Issuer and the trustee and notice of appointment shall be given to all Holders of Bonds in the same manner as notices of redemption are given hereunder. After the appointment of the first trustee hereunder, no further trustees may be appointed; however, the Holders of a majority in aggregate principal amount of all the Bonds then Outstanding may remove the trustee initially appointed and appoint a successor and subsequent successors at any time.

SECTION 6.03 Directions to Trustee as to Remedial Proceedings. The Holders of a majority in principal amount of the Bonds then Outstanding (or any Insurer insuring any then Outstanding Bonds who is not in default in the performance of any of its obligations under its Insurance Policy) have the right, by an instrument or concurrent instruments in writing executed and delivered to the trustee, to direct the method and place of conducting all remedial proceedings to be taken by the trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions hereof, and that the trustee shall have the right to decline to follow any such direction which in the opinion of the trustee would be unjustly prejudicial to Holders of Bonds not parties to such direction.

SECTION 6.04 Remedies Cumulative. No remedy herein conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

SECTION 6.05 Waiver of Default. No delay or omission of any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by Section 6.02 of this Resolution to the Bondholders may be exercised from time to time, and as often as may be deemed expedient.

SECTION 6.06 Application of Moneys After Default. If an Event of Default shall happen and shall not have been remedied, the Issuer or a trustee or receiver appointed for that purpose shall apply all Pledged Funds as follows and in the following order:

(A) To the payment of the reasonable and proper charges, expenses and liabilities of the trustee or receiver, Registrar and Paying Agent hereunder; and

(B) To the payment of the interest and principal or Redemption Price, if applicable, then due on the Bonds, as follows:

FIRST: to the payment to the Persons entitled thereto of all installments of interest then due, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or preference;

SECOND: to the payment to the Persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due at maturity or as Amortization Installments upon mandatory redemption prior to maturity (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of Section 8.01 of this Resolution), in the order of their due dates, with interest upon such Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal, ratably according to the amount of such principal due on such date, to the Persons entitled thereto without any discrimination or preference; and

THIRD: to the payment of the Redemption Price of any Bonds called for optional redemption pursuant to the provisions of this Resolution.

ARTICLE VII
SUPPLEMENTAL RESOLUTIONS

SECTION 7.01 Supplemental Resolutions without Bondholders' Consent. The Issuer, from time to time and at any time, may adopt such Supplemental Resolutions without the consent of the Bondholders (which Supplemental Resolutions shall thereafter form a part hereof) for any of the following purposes:

(A) To cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Resolution or to clarify any matters or questions arising hereunder.

(B) To grant to or confer upon the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders.

(C) To add to the conditions, limitations and restrictions on the issuance of Bonds under the provisions of this Resolution other conditions, limitations and restrictions thereafter to be observed.

(D) To add to the covenants and agreements of the Issuer in this Resolution other covenants and agreements thereafter to be observed by the Issuer or to surrender any right or power herein reserved to or conferred upon the Issuer.

(E) To specify and determine the matters and things referred to in Sections 2.01, 2.02 or 2.09 hereof, and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with this Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first delivery of such Bonds.

(F) To change or modify the description of the Initial Project or any Additional Project.

(G) To specify and determine matters necessary or desirable for the issuance of Variable Rate Bonds.

(H) To make any other change that, in the reasonable opinion of the Issuer, would not materially adversely affect the security for the Bonds.

SECTION 7.02 Supplemental Resolutions with Bondholders' Consent. Subject to the terms and provisions contained in this Section 7.02 and Sections 7.01 and 7.03 hereof, the Holder or Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Resolution to the contrary notwithstanding, to consent to and approve the adoption of such Supplemental Resolutions hereto as shall be deemed necessary or desirable by the Issuer for the purpose of supplementing, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified Series or maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section 7.02. Any Supplemental Resolution which is adopted in accordance with the provisions of this Section 7.02 shall also require the written consent of the Insurer of any Bonds which are Outstanding at the time such Supplemental Resolution shall take effect. No Supplemental Resolution may be approved or adopted which shall permit or require (A) an extension of the maturity of the principal of or the payment of the interest on any Bond issued hereunder, (B) reduction in the principal amount of any Bond or the Redemption Price or the rate of interest thereon, (C) the creation of a lien upon or a pledge of other than the lien and pledge created by this Resolution which adversely affects any Bondholders, (D) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (E) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Resolution. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholders of the adoption of any Supplemental Resolution as authorized in Section 7.01 hereof.

If, at any time the Issuer shall determine that it is necessary or desirable to adopt any Supplemental Resolution pursuant to this Section 7.02, the City Clerk shall cause the Registrar to give notice of the proposed adoption of such Supplemental Resolution and the form of consent to such adoption to be mailed, postage prepaid, to all Bondholders at their addresses as they appear on the registration books. Such notice shall briefly set forth the nature of the proposed Supplemental Resolution and shall state that copies thereof are on file at the offices of the City Clerk and the Registrar for inspection by all Bondholders. The Issuer shall not, however, be subject to any liability to any Bondholder by reason of its failure to cause the notice required by this Section 7.02 to be mailed and any such failure shall not affect the validity of such Supplemental Resolution when consented to and approved as provided in this Section 7.02.

Whenever the Issuer shall deliver to the City Clerk an instrument or instruments in writing purporting to be executed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed Supplemental Resolution described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Issuer may adopt such Supplemental Resolution in substantially such form, without liability or responsibility to any Holder of any Bond, whether or not such Holder shall have consented thereto.

If the Holders of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such Supplemental Resolution shall have consented to and approved the adoption thereof as herein provided, no Holder of any Bond shall have any right to object to the adoption of such Supplemental Resolution, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Issuer from adopting the same or from taking any action pursuant to the provisions thereof.

Upon the adoption of any Supplemental Resolution pursuant to the provisions of this Section 7.02, this Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Resolution of the Issuer and all Holders of Bonds then Outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Resolution as so modified and amended.

SECTION 7.03 Supplemental Resolutions with Insurer's Consent in lieu of Bondholders' Consent. Notwithstanding any provisions of Section 7.02 above to the contrary, if the Insurer of a particular Series of Bonds is not then in default in the performance of any of its obligations under its Insurance Policy, the approvals, consents and notifications required by Section 7.02 above to be given by or to the Holders of the Bonds, as the case may be, subject to such Insurance Policy shall be given solely by or to the Insurer, as the case may be, and the instrument contemplated by Section 7.02 above shall be executed solely by the Insurer and the Holders of the Bonds subject to such Insurance Policy shall have no right to receive such notification or give such approvals and consents or to execute such certificate except that the

adoption of Supplemental Resolutions that would have any of the effects described in (A) through (E) in Section 7.02 above shall require the approval and consent of all Holders of Bonds then Outstanding and the Insurer.

ARTICLE VIII
MISCELLANEOUS

SECTION 8.01 Defeasance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid to the Holders of all Bonds, the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, then the pledge of the Pledged Funds, and all covenants, agreements and other obligations of the Issuer to the Bondholders, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Paying Agents shall pay over or deliver to the Issuer all money or securities held by them pursuant to this Resolution which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

Any Bonds or interest installments appertaining thereto, whether at or prior to the maturity or redemption date of such Bonds, shall be deemed to have been paid within the meaning of this Section 8.01 if (A) in case any such Bonds are to be redeemed prior to the maturity thereof, there shall have been taken all action necessary to call such Bonds for redemption and notice of such redemption shall have been duly given or provision shall have been made for the giving of such notice, and (B) there shall have been deposited in irrevocable trust with a banking institution or trust company by or on behalf of the Issuer either moneys in an amount which shall be sufficient, or Federal Securities the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with such bank or trust company at the same time shall be sufficient, to pay the principal of or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be. Except as hereafter provided, neither the Federal Securities nor any moneys so deposited with such bank or trust company nor any moneys received by such bank or trust company on account of principal of or Redemption Price, if applicable, or interest on said Federal Securities shall be withdrawn or used for any purpose other than, and all such moneys shall be held in trust for and be applied to, the payment, when due, of the principal of or Redemption Price, if applicable, of the Bonds for the payment or redemption of which they were deposited and the interest accruing thereon to the date of maturity or redemption; provided, however, the Issuer may substitute new Federal Securities and moneys for the deposited Federal Securities and moneys if the new Federal Securities and moneys are sufficient to pay the principal of or Redemption Price, if applicable, and interest on the refunded Bonds.

For purposes of determining whether Variable Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of moneys, or specified Federal Securities and moneys, if any, in accordance with this Section 8.01, the interest to come due on such Variable Rate Bonds on or prior to the maturity or redemption

date thereof, as the case may be, shall be calculated at the Maximum Interest Rate; provided, however, that if on any date, as a result of such Variable Rate Bonds having borne interest at less than the Maximum Interest Rate for any period, the total amount of moneys and specified Federal Securities on deposit for the payment of interest on such Variable Rate Bonds is in excess of the total amount which would have been required to be deposited on such date in respect of such Variable Rate Bonds in order to satisfy this Section 8.01, such excess shall be paid to the Issuer free and clear of any trust, lien, pledge or assignment securing the Bonds or otherwise existing under this Resolution.

In the event the Bonds for which moneys are to be deposited for the payment thereof in accordance with this Section 8.01 are not by their terms subject to redemption within the next succeeding sixty (60) days, the Issuer shall cause the Registrar to mail a notice to the Holders of such Bonds that the deposit required by this Section 8.01 of moneys or Federal Securities has been made and said Bonds are deemed to be paid in accordance with the provisions of this Section 8.01 and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of or Redemption Price, if applicable, and interest on said Bonds.

Nothing herein shall be deemed to require the Issuer to call any of the Outstanding Bonds for redemption prior to maturity pursuant to any applicable optional redemption provisions, or to impair the discretion of the Issuer in determining whether to exercise any such option for early redemption.

SECTION 8.02 Sale of Bonds. The Bonds shall be issued and sold at public or private sale at one time or in installments from time to time and at such price or prices as shall be consistent with the provisions of the Act, the requirements of this Resolution and other applicable provisions of law and as shall be approved by Supplemental Resolution of the Issuer.

SECTION 8.03 Preliminary Official Statement. The Issuer hereby authorizes the distribution of a Preliminary Official Statement for the purpose of marketing the Series 2016 Bonds and delegates to the Finance Director the authority to deem such Preliminary Official Statement "final" except for "permitted omissions" within the contemplation of Rule 15c2-12 of the Securities and Exchange Commission. The form of such Preliminary Official Statement shall be approved by Supplemental Resolution.

SECTION 8.04 Capital Appreciation Bonds. For the purposes of (i) receiving payment of the redemption price of a Capital Appreciation Bond if redeemed prior to maturity, (ii) receiving payment if the principal of all Bonds is declared immediately due and payable, (iii) computing Annual Debt Service, and (iv) computing the amount of Holders required for any notice, consent, request or demand hereunder for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its then current Compounded Amount.

SECTION 8.05 General Authority. The members of the City Commission of the Issuer and the Issuer's officers, attorneys and other agents and employees are hereby authorized to perform all acts and things required of them by this Resolution or desirable or consistent with the requirements hereof for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Bonds and this Resolution, and they are hereby authorized to execute and deliver all documents which shall be required by Bond Counsel or the initial purchasers of the Bonds to effectuate the sale of the Bonds to said initial purchasers.

SECTION 8.06 No Third Party Beneficiaries. Except such other Persons as may be expressly described herein or in the Bonds, nothing in this Resolution or in the Bonds, expressed or implied, is intended or shall be construed to confer upon any Person, other than the Issuer and the Holders, any right, remedy or claim, legal or equitable, under and by reason of this Resolution or any provision hereof, or of the Bonds, all provisions hereof and thereof being intended to be and being for the sole and exclusive benefit of the Issuer and the Persons who shall from time to time be the Holders.

SECTION 8.07 No Personal Liability. **N**either the members of the City Commission of the Issuer, any employees of the Issuer, nor any person executing the Bonds shall be personally liable therefor or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 8.08 Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions of this Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements and provisions of this Resolution and shall in no way affect the validity of any of the other covenants, agreements or provisions hereof or of the Bonds issued hereunder.

SECTION 8.09 Repeal of Inconsistent Resolutions. All resolutions or parts thereof in conflict herewith are hereby superseded and repealed to the extent of such conflict.

[Remainder of page intentionally left blank]

SECTION 8.10 Effective Date. This Resolution shall take effect immediately upon its adoption.

Dated this 16th day of May, 2016.

BY: _____
JOHN C. MASIARCZYK, SR., Mayor

ATTEST:

_____
JOYCE RAFTERY, CMC, City Clerk

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

_____
GRETCHEN R. H. VOSE, City Attorney

City of Deltona

2345 Providence Blvd.
Deltona, FL 32725

Agenda Memo

AGENDA ITEM: G.

TO: Mayor and Commission **AGENDA DATE:** 5/16/2016

FROM: Jane K. Shang, City Manager **AGENDA ITEM:** 9 - G

SUBJECT:
Request for approval of Resolution 2016-22 approving the form of documents in relating to the City of Deltona, Florida Capital Improvement Revenue Refunding Bonds, Series 2016 - Bob Clinger, Finance - (386) 878-8552.

Strategic Goals:
Fiscal Issues/Infrastructure - Transportation CIP program
Fiscal Issues - New Community Center

LOCATION:
N/A

BACKGROUND:
The Financing Plan provides for the issuance of not to exceed $40,000,000 of Capital Improvement Revenue Refunding Bonds, Series 2016 to current refund the City's outstanding Transportation Revenue Bonds, Series 2016,current outstanding in the principal amount of $12,150,000. The 30 year fixed rate bonds will be structured to maintain the City's current Series 2006 Bonds debt service of $1,460,000 for 30 years while providing additional funds to fund a portion of the City's transportation capital improvement program. The Series 2016 Bonds will also provide $8 million to be used toward the Community Center.

At the Commission workshop held on November 23, 2015, the City Commission expressed the desire to move forward with the planning, financing and construction of the City's future Community Center and to move forward with several road projects to include sidewalks, road resurfacing, road widening, etc.

Approval of this Resolution which formally authorizes the following:

- Form of official notice of bond sale and official bid form
- Form of preliminary official statement
- Form of continuing disclosure certificate
- Form of escrow deposit agreement

- Form of first amendment to debt service forward delivery agreement

COST:
Payment of the issuance costs netted against bond proceeds

SOURCE OF FUNDS:
Bond proceeds

ORIGINATING DEPARTMENT:
Finance Department

STAFF RECOMMENDATION PRESENTED BY:
Robert Clinger, Finance Director recommends approval of Resolution 2016-22 approving the form of official notice of bond sale and official bid form, approving the form of the continuing disclosure certificate, approving the form of a first amendment to debt service forward delivery agreement all in regard to the issuance by the City not to exceed $40,000,000 in aggregate principal amount of City of Deltona, Florida Capital Improvement Revenue Refunding Bonds, Series 2016.

POTENTIAL MOTION:
“I move to approve Resolution 2016-22 approving the form of official notice of bond sale and official bid form, approving the form of the continuing disclosure certificate, approving the form of a first amendment to debt service forward delivery agreement all in regard to the issuance by the City not to exceed $40,000,000 in aggregate principal amount of City of Deltona, Florida Capital Improvement Revenue Refunding Bonds, Series 2016.

$_____*

CITY OF DELTONA, FLORIDA

CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS

SERIES 2016

OFFICIAL NOTICE OF BOND SALE

The Series 2016 Bonds are being offered for sale in accordance with this Official Notice of Bond Sale. Bids for the purchase of the Series 2016 Bonds will be received electronically on behalf of the City of Deltona, Florida, via i-Deal LLC's PARITY/BiDCOMP Competitive Bidding System ("PARITY") on _____, May ___, 2016, until 11:00 A.M., local Orlando, Florida time (according to the time posted by PARITY), or on such other date and time as may be established by the Mayor or his designee and communicated through TM3 News Service (www.TM3.com) not less than 18 hours prior to the time the bids are to be received..

May ___, 2016

* Preliminary, subject to change.

OFFICIAL NOTICE OF BOND SALE

$_____*
CITY OF DELTONA, FLORIDA
CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS
SERIES 2016

NOTICE IS HEREBY GIVEN that electronic bids will be received by the City of Deltona, Florida (the "City") via i-Deal LLC's PARITY/BiDCOMP Competitive Bidding System ("PARITY") for the purchase of all, but not less than all, of the City's Capital Improvement Revenue Refunding Bonds, Series 2016 (the "Series 2016 Bonds") which shall be dated the date of their delivery The Series 2016 Bonds are being offered for sale in accordance with this Official Notice of Bond Sale. Bids for the purchase of the Series 2016 Bonds will be received electronically via PARITY on May __, 2016, until 11:00 A.M., Eastern Standard Time (according to the time posted by PARITY), or on such date and time as may be established by the Mayor or his designee, as communicated through TM3 News Service (www.TM3.com) not less than 18 hours prior to the time bids are to be received. On such date of receipt, all bids will be publicly opened and read, but no bid will be considered if received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY conflict with this Official Notice of Bond Sale, this Official Notice of Bond Sale shall control. To bid on the Series 2016 Bonds, a bidder must be a contracted customer of Parity®. Prospective bidders that do not have a contract with Parity® should call (212) 849-5021 to become a customer and to obtain a list of the bidding rules and procedures. For further information about PARITY, potential bidders may contact BiDCOMP at 1359 Broadway, 2nd Floor, New York, New York 10018, telephone number (212) 849-5021. The use of PARITY shall be at the bidder's risk and expense and the City shall have no liability with respect thereto.

The City may choose to discontinue use of electronic bidding via **PARITY** (and use another mechanism for the acceptance of bids) by issuing a notification to such effect communicated through Thompson Municipal Market Monitor pertaining to this competitive sale at any time no later than eighteen (18) hours prior to the time bids are to be received.

FORM, MATURITY AND PAYMENT OF SERIES 2016 BONDS. The Series 2016 Bonds are offered for purchase as fully described in the Preliminary Official Statement dated May ___, 2016 (the "Preliminary Official Statement"). All capitalized terms used herein and not defined herein shall have the meanings ascribed to them in the Preliminary Official Statement.

The Series 2016 Bonds will be issued by the City in fully registered form payable at the office of U.S. Bank, National Association, Jacksonville, Florida, as Paying Agent and Registrar (the "Paying Agent and Registrar"). Interest on the Series 2016 Bonds will be payable from their date, commencing October 1, 2016, and semiannually thereafter on April 1 and October 1 of each year. The proposed schedule of maturities and amounts are shown on the following table (the "Initial Maturity Schedule"):

* Preliminary, subject to change.

$_____*

CITY OF DELTONA, FLORIDA
CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS
SERIES 2016

Year (October 1)	Amount	Year (October 1)	Amount
2016		2032	
2017		2033	
2018		2034	
2019		2035	
2020		2036	
2021		2037	
2022		2038	
2023		2039	
2024		2040	
2025		2041	
2026		2042	
2027		2043	
2028		2044	
2029		2045	
2030		2046	
2031			

(NOTE: The City reserves the right to modify the maturity schedule shown above. Any such modification will be communicated through TM3 News Service (www.TM3.com). See "Adjustment of Principal Amount" below.)

Term Bonds Option – Bidders may designate the principal amounts of the Series 2016 Bonds maturing on or after October 1, 2036 in the Initial Maturity Schedule above for any two (2) or more consecutive years as a single term maturity which will mature in the latest of the years designated, and will have a stated maturity amount equal to the sum of the annual principal amounts designated as a part of such term maturity. Upon such designation, the Series 2016 Bonds of such term maturity shall be subject to mandatory sinking fund redemption in part by lot on October 1 in the principal amount which would otherwise have matured in such designated years, at the price of par plus accrued interest to the redemption date, without premium.

Adjustment of Principal Amount – The Initial Maturity Schedule represents an estimate of the principal amount and maturities of the Series 2016 Bonds which will be sold. The City reserves the right to change the Initial Maturity Schedule by announcing any such change not later than 5:00 p.m., Eastern Standard Time, on the date immediately preceding the date set for receipt of bids, through TM3 News Service (www.TM3.com). If no such change is announced, the Initial Maturity Schedule will be deemed the schedule of maturities for the form to be submitted electronically by the bidder. If such a change is announced, then the changes, when incorporated into the Initial Maturity Schedule, shall become part of a revised maturity schedule

* Preliminary, subject to change.

(the "Revised Maturity Schedule"). The Revised Maturity Schedule shall be deemed the principal amounts and maturities for the bid submitted via PARITY.

Furthermore, if after final computation of the bids, the City determines in its sole discretion that the funds necessary to accomplish the purposes of the Series 2016 Bonds is either more or less than the proceeds of the sale of the Series 2016 Bonds, the City reserves the right either to increase or decrease maturities: (i) by no more than twenty percent (20%), the principal amount of any maturity of the Series 2016 Bonds; or (ii) by no more than fifteen percent (15%), the total principal amount of the Series 2016 Bonds (to be rounded to the nearest $5,000). An adjustment to the principal amount of any maturity by more than 20% or to the total principal amount of the Series 2016 Bonds by more than 15% will require approval by the successful bidder. Any such increase shall not, in the aggregate, cause the total amount of the Series 2016 Bonds to exceed the maximum principal amount authorized by the City therefor.

In the event of any such adjustment, no rebidding or recalculation of the bids submitted will be required or permitted. The purchase price of the Series 2016 Bonds will be computed by taking the adjusted par amount of the Series 2016 Bonds and (1) either subtracting the aggregate original issue discount or adding the aggregate original issue premium, as applicable, computed based on the adjusted par amounts of each maturity of the Series 2016 Bonds and the prices provided by the underwriters, and (2) subtracting the amount obtained by multiplying the per bond amount of the underwriters' spread by the adjusted par amount of the Series 2016 Bonds. However, the award will be made to the bidder whose bid produces the lowest actual true interest cost rate, calculated as specified, solely on the basis of the Series 2016 Bonds offered, without taking into account any adjustment in the amount of Series 2016 Bonds pursuant to this section.

REDEMPTION PROVISIONS.

Optional Redemption. The Series 2016 Bonds maturing on or prior to October 1, 2026 are not subject to optional redemption prior to maturity. The Series 2016 Bonds maturing on and after October 1, 2027 shall be subject to redemption prior to their stated dates of maturity, at the option of the City, in whole or in part, on any date on or after October 1, 2026, in such maturities as the City shall in its discretion select or by lot within a maturity if less than a full maturity, at a redemption price equal to 100% of the principal amount of the Series 2016 Bonds to be redeemed plus accrued interest to the redemption date, but without premium.

Mandatory Redemption. Bidders, in their bids for purchase of the Series 2016 Bonds may specify that the principal amount coming due in any two or more consecutive annual periods on or after October 1, 2036, may be combined into one or more term bonds with mandatory sinking fund redemption in the amounts set forth in the maturity schedule provided in the Official Notice of Bond Sale.

DTC BOOK ENTRY ONLY. The successful bidder shall be required to deposit the Series 2016 Bonds with DTC in New York, New York. It is anticipated that the Series 2016 Bonds will be eligible for custodial deposit with DTC; however, it will be the responsibility of the successful bidder to obtain such eligibility.

DTC, or its nominee, will serve as the Registered Owner of the Series 2016 Bonds and the securities depository for the Series 2016 Bonds, which will be immobilized in the custody of DTC. A book-entry system will be employed by DTC, evidencing beneficial ownership interests in the Series 2016 Bonds in principal amounts of $5,000 or any integral multiple thereof, with transfers of beneficial ownership interests in the Series 2016 Bonds effected only through the records of DTC and its participants pursuant to the rules and procedures established by DTC.

Principal of and interest on the Series 2016 Bonds will be payable at maturity to DTC, or its nominee, as registered owner of the Series 2016 Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC. Transfer of principal and interest payments to indirect participants will be the responsibility of DTC participants, and transfer of principal and interest payments to beneficial owners by DTC participants and indirect participants will be the responsibility of such DTC participants. The City will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

AUTHORITY AND PURPOSE. The 2016 Bonds are being issued pursuant to the Constitution and laws of the State of Florida, Chapter 166, Florida Statutes, Chapter 218, Part II and VI, Florida Statutes, Chapter 202, Florida Statutes, City Charter, Ordinance No. 96-01 duly enacted by the City on March 4, 1996 and Ordinance No. 05-2000 duly enacted by the City on May 15, 2000, and other applicable provisions of law (collectively, the "Act"), and Resolution No. 2016-16 duly adopted by the City Commission of the City (the "City Commission") on May 16, 2016, as amended and supplemented from time to time, and as particularly supplemented by Resolution No. 2016-22 duly adopted by the City Commission on May 16, 2016 (collectively, the "Bond Resolution").

The proceeds of the Series 2016 Bonds, together with other available moneys, are being issued to (i) finance and/or reimburse the cost of the design permitting, acquisition, installation, construction and equipping of roadway improvements, a community center and other capital projects, (ii) refund all of the Outstanding Transportation Capital Improvement Revenue Bonds, Series 2006 (the "Series 2006 Bonds"), and (iii) pay certain expenses related to the issuance and sale of the Series 2016 Bonds. See the sections entitled "PURPOSE OF THE ISSUE" and "ESTIMATED SOURCES AND USES OF FUNDS" in the Preliminary Official Statement for more information.

SECURITY. The Series 2016 Bonds are payable solely from and secured by a lien upon and pledge of certain Pledged Funds, consisting of (i) Half-Cent Sales Tax Revenues received by the City from the Local Government Half-Cent Sales Tax Clearing Trust Fund pursuant to the provisions of Chapter 218, Part VI, Florida Statutes, (ii) Public Utilities and Services Taxes Revenues as such taxes are levied and collected by the City pursuant to and in accordance with the PST Ordinance, and Section 166.231, Florida Statutes, (iii) the Local Communications Services Tax Revenues as such tax is levied and collected by the City pursuant to and in accordance with Chapter 202, Florida Statutes, as amended, and (iv) the amounts and investments on deposit in the funds and accounts created under the Bond Resolution (other than amounts in the Unrestricted Revenue Account; provided, however, that proceeds deposited in the Construction Fund in connection with the issuance of a particular Series of Bonds shall only secure such Series) (herein collectively referred to as the "Pledged Funds").

The Series 2016 Bonds shall be special obligations of the City, payable solely from the Pledged Funds as provided in the Bond Resolution. The Series 2016 Bonds do not constitute a general obligation or a pledge of the faith, credit or taxing power of the City, the State of Florida (the "State") or any other political subdivision thereof, within the meaning of any constitutional or statutory provision or limitation. Neither the State nor any other political subdivision thereof shall be obligated to pay the principal of the Series 2016 Bonds, the interest thereon or any other payments under the Bond Resolution. The City shall not be obligated to pay the principal of the Series 2016 Bonds, the interest thereon or any other payments under the Bond Resolution except from the Pledged Funds in the manner provided in the Bond Resolution. The acceptance of the Series 2016 Bonds by the Registered Owners from time to time thereof shall be deemed an agreement between the City and such Registered Owners that the Series 2016 Bonds and the indebtedness evidenced thereby shall not constitute a lien upon any property of the State or the City except the Pledged Funds. No Registered Owner of any Series 2016 Bond shall ever have the right to require or compel the exercise of the ad valorem taxing power of the City for payment thereof.

TERMS OF BID AND BASIS OF AWARD. Bids must be unconditional and for the purchase of all of the Series 2016 Bonds. Takedown may not exceed 1.5% of the aggregate principal amount of the Series 2016 Bonds. The aggregate discount, inclusive of original issue discount ("OID"), takedown and underwriters' discount, may not exceed 2.0% of the aggregate principal amount of the Series 2016 Bonds. No more than one bid from any bidder will be considered.

The Series 2016 Bonds shall bear interest expressed in multiples of one-eighth (1/8) or one-twentieth (1/20) of one (1) per centum. The use of split or supplemental interest coupons will not be considered and a zero rate or blank rate will not be permitted. All Series 2016 Bonds maturing on the same date shall bear the same rate of interest. The initial public offering price of each maturity shall be not less than 98% of the par amount of such maturity. The initial public offering price shall not be greater than 109% of the aggregate principal amount of the Series 2016 Bonds.

The Series 2016 Bonds will be awarded by the Mayor not later than 3:00 p.m., Eastern Standard Time, on May __, 2016 to the bidder offering to purchase the Series 2016 Bonds at the lowest true interest cost (the "Cost"). The Cost will be determined by doubling the semi-annual interest rate necessary to discount the semi-annual debt service payments on the Series 2016 Bonds back to the Net Bond Proceeds (defined as the par amount of the Series 2016 Bonds plus any original issue premium and accrued interest thereon, less any original issue discount, bond insurance premium, if any, and underwriter's discount on the Series 2016 Bonds calculated on a 360 day year to the estimated Closing Date of June __, 2016). The Cost must be calculated to four (4) decimal places. Tie bids shall be broken by lot in the discretion of the City.

CUSIP Numbers. It shall be the responsibility of the successful bidder to obtain CUSIP identification numbers to be printed on the Series 2016 Bonds. The City shall not be responsible for any delay or expense incurred by the successful bidder due to the failure of the successful bidder to obtain such numbers or supply them to the City in a timely manner. Neither the failure to print such number on any Series 2016 Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Series

2016 Bonds. All expenses in relation to the printing of CUSIP numbers on the Series 2016 Bonds as well as any CUSIP Service Bureau charge for the assignment of such numbers, shall be paid for by the successful bidder.

Bid Form. Each bid submitted must be unconditional and must be submitted electronically via **PARITY**.

MUNICIPAL BOND INSURANCE The purchase of municipal bond insurance, if available, will be at the option and expense of the bidder. The successful bidder will be responsible for the payment of all costs associated with any such insurance, including the premium charged by the insurer. The bidder understands that, by submission of its bid, the bidder is solely responsible for the selection of any insurer and for all negotiations with the insurer as to the premium to be paid. If all or a portion of the Series 2016 Bonds are awarded on an insured basis, reference to the insurance policy will appear on the Series 2016 Bonds and in the Official Statement; however, the provisions of the financing documents will not be altered nor will the City consent to make additional representations, undertakings or warranties.

In addition, if the successful bidder is arranging for bond insurance for all or a portion of the Series 2016 Bonds, it also shall provide the amount of the premium to be paid and certification that the present value of the premium is less than the present value of the interest reasonably expected to be saved as a result of the insurance and that the premium does not exceed a reasonable arms-length charge for the transfer of credit risk accomplished through the bond insurance.

RATINGS The Series 2016 Bonds are expected to be rated "AA-" by S&P Global Ratings, a Division of the S&P Global, Inc. ("S&P") and "AA" by Fitch Ratings ("Fitch"), in each case without regard to any municipal bond insurance policy (S&P and Fitch are collectively referred to as the "Rating Agencies"). Such ratings reflect only the respective views of such Rating Agencies, and an explanation of the significance of such ratings may be obtained from the respective Rating Agencies. Any downward change in or suspension or withdrawal of such ratings may have an adverse effect on the market price of the Series 2016 Bonds.

PURCHASER'S CERTIFICATION REGARDING INITIAL OFFERING PRICE.

In order to provide the City with information required to enable it to comply with certain requirements of the Internal Revenue Code of 1986, as amended, relating to the exclusion of interest on the Series 2016 Bonds from the gross income of the holders thereof for federal income tax purposes, the successful bidder will be required to complete, execute and deliver to the City (on the date of delivery of the Series 2016 Bonds) a certificate relating to the manner in which the Series 2016 Bonds were offered for sale and the offering price for such Series 2016 Bonds, substantially in the form of Exhibit B to this Official Notice of Bond Sale. In the event the successful bidder will not reoffer the Series 2016 Bonds for sale or is unable to sell a substantial amount of the Series 2016 Bonds by the date of delivery, such certificate may be modified in a manner approved by the City and Akerman LLP, Orlando, Florida, Bond Counsel to the City. It will be the responsibility of the successful bidder to institute such syndicate or selling group reporting requirements, to make such investigation, or otherwise to ascertain the facts necessary to enable it to make such certification with reasonable certainty.

TRUTH IN BONDING STATEMENT. Prior to the time for award of the Series 2016 Bonds, each bidder is required to provide a completed Truth in Bonding Statement pursuant to Sections 218.385(2) and (3), Florida Statutes, to the Finance Director by hand delivery, email (rclinger@deltonafl.gov) or fax (386-878-8551) in the form attached hereto as Exhibit A.

GOOD FAITH DEPOSIT. If the City selects a winning bid, then the successful bidder must submit a "Good Faith Deposit" (the "Deposit") to the City in the form of a wire transfer in the amount of one percent (1.0%) of the proposed principal amount of the Series 2016 Bonds as shown on the cover of the Preliminary Official Statement, no later than 2:00 p.m., Eastern Standard Time, on the business day following the award. The Deposit of the successful bidder will be collected and the proceeds thereof retained by the City to be applied as partial payment for the Series 2016 Bonds and no interest will be allowed or paid upon the amount thereof, but in the event the successful bidder shall fail to comply with the terms of the bid, the proceeds thereof will be retained as and for full liquidation damages.

RIGHT OF CANCELLATION OR REJECTION. The City reserves the right to cancel the public sale and to negotiate a sale of the Series 2016 Bonds to a purchaser of its choice, or to reject any and all bids, and any bids not complying with the provisions hereof or Florida law will be rejected. The City also reserves the right to waive any defect in any bid, to take any action adjourning or postponing the sale of the Series 2016 Bonds or to take any other action the City may deem to be in the best interest of the City.

MANDATORY STATE FILING. Section 218.38(1)(b)1, Florida Statutes, as amended, requires that the City file, within 120 days after the delivery of the Series 2016 Bonds, an information statement with the Division of Bond Finance of the Board of Administration of the State containing the following information: (a) the name and address of the managing underwriter, if any, connected with the bond issue; (b) the name and address of any attorney or financial consultant who advised the City with respect to the bond issue; (c) any fee, bonus, or gratuity paid by any underwriter or financial consultant, in connection with the bond issue, to any person not regularly employed or engaged by such underwriter or consultant; and (d) any other fee paid by the City with respect to the bond issue, including any fee paid to attorneys or financial consultants. The successful bidder is expected to provide to the City the information mentioned in (a) and (c) above when the Series 2016 Bonds are delivered, but in no event later than ninety (90) days after delivery of the Series 2016 Bonds as required by Section 218.38(1)(b)2, Florida Statutes. Such information provided pursuant to the cited statute shall be maintained by the Division of Bond Finance and by the City as a public record.

Additionally, Section 218.386, Florida Statutes, as amended, requires the Official Statement for the Series 2016 Bonds to include disclosure of any finder's fees paid in connection with the sale of the Series 2016 Bonds.

OTHER COSTS. The successful bidder will be responsible for payment of all applicable fees and charges of the Municipal Securities Rulemaking Board and the Securities Industry and Financial Markets Association applicable to the underwriting of the Series 2016 Bonds.

The winning bidder will be required to make the standard filings and maintain the appropriate records routinely required pursuant to the Municipal Securities Rulemaking Board (the "MSRB") Rules. The winning bidder will be required to pay the standard MSRB charge for the Series 2016 Bonds purchased. In addition, those who are members of the Securities Industry and Financial Markets Association ("SIFMA") will be required to pay SIFMA's standard charge per bond. The winning bidder will also be required to execute certain closing documents required by Florida law or required by bond counsel in connection with the delivery of its tax opinion. See "PURCHASER'S CERTIFICATION REGARDING INITIAL OFFERING PRICE" and "TRUTH IN BONDING STATEMENT" herein.

CONTINUING DISCLOSURE. The City has committed to execute and deliver, simultaneously with the issuance of the Series 2016 Bonds, a Continuing Disclosure Agreement with Digital Assurance Certification, L.L.C., as the initial dissemination agent, pursuant to which the City will agree to provide certain annual financial and operating information and notices of certain events as required by Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC") and as described in the Preliminary Official Statement. See "CONTINUING DISCLOSURE" in the Preliminary Official Statement and "APPENDIX E – FORM OF CONTINUING DISCLOSURE AGREEMENT" attached thereto for more information regarding the City's continuing disclosure undertaking with respect to the Series 2016 Bonds and the City's continuing disclosure compliance history.

Bidders shall perform their own due diligence regarding the City's past compliance and must contact the City prior to bidding on the Series 2016 Bonds to the extent of any questions or proposed revisions with respect to such disclosure.

DELIVERY OF THE SERIES 2016 BONDS. It is expected that closing for the Series 2016 Bonds will occur in Deltona, Florida, on or after June __, 2016, or on such other later date as shall be appropriate to ensure compliance with the Rule, with certain provisions of the Internal Revenue Code of 1986, as amended, and with certain rules promulgated by the MSRB. On such date, the Series 2016 Bonds will be delivered to DTC as securities depository and registered in the name of Cede & Co., as nominee of DTC. The successful bidder shall advise the underwriting department of DTC, not less than seven business days prior to the closing date, the interest rates borne by the Series 2016 Bonds, the CUSIP identification numbers and the closing date. The successful bidder shall also timely obtain CUSIP identification numbers and pay CUSIP Service Bureau charges for assignment of the numbers. Any delay, error or omission with respect to the CUSIP numbers shall not constitute cause for failure or refusal by the successful bidder to accept delivery of and pay for each of the Series 2016 Bonds awarded by the City in accordance with the terms of this Official Notice of Bond Sale.

FULL PAYMENT OF THE PURCHASE PRICE MUST BE MADE TO THE CITY ON SUCH DATE BY THE SUCCESSFUL BIDDER BY FEDERAL RESERVE WIRE TRANSFER, AS DIRECTED BY THE CITY, WITHOUT COST TO THE CITY.

LEGAL OPINION. The Series 2016 Bonds are being offered for sale subject to the approving opinion, as to legality and exclusion of interest on the Series 2016 Bonds from gross income for federal income tax purposes, of Akerman LLP, Orlando, Florida, as Bond Counsel, which will accompany the Series 2016 Bonds and will be furnished without charge to the purchaser at the time of delivery.

OFFICIAL STATEMENT. The Preliminary Official Statement is in a form deemed final as of its date by the City for the purposes of the Rule, but is subject to revision, amendment and completion in the final Official Statement. The successful bidder for the Series 2016 Bonds, by submitting its bid, agrees to provide for the City such pricing, yield and other information as shall be necessary for the City to complete the final Official Statement in accordance with the provisions of the Rule within twenty-four (24) hours after the award of the Series 2016 Bonds.

Within seven (7) business days after the award of the Series 2016 Bonds, the City will furnish the successful bidder, without cost, with up to **[50]** copies of the final Official Statement containing the insertions required to complete the Preliminary Official Statement, together with such other revisions or amendments determined by the City to be necessary. The successful bidder must notify the City in writing within three (3) business days of the award of the Series 2016 Bonds if such bidder requires additional copies of the final Official Statement. The cost for the additional copies will be paid by the requesting bidder.

NOTICE TO BIDDERS REGARDING PUBLIC ENTITY CRIMES. A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a

public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes, for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list.

DISCLAIMER. Each prospective electronic bidder shall be solely responsible for submitting its bid in a timely manner and in compliance with the requirements of the Official Notice of Bond Sale. Neither the City nor **PARITY** shall have any duty or obligation to bid for any prospective bidder or to provide or assure such access to any qualified bidder, and neither the City nor **PARITY** shall be responsible for a bidder's failure to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by **PARITY**. The City is using **PARITY** as a communication mechanism, and not as the City's agent, to conduct the electronic bidding for the Series 2016 Bonds. The City is not bound by any advice and determination of **PARITY** to the effect that any particular bid meets the bid specifications in this Official Notice of Bond Sale. All costs and expenses incurred by the prospective bidders in connection with their registration and submission of bids via **PARITY** are the sole responsibility of the bidders; and the City is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid or submitting, modifying or withdrawing a bid for the Series 2016 Bonds, the bidder should telephone **PARITY** Customer Service at (212) 849-5021 and notify the City's Financial Advisor, Mark Galvin, FirstSouthwest, a Division of Hilltop Securities Inc. at (407) 426-9611.

ADDITIONAL INFORMATION. Copies of the Preliminary Official Statement and this Official Notice of Bond Sale may be obtained electronically at www.MuniOs.com. In addition, these documents and other information may be obtained from the Finance Director of the City of Deltona, Florida, 2345 Providence Blvd., Deltona, Florida 32725, Telephone Number: (386) 878-8555, or from the City's Financial Advisor, Mark Galvin, FirstSouthwest, a Division of Hilltop Securities Inc., 450 S. Orange Avenue, Suite 460, Orlando, Florida 32801, Telephone Number: (407) 426-9611.

Dated: May ___, 2016

CITY OF DELTONA, FLORIDA

EXHIBIT A

TRUTH-IN-BONDING STATEMENT

TO: Finance Director
City of Deltona, Florida
Email: rclinger@deltonafl.gov
Fax: (386) 878-8551

In compliance with Section 218.385(2) and (3), Florida Statutes, as amended, the undersigned bidder submits the following Truth-In-Bonding Statement with respect to the Series 2016 Bonds (NOTE: For information purposes only and not a part of the bid):

The City is proposing to issue $_____ of debt or obligation for the purpose of (i) financing and/or reimbursing the design permitting, acquisition, installation, construction and equipping of roadway improvements, a community center and other capital projects, and (ii) currently refunding all of the Outstanding Transportation Capital Improvement Revenue Bonds, Series 2006. This debt or obligation is expected to be repaid over a period of approximately ___ years. At an approximate true interest cost rate of _____%, total interest paid over the life of the debt or obligation will be $_____.

The source of repayment or security for this proposal is Pledged Funds as more fully described in the Preliminary Official Statement. Authorizing this debt or obligation will result in approximately $_____ of the City's Pledged Funds being used to pay debt service on the Series 2016 Bonds each year for ___ years.

Bidder's Name: _____

By: _____

Name: _____

Title: _____

EXHIBIT B

CERTIFICATE WITH RESPECT TO "ISSUE PRICE"

The undersigned, acting on behalf of _____, as underwriter for the $_____ City of Deltona, Florida Capital Improvement Revenue Refunding Bonds, Series 2016 (the "Series 2016 Bonds"), hereby certifies to the City of Deltona, Florida (the "City") that:

1. All of the Series 2016 Bonds have been the subject of a bona fide initial offering to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers), at prices no higher than, or yields no lower than, those shown on the inside cover page of the Official Statement, dated May __, 2016, relating to the Series 2016 Bonds (the "Official Statement").

2. At least ten percent of each maturity of the Series 2016 Bonds was sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at initial offering prices not greater than the respective prices shown on the inside cover page of the Official Statement, or in the case of bonds sold on a yield basis, at yields no lower than the respective yields shown on the inside cover page.

[3. Based upon our knowledge and experience in financings similar to the Series 2016 Bonds, we have no reason to believe that the fee payable to _____ for the bond insurance policy related to the Series 2016 Bonds is other than a reasonable charge for the assumption of the credit risk involved in such transaction. The present value of the bond insurance policy premium paid to _____ to obtain credit support for the Series 2016 Bonds is less than the present value of the interest reasonably expected to be saved as a result of such credit support. The discount rate chosen for computing such present value is ___% , which is the discount rate that produces a present value equal to the issue price of all unconditionally payable payments of principal, interest and fees for qualified guarantees within the meaning of U.S. Treasury Regulations §1.148-4(f) and amounts reasonably expected to be paid as fees for qualified guarantees in connection with the Series 2016 Bonds as determined under U.S. Treasury Regulations §1.148-4(b).]

We understand that the representations set forth above will be relied on by the City in the City's Arbitrage Certificate to be delivered in connection with the issuance of the Series 2016 Bonds.

Dated: _____, 2016

_____

By: _____
Authorized Signatory

OFFICIAL BID FORM

$_____
CITY OF DELTONA, FLORIDA
CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS
SERIES 2016

May ___, 2016

City of Deltona, Florida
2345 Providence Blvd.
Deltona, Florida 32725

Ladies and Gentlemen:

On behalf of the undersigned and in accordance with the terms and conditions of the Official Notice of Bond Sale dated May ___, 2016, which is hereby incorporated herein and made a part of this proposal, we offer to purchase the $_____ City of Deltona, Florida Capital Improvement Revenue Refunding Bonds, Series 2016 (the "Series 2016 Bonds"), in immediately available Federal funds.

We propose that the Series 2016 Bonds be issued in the following amounts and bear interest at the following rate(s):

Maturity Date	Amount	Coupon
2016	$	%
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		
2041		
2042		
2043		
2044		
2045		
2046		

We agree to deliver a completed and executed Truth-In-Bonding Statement in substantially the form set forth in Exhibit A attached to the Official Notice of Bond Sale upon notification of our winning bid. Receipt of such Truth-In-Bonding Statement shall be a condition of the City to award the Series 2016 Bonds.

Total Interest Cost:
Premium:
Net Interest Cost:
TIC:
Time last bid received on May __, 2016:

This proposal is made subject to all of the terms and conditions of the Official Notice of Sale and the Preliminary Official Statement, all of which are made a part hereof.

Respectfully submitted,

_____
(Name of Bidder)

By: _____
Printed Name:_____
Title:_____
Telephone: _____

ORL 299257894v7

This Preliminary Official Statement and any information contained herein are subject to completion and amendment. Under no circumstances may this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2016 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED MAY __, 2016

[DAC LOGO]

NEW ISSUE – BOOK-ENTRY ONLY **RATINGS: See "RATINGS" herein**

In the opinion of Bond Counsel, assuming compliance by the City with certain covenants, under existing statutes, regulations, and judicial decisions, the interest on the Series 2016 Bonds is under Section 103 of the Code (as hereinafter defined) excluded from gross income for federal income tax purposes of the holders thereof and will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, interest on the Series 2016 Bonds is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations. See "TAX MATTERS" herein.

$_____*

CITY OF DELTONA, FLORIDA
CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS
SERIES 2016

Dated: Date of Delivery **Due: October 1, as shown on the inside cover**

The City of Deltona, Florida (the "City") is issuing its **$_____*** Capital Improvement Revenue Refunding Bonds, Series 2016 (the "Series 2016 Bonds") as fully registered bonds without coupons and initially will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Individual purchases of the Series 2016 Bonds will be made in book-entry form only in denominations of $5,000 or any integral multiple thereof. Purchasers of the Series 2016 Bonds will not receive physical delivery of bond certificates. Payments of principal of and interest on the Series 2016 Bonds will be made to Cede & Co., as nominee of DTC as registered owner of the Series 2016 Bonds, by U.S. Bank National Association, as Registrar and Paying Agent (the "Registrar" and "Paying Agent"), to be subsequently disbursed to the Beneficial Owners (as defined herein) of the Series 2016 Bonds. Interest on the Series 2016 Bonds will accrue from the date of delivery and will be payable on October 1, 2016, and semiannually thereafter on October 1 and April 1 of each year. Capitalized terms used herein shall have the same meanings as given to them in the Master Bond Resolution unless otherwise defined herein or where the context would clearly indicate otherwise.

The Series 2016 Bonds are being issued under the authority of and in full compliance with the Constitution and laws of the State of Florida, Chapter 166, Florida Statutes, Chapter 218, Part II and VI, Florida Statutes, Chapter 202, Florida Statutes, City Charter, Ordinance No. 96-01 duly enacted by the City Commission of the City (the "City Commission") on March 4, 1996 and Ordinance No. 05-2000 duly enacted by the City Commission on May 15, 2000 (collectively, the "PST Ordinance"), and other applicable provisions of law (collectively, the "Act"), and Resolution No. 2016-16 duly adopted by the City Commission on May 16, 2016 (the "Master Bond Resolution"), as amended and supplemented from time to time, and as particularly supplemented by Resolution No. 2016-22 duly adopted by the City Commission on

* Preliminary, subject to change.

May 16, 2016 (the "Supplemental Resolution" and with the Master Bond Resolution, the "Bond Resolution"), for the purposes of (i) financing and/or reimbursing the cost of the design permitting, acquisition, installation, construction and equipping of roadway improvements, a community center and other capital projects (the "Series 2016 Project"), (ii) currently refunding all of the Outstanding Transportation Capital Improvement Revenue Bonds, Series 2006 (the "Series 2006 Bonds"), and (iii) pay certain expenses related to the issuance and sale of the Series 2016 Bonds. See "PURPOSE OF THE ISSUE" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Series 2016 Bonds and interest thereon are limited, special obligations of the City payable from and secured by a pledge of and lien on certain Pledged Funds, consisting of (i) Half-Cent Sales Tax Revenues received by the City from the Local Government Half-Cent Sales Tax Clearing Trust Fund pursuant to the provisions of Chapter 218, Part VI, Florida Statutes, (ii) Public Utilities and Services Taxes Revenues as such taxes are levied and collected by the City pursuant to and in accordance with the PST Ordinance, and Section 166.231, Florida Statutes, (iii) the Local Communications Services Tax Revenues as such tax is levied and collected by the City pursuant to and in accordance with Chapter 202, Florida Statutes, as amended, and (iv) the amounts and investments on deposit in the funds and accounts created under the Bond Resolution (other than amounts in the Unrestricted Revenue Account; provided, however, that proceeds deposited in the Construction Fund in connection with the issuance of a particular Series of Bonds shall only secure such Series) (herein collectively referred to as the "Pledged Funds"). THE SERIES 2016 BONDS ARE NOT SECURED BY THE RESERVE ACCOUNT AND NO SUBACCOUNT HAS BEEN ESTABLISHED THEREIN FOR THE BENEFIT OF THE HOLDERS OF THE SERIES 2016 BONDS. In addition, the City has covenanted to budget and appropriate in each year from its legally available Non-Ad Valorem Revenues amounts sufficient to pay the principal of and interest on the Series 2016 Bonds to the extent Pledged Funds are insufficient for such purpose. The obligation of the City to budget and appropriate such amounts is subject, however, to certain limitations, as more fully described herein. For a discussion of the security for the Series 2016 Bonds, see the information under the heading "SECURITY FOR THE SERIES 2016 BONDS" herein.

THE SERIES 2016 BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE CITY AS "BONDS" WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, BUT SHALL BE SPECIAL OBLIGATIONS OF THE CITY, PAYABLE FROM AND SECURED BY A LIEN UPON AND PLEDGE OF THE PLEDGED FUNDS AND LAWFULLY AVAILABLE NON-AD VALOREM REVENUES BUDGETED AND APPROPRIATED BY THE CITY AS PROVIDED IN THE BOND RESOLUTION. NO HOLDER OF ANY SERIES 2016 BOND SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER TO PAY SUCH SERIES 2016 BOND, OR BE ENTITLED TO PAYMENT OF SUCH SERIES 2016 BOND FROM ANY MONEYS OF THE CITY EXCEPT FROM THE PLEDGED FUNDS AND THE LEGALLY AVAILABLE NON-AD VALOREM REVENUES BUDGETED AND APPROPRIATED BY THE CITY, IF ANY, IN THE MANNER AND TO THE EXTENT PROVIDED IN THE BOND RESOLUTION.

Electronic proposals for the purchase of the Series 2016 Bonds will be received by the City through i-DEAL LLC's PARITY/BiDCOMP Competitive Bidding System ("PARITY®")

on May __, 2016, until 11:00 a.m., Eastern Daylight Time, or on such other date or time as may be determined by the City, with notice provided through PARITY®, all as provided in the Official Notice of Sale relating to the Series 2016 Bonds, dated May ___, 2016.

The purchase of municipal bond insurance, if available, and payment of all associated costs, including the premium charged by the insurer, will be at the option of the bidder. See "MUNICIPAL BOND INSURANCE" herein.

SEE INSIDE COVER PAGE FOR MATURITIES, INTEREST RATES, PRICES, YIELDS, AND INITIAL CUSIP NUMBERS OF THE SERIES 2016 BONDS.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read this entire Official Statement, including, without limitation, the cover page and appendices hereto, to obtain information essential to making an informed investment decision.

The Series 2016 Bonds are offered when, as and if issued, subject to receipt of the legal opinion of Akerman LLP, Orlando, Florida, Bond Counsel. Greenberg Traurig, P.A., Orlando, Florida, is acting as disclosure counsel to the City with respect to the Series 2016 Bonds. Certain legal matters will be passed on for the City by Vose Law Firm, LLP, Winter Park, Florida, as City Attorney. FirstSouthwest, a Division of Hilltop Securities Inc., Orlando, Florida has served as Financial Advisor to the City. It is expected that the Series 2016 Bonds in book-entry-only form will be available for delivery to the Underwriter in New York, New York, on or about June __, 2016.

Dated: _____, 2016

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES AND YIELDS AND INITIAL CUSIP

$_____[*]
CITY OF DELTONA, FLORIDA
CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS
SERIES 2016

$_____[*] Series 2016 Serial Bonds

Maturity (October 1)	Principal Amount[*]	Interest Rate	Price	Yield	Initial Cusip[⊥]
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					
2042					
2043					
2044					
2045					
2046					

$_____[*], ___% Series 2016 Term Bond due October 1, 20___, Yield ___%, Price ___, Initial CUSIP ___[⊥]

$_____[*], ___% Series 2016 Term Bond due October 1, 20___, Yield ___%, Price ___, Initial CUSIP ___[⊥]

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[*] Preliminary, subject to change.

[⊥] CUSIP numbers have been assigned by an organization not affiliated with the City and are included in this Official Statement for the convenience of the potential purchasers of the Series 2016 Bonds. The City is not responsible for the selection or uses of CUSIP numbers, nor is a representation made as to their accuracy on the Series 2016 Bonds, or as indicated above.

CITY OF DELTONA, FLORIDA

CITY COMMISSION

John Masiarczyk	Mayor
Chris Nabicht	Vice Mayor
Mitch Honaker	Commissioner
Diane J. Smith	Commissioner
Heidi Herzberg	Commissioner
Nancy Schleicher	Commissioner
Brian Soukup	Commissioner

CITY MANAGER
Jane Shang

CITY ATTORNEY
Vose Law Firm, LLP
Winter Park, Florida

FINANCE DIRECTOR
Robert Clinger, CPA

CITY CLERK
Joyce Raftery, CMC

BOND COUNSEL
Akerman LLP
Orlando, Florida

DISCLOSURE COUNSEL
Greenberg Traurig, P.A.
Orlando, Florida

FINANCIAL ADVISOR
FirstSouthwest, a Division of Hilltop Securities Inc.
Orlando, Florida

AUDITORS
Purvis, Gray and Company
Gainesville, Florida

No dealer, salesman or any other person has been authorized by the City to give any information or to make any representations, other than those contained in this Official Statement, in connection with the offering of the Series 2016 Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by the City or any other person. The information and expressions of opinion in this Official Statement are subject to change without notice, and this Official Statement speaks only as of its date. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create the implication that there has been no change in the matters described herein since the date hereof. The information contained in this Official Statement, including in the appendices, has been obtained from representatives of the City, DTC, the Underwriter and from public documents, records and other sources considered to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Underwriter.

The Series 2016 Bonds have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, nor has the Bond Resolution been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. The registration or qualification of the Series 2016 Bonds in accordance with applicable provisions of the securities laws of the states, if any, in which the Series 2016 Bonds have been registered or qualified and the exemption from registration or qualification in certain other states cannot be regarded as a recommendation thereof. Neither these states nor any of their agencies have passed upon the merits of the Series 2016 Bonds or the accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2016 BONDS, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH SERIES 2016 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

References herein to laws, rules, regulations, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to this Official Statement they will be furnished on request.

This Official Statement is being provided to prospective purchasers in either bound or printed format ("Original Bound Format"), or in electronic format on the following website: www.munios.com. Prospective purchasers may rely on the information contained in this Official Statement in either the Original Bound Format or the electronic format, provided, however, that prospective purchasers must read the entire Official Statement (including the cover page and all appendices attached hereto) to obtain all of the information essential to the making of an informed investment decision.

REFERENCES TO WEBSITE ADDRESSES PRESENTED HEREIN, INCLUDING THE CITY'S WEBSITE OR ANY OTHER WEBSITE CONTAINING INFORMATION ABOUT THE CITY, ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN

THE FORM OF A HYPERLINK SOLELY FOR THE READER'S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEBSITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS OFFICIAL STATEMENT FOR ANY PURPOSE INCLUDING FOR PURPOSES OF RULE 15C2-12 PROMULGATED BY THE SECURITIES AND EXCHANGE COMMISSION.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE CITY FOR PURPOSES OF RULE 15c2-12 ISSUED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15c2-12(B)(1).

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OFFICIAL STATEMENT

$_____*

CITY OF DELTONA, FLORIDA
CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS
SERIES 2016

INTRODUCTION

General

The purpose of this Official Statement, including the cover page, and all appendices, is to furnish information in connection with the sale by the City of Deltona, Florida (the "City") of its $_____ aggregate principal amount of Capital Improvement Revenue Refunding Bonds, Series 2016 (the "Series 2016 Bonds").

This introduction is not a summary of this Official Statement and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, the more complete and detailed information contained in the entire Official Statement, including the inside cover page and the appendices attached hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement and of the documents summarized or described herein, if necessary. The offering of the Series 2016 Bonds to potential investors is made only by means of the entire Official Statement, including the appendices attached hereto. No person is authorized to detach this Introduction from the Official Statement or to otherwise use it without the entire Official Statement including the appendices attached hereto.

Authority for Issuance

The Series 2016 Bonds are being issued pursuant to the Constitution and laws of the State of Florida, Chapter 166, Florida Statutes, Chapter 218, Part II and VI, Florida Statutes, Chapter 202, Florida Statutes, City Charter, Ordinance No. 96-01 duly enacted by the City Commission of the City (the "City Commission") on March 4, 1996 and Ordinance No. 05-2000 duly enacted by the City Commission on May 15, 2000 (collectively, the "PST Ordinance"), and other applicable provisions of law (collectively, the "Act"), and Resolution No. 2016-16 duly adopted by the City Commission on May 16, 2016 (the "Master Bond Resolution"), as amended and supplemented from time to time, and as particularly supplemented by Resolution No. 2016-22 duly adopted by the City Commission on May 16, 2016 (the "Supplemental Resolution" and with the Master Bond Resolution, the "Bond Resolution"). Capitalized terms used herein shall have the same meanings as given to them in the Master Bond Resolution unless otherwise defined herein or where the context would clearly indicate otherwise. See "APPENDIX A – FORM OF MASTER BOND RESOLUTION" attached hereto.

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* Preliminary, subject to change.

Purpose of the Series 2016A Bonds

The Series 2016 Bonds are being issued by the City to provide funds to be used, together with other legally available funds, for the purposes of (i) financing and/or reimbursing the cost of the design permitting, acquisition, installation, construction and equipping of roadway improvements, a community center and other capital projects, (ii) currently refunding all of the Outstanding Transportation Capital Improvement Revenue Bonds, Series 2006 (the "Series 2006 Bonds"), and (iii) pay certain expenses related to the issuance and sale of the Series 2016 Bonds. See "PURPOSE OF THE ISSUE" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Security for the Series 2016 Bonds

The Series 2016 Bonds and interest thereon are limited, special obligations of the City payable from and secured by a pledge of and lien on certain Pledged Funds, consisting of (i) Half-Cent Sales Tax Revenues received by the City from the Local Government Half-Cent Sales Tax Clearing Trust Fund pursuant to the provisions of Chapter 218, Part VI, Florida Statutes, (ii) Public Utilities and Services Taxes Revenues as such taxes are levied and collected by the City pursuant to and in accordance with the PST Ordinance, and Section 166.231, Florida Statutes, (iii) the Local Communications Services Tax Revenues as such tax is levied and collected by the City pursuant to and in accordance with Chapter 202, Florida Statutes, as amended, and (iv) the amounts and investments on deposit in the funds and accounts created under the Bond Resolution (other than amounts in the Unrestricted Revenue Account; provided, however, that proceeds deposited in the Construction Fund in connection with the issuance of a particular Series of Bonds shall only secure such Series) (herein collectively referred to as the "Pledged Funds"). THE SERIES 2016 BONDS ARE NOT SECURED BY THE RESERVE ACCOUNT AND NO SUBACCOUNT HAS BEEN ESTABLISHED THEREIN FOR THE BENEFIT OF THE HOLDERS OF THE SERIES 2016 BONDS. See "SECURITY FOR THE SERIES 2016 BONDS" herein.

In addition, the City has covenanted to budget and appropriate in each year from its legally available Non-Ad Valorem Revenues (as defined herein) amounts sufficient to pay principal and interest on the Series 2016 Bonds to the extent Pledged Funds are insufficient for such purpose. The obligation of the City to budget and appropriate such amounts is subject, however, to certain limitations, as more fully described herein. For a discussion of the security for the Series 2016 Bonds, see the information under the heading "SECURITY FOR THE SERIES 2016 BONDS" herein.

Continuing Disclosure

In order to assist the Underwriter (as defined herein) in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission ("SEC") promulgated pursuant to the Securities Exchange Act of 1934, as in effect on the date hereof (the "Rule"), simultaneously with the issuance of the Series 2016 Bonds, the City will enter into a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement"). See "CONTINUING DISCLOSURE" herein and "APPENDIX E – FORM OF CONTINUING DISCLOSURE

AGREEMENT" attached hereto for more information regarding the Continuing Disclosure Agreement and the information to be provided.

Other Information

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is made to the originals of all such documents for full and complete statements of all matters of fact relating to the Series 2016 Bonds, the security for the payment of the Series 2016 Bonds, and the rights and obligations of Registered Owners thereof. The form of the Master Bond Resolution is attached hereto as Appendix C. Copies of the other documents may be obtained from the City of Deltona, Florida at City Hall, 2345 Providence Boulevard, Deltona, Florida 32725, Attention: City Clerk (386) 561-2100, upon payment of reproduction costs and postage and handling expenses.

The assumptions, estimates, projections and matters of opinion contained in this Official Statement, whether or not so expressly stated, are set forth as such and not as matters of fact, and no representation is made that any of the assumptions or matters of opinion herein are valid or that any projections or estimates contained herein will be realized. Neither this Official Statement nor any other statement which may have been made verbally or in writing in connection with the Series 2016 Bonds, other than the Bond Resolution, is to be construed as a contract with the Registered Owners of the Series 2016 Bonds.

PURPOSE OF THE ISSUE

The Series 2016 Bonds are being issued to (i) finance and/or reimburse the design permitting, acquisition, installation, construction and equipping of roadway improvements, a community center and other capital projects (the "Series 2016 Project"), (ii) refund all of the Outstanding Transportation Capital Improvement Revenue Bonds, Series 2006 (the "Series 2006 Bonds"), and (iii) pay certain expenses related to the issuance and sale of the Series 2016 Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Series 2016 Project

The Series 2016 Project consists of the construction, designing, permitting, installing, acquisition and equipping of certain additions, extensions and improvements to public facilities within the City, including, without limitation, roadway improvements and a community center. Such Series 2016 Project shall include, without limitation, all property rights, appurtenances, easements, franchises and equipment relating thereto and deemed necessary or convenient for the construction, designing, permitting, reconstruction, acquisition and equipping thereof, in accordance with certain plans on file or to be on file with the City Clerk, with such changes, deletions, additions or modifications to the enumerated improvements, equipment and facilities, or such other improvements as approved by the City Commission of the City.

Refunding

A portion of the proceeds of the Series 2016 Bonds will be used to currently refund, defease and redeem (as the case may be) all of the Outstanding Series 2006 Bonds (the "Refunded Bonds") on October 1, 2016 (the "Redemption Date"). To effect the refunding of the Refunded Bonds, the City will enter into an Escrow Deposit Agreement (the "Escrow Deposit Agreement") with respect to the Refunded Bonds, with T.D. Bank, N.A., as Escrow Agent (the "Escrow Agent"). Pursuant to the terms of the Escrow Deposit Agreement, the City will deposit a portion of the proceeds of the Series 2016 Bonds **[and other legally available funds related to the Refunded Bonds]** into the Escrow Deposit Fund for the Refunded Bonds (the "Escrow Fund"), in an amount sufficient to pay the principal and interest or the Redemption Price of the Refunded Bonds on the Redemption Date.

Moneys deposited in the Escrow Fund may be invested by the Escrow Agent, at the direction of the City, in obligations of or guaranteed by the United States of America (the "Escrow Investments") maturing in amounts and bearing interest at rates sufficient without reinvestment, together with cash held un-invested in the Escrow Fund, in an amount sufficient to pay the principal and interest on the Refunded Bonds on the Redemption Date.

The moneys and Escrow Investments, if any, held in accordance with the Escrow Agreement, all interest or other income thereon, and any proceeds from the disposition thereof will not be available for payment of debt service on the Series 2016 Bonds and do not constitute part of the Pledged Funds.

Upon the deposit of such monies in an Escrow Fund and the giving of certain notices required under the Bond Resolution, in the opinion of Bond Counsel rendered in reliance upon certain schedules provided by the Financial Advisor (as defined herein) and the verification report of **[_____]** (the "Verification Agent"), described under "VERIFICATION OF CERTAIN CALCULATIONS" herein, the Refunded Bonds shall no longer be deemed Outstanding for the purposes of the Bond Resolution. The Holders of the Series 2016 Bonds shall have no lien upon or security interest in the Escrow Fund.

ESTIMATED SOURCES AND USES OF FUNDS

Sources of Funds:	**Series 2016 Bonds**
Principal Amount of Series 2016 Bonds	
[Plus/Minus [Net] Bond Premium/Discount]	
Other Legally Available Moneys	
Total Estimated Sources of Funds	
Uses of Funds:	
Payment of Refunded Bonds	
Deposit to Construction Fund	
Cost of Issuance[1]	
Total Estimated Uses of Funds	

(1) Includes Underwriter's discount, legal fees and expenses, and other costs of issuance, and other fees and expenses associated with the issuance of the Series 2016 Bonds, including the cost of the premium of any applicable municipal bond insurance policy on the Series 2016 Bonds. See "MUNICIPAL BOND INSURANCE" herein.

THE SERIES 2016 BONDS

General

The Series 2016 Bonds will be issued as fully registered bonds in denominations of $5,000 or integral multiples thereof and will be initially registered in the name of Cede & Co., as nominee of DTC, New York, New York, which will act as securities depository for the Series 2016 Bonds. Unless the book-entry system is discontinued, individual purchases of the Series 2016 Bonds will be made in book-entry form only, and the purchasers will not receive physical delivery of the Series 2016 Bonds or any certificate representing their beneficial ownership interests in the Series 2016 Bonds. See "Book-Entry Only System" below.

Interest on the Series 2016 Bonds is payable on October 1, 2016 and on each April 1 and October 1 thereafter until maturity or redemption. Amounts due on the Series 2016 Bonds will be paid to Cede & Co., as nominee for DTC, as registered owner of the Series 2016 Bonds, to be subsequently disbursed to Direct Participants and Indirect Participants and thereafter to the Beneficial Owners of the Series 2016 Bonds.

Redemption

Optional Redemption of Series 2016 Bonds. The Series 2016 Bonds maturing on or prior to **[October 1, 2026]** are not subject to optional redemption prior to maturity. The Series 2016 Bonds maturing on and after **[October 1, 2027]** shall be subject to redemption prior to their stated dates of maturity, at the option of the City, in whole or in part, on any date on or after **[October 1, 2026]**, in such maturities as the City shall in its discretion select or by lot within a

maturity if less than a full maturity, at a redemption price equal to 100% of the principal amount of the Series 2016 Bonds to be redeemed plus accrued interest to the redemption date, but without premium.

Mandatory Sinking Fund Redemption. *Bidders may designate the principal amount of the Series 2016 Bonds on the inside cover hereof maturing on or after October 1, 2036 for any two (2) or more consecutive years as a single term maturity which will mature in the latest of the years designated in the schedule, and will have a stated maturity amount equal to the sum of the annual principal amounts designated as part of such term maturity. Upon such designation, the Series 2016 Bonds of such term maturity shall be subject to sinking fund redemption in part by lot on October 1 in the principal amount which would otherwise have matured in such designated years, at the price of par plus accrued interest to the redemption date, without premium subject to the terms set forth below.*

The Series 2016 Bonds are subject to mandatory sinking fund redemption in part on October 1, in each year listed below at a redemption price equal to 100% of the principal amount redeemed plus accrued interest thereon to the redemption date, in the principal amount set forth below.

Year	Redemption Amount

Selection of Bonds to be Redeemed

The Series 2016 Bonds shall be redeemed only in the principal amount of $5,000 each and integral multiples thereof. The City shall, except in the case of a redemption of an Amortization Instrument for which no notice from the City shall be required, at least sixty days prior to the redemption date (unless a shorter time period shall be satisfactory to the Registrar) notify the Registrar of such redemption date and of the principal amount and maturity (and, if applicable, interest rate) of Series 2016 Bonds to be redeemed. For purposes of any redemption of less than all of the Outstanding Series 2016 Bonds, the particular Series 2016 Bonds or portions of Series 2016 Bonds to be redeemed shall be selected not more than forty five days prior to the redemption date by the Registrar from the Outstanding Series 2016 Bonds of the maturity or maturities designated by the City by such method as the Registrar shall deem fair and appropriate and which may provide for the selection for redemption of Series 2016 Bonds or portions of Series 2016 Bonds in principal amounts of $5,000 and integral multiples thereof.

If less than all of the Outstanding Series 2016 Bonds are to be redeemed, the Registrar shall promptly notify the City and Paying Agent (if the Registrar is not the Paying Agent for such Series 2016 Bonds) in writing of the Series 2016 Bonds or portions of Series 2016 Bonds selected for redemption and, in the case of any Series 2016 Bond selected for partial redemption, the principal amount thereof to be redeemed.

Redemption Notice and Effect of Redemption

Unless waived by any Holder of Bonds to be redeemed, notice of any redemption made pursuant to the Bond Resolution shall be given by the Registrar on behalf of the City by mailing a copy of an official redemption notice by registered or certified mail at least thirty days and not more than sixty days prior to the date fixed for redemption to each Holder of Bonds to be redeemed at the address of such Holder shown on the registration books maintained by the Registrar or at such other address as shall be furnished in writing by such Holder to the Registrar; provided, however, that no defect in any notice given pursuant to the Bond Resolution to any Holder of Bonds to be redeemed nor failure to give such notice shall in any manner defeat the effectiveness of a call for redemption as to all other Holders of Bonds to be redeemed.

Every official notice of redemption shall be dated and shall state: (i) the redemption date, (ii) the Redemption Price, (iii) if less than all Outstanding Bonds are to be redeemed, the number (and, in the case of a partial redemption of any Bond, the principal amount) of each Bond to be redeemed, (iv) that, on the redemption date, the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and (v) that such Bonds to be redeemed, whether as a whole or in part, are to be surrendered for payment of the Redemption Price at the designated office of the Registrar.

Notwithstanding the foregoing or any other provision of the Bond Resolution, notice of optional redemption may be conditioned upon the occurrence or non-occurrence of such event or events as shall be specified in such notice of optional redemption and may also be subject to rescission by the City if expressly set forth in such notice.

Notice of redemption having been given substantially as aforesaid, the Bonds or portions of Bonds to be redeemed shall, on the redemption date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the City shall default in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar and/or Paying Agent at the appropriate Redemption Price, plus accrued interest. Installments of interest due on or prior to the redemption date shall be payable as provided in the Bond Resolution for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Holder a new Bond or Bonds of the same maturity in the amount of the unpaid principal of such partially redeemed Bond. All Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

Book-Entry Only System

The information set forth under this caption concerning DTC and DTC's book-entry system has been obtained from sources the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

DTC will act as securities depository for the Series 2016 Bonds. The Series 2016 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's

partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Series 2016 Bond certificate will be issued for each maturity of the Series 2016 Bonds as set forth on the inside cover of this Official Statement, each in the aggregate principal amount of such maturity and will be deposited with DTC.

DTC, the world's largest security depository, is a limited purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for U.S. and non U.S. equity issues, corporate and municipal debt issues, and money market instruments that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2016 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2016 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2016 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2016 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2016 Bonds, except in the event that use of the book entry system for the Series 2016 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2016 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2016 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2016 Bonds; DTC's records reflect only the identity of the Direct

Participants to whose accounts such Series 2016 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2016 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2016 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Series 2016 Bonds may wish to ascertain that the nominee holding the Series 2016 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2016 Bonds within a series or maturity of a series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series or maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2016 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2016 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, and interest payments on the Series 2016 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest on the Series 2016 Bonds, as applicable, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City and/or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2016 Bonds at any time by giving reasonable notice to City or Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Series 2016 Bonds certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book entry only transfers through DTC (or a successor securities depository). In that event, Series 2016 Bonds certificates will be printed and delivered to DTC.

THE ABOVE INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE CITY, AND THE UNDERWRITER BELIEVE TO BE RELIABLE, BUT THE CITY AND THE UNDERWRITER TAKE NO RESPONSIBILITY FOR THE ACCURACY THEREOF. NEITHER THE CITY NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, BENEFICIAL OWNERS OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS FOR (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (II) THE PAYMENT BY DTC OR BY ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OR REDEMPTION OR PURCHASE PRICE OF, PREMIUM, IF ANY, OR INTEREST ON, ANY SERIES 2016 BONDS; (III) THE DELIVERY OF ANY NOTICE BY DTC OR ANY PARTICIPANT; (IV) THE SELECTION OF THE PARTICIPANTS OR THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2016 BONDS; OR (V) ANY CONSENT GIVEN OR ANY OTHER ACTION TAKEN BY DTC OR ANY PARTICIPANT.

So long as Cede & Co. is the registered owner of the Series 2016 Bonds, as nominee for DTC, reference herein to the registered owners of the Series 2016 Bonds shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2016 Bonds.

SECURITY FOR THE SERIES 2016 BONDS

Pledge Under the Resolution to Secure the Series 2016 Bonds

The Series 2016 Bonds, together with any Additional Bonds hereafter issued under and secured by the Bond Resolution (together with the Series 2016 Bonds, the "Bonds") are special obligations of the City and are payable from and secured by a lien upon and pledge of the Pledged Funds, consisting of (i) Half-Cent Sales Tax Revenues received by the City from the Local Government Half-Cent Sales Tax Clearing Trust Fund pursuant to the provisions of Chapter 218, Part VI, Florida Statutes, (ii) Public Utilities and Services Taxes Revenues as such taxes are levied and collected by the City pursuant to and in accordance with the PST Ordinance and Section 166.231, Florida Statutes, (iii) the Local Communications Services Tax Revenues as such tax is levied and collected by the City pursuant to and in accordance with Chapter 202, Florida Statutes, as amended, and (iv) the amounts and investments on deposit in the funds and accounts created under the Bond Resolution (other than amounts in the Unrestricted Revenue Account; provided, however, that proceeds deposited in the Construction Fund in connection with the issuance of a particular Series of Bonds shall only secure such Series) (herein collectively referred to as the "Pledged Funds"). **THE SERIES 2016 BONDS ARE NOT SECURED BY THE RESERVE ACCOUNT AND NO SUBACCOUNT HAS BEEN ESTABLISHED THEREIN FOR THE BENEFIT OF THE HOLDERS OF THE SERIES 2016 BONDS.**

In addition, the City has covenanted to budget and appropriate in each year from its legally available Non-Ad Valorem Revenues amounts sufficient to pay principal and interest on the Series 2016 Bonds to the extent Pledged Funds are insufficient for such purpose. The obligation of the City to budget and appropriate such amounts is subject, however, to certain limitations, as more fully described herein.

THE SERIES 2016 BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE CITY AS "BONDS" WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, BUT SHALL BE SPECIAL OBLIGATIONS OF THE CITY, PAYABLE FROM AND SECURED BY A LIEN UPON AND PLEDGE OF THE PLEDGED FUNDS AND LAWFULLY AVAILABLE NON-AD VALOREM REVENUES BUDGETED AND APPROPRIATED BY THE CITY AS PROVIDED IN THE BOND RESOLUTION. THE FULL FAITH AND CREDIT OF THE CITY, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF, ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL, REDEMPTION PREMIUM, IF ANY, AND INTEREST ON THE BONDS. NO HOLDER OF ANY SERIES 2016 BOND SHALL EVER HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF ANY TAXING POWER OF THE CITY, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF TO THE PAYMENT OF SUCH PRINCIPAL, REDEMPTION PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2016 BONDS AND THE OBLIGATION EVIDENCED THEREBY SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OF THE CITY OTHER THAN THE PLEDGED FUNDS, AND SHALL CONSTITUTE A LIEN ONLY ON, AND SHALL BE PAYABLE SOLELY FROM, THE PLEDGED FUNDS AND THE LEGALLY AVAILABLE NON-AD VALOREM REVENUES BUDGETED AND APPROPRIATED BY THE CITY, IF ANY, IN THE MANNER AND TO THE EXTENT DESCRIBED IN THE BOND RESOLUTION.

For a description of certain components of the Pledged Funds, see "Half-Cent Sales Tax Revenues," "Public Service Taxes," and "Local Communication Services Tax" below.

Half-Cent Sales Tax Revenues

Pursuant to Chapter 212, Florida Statutes, the State of Florida levies and collects a sales tax of six percent (6%) on, among other things, the sales price of each item or article of tangible personal property sold at retail in the State of Florida, subject to certain exceptions and dealer allowances as set forth therein. Section 212.20(6)(d)2, Florida Statutes, provides that 8.9744% of the proceeds remitted to the State of Florida by a sales tax dealer located within a participating county, after certain required deposits to the State's General Revenue Funds, is required to be deposited in the Local Government Half Cent Sales Tax Clearing Trust Fund in the State Treasury (the "Trust Fund") and earmarked for distribution to the governing body of such county and of each municipality within that county pursuant to the statutory created distribution formula. Such funds have been designated by law as the "local government half cent sales tax" (the "Half Cent Sales Tax"). The Half Cent Sales Tax is distributed from the Trust Fund on a monthly basis to participating units of local government in accordance with Chapter 218, Part VI, Florida Statutes.

Chapter 218, Part VI, Florida Statutes, permits the local governments to pledge their shares of the Half Cent Sales Tax for the payment of principal and interest on indebtedness incurred to finance any municipality-wide capital project.

The Half Cent Sales Tax collected within a county is distributed to the cities therein in accordance with the following formula:

$$\text{City's Share} = \frac{\text{City Population}}{\text{total county population} + \text{2/3 incorporated area population}}$$

For purposes of the foregoing formula, "population" is based upon the latest official State estimate of population certified prior to the beginning of the local government Fiscal Year. Should any unincorporated area of Volusia County become incorporated as a municipality, the share of the Local Government Half-Cent Sales Tax received by the City would be reduced. Should the City annex any area or should any area of the City de-annex from the City, the share of the Local Government Half-Cent Sales Tax received by the City would be respectively increased or decreased according to the foregoing formula.

To be eligible to participate in distributions from the Trust Fund, the City must comply with certain requirements set forth in Section 218.23, Florida Statutes, as required by Section 218.63, Florida Statutes. Otherwise, the City will not be entitled to any Trust Fund distribution for twelve (12) months following a "determination of noncompliance" by the State Department of Revenue. These requirements include requirements concerning the reporting and auditing of its finances, the levying of ad valorem taxes or receipt of other revenue sources, certifying certain requirements pertaining to employment and compensation of law enforcement officers, the employment of firefighters, the auditing of certain dependent special districts of the City, and the method of fixing millage rates for the levying of ad valorem taxes. The City has continuously maintained eligibility to receive the Local Government Half-Cent Sales Tax since the enactment of the Half-Cent Sales Tax Act in 1982.

Although Chapter 218, Part VI, does not impose any limitation on the number of years during which the City can receive distributions of the Half Cent Sales Tax from the Trust Fund, there may be amendments to Chapter 218, Part VI, in subsequent years imposing additional requirements of eligibility for cities and counties participating in the Trust Fund.

Public Service Taxes

The Public Service Taxes pledged as security for the Series 2016 Bonds are levied and collected by the City pursuant to Section 166.231, Florida Statutes (the "Public Service Tax Statute"), and the PST Ordinance. The tax is levied, with certain exceptions, on each and every purchase of electricity, metered or bottled gas (natural liquefied petroleum or manufactured), and water services within the corporate limits of the City, in the amount of 10% of each payment received by the seller for such utility service or commodity, which tax is paid by the purchaser to the seller at the time of paying the charge therefor, and remitted to the City. Failure by the seller

to charge the tax is a misdemeanor, and the seller is required to pay the amount of the tax to the City; however, the seller is not liable for the payment of the tax on uncollected bills.

Pursuant to the Public Service Tax Statute, the Public Service Taxes are not imposed on any fuel adjustment charge, which means all increases in the cost of utility services to the ultimate consumer resulting from an increase in the cost of fuel to the utility subsequent to October 1, 1973. Fuel adjustment charges are required to be separately stated on bills for utility services. Also pursuant to the Public Service Tax Statute, purchases of natural gas, manufactured gas or fuel oil by a public or private utility, either for resale or for use as fuel in the generation of electricity, are exempt from taxation, as are purchases or fuel oil or kerosene for use as an aircraft engine fuel or propellant or for use in internal combustion engines.

Purchases by the United States, the State of Florida, the City and all counties, school districts and municipalities of the State, and purchases by recognized churches for exclusively church purposes, are also exempted from the Public Service Taxes.

Local Communications Services Tax

The Communications Services Tax Simplification Law, codified in part as Chapter 202, Florida Statutes (the "CSTA") established, effective October 1, 2001, imposes a communications services tax on the sale of "communications services" as defined in the CSTA ("Communications Services"). Section 202.19, Florida Statutes, authorizes municipalities to levy a discretionary communications services tax (the "Communications Services Tax") on Communications Services that originate or terminate in the State of Florida (the "State") and are charged to a service address in the municipality, the revenues from which may be pledged for the repayment of current or future bonded indebtedness. Municipalities that have not chosen to levy permit fees may levy Communications Services Tax at a rate of up to 5.1%. Municipalities that have chosen to levy permit fees may levy Communications Services Tax at a rate of up to 4.98%. The maximum rate does not include permitted add-ons of up to 0.12%, nor does it supersede conversion or emergency rates authorized by Section 202.20, Florida Statutes, which are in excess of the maximum rate. As provided in the CSTA, in 2002 the City approved the levy of the Communications Services Tax in accordance with Section 202.20, Florida Statutes. The City levies a 6.22% Local Communications Services Tax.

Communications Services are defined in the CSTA to include the transmission, conveyance or routing of voice, data, audio, video or any other information or signals, including video services, to a point, or between or among points, by or through any electronic, radio, satellite, cable, optical, microwave or other medium or method now in existence or hereafter devised, regardless of the protocol used for such transmission or conveyance. The term includes such transmission, conveyance, or routing in which computer processing applications are used to act on the form, code, or protocol of the content for purposes of transmission, conveyance, or routing without regard to whether such service is referred to as voice-over-Internet-protocol services or is classified by the Federal Communications Commission as enhanced or value-added. The term does not include: (a) Information services; (b) Installation or maintenance of wiring or equipment on a customer's premises; (c) The sale or rental of tangible personal property; (d) The sale of advertising, including, but not limited to, directory advertising; (e) Bad check charges; (f) Late payment charges; (g) Billing and collection services; and (h) Internet

access service, electronic mail service, electronic bulletin board service or similar on-line computer services.

The sale of Communications Services to (i) the federal government, or any instrumentality or agency thereof, or any entity that is exempt from state taxes under federal law, (ii) the State or any county, municipality or political subdivision of the State when payment is made directly to the dealer by the governmental entity, and (iii) any home for the aged, educational institution or any religious institution having an established physical place for worship at which nonprofit religious services are regularly conducted, that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended is exempt from the Communications Services Tax.

The CSTA provides that, to the extent that a provider of Communications Services is required to pay a tax, charge or other fee under any franchise agreement or ordinance with respect to the services or revenues that are also subject to the Communications Services Tax, such provider is entitled to a credit against the amount of such Communications Services Tax payable to the State in the amount of such tax, charge or fee with respect to such service or revenue. The amount of such credit is deducted from the amount that the local taxing jurisdiction is entitled to receive.

Providers of Communications Services collect the local Communications Services Tax revenues and may deduct 0.75% of the tax due and accounted for and remitted to the Florida Department of Revenue (the "FDOR") as a collection fee (or 0.25% in the case of providers who do not employ an enhanced zip code database or a database that is either supplied or certified by the FDOR). The communications services providers remit the remaining proceeds to the FDOR for deposit into the Local Communications Tax Clearing Trust Fund (the "Communications Trust Fund"). The FDOR then makes monthly contributions from the Communications Trust Fund to local governments after deducting an administrative fee. The amount deducted for the costs of administration may not exceed one percent of the total revenue generated for all municipalities, counties, and school boards levying the Communications Services Tax.

In 2012, pursuant to Chapter 2012-70, Laws of Florida ("Chapter 2012-70"), a number of provisions regarding the Communications Services Tax were modified, including, but not limited to, provisions regarding the manner in which the communications services tax is levied, definitional changes, including the addition of a definition of "internet access service" and the amendment of the definition of "sales price" to expand the existing provisions relating to what charges a Communications Services dealer may exclude from the taxable sales price of communications services (certain charges may now be excluded if they are separately itemized on a customer's bill, or can be reasonably identified in the seller's books and records), and revision of statutory provisions that govern the liability of a Communications Services Tax dealer regarding underpayment resulting from the dealers assignment of customers to local taxing jurisdictions for the purpose of imposing the Communications Services Tax. The extent of the impact of the amendments contained in Chapter 2012-70 on the collection of Communications Services Tax revenues cannot be determined. However, the City did not have a material adverse impact on the City's collection of Communications Services Tax revenues in Fiscal Years ended 2014 and 2015 and does not anticipate that the amendments will have a future adverse impact. There can be no assurance that similar or additional legislative or other

proposals will not be introduced or enacted in the future that would, or might apply to, or have a material adverse effect upon, the collection of the Communications Services Tax revenues.

In the 2012 legislative session, pursuant to Chapter 2012-70, there was established a Communications Services Tax Working Group ("CST Working Group") to study the modernization of the Communications Services Tax revenues and provide a report regarding its findings. In its report dated February 1, 2013, the CST Working Group recommended replacing the existing Communications Services Tax with an increased sales and use tax. The CST Working Group conditioned their recommendations upon the option being revenue neutral and emphasized the need to hold the State and each municipality and county harmless by ensuring that the amount of revenues received under this new approach would be at least equal to the revenues that each governmental unit is currently receiving from the Communications Services Tax. The CST Working Group provided that the change to the tax structure must be implemented in a manner that ensures that State and local governments are able to bond the revenue stream and that existing bonds are not impaired. It cannot be determined at this time whether the CSTA will be amended in the future and if enacted, the impact any such amendments may have on the collections of the Communications Services Tax revenues by the City.

Factors Affecting the Half-Cent Sales Tax Revenues, Public Service Tax Revenues and Communications Services Tax Revenues

The amount of Local Government Half-Cent Sales Tax received by the City is subject to increase or decrease due to (i) increases or decreases in the dollar volume of taxable sales within the County, (ii) legislative changes relating to the overall sales tax, which may include changes in the scope of taxable sales, changes in the tax rate and changes in the amount of sales tax revenue deposited into the Trust Fund, (iii) changes in the relative population of the City, which affect the percentage of Local Government Half-Cent Sale Tax received by the City, and (iv) other factors which may be beyond the control of the City or the Series 2016 Bondholders, including but not limited to the potential for increased use of electronic commerce and other internet-related sales activity that could have a material adverse impact upon the amount of sales tax collected by the State of Florida and then distributed to the City.

The amount of Public Service Taxes collected by the City may fluctuate as the price of electricity, gas and the other services subject to the Public Services Tax fluctuates. A sustained increase in the cost of electricity, gas or any other of such services may have an adverse effect on the amount of Public Service Taxes collected.

The amount of Public Service Taxes collected by the City may also be affected by changes in the electric utility industry. The electric utility industry in general has been, and in the future may be, affected by a number of factors which could have a materially adverse impact upon the financial condition of an electric utility providing service to the City. Such factors include, among others: (i) effects of inflation on the operating and maintenance costs of an electric utility and its facilities, (ii) changes from projected future load requirements, (iii) increases in costs and uncertain availability of capital, (iv) shifts in the availability and relative costs of different fuels, (v) effects of compliance with rapidly changing environmental, safety, licensing and regulatory requirements, (vi) changes resulting from conservation and demand side management programs on the timing and use of electric energy, (vii) changes that might result

from a national energy policy and (viii) effects of open retail competition from other suppliers of electricity through de-regulation of the electric industry. Any of these factors could have a material adverse effect on the financial condition of any electric utility and likely would affect individual utilities in different ways. In turn these factors could reduce the amount of Services Tax collected based upon a reduction in the use of electric energy and/or a reduction in electric energy charges.

The telecommunications industry is in the process of undergoing technological changes. Recent activity in the area of the use of the internet for telephone service could presage changes in traditional telephone usage which could reduce the amount of Communications Services Tax received by the City for telephone services.

The amount of Communications Services Tax revenues received by the City is subject to increase or decrease due to (i) increases or decreases in the dollar volume of taxable sales within the City, (ii) legislative changes, and/or (iii) technological advances which could affect consumer preferences and may not be subject to the Communications Services Tax.

On June 11, 2015, the First District Court of Appeal held, in DIRECTV, Inc. v. State, Dept. of Revenue, Section 202.12(1), Florida Statutes, unconstitutional as a violation of the dormant commerce clause for charging different communications services tax rates to cable and satellite television providers. On July 7, 2015, the State filed an appeal of this decision to the Florida Supreme Court. Some of the moneys distributed from the Trust Fund include communications services taxes revenues that encompass the cable and satellite television provider charges described above. If the First District Court of Appeal's decision is upheld, it is possible the amount of revenues received by the City from the Trust Fund will be reduced. The City cannot predict whether such decision will be upheld, however if upheld, the City does not believe that it would have a material adverse impact on the City's receipt of revenues from the Trust Fund.

On June 16, 2015, Governor Scott signed into law House Bill 33A ("HB 33A"), relating to taxation. Among the several provisions contained in HB 33A are expanded sales tax exemptions and a reduction in the communication services taxes. Some of the moneys distributed from the Trust Fund include communication services taxes. The provisions of HB33A with respect to the reduction of communication services taxes provide that local governments will continue to receive the same amount of revenues as they receive under prior law. The City cannot determine at this time what the fiscal impact will be to the City's Half-Cent Sales Tax Revenues, but it does not believe that it would have a material adverse impact on the City's receipt of such Revenues.

HALF-CENT SALE TAX, PUBLIC SERVICES TAXES AND COMMUNICATIONS SERVICES TAX HISTORICAL AND BUDGETED RESULTS

The actual Half-Cent Sales Tax, Public Service Taxes and the Local Communications Services Tax receipts for Fiscal Years ended September 30, 2006 through September 30, 2015 and the budgeted Half-Cent Sales Tax, Public Service Taxes and the Local Communications Services Tax receipts for Fiscal Year ended September 30, 2016 are set forth in the table below.

HISTORICAL COLLECTIONS
(in thousands)

Fiscal Year Ended	Communications Service Tax	Public Utilities and Services Taxes	Half-Cent Sales Tax	Total
2006	$3,405	$3,956	$4,397	$11,758
2007	3,590	3,977	4,264	11,831
2008	3,525	3,912	3,935	11,372
2009	3,647	4,176	3,563	11,386
2010	3,382	4,677	3,462	11,521
2011	3,122	4,435	3,491	11,048
2012	2,976	4,135	3,728	10,839
2013	2,913	4,402	3,921	11,236
2014	2,642	4,733	4,137	11,512
2015[(1)]	2,486	4,827	4,430	11,743
2016[(2)]	2,515	5,085	4,442	12,042

(1) Unaudited.
(2) Budgeted.

Covenant to Budget and Appropriate Non-Ad Valorem Revenues; Limitations

In the Bond Resolution, the City has covenanted and agreed to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues lawfully available in each Fiscal Year, amounts sufficient to make up any deficiencies in the Interest Account, Principal Account and Bond Amortization Account in the event Pledged Funds are insufficient for such purpose. Such covenant and agreement on the part of the City to budget and appropriate such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated and actually paid and deposited in the applicable account(s). Notwithstanding the foregoing covenant of the City, the City does not covenant to maintain any services or programs, now provided or maintained by the City, which generate Non-Ad Valorem Revenues.

Such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the City from pledging in the future its Non-Ad Valorem Revenues, nor does it require the City to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Bondholder a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the City. Such covenant to appropriate Non-Ad Valorem Revenue is subject in all respects to the payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereinafter entered into (including the payment of debt service on bonds and other debt instruments). However, the covenant to budget and appropriate in its general annual budget for the purposes and in the manner stated in the Bond Resolution shall have the effect of making available for the above-described payments and deposits Non-Ad Valorem Revenues and placing on the City a positive duty to appropriate and budget by amendment, if necessary, amounts sufficient to meet its obligations under the Bond Resolution; subject, however, in all respects to the restrictions of Section 166.241(2), Florida

Statutes, which provides, in part, that the governing body of each municipality make appropriations for each Fiscal Year which shall not exceed the amounts to be received from taxation or other sources for such Fiscal Year; such covenant is subject, further, to the payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the Issuer or which are legally mandated by applicable law.

General Information Regarding Covenant Revenues

The City generally receives two primary sources of revenue: ad valorem taxes and non-ad valorem revenues. Ad valorem taxes may not be pledged for the payment of debt obligations of the City without approval of the electorate of the City and are not pledged to the Series 2016 Bonds.

Non-ad valorem revenues of the City may be pledged, subject to certain limitations disclosed herein, for the payment of debt obligations of the City. Such non-ad valorem revenues include a broad category of revenues, including but not limited to revenues received from the State, investment income and income produced from certain facilities of the City, as described below.

A large percentage of the revenues of the City, including ad valorem taxes and non-ad valorem revenues, are deposited in the General Fund of the City. Furthermore, as described above, the obligation of the City to budget and appropriate Non-Ad Valorem Revenues is subject to a variety of factors, including the payment of essential governmental services of the City and the obligation of the City to have a balanced budget.

The City is permitted by the Florida Constitution to levy ad valorem taxes at a rate of up to $10 per $1,000 of assessed valuation for general governmental expenditures. The General Fund ad valorem tax millage rate for the Fiscal Year ending September 30, 2015 was $7.99 per $1,000. Florida Statutes governing the process for levy of ad valorem taxes for general government expenditures require a supermajority of the members of the City Commission to approve increases in the tax millage rate over 110 percent of the rate which would produce the same revenues as the prior year (adjusted for new construction, increase in average per capital income and certain other factors). The City is also permitted by the Florida Constitution to levy ad valorem taxes, above the $10 per $1,000 cap, to pay debt service on general obligation long-term debt, following a voter referendum; however, the City currently has no outstanding general obligation long-term debt and does not levy any millage for debt services. Ad valorem taxes are not considered legally available to pay debt service on the Series 2016 Bonds for purposes of the City's covenant.

The term "Non-Ad Valorem Revenues" means all revenues of the City derived from any source whatsoever other than ad valorem taxation on real or personal property which are legally available to make the payments required in the Bond Resolution, but only after provision has been made by the City for the payment of all essential or legally mandated services. See "APPENDIX C — FORM OF MASTER BOND RESOLUTION" attached hereto for the full definition of "Non-Ad Valorem Revenues."

The Florida Department of Banking and Finance has developed, as part of the Uniform Accounting System Manual's Chart of Accounts, six major categories of local government revenue classification; taxes, intergovernmental revenues, licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues. Using that organization, the following describes the sources of the City's Non-Ad Valorem Revenues:

Taxes. The City receives the following excise tax (in addition to the Public Service Taxes and the Local Communications Services Tax described above).

Local Business Taxes. Local business taxes are levied annually on certain persons doing business in the City. Such taxes are a minor portion of the City's Non-Ad Valorem Revenues and amounted to $262,000 in the Fiscal Year ended September 30, 2015.

Intergovernmental Revenues. All revenues received by a local unit from federal, state, and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes would be included in the intergovernmental revenues category. The category is further classified into eight subcategories: federal grants, federal payments in lieu of taxes ("PILOT"), state grants, state shared revenues, state PILOT, local grants, local shared revenues, and local PILOT. If a particular grant is funded from separate intergovernmental sources, then the revenue is recorded proportionately. The largest component is the Local Government Half-Cent Sales Tax describe above.

Licenses and Permits. These are revenues derived from the issuance of local professional, occupational, and other licenses.

Charges for Services. All revenues resulting from a local unit's charges for services are reflected in this category and include those charges received from private individuals or other governmental units. The following functional areas classify such charges:

- General government — document reproduction fees, sales of maps & publications
- Public safety — fees for police and fire protection services
- Physical environment — charges including cemetery fees
- Planning and zoning — fees for zoning changes and planning reviews
- Indirect services — fees associated with services provided to City Proprietary Funds
- Transportation and parking — including parking fees
- Recreation and culture — fees for special events, and parks and recreation activities such as athletics programs and swimming pool usage
- Other — fees for services not specifically mentioned above

Fines and Forfeitures. Fines and forfeitures reflect those penalties and fines imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations, and for neglect of official duty. Forfeitures include revenues resulting from parking and court fines as well as proceeds from the sale of contraband property seized by law enforcement agencies.

Miscellaneous Revenues. This category includes a variety of revenues and transfers from other funds, including:

- Interest earnings
- Gains (or losses) on sale of investments
- Rents and royalties
- Disposition of fixed assets
- Sales of surplus materials and scrap
- Contributions from private sources

Interfund Transfers. The City transfers funds from certain enterprise funds to its general fund. Such transfers are primarily to offset operating and capital costs of services provided to the enterprise fund programs.

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Historical Non-Ad Valorem Revenues. The table below represents the City's determination of Non-Ad Valorem Revenues for the City's Fiscal Years ending September 30, 2011 through September 30, 2015 (excludes non-ad valorem revenues of the City which are not legally available to pay debt service on the Series 2016 Bonds):

CITY OF DELTONA, FLORIDA
HISTORICAL NON-AD VALOREM REVENUES

	Fiscal Year Ended September 30,				
Revenues	**2015**	**2014**	**2013**	**2012**	**2011**
Taxes:					
Local Business Tax	$ 261,201	$ 322,411	$ 475,036	$ 330,073	$ 330,256
Electric Service Tax[1]	4,707,391	4,616,697	4,303,350	4,032,863	4,324,002
Communications Services Tax[1]	2,486,467	2,642,399	2,913,172	2,976,299	3,121,809
Intergovernmental:					
State Revenue Sharing	$ 2,743,728	$ 2,428,680	$ 2,141,004	$ 1,668,923	$ 1,512,497
8th Cent Motor Fuel Tax	893,295	832,309	766,844	638,554	609,643
Half Cent Sales Tax[1]	4,430,466	4,137,246	3,921,434	3,728,339	3,491,307
Licenses & Permits	$ 534,708	$ 549,916	$ 383,210	$ 287,732	$ 300,303
Electric Franchise Fees	$3,722,935	$3,742,292	$3,405,299	$3,412,062	$3,892,925
Total Sources of Non-Ad Valorem Revenues	$19,780,191	$19,271,950	$18,309,349	$17,074,845	$17,582,742

[1] Included as part of Pledged Revenues.
Source: Finance Department, City of Deltona, Florida

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The following table sets forth the General Fund revenues and expenditures of the City for the past five Fiscal Years. Many of these expenditures are required to provide essential governmental services.

CITY OF DELTONA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND
For the Years Ended September 30, 2011-2015
(In Thousands)

	2015	2014	2013	2012	2011
REVENUES					
Property Taxes	$12,897	$11,969	$11,405	$11,857	$11,673
Franchise fees	3,774	3,794	3,437	3,474	3,925
Public Service Tax	7,313	7,375	7,316	7,111	7,557
State Revenue Sharing	3,659	3,283	2,930	2,330	2,145
Intergovernmental	4,893	4,607	4,435	4,505	3,942
Charges for Services	2,021	1,561	1,732	1,529	1,670
Fines and Forfeitures	277	278	225	149	286
Interest Income	147	139	105	100	52
Miscellaneous Revenues	239	270	243	218	202
Total Revenues	$35,220	$33,276	$31,828	$31,273	$31,452
EXPENDITURES					
Operating:					
General Government	$ 7,814	$ 7,456	$ 7,316	$ 7,119	$ 6,710
Public Safety	18,880	17,981	17,354	17,343	18,235
Highways and Streets	1,764	1,754	1,703	1,714	1,733
Culture/Recreation	2,315	2,115	1,917	2,042	1,942
Physical Environment	-	-	-	1	9
Capital Outlay	1,663	1,672	1,591	1,131	836
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	$32,436	$ 30,978	$ 29,881	$29,350	$29,465
Excess (Deficiency) of Revenues Over (Under) Expenditures	$2,784	$ 2,298	$1,947	$ 1,923	$1,987
OTHER FINANCING SOURCES, (USES)					
Transfers From Other Funds		$ 23	-	-	-
Transfers to Other Funds	(1,368)	(14)	(3)	(384)	(1,758)
Total Other Financing Sources (Uses)	$(1,368)	$ 9	$(3)	$(384)	(1,758)
Net Change in Fund Balances	1,416	$ 2,307	$ 1,944	$ 1,539	$ 229

Totals may not add due to rounding.

MUNICIPAL BOND INSURANCE

The purchase of municipal bond insurance, if available, will be at the option and expense (including any bond insurance premium) of the purchaser of the Series 2016 Bonds. The purchaser of the Series 2016 Bonds understands, by submission of its bid, that it is solely responsible for the selection of any insurer and for all negotiations with the insurer as to the premium to be paid. If all or a portion of the Series 2016 Bonds are awarded on an insured basis, reference to the insurance policy will appear herein and on the Series 2016 Bonds; however, the provisions of the financing documents will not be altered, nor will the City consent to make additional representations, undertakings or warranties.

ADDITIONAL BONDS

In the Bond Resolution, the City has reserved the right to issue Additional Bonds payable on a parity with the Bonds then Outstanding. No Additional Bonds, payable on a parity with the Bonds then Outstanding pursuant to the Bond Resolution, may be issued except upon the condition and in the manner provided in the Bond Resolution. The Bond Resolution provides that no Additional Bonds, payable on a parity with the Bonds then Outstanding pursuant to the Bond Resolution unless the following conditions have been met:

(A) There shall have been obtained and filed with the City a statement of the Finance Director of the City (1) setting forth the amount of the Pledged Revenues which have been received by the City during the most recent Fiscal Year for which audited financial statements are available; and (2) stating that the amount of the Pledged Revenues received during the aforementioned twelve-month period equaled at least 1.35 times the Maximum Annual Debt Service of all Bonds then Outstanding including such proposed Additional Bonds with respect to which such statement is made together with Policy Costs. "Policy Costs" means any repayment or payment obligations due and owing in connection with any surety bond on deposit in the Reserve Account. In the event the Act is amended to provide for additional Pledged Revenues to be distributed to the City, the City may then for the purpose of determining whether there are sufficient Pledged Revenues to meet the coverage tests specified in Bond Resolution, have the Finance Director assume that such additional Pledged Revenues were in effect during the applicable Fiscal Year.

The Bond Resolution has special provisions relating to the determination of Annual Debt Service in connection with Bonds which are Variable Rate Bonds and Variable Rate Bonds with respect to which the City has entered into certain swap arrangements. See "APPENDIX C - FORM OF MASTER BOND RESOLUTION" attached hereto.

(B) Additional Bonds shall be deemed to have been issued pursuant to the Bond Resolution the same as the Outstanding Bonds, and all of the other covenants and other provisions of the Bond Resolution (except as to details of such Additional Bonds inconsistent therewith) shall be for the equal benefit, protection and security of the Holders of all Bonds issued pursuant to the Bond Resolution. All Bonds, regardless of

the time or times of their issuance, shall rank equally with respect to their lien on the Pledged Funds and their sources and security for payment therefrom without preference of any Bond over any other, except as expressly provided in the Bond Resolution or in the applicable Supplemental Resolution.

(C) In the event Additional Bonds are issued for the purpose of refunding any Bonds then Outstanding, the conditions of paragraph (A) above will not apply, provided that the issuance of such Additional Bonds will not result in an increase in the aggregate amount of Annual Debt Service on the Outstanding Bonds becoming due in the current Bonds Year or in any subsequent Bond Year; provided, however, that the foregoing paragraph (A) will apply to Additional Bonds issued to refund Subordinated Indebtedness and to Additional Bonds issued for refunding purposes which cannot meet the conditions of this paragraph.

(D) The City shall receive the prior written consent of the Insurer or Insurers prior to the issuance of any Variable Rate Bonds secured by the Pledged Funds; provided, however, that such written consent may be in the form of a covenant made for the benefit of the Insurer or Insurers in a Supplemental Resolution.

ADDITIONAL COVENANT DEBT

The City may issue bonds or other debt obligations payable from or secured by a covenant to budget and appropriate in each year from its legally available Non-Ad Valorem Revenues or secured by a lien on or payable from specific revenues, including components of the City's legally available Non-Ad Valorem Revenues (other than the Pledged Funds). The Bond Resolution does not impose limitations on the City with respect to the issuance of such other debt. Certain of the agreements relating to outstanding debt of the City secured by a covenant to budget and appropriate contain limitations on the City with respect to the issuance of additional debt, but such agreements are not for the benefit of the holders of the Series 2016 Bonds and may be revised or terminated by agreement between the City and the holders of such outstanding debt.

DISPOSITION OF REVENUES

Creation of Funds and Accounts

There are created and established in the Bond Resolution the following funds and accounts, which funds and accounts are trust funds for the purposes therein provided and used only in the manner therein provided: (1) the Revenue Fund, and therein two accounts designated the Restricted Revenue Account and the Unrestricted Revenue Account, and (2) the Debt Service Fund, and therein four accounts designated the Interest Account, the Principal Account, the Bond Amortization Account and the Reserve Account.

Flow of Funds

Beginning on the date the Series 2016 Bonds are issued, the City shall deposit the Pledged Revenues (only to the extent a sufficient amount is not already on deposit from other legally available revenue sources of the City in amounts sufficient to satisfy all payment obligations under the Bond Resolution), and any direct subsidy payments received from the United States Treasury relating to Direct Subsidy Bonds or any other interest subsidy or similar payments made by the federal government, into the Restricted Revenue Account promptly upon receipt thereof. The moneys in the Restricted Revenue Account shall be deposited or credited on or before the 21st day of each month, commencing with the month in which delivery of the Series 2016 Bonds shall be made to the purchaser or purchasers thereof, or such later date as provided in the Bond Resolution, in the following manner and in the following order of priority:

1. **Interest Account**. The City shall deposit into or credit to the Interest Account the sum which, together with the balance in said Account, shall equal the interest on all Outstanding Bonds (other than Capital Appreciation Bonds) accrued and unpaid and to accrue to the end of the then current calendar month. Moneys in the Interest Account shall be used to pay interest on the Bonds (other than Capital Appreciation Bonds) as and when the same become due, whether by redemption or otherwise, and for no other purpose. The City shall adjust the amount of the deposit into the Interest Account not later than the month immediately preceding any Interest Date so as to provide sufficient moneys in the Interest Account to pay the interest on the Bonds coming due on such Interest Date. Any direct subsidy payments received from the United States Treasury relating to Direct Subsidy Bonds or any other interest subsidy or similar payments made by the federal government shall be used to pay interest on Bonds (other than Capital Appreciation Bonds) issued as Direct Subsidy Bonds.

2. **Principal Account**. Next, the City shall deposit into or credit to the Principal Account the sum which, together with the balance in said Account, shall equal the principal amounts (or Compounded Amount with respect to Capital Appreciation Bonds) on all Outstanding Bonds due and unpaid and that portion of the principal (or Compounded Amount with respect to Capital Appreciation Bonds) next due within one year which would have accrued on said Bonds during the then current calendar month if such principal amounts (or Compounded Amount with respect to Capital Appreciation Bonds) were deemed to accrue monthly (assuming that a year consists of twelve (12) equivalent calendar months of thirty (30) days each) in equal amounts from the next preceding principal payment due date, or, if there is no such preceding principal payment due date, from a date one year preceding the due date of such principal amount (or Compounded Amount with respect to Capital Appreciation Bonds). Moneys in the Principal Account shall be used to pay the principal (or Compounded Amount with respect to Capital Appreciation Bonds) of the Bonds as and when the same shall mature, and for no other purpose. The City shall adjust the amount of deposit to the Principal Account not later than the month immediately preceding any principal payment date so as to provide sufficient moneys in the Principal Account to pay the principal (or Compounded Amount with respect to Capital Appreciation Bonds) on Bonds becoming due on such principal payment date.

3. **Bond Amortization Account**. Commencing in the month which is one year prior to any Amortization Installment due date, the City shall deposit into or credit to the Bond Amortization Account the sum which, together with the balance in said Account, shall equal the Amortization Installments on all Bonds Outstanding due and unpaid and that portion of the Amortization Installments of all Bonds Outstanding next due which would have accrued on such Bonds during the then current calendar month if such Amortization Installments were deemed to accrue monthly (assuming that a year consists of twelve (12) equivalent calendar months having thirty (30) days each) in equal amounts from the next preceding Amortization Installment due date, or, if there is no such preceding Amortization Installment due date, from a date one year preceding the due date of such Amortization Installment. Moneys in the Bond Amortization Account shall be used to purchase or redeem Term Bonds in the manner provided in the Bond Resolution, and for no other purpose. The City shall adjust the amount of the deposit into the Bond Amortization Account not later than the month immediately preceding any date for payment of an Amortization Installment so as to provide sufficient moneys in the Bond Amortization Account to pay the Amortization Installments on the Bonds coming due on such date. Payments to the Bond Amortization Account shall be on a parity with payments to the Principal Account.

Amounts accumulated in the Bond Amortization Account with respect to any Amortization Installment (together with amounts accumulated in the Interest Account with respect to interest, if any, on the Term Bonds for which such Amortization Installment was established) may be applied by the City, on or prior to the sixtieth day preceding the due date of such Amortization Installment (a) to the purchase of Term Bonds of the Series and maturity for which such Amortization Installment was established, at a price not greater than the Redemption Price at which such Term Bonds may be redeemed on the first date thereafter on which such Term Bonds shall be subject to redemption, or (b) to the redemption at the applicable Redemption Price of such Term Bonds, if then redeemable by their terms. The applicable Redemption Price (or principal amount of maturing Term Bonds) of any Term Bonds so purchased or redeemed shall be deemed to constitute part of the Bond Amortization Account until such Amortization Installment date, for the purposes of calculating the amount of such Account. As soon as practicable after the sixtieth day preceding the due date of any such Amortization Installment, the City shall proceed to call for redemption on such due date, by causing notice to be given as provided in the Bond Resolution, Term Bonds of the Series and maturity for which such Amortization Installment was established (except in the case of Term Bonds maturing on an Amortization Installment date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Amortization Installment. The City shall pay out of the Bond Amortization Account and the Interest Account to the appropriate Paying Agents, on or before the day preceding such redemption date (or maturity date), the amount required for the redemption (or for the payment of such Term Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment). All expenses in connection with the purchase or redemption of Term Bonds shall be paid by the City from the Revenue Fund.

4. **Reserve Account**. Next, the City shall deposit into or credit to the Reserve Account and/or any subaccount hereafter created therein a sum sufficient to

maintain therein an amount equal to the applicable Reserve Account Requirement. Moneys in the Reserve Account (or any subaccount therein) shall be used only for the purpose of the payment of maturing principal, interest or Amortization Installments on the Bonds which are secured thereby when the other moneys in the Debt Service Fund are insufficient therefor, and for no other purpose. However, whenever the moneys on deposit in the Reserve Account (or any subaccount therein) exceed the applicable Reserve Account Requirement, such excess shall be withdrawn and deposited into the Interest Account.

Upon the issuance of any Additional Bonds under the terms, limitations and conditions as provided in the Bond Resolution, the City may, on the date of delivery of such Additional Bonds, create and establish a separate subaccount in the Reserve Account to secure such Series of Bonds, and may also establish an applicable Reserve Account Requirement. Such required sum may be paid in full or in part from the proceeds of such Additional Bonds. The City may also provide by Supplemental Resolution that a Series of Bonds is not secured by the Reserve Account or any subaccount therein.

Notwithstanding the foregoing provisions, in lieu of the required cash deposits into the Reserve Account (or any subaccounts therein), subject to the written consent of the Insurer or Insurers, the City may, at any time, cause to be deposited into the Reserve Account (or any subaccounts therein) a surety bond, irrevocable letter of credit, guaranty or an insurance policy for the benefit of the applicable Bondholders in an amount equal to the difference between the applicable Reserve Account Requirement and the sums then on deposit in the Reserve Account and/or subaccount therein. Such surety bond, irrevocable letter of credit, guaranty or insurance policy shall be payable to the Paying Agent (upon the giving of notice as required thereunder) on any Interest Date on which a deficiency exists which cannot be cured by funds in any other fund or account held pursuant to the Bond Resolution and available for such purpose. Repayment of draws made from a surety bond, irrevocable letter of credit, guaranty or an insurance policy provided pursuant to this paragraph, shall be made in accordance with a Supplemental Resolution.

Whenever the amount in the Reserve Account or any subaccount therein, together with the other amounts in the Debt Service Fund, are sufficient to fully pay all applicable Outstanding Bonds in accordance with their terms (including principal or applicable Redemption Price and interest thereon), the funds on deposit in the Reserve Account (or any subaccounts therein) may be transferred to the other accounts of the Debt Service Fund for the payment of such Bonds.

5. **Unrestricted Revenue Account**. The balance of any moneys after the deposits described above may be transferred, at the discretion of the City, to the Unrestricted Revenue Account or to any other appropriate fund or account of the City and be used for any lawful purpose.

The City, in its discretion, may use moneys in the Principal Account and the Interest Account to purchase or redeem Bonds coming due on the next principal payment date, provided

such purchase or redemption does not adversely affect the City's ability to pay the principal or interest coming due on such principal payment date on the Bonds not so purchased or redeemed.

At least one business day prior to the date established for payment of any principal of or Redemption Price, if applicable, or interest on the Bonds, the City shall withdraw from the appropriate account of the Debt Service Fund sufficient moneys to pay such principal or Redemption Price, if applicable, or interest and deposit such moneys with the Paying Agent for the Bonds to be paid.

Reference is hereby made to "APPENDIX C – FORM OF MASTER BOND RESOLUTION" attached hereto for a more complete description of the flow of funds.

THE CITY OF DELTONA, FLORIDA

The City was incorporated on December 31, 1995 and is situated in southwest Volusia County adjacent to the Cities of DeBary, Orange City, Lake Helen and DeLand. The main transportation network within the City is made up of a series of residential collectors, some of which function as minor arterials. Interstate 4 provides regional transportation access to the Daytona Beach and Orlando metropolitan areas.

The governing body of the City is a seven member City Commission consisting of a Mayor and six (6) Commissioners. The Mayor is elected City wide and the Commissioners are elected from and represent one of the six districts in the City. The term of office for the Mayor and each Commissioner is four (4) years and neither the Mayor or any Commissioner may serve more than two (2) concurrent four year terms for the same office. The designated City Charter officers are the City Manager and the City Attorney appointment of which to both positions requires a majority vote of the full Commission. Such Charter officers serve at the pleasure of the Commission. The City Manager is the Chief Administrative Officer of the City. The current City Manager is Ms. Jane Shang. The City Attorney is the chief legal officer for the City and serves as chief legal advisor to the City Commission, the City Manager, and all City departments, offices, advisory boards and agents. The City Attorney is Vose Law Firm, LLP. For additional information regarding the City please refer to appendices A and B hereto.

Pension and OPEB Matters

The City maintains two defined benefit pension plans known as the Firefighters Plan (as defined below) and the FRS Plan (as defined below) and one single-employer, defined contribution pension plan known as the General Plan (as defined below).

The City has provided a single-employer defined benefit pension plan for firefighters known as the City of Deltona Firefighters' Pension Plan (the "Firefighters' Plan"). As of September 30, 2014, there were a total of 95 participants, 70 active members, 9 inactive Firefighters' Plan members entitled to, but not yet receiving, benefits and 16 inactive Firefighters' Plan members of beneficiaries currently receiving benefits, enrolled in the Firefighters' Plan. For the Fiscal Year ended September 30, 2015, the City's total covered payroll for employees eligible to participate in the Firefighters' Plan was $3,833,461 compared with a total covered payroll for the City of $13,332,035.

The City also participates in the Florida Retirement System ("FRS"), a cost sharing multiple employer defined benefit, public employee retirement system (the "FRS Plan"). As of September 30, 2015 there were 184 employees enrolled in the FRS Plan. All general employees hired after December 1, 2006 are compulsory members of FRS. For the Fiscal Year ended September 30, 2015, the City's total covered payroll for employees eligible to participate in the FRS Plan was $7,525,843 compared with a total covered payroll for the City of $13,326,266. Employer contributions to the plan were $661,950, $407,841 and $329,143 for the Fiscal Years ended September 30, 2015, 2014 and 2013, respectively, and represented 100% of the required contributions.

For additional information on the City's pension plans and their funding status, see Note E to the Audited Financial Statements of the City of Deltona, Florida for the Fiscal Year ended September 30, 2015 which are presented in Appendix B attached hereto and are incorporated herein by reference.

The City also provides an Other Postemployment Benefit Plan (the "OPEB Plan") which is a single-employer benefit plan. As of October 1, 2014, the City had 271 OBEP members, 269 active and 2 inactive, with a total unfunded liability of $1,933,000. Of the 269 total active members, 71 members are in the City's Firefighters retirement plan with a total liability of $828,000. Currently, the City's OPEB Plan benefits are unfunded and contributions are based on a pay-as-you-go basis. Subsidies which are provided over time are financed directly by the general assets of the City, which are invested in short-term fixed income instruments according to the City's current investment policy. As of September 30, 2015, using the most recent actuarial valuation dated October 1, 2012, the Plan was unfunded. The actuarial accrued liability for benefits was $1,933,000 and the actuarial value of assets was $0.00, resulting in an unfunded actuarial accrued liability (UAAL) of $1,933,000. The covered payroll (annual payroll of active employees covered by the Plan) was $12,396,230 and the ratio of the UAAL to the covered payroll was 13.62%.

The City's annual OPEB cost (expense) is calculated based on the Annual Required Contribution ("ARC") of the employer, an amount actuarially determined in accordance with the parameters of GASB No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The Unfunded Actuarial Accrued Liability represents an actuarial measurement of the obligation that has accrued so far based on the promise that has been made to current retirees and to current employees. Since the City's OPEB liability is currently unfunded, the offset to that expense comes from actual subsidies paid on behalf of the current retirees and their dependents for the current year. This offset is called Employer Contribution and equals the total age-adjusted costs paid by the City for coverage for the retirees and their dependents for the year (net of the retiree's own payments for the year).

The City was required to implement GASB Statement No. 65 for the year ending September 30, 2014. GASB Statement No. 65 clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. In accordance with the implementation requirements of this Statement No. 65, "Items Previously Reported as Assets and Liabilities", the City's Net Position was restated to eliminate bond issue costs other than insurance.

The City was required to implement GASB Statement No. 67 for the year ending September 30, 2014. The objective of GASB Statement No. 67, "Financial Reporting for Pensions Plans 68 - An Amendment of GASB Statement No. 25," is to improve financial reporting by state and local governmental pension plans.

[The City intends to implement GASB Statement No. 68, "Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27" in Fiscal Year 2014 / 2015. The currently estimated financial impact will be to reduce the unrestricted net position of the City by approximately $6.7 million for the Firefighter's Pension Plan and an undetermined amount for the City's pro-rata share of the unfunded liability from the FRS.]

For additional information on the City's OPEB Plan and its funding status, see Note D. to the Audited Financial Statements of the City of Deltona, Florida for the Fiscal Year ended September 30, 2015 which are presented in Appendix B attached hereto and are incorporated herein by reference.

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DEBT SERVICE REQUIREMENTS

The following table shows the scheduled annual principal (including amortization installments) and interest requirements on the Series 2016 Bonds.

Year Ending (October 1)	Principal	Interest	Total
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
TOTAL			

LITIGATION

There is not now pending or threatened any litigation restraining or enjoining the issuance or delivery of the Series 2016 Bonds or questioning or affecting the validity of the Series 2016 Bonds or the proceedings and authority under which they are to be issued. Neither the creation, organization or existence of the City, nor the title of the present City Commission members or other officials of the City to their respective offices is being contested. There is no litigation pending which in any manner questions the right of the City to issue the Series 2016 Bonds in accordance with the provisions of the Resolution and the laws of the State of Florida.

The City experiences routine litigation and claims incidental to the conduct of its affairs. The City carries substantial insurance for most of these exposures, and many pending claims are defended by and, if necessary, are anticipated to be paid by the insurance carriers less the applicable insurance deductible amounts. In any event, any such litigation is not expected to have a material adverse impact on the System.

LEGAL MATTERS

Certain legal matters incident to the validity of the Series 2016 Bonds and the issuance thereof by the City are subject to the approval of Akerman LLP, Orlando, Florida, Bond Counsel, whose approving opinion in the form attached to this Official Statement as Appendix D will be available at the time of delivery of the Series 2016 Bonds. Certain legal matters will be passed upon for the City by Vose Law Firm, LLP, City Attorney, Winter Park, Florida, and by Greenberg Traurig, P.A., Orlando, Florida, Disclosure Counsel.

Bond Counsel has not been engaged to, nor has it undertaken to, review the accuracy, completeness or sufficiency of this Official Statement or any other offering material relating to the Series 2016 Bonds; provided, however, that Bond Counsel will render an opinion to the Underwriter of the Series 2016 Bonds relating to the accuracy of the statements contained herein under the heading "TAX MATTERS" and certain statements which summarize provisions of the Bond Resolution and the Series 2016 Bonds. Neither Bond Counsel, Disclosure Counsel nor the City Attorney has been engaged to opine as to compliance with any federal or state law with regard to the sale or distribution of the Series 2016 Bonds. Regarding this Official Statement, the City Attorney will render an opinion only as to the accuracy and sufficiency of the information set forth herein regarding legal matters relating to the City.

TAX MATTERS

The Internal Revenue Code of 1986, as amended (the "Code") establishes certain requirements which must be met subsequent to the issuance and delivery of the Series 2016 Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2016 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2016 Bonds. Those requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the Series 2016 Bonds and other amounts are to be invested and require, under certain circumstances, that certain excess

investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The City has covenanted in the Bond Resolution to comply with each such requirement.

In the opinion of Bond Counsel, assuming continuous compliance by the City with the Code and the tax covenants of the City, under existing law, and subject to the conditions described below, interest on the Series 2016 Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax on corporations.

Prospective purchasers of the Series 2016 Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Series 2016 Bonds, may have additional federal income tax consequences for certain taxpayers.

Bond Counsel expresses no opinion regarding any federal tax consequences other than its opinion with regard to the exclusion of interest on the Series 2016 Bonds from gross income pursuant to Section 103 of the Code and the treatment of interest for purposes of the alternative minimum tax. Prospective purchasers of the Series 2016 Bonds should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Series 2016 Bonds. Prospective purchasers of the Series 2016 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

The opinion on federal tax matters will be based on and will assume the accuracy of certain representations and certifications and compliance with certain covenants of the City to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2016 Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes.

Bond Counsel's opinions are based on existing law, which is subject to change. Moreover, Bond Counsel's opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service ("IRS") or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinions.

The IRS has established an on-going program to audit tax-exempt obligations to determine whether interest on such obligations is includible in gross income for federal income tax purposes. Bond Counsel cannot predict whether the IRS will commence an audit of the Series 2016 Bonds. Owners of the Series 2016 Bonds are advised that, if the IRS does audit the Series 2016 Bonds, under current IRS procedures, at least during the early stages of an audit, the IRS will treat the City as the taxpayer, and the owners of the Series 2016 Bonds may have limited rights to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Series 2016 Bonds until the audit is concluded, regardless of the ultimate outcome.

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2016 Bonds. In some cases these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar in nature to the Series 2016 Bonds. From time to time, legislative proposals may be introduced which could have an effect on both the federal tax consequences resulting from the ownership of the Series 2016 Bonds and their market value. No assurance can be given that any such legislative proposals, if enacted, would not apply to, or would not have an adverse effect upon, the Series 2016 Bonds.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the Series 2016 Bonds may affect the tax status of interest on the Series 2016 Bonds.

Tax Treatment of Original Issue Discount

Under the Code, the difference between the maturity amount of the Series 2016 Bonds maturing on _____ through and including _____ (collectively, the "Discount Bonds"), and the first price at which a substantial amount of such maturity is sold to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, was sold is "original issue discount." For federal income tax purposes, original issue discount will accrue daily over the term of the Discount Bonds at a constant interest rate compounded on each interest payment date (or over a shorter permitted compounding interval selected by the Owner). A purchaser who acquires the Discount Bonds in the initial offering at a price equal to the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he or she holds the Discount Bonds subject to the same considerations discussed above, and will increase his or her adjusted basis in the Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or disposition of the Discount Bonds. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Bondholders of the Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of the Discount Bonds and with respect to the state and local tax consequences of owning and disposing of the Discount Bonds.

Tax Treatment of Bond Premium

The difference between the principal amount of the Series 2016 Bonds payable at maturity (or an earlier call date if it results in a smaller amortizable bond premium) maturing on _____ through and including _____ (collectively, the "Premium Bonds"), and the basis for determining loss on sale or exchange of the applicable Series 2016 Bond constitutes amortizable bond premium which is not deductible from gross income for federal income tax purposes but must be amortized under Section 171 of the Code. The basis reduction

as a result of the amortization of bond premium may result in a Bondholder realizing a taxable gain when a Series 2016 Bond is sold by such Bondholder for an amount less than the original cost. Bondholders of the Premium Bonds are advised that they should consult with their own tax advisors with respect to the treatment for federal income tax purposes and the state and local tax consequences of owning such Premium Bonds.

FINANCIAL ADVISOR

FirstSouthwest, a Division of Hilltop Securities Inc., Orlando, Florida (the "Financial Advisor") is acting as financial advisor to the City in connection with the issuance of the Series 2016 Bonds. The Financial Advisor will not engage in any underwriting activities with regard to the issuance and sale of the Series 2016 Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement and is not obligated to review or ensure compliance with the undertaking by the City to provide continuing secondary market disclosures.

UNDERWRITING

The Series 2016 Bonds are being purchased by _____ (the "Underwriter"), subject to certain terms and conditions. The aggregate purchase price for the Series 2016 Bonds payable to the City is $_____ ($_____ principal amount [plus/less original issue premium/discount of $_____ and less Underwriter's discount of $_____). The Series 2016 Bonds are offered for sale to the public at the prices set forth on the inside cover page of this Official Statement. The Series 2016 Bonds may be offered and sold to certain dealers at prices lower than such offering prices, and such public offering prices may be changed, from time to time, by the Underwriter.

INVESTMENT POLICY

The City by resolution has elected to invest surplus funds of the City in the following instruments and may divest itself of such investments, at prevailing market prices or rates:

(a) The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Florida Statutes, Section 163.01.

(b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

(c) Savings accounts in state-certified qualified public depositories, as defined in Florida Statutes, Section 280.02.

(d) Certificates of deposit in state-certified qualified public depositories, as defined in Florida Statutes, Section 280.02.

(e) Direct obligations of the U.S. Treasury.

(f) Federal agencies and instrumentalities.

The securities listed in paragraphs (c), (d), (e) and (f) shall be invested to match investment maturities with known cash needs and anticipated cash-flow requirements. The City may modify its investment policy from time to time. Amounts held under the Resolution may be invested only in Authorized Investments.

RATINGS

Fitch Ratings ("Fitch") and S&P Global Ratings ("S&P"), have assigned ratings of "AA" and "AA-", respectively, to the Series 2016 Bonds. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Standard & Poor's Rating Services, 55 Water Street, New York, New York 10041; Fitch, Inc., One State Street Plaza, New York, New York 10004. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2016 Bonds.

FINANCIAL STATEMENTS

The City's general purpose financial statements for its Fiscal Year ended September 30, 2015 appearing in Appendix B hereto have been audited by Purvis, Gray and Company, Gainesville, Florida, (the "Independent Auditor") as stated in their report included as part of Appendix B hereto. Such financial statements are being included herein as a publicly available document and consent of the auditors to their inclusion was not obtained.

CONTINUING DISCLOSURE

To assist the Underwriter in complying with Rule 15c2 12 promulgated by the Securities and Exchange Commission and as in effect on the date hereof (the "Rule"), simultaneously with the issuance of the Series 2016 Bonds, the City will enter into, for the benefit of the Beneficial Owners, the Continuing Disclosure Agreement (the "Disclosure Agreement"), the form of which is attached hereto as "APPENDIX E – FORM OF CONTINUING DISCLOSURE AGREEMENT."

Pursuant to the Rule, the City, as an "obligated person" with respect to the Series 2016 Bonds, has covenanted in the Disclosure Agreement to file certain annual financial information and operating data and the City's audited financial statements with the Municipal Securities Rulemaking Board ("MSRB") through the Electronic Municipal Market Access system ("EMMA") or such other electronic format prescribed by the MSRB, as required by the Rule.

The specific nature of the financial information, operating data, and of the type of events which trigger a disclosure obligation and other details of the City's undertaking is more fully described in the form of the Disclosure Agreement attached hereto as Appendix E.

The following disclosure is being provided by the City for the sole purpose of assisting the Underwriter in complying with the Rule: The City previously entered into continuing disclosure undertakings, as an "obligated person" under the Rule, with respect to bonds issued by the City (the "Undertakings"). In the previous five year period beginning on May __, 2011 and ending on May __, 2016 (the "Compliance Period"), the City has, on several instances during the Compliance Period, failed to comply with certain provisions of the Undertakings, including: failing to provide certain required annual financial information and/or operating data in its annual filings.

The City has contracted with Digital Assurance Certification L.L.C. ("DAC") to be a supplemental source of information for the City's bond issuances. Such services may be discontinued at any time. Information regarding this debt issuance may be found at the DAC internet site, www.dacbond.com.

VERIFICATION OF CERTAIN CALCULATIONS

The Verification Agent, a firm of independent public accountants, will deliver to the City, on or before the issuance of the Series 2016 Bonds, its verification report indicating that it has verified, in accordance with attestation standards established by the American Institute of Certified Public Accountants, the arithmetical accuracy of (i) the computation of the adequacy of the amounts to be deposited in the Escrow Fund to be held by the Escrow Agent to pay when due all principal of, and accrued interest on the Refunded Bonds, through the dates of maturity or redemption of the Refunded Bonds, as applicable, as provided in the Escrow Deposit Agreement, and (ii) the computation of the yields on the Series 2016 Bonds and the amounts to be deposited in the Escrow Fund.

The verification performed by the Verification Agent will be solely based upon assumptions and information provided to the Verification Agent by the Underwriter and the Financial Advisor on behalf of the City. The Verification Agent has restricted its procedures to examining the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information upon which the computations are based, and accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions or the achievability of the forecasted outcome.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Pursuant to Section 517.051, Florida Statutes, no person may directly or indirectly offer or sell securities of the City except by an offering circular containing full and fair disclosure of all defaults as to principal or interest on its obligations since December 31, 1975, as provided by rule of the Florida Department of Financial Services (the "Department"). Pursuant to its administrative rules, the Department has required the disclosure of the amounts and types of defaults, any legal proceedings resulting from such defaults, whether a trustee or receiver has

been appointed over the assets of the City, and certain additional financial information, unless the City believes in good faith that such information would not be considered material by a reasonable investor. The City is not and has not been in default on any bond issued since December 31, 1975 which would be considered material by a reasonable investor in the Series 2016 Bonds.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Series 2016 Bonds upon an event of default under the Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies specified by the federal bankruptcy code, the Resolution and the Series 2016 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2016 Bonds (including Bond Counsel's approving opinion) will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery.

FORWARD-LOOKING STATEMENTS

This Official Statement contains certain "forward-looking statements" concerning the City's and the System's operations, performance and financial condition, including future economic performance, plans and objectives and the likelihood of success in developing and expanding. These statements are based upon a number of assumptions and estimates which are subject to significant uncertainties, many of which are beyond the control of the City. The words "may," "would," "could," "will," "expect," "anticipate," "believe," "intend," "plan," "estimate" and similar expressions are meant to identify these forward-looking statements. Actual results may differ materially from those expressed or implied by these forward-looking statements.

CONTINGENT FEES

The City has retained Bond Counsel, Disclosure Counsel and the Financial Advisor with respect to authorization, sale, execution and delivery of the Series 2016 Bonds. Payment of certain of the fees of such professionals is contingent upon issuance of the Series 2016 Bonds.

MISCELLANEOUS

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The information contained above is neither guaranteed as to accuracy or completeness nor to be construed as a representation by the City. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor

any sale made hereunder is to create, under any circumstances, any implication that there has been no change in the affairs of the City from the date hereof.

This Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, as a whole or in part, for any other purpose. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or the Holders of any of the Series 2016 Bonds.

CERTIFICATE AS TO OFFICIAL STATEMENT

The execution and delivery of this Official Statement has been duly authorized by the City Commission of the City. At the time of delivery of the Series 2016 Bonds to the Underwriter, the City will provide to the Underwriter a certificate (which may be included in a consolidated closing certificate of the City), relating to the accuracy and completeness of certain materials in this Official Statement and to its being a final official statement for the purposes of SEC Rule 15c2-12(b)(3).

CITY OF DELTONA, FLORIDA

By: _____
Mayor

By: _____
City Manager

APPENDIX A

GENERAL INFORMATION
REGARDING
CITY OF DELTONA, FLORIDA

The following information concerning the City of Deltona, Florida (the "City") has been derived from the statistical section of the City's Comprehensive Annual Financial Report for its Fiscal Year ended September 30, 2015, and is included only for purposes of supplying general information regarding the City. For additional information concerning the City see "THE CITY OF DELTONA, FLORIDA" in the body of the Official Statement.

CITY OF DELTONA, FLORIDA
Property Tax Levies and Collections
Last Ten Years

Fiscal Year	Total Tax Levy	Total Tax Collections	Tax Collections as a Percentage of Tax Levy
2006	$10,230,420	$ 9,862,225	96.4%
2007	13,216,062	12,760,664	96.6
2008	12,489,846	12,087,519	96.8
2009	12,779,905	12,320,999	96.4
2010	12,990,671	12,513,417	96.3
2011	12,171,912	11,635,431	95.6
2012	12,242,985	11,816,523	96.5
2013	11,743,907	11,336,295	96.5
2014	12,317,219	11,947,445	97.0
2015	13,274,684	12,866,342	96.9

CITY OF DELTONA, FLORIDA
Property Tax Rates – Direct and Overlapping Governments
Last Ten Fiscal Years
(Per $1,000 of Assessed Taxable Value)

*Direct Rate		** Overlapping Rates					
Fiscal Year	City of Deltona	County of Volusia	Volusia County School Board	St. Johns River Water Management District	Florida Inland Navigation District	West Volusia Hospital Authority	Total
2006	4.01451	6.29400	8.25900	0.46200	0.03850	1.55000	20.61801
2007	3.28370	5.13330	7.68500	0.46200	0.03850	1.26190	17.86440
2008	4.15329	5.40373	7.45900	0.41580	0.03450	1.46724	18.93356
2009	5.43755	6.37434	7.80500	0.41580	0.03450	1.74500	21.81219
2010	6.37760	6.30250	8.23700	0.41580	0.03450	2.08180	23.44920
2011	8.29950	6.77910	8.06300	0.33130	0.03450	2.38490	25.89230
2012	7.99000	6.88090	7.88800	0.33130	0.03450	2.46660	25.59130
2013	7.99000	7.27090	7.35800	0.32830	0.03450	2.37590	25.35760
2014	7.99000	7.27090	7.33600	0.31640	0.03450	1.92370	24.87150
2015	7.99000	7.27090	7.19700	0.30230	0.03200	1.66790	24.46010

* The City has no general obligation debt, therefore the direct rate has no components.
** The overlapping rate represents agencies which have taxing authority within the area. These rates plus the City direct rate is the total mileage rate attributable to property within the City.

CITY OF DELTONA, FLORIDA
Principal Taxpayers
Fiscal Year Ended September 30, 2015

Taxpayer Name	Taxable Assessed Value (in 1,000's)	Percent of Total Assessed Taxes
Duke Energy Florida, Inc. (formerly Florida Power Corp.)	$ 27,184	1.5%
Florida Power & Light Company	20,166	1.1
Wal-Mart Stores East LP	13,377	0.8
Lowe's Home Centers, Inc.	8,526	0.5
Publix Super Markets, Inc.	8,522	0.5
Preferred Trust Co.	8,396	0.5
Bright House Networks, LLC	7,684	0.4
D O T Properties N V	6,941	0.4
Deltona Partners, LLC	6,307	0.4
IH3 Property Florida LP	6,267	0.4
All Others	1,663,932	93.6

Source: County of Volusia Property Appraiser.

CITY OF DELTONA, FLORIDA
Computation of Direct and Overlapping Debt
September 30, 2015

Taxing Authority	Debt Outstanding	Percentage Applicable to City of Deltona	Amount Applicable to City of Deltona
City of Deltona[1]	$146,064,185	100.00%	$146,064,185
County of Volusia[2]	21,295,000	6.54	1,392,693
Volusia County School Board[3]	-	0.00	-
Total Direct and Overlapping Debt	**$167,359,185**		**$147,456,878**

[1] Source: Governmental debt only; excludes business-type activities debt.
[2] Source: County of Volusia Finance Department; percentage based on Deltona's total taxable property value compared to Volusia County's total taxable property value.
[3] Source: Volusia County School Board

CITY OF DELTONA, FLORIDA
Demographic Statistics
Since Incorporated

Fiscal Year	Population[1]	Unemployment Rate[2]
2005	82,973	3.8%
2006	85,484	3.3%
2007	86,540	4.0%
2008	85,921	6.3%
2009	84,264	10.4%
2010	84,385	11.3%
2011	85,182	10.3%
2012	85,281	8.6%
2013	85,442	7.1%
2014	86,360	6.1%

Sources: [1] Office of Economics and Demographic Research.
[2] U.S. Department of Labor, Bureau of Labor Statistics.

APPENDIX B

GENERAL PURPOSE FINANCIAL STATEMENTS OF THE CITY FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

APPENDIX C

FORM OF MASTER BOND RESOLUTION

APPENDIX D

FORM OF BOND COUNSEL OPINION

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

ORL 299250497v7

CONTINUING DISCLOSURE AGREEMENT

by and between

CITY OF DELTONA, FLORIDA

and

DIGITAL ASSURANCE CERTIFICATION, L.L.C.

relating to:

$_____
CITY OF DELTONA, FLORIDA
CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS,
SERIES 2016

Dated _____, 2016

This **CONTINUING DISCLOSURE AGREEMENT** (this "Disclosure Agreement") dated as of _____, 2016, is executed and delivered by the **CITY OF DELTONA, FLORIDA** (the "City") and **DIGITAL ASSURANCE CERTIFICATION, L.L.C.**, a limited liability company duly organized and existing under the laws of the State of Florida, and any successor dissemination agent serving hereunder pursuant to Section 12 hereof (the "Dissemination Agent" or "DAC").

RECITALS:

A. Contemporaneously with the execution and delivery of this Disclosure Agreement, the City authorized the issuance and delivery of those certain $_____ in aggregate principal amount of its Capital Improvement Revenue Refunding Bonds, Series 2016 (the "Series 2016 Bonds"), pursuant to: the Constitution and laws of the State of Florida, Chapter 166, Florida Statutes, Chapter 218, Part II and VI, Florida Statutes, Chapter 202, Florida Statutes, City Charter, Ordinance No. 96-01 duly enacted by the City Commission of the City on March 4, 1996 and Ordinance No. 05-2000 duly enacted by the City Commission of the City on May 15, 2000, and other applicable provisions of law (collectively, the "Act"), and Resolution No. 2016-16 duly adopted by the City Commission of the City on May 16, 2016 (the "Master Bond Resolution"), as amended and supplemented from time to time, and as particularly supplemented by Resolution No. 2016-22 duly adopted by the City Commission of the City on May 16, 2016 (the "Supplemental Resolution" and with the Master Bond Resolution, the "Bond Resolution").

B. The Series 2016 Bonds are being issued for the purpose of: (a) financing and/or reimbursing the cost of the design permitting, acquisition, installation, construction and equipping of roadway improvements, a community center and other capital projects, (b) currently refunding all of the Outstanding Transportation Capital Improvement Revenue Bonds, Series 2006 (the "Series 2006 Bonds"), and (c) paying certain expenses related to the issuance and sale of the Series 2016 Bonds.

C. The City has authorized the preparation and distribution of the Preliminary Official Statement dated _____, 2016 with respect to the Series 2016 Bonds (the "Preliminary Official Statement") and, on or before the date of the Preliminary Official Statement, the City deemed that the Preliminary Official Statement was final within the meaning of the Rule (as defined herein).

D. Upon the initial sale of the Series 2016 Bonds to the Participating Underwriter (as defined herein), the City authorized the preparation and distribution of the Official Statement dated _____, 2016 with respect to the Series 2016 Bonds (the "Official Statement").

E. As a condition precedent to the initial purchase of the Series 2016 Bonds by the Participating Underwriter in accordance with the terms of the Official Notice of Sale, dated May ___, 2016, submitted by the Participating Underwriter and accepted by the City, and in compliance with the Participating Underwriter's obligations under the Rule, the City has agreed to undertake for the benefit of the holders of the Series 2016 Bonds, to provide certain annual financial information and notice of the occurrence of certain events as set forth herein.

NOW THEREFORE, in consideration of the purchase of the Series 2016 Bonds by the Participating Underwriter and the mutual promises and agreements made herein, the receipt and sufficiency of which consideration is hereby mutually acknowledged, the City and the Dissemination Agent do hereby certify and agree as follows:

Section 1. Incorporation of Recitals. The above recitals are true and correct and are incorporated into and made a part hereof.

Section 2. Definitions.

(a) For the purposes of this Disclosure Agreement, all capitalized terms used, but not otherwise defined herein shall have the meanings ascribed thereto in the Master Bond Resolution and the Official Statement, as applicable.

(b) In addition to the terms defined elsewhere herein, the following terms shall have the following meanings for the purposes of this Disclosure Agreement:

"Actual Knowledge" as used herein, and for the purposes hereof, a party shall be deemed to have "actual knowledge" of the occurrence of any event only if and to the extent the individual or individuals employed by such party and directly responsible for the administration of this Disclosure Agreement on behalf of such party have actual knowledge of or receive written notice of the occurrence of such event.

"Annual Filing" means any annual report provided by the City, pursuant to and as described in Sections 4 and 6 hereof.

"Annual Filing Date" means the date, set forth in Sections 4(a) and 4(e) hereof, by which the Annual Filing is to be filed with the MSRB.

"Annual Financial Information" means annual financial information as such term is used in paragraph (f)(9) of the Rule and specified in Section 6(a) hereof.

"Audited Financial Statements" means the financial statements (if any) of the City for the prior Fiscal Year, certified by an independent auditor and prepared in accordance with generally accepted accounting principles, as in effect from time to time, and audited by an independent certified public accountant in conformity with auditing standards and Government Auditing Principles issued by the Comptroller General of the United States.

"Beneficial Owner" means any beneficial owner of the Series 2016 Bonds. Beneficial ownership is to be determined consistent with the definition thereof contained in Rule 13d-3 of the SEC, or, in the event such provisions do not adequately address the situation at hand (in the opinion of nationally recognized bond counsel), beneficial ownership is to be determined based upon ownership for federal income tax purposes.

"Business Day" means a day other than a Saturday or a Sunday or a day on which banks are authorized or required by law to close.

"Disclosure Representative" means the Finance Director of the City or his or her designee, or such other person as the City shall designate in writing to the Dissemination Agent from time to time as the person responsible for providing Information to the Dissemination Agent.

"EMMA" means the Electronic Municipal Market Access system, a service of the MSRB, or any successor thereto.

"Filing" means, as applicable, any Annual Filing, Notice Event Filing, Voluntary Report or any other notice or report made public under this Disclosure Agreement.

"Fiscal Year" means the fiscal year of the City, which currently is the twelve-month period beginning October 1 and ending on September 30 of the following year or any such other twelve month period designated by the City, from time to time, to be its fiscal year.

"Information" means the Annual Financial Information, the Audited Financial Statements (if any), the Notice Event Filings, and the Voluntary Reports.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.

"Notice Event" means an event listed in Sections 5(a) and 5(b) hereof.

"Notice Event Filing" shall have the meaning specified in Section 5(c) hereof.

"Obligated Person" means the City and any person who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Series 2016 Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities). The City confirms that as of the date hereof it is an Obligated Person with respect to the Series 2016 Bonds.

"Participating Underwriter" means, the original purchaser of the Series 2016 Bonds required to comply with the Rule in connection with the offering of the Series 2016 Bonds.

"Repository" means each entity authorized and approved by the SEC from time to time to act as a repository for purposes of complying with the Rule. The repositories currently approved by the SEC may be found by visiting the SEC's website at http://www.sec.gov/info/municipal/nrmsir.htm. As of the date hereof, the only Repository recognized by the SEC for such purpose is the MSRB, which currently accepts continuing disclosure filings through the EMMA website at http://emma.msrb.org.

"Rule" means Rule 15c2-12 of the SEC promulgated pursuant to the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

"Third-Party Beneficiary" shall have the meaning specified in Section 3(b) hereof.

"Unaudited Financial Statements" means the financial statements (if any) of the City for the prior Fiscal Year which have not been certified by an independent auditor.

"Voluntary Report" means the information provided to the Dissemination Agent by the City pursuant to Section 8 hereof.

Section 3. <u>Scope of this Disclosure Agreement</u>.

(a) The City has agreed to enter into this Disclosure Agreement and undertake the disclosure obligations hereunder, at the request of the Participating Underwriter and as a condition precedent to the Participating Underwriter's original purchase of the Series 2016 Bonds, in order to assist the Participating Underwriter with compliance with the Rule. The disclosure obligations of the City under this Disclosure Agreement relate solely to the Series 2016 Bonds. Such disclosure obligations are not applicable to any other securities issued or to be issued by the City, whether issued for the benefit of the City or otherwise, nor to any other securities issued by or on behalf of the City.

(b) Neither this Disclosure Agreement, nor the performance by the City or the Dissemination Agent of their respective obligations hereunder, shall create any third-party beneficiary rights, shall be directly enforceable by any third-party, or shall constitute a basis for a claim by any person except as expressly provided herein and except as required by law, including, without limitation, the Rule; provided, however, the Participating Underwriter and each Beneficial Owner are hereby made third-party beneficiaries hereof (collectively, and each respectively, a "Third-Party Beneficiary") and shall have the right to enforce the obligations of the parties hereunder pursuant to Section 9 hereof.

(c) This Disclosure Agreement shall terminate upon: (i) the defeasance, redemption or payment in full of all Series 2016 Bonds, in accordance with the Bond Resolution, as amended, or (ii) the delivery of an opinion of counsel expert in federal securities laws retained by the City to the effect that continuing disclosure is no longer required under the Rule as to the Series 2016 Bonds.

Section 4. <u>Annual Filings</u>.

(a) The City shall provide, annually, an electronic copy of the Annual Filing to the Dissemination Agent on or before the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Filing, the Dissemination Agent shall provide the Annual Filing to the Repository, in an electronic format as prescribed by the MSRB. Not later than the June 30th immediately following the preceding Fiscal Year ended September 30, commencing with the Fiscal Year ending September 30, 2016, shall be the Annual Filing Date. If June 30th falls on a day that is not a Business Day, the Annual Filing will be due on the first Business Day thereafter. Such date and each anniversary thereof is the Annual Filing Date. The Annual Filing may be submitted as a single document or as separate documents composing a package, and may cross-reference other information as provided in Section 6 hereof.

(b) If on the second (2nd) Business Day prior to the Annual Filing Date, the Dissemination Agent has not received a copy of the Annual Filing, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by email)

to remind the City of its undertaking to provide the Annual Filing pursuant to Section 4(a) hereof. Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Filing no later than 6:00 p.m. on the Annual Filing Date (or if such Annual Filing Date is not a Business Day, then the first Business Day thereafter), or (ii) instruct the Dissemination Agent in writing as to the status of the Annual Filing within the time required under this Disclosure Agreement, and state the date by which the Annual Filing for such year is expected to be provided. If the Dissemination Agent has not received either (i) the Annual Filing by 6:00 p.m. on the Annual Filing Date, or (ii) notice from the City that it intends to deliver the Annual Filing to the Dissemination Agent by 11:59 p.m. on the Annual Filing Date, the City hereby irrevocably directs the Dissemination Agent, and the Dissemination Agent agrees, to immediately send an Event Notice Filing to the Repository the following Business Day in substantially the form attached hereto as "Exhibit A" without reference to the anticipated filing date for the Annual Filing.

(c) If the Audited Financial Statements are not available prior to the Annual Filing Date, the City shall provide the Unaudited Financial Statements and when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Dissemination Agent for filing with the Repository.

(d) The Dissemination Agent shall:

(i) upon receipt and no later than the Annual Filing Date, promptly file each Annual Filing received under Section 4(a) hereof with the Repository in an electronic format as prescribed by the MSRB;

(ii) upon receipt and no later than the Annual Filing Date, promptly file each Audited Financial Statement or Unaudited Financial Statement received under Sections 4(a) and 4(c) hereof with the Repository in an electronic format as prescribed by the MSRB;

(iii) provide the City evidence of the filings of each of the above when made, which shall be made by means of the DAC system, for so long as DAC is the Dissemination Agent under this Disclosure Agreement.

(e) The City may adjust the Annual Filing Date upon change of its Fiscal Year by providing written notice of such change and the new Annual Filing Date to the Dissemination Agent and the Repository, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(f) Each Annual Filing shall contain the information set forth in Section 6 hereof.

Section 5. Reporting of Notice Events.

(a) In accordance with the Rule, the City or the Dissemination Agent shall file a Notice Event Filing with the Repository, in the appropriate format required by the MSRB and in a timely manner not in excess of ten (10) Business Days after the occurrence of any of the following Notice Events with respect to the Series 2016 Bonds:

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

(v) Substitution of credit or liquidity providers or their failure to perform;

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2016 Bonds, or other material events affecting the tax status of the Series 2016 Bonds;

(vii) Modifications to rights of holders, if material;

(viii) Bond calls, if material, and tender offers;

(ix) Defeasances;

(x) Release, substitution or sale of property securing repayment of the Series 2016 Bonds, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the Obligated Person. Such an event is considered to occur when there is an appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person;

(xiii) The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of an Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; or

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) In accordance with the Rule, the City or the Dissemination Agent shall file a Notice Event Filing with the Repository, in the appropriate format required by the MSRB and in a timely manner, after the occurrence of a failure of the City to provide the Annual Filing on or before the Annual Filing Date.

(c) The City shall promptly notify the Dissemination Agent in writing upon having Actual Knowledge of the occurrence of a Notice Event; provided, however, to the extent any such Notice Event has been previously and properly disclosed by or on behalf of the City, the City shall not be required to provide additional notice of such Notice Event in accordance with this subsection. Such notice shall instruct the Dissemination Agent to immediately report the occurrence pursuant to Section 5(e) hereof. Such notice shall be accompanied with the text of the disclosure that the City desires to make (each a "Notice Event Filing"), the written authorization of the City for the Dissemination Agent to disseminate such information, and the date on which the City desires the Dissemination Agent to disseminate the information.

The Dissemination Agent is under no obligation to notify the City or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will instruct the Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made, or (ii) a Notice Event has occurred and provide the Dissemination Agent with the Notice Event Filing and the date the Dissemination Agent should file the Notice Event Filing.

(d) The Dissemination Agent shall upon receipt, and no later than the required filing date, promptly file each Notice Event Filing received under Sections 5(a) and 5(b) hereof, with the Repository in an electronic format as prescribed by the MSRB.

Section 6. <u>Content of Annual Filings</u>.

(a) Each Annual Filing shall contain the following financial information or operating data as set forth in the Official Statement:

(i) the actual Half-Cent Sales Tax, Public Service Taxes and the Local Communications Services Tax receipts for Fiscal Years ended September 30, 2006 through September 30, 2015 and the budgeted Half-Cent Sales Tax, Public Service Taxes and the Local Communications Services Tax receipts for Fiscal Year ended September 30, 2016 table under the heading "HALF-CENT SALE TAX, PUBLIC SERVICES TAXES AND COMMUNICATIONS SERVICES TAX HISTORICAL AND BUDGETED RESULTS;"

(ii) the City of Deltona, Florida Historical Non-Ad Valorem Revenues table under the heading "HALF-CENT SALE TAX, PUBLIC SERVICES TAXES AND COMMUNICATIONS SERVICES TAX HISTORICAL AND BUDGETED RESULTS - General Information Regarding Covenant Revenues;

(iii) the City of Deltona, Florida Statement of Revenues, Expenditures, and Changes in Fund Balances General Fund For the Years Ended September 30, 2011-2015 (In Thousands) table under the heading "HALF-CENT SALE TAX, PUBLIC SERVICES TAXES AND COMMUNICATIONS SERVICES TAX HISTORICAL AND BUDGETED RESULTS - General Information Regarding Covenant Revenues.

(b) If available at the time of such filing, the Audited Financial Statements for the prior Fiscal Year. If the Audited Financial Statements are not available by the time the Annual Filing is required to be filed pursuant to Section 4(a) hereof, the Annual Filing shall contain Unaudited Financial Statements of the City prepared in accordance with generally accepted accounting principles, as in effect from time to time, and the Audited Financial Statements shall be filed in the same manner as the Annual Filing when they become available. The Audited Financial Statements (if any) will be provided pursuant to Section 4(c) hereof.

Any or all of the items listed above may be included by specific reference to documents previously filed with the Repository or the SEC, including, but not limited to, official statements of debt issues with respect to which the City is an Obligated Person and the City's Comprehensive Annual Financial Report. If the document incorporated by reference is a final official statement, it must be available from the Repository. The City will clearly identify each such document so incorporated by reference.

Section 7. <u>Responsibility for Content of Reports and Notices</u>.

(a) The City shall be solely responsible for the content of each Filing (or any portion thereof) provided to the Dissemination Agent pursuant to this Disclosure Agreement. The Dissemination Agent shall not be responsible for reviewing or verifying the accuracy or completeness of any such Filings.

(b) Each Filing distributed by the Dissemination Agent pursuant to Section 4 or 5 hereof shall be in a form suitable for distributing publicly and shall contain the CUSIP numbers of the Series 2016 Bonds. Each Notice Event Filing shall be in substantially the form set forth in <u>Exhibit "A"</u> attached hereto. If an item of information contained in any Filing pursuant to this Disclosure Agreement would be misleading without additional information, the City shall include such additional information as a part of such Filing as may be necessary in order that the Filing will not be misleading in light of the circumstances under which it is made.

(c) Any report, notice or other filing to be made public pursuant to this Disclosure Agreement may consist of a single document or separate documents composing a package and may incorporate by reference other clearly identified documents or specified portions thereof previously filed with the Repository or the SEC; provided that any final official statement incorporated by reference must be available from the Repository.

(d) Notwithstanding any provision herein to the contrary, nothing in this Disclosure Agreement shall be construed to require the City or the Dissemination Agent to interpret or provide an opinion concerning information made public pursuant to this Disclosure Agreement.

(e) Notwithstanding any provision herein to the contrary, the City shall not make public, or direct the Dissemination Agent to make public, information which is not permitted to be publicly disclosed under any applicable data confidentiality or privacy law or other legal requirement.

Section 8. Voluntary Reports.

(a) The City may instruct the Dissemination Agent to file information with the Repository, from time to time (a "Voluntary Report").

(b) Nothing in this Disclosure Agreement shall be deemed to prevent the City from disseminating any other information through the Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Filing, Annual Financial Statement, Voluntary Report or Notice Event Filing, in addition to that required by this Disclosure Agreement. If the City chooses to include any information in any Annual Filing, Annual Financial Statement, Voluntary Report or Notice Event Filing in addition to that which is specifically required by this Disclosure Agreement, the City shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Filing, Annual Financial Statement, Voluntary Report or Notice Event Filing.

(c) Notwithstanding the foregoing provisions of this Section 8, the City is under no obligation to provide any Voluntary Report.

(d) The Dissemination Agent shall upon receipt promptly file each Voluntary Filing received with the Repository in an electronic format as prescribed by the MSRB.

Section 9. Defaults; Remedies.

(a) A party shall be in default of its obligations hereunder if it fails or refuses to carry out or perform its obligations hereunder for a period of five Business Days following notice of default given in writing to such party by any other party hereto or by any Third Party Beneficiary hereof, unless such default is cured within such five Business Day notice period. An extension of such five Business Day cure period may be granted for good cause (in the reasonable judgment of the party granting the extension) by written notice from the party who gave the default notice.

(b) If a default occurs and continues beyond the cure period specified above, any nondefaulting party or any Third-Party Beneficiary may seek specific performance of the defaulting party's obligations hereunder as the sole and exclusive remedy available upon any such default, excepting, however, that the party seeking such specific performance may recover from the defaulting party any reasonable attorneys' fees and expenses incurred in the course of enforcing this Disclosure Agreement as a consequence of such default. Each of the parties hereby acknowledges that monetary damages will not be an adequate remedy at law for any default hereunder, and therefore agrees that the exclusive remedy of specific performance shall be available in proceedings to enforce this Disclosure Agreement.

(c) Notwithstanding any provision of this Disclosure Agreement, the Bond Resolution to the contrary, no default under this Disclosure Agreement shall constitute a default or event of default under the Bond Resolution.

Section 10. <u>Amendment or Modification</u>.

(a) This Disclosure Agreement shall not be amended or modified except as provided in this Section. No modification, amendment, alteration or termination of all or any part of this Disclosure Agreement shall be construed to be, or operate as, altering or amending in any way the provisions of the Bond Resolution.

(b) Notwithstanding any other provision of this Disclosure Agreement, the City may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if: (i) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligor on the Series 2016 Bonds, or type of business conducted by such obligor; (ii) such amendment or waiver does not materially impair the interests of the Beneficial Owners of the Series 2016 Bonds, as determined either by an unqualified opinion of counsel expert in federal securities laws retained by the City or by the approving vote a majority of the Beneficial Owners of the Series 2016 Bonds outstanding at the time of such amendment or waiver; and (iii) such amendment or waiver is supported by an opinion of counsel expert in federal securities laws retained by the City, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule, as well as any change in circumstances.

(c) If any provision of Section 6 hereof is amended or waived, the first Annual Filing containing any amended, or omitting any waived, operating data or financial information shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided.

(d) If the provisions of this Disclosure Agreement specifying the accounting principles to be followed in preparing the City's financial statements are amended or waived, the Annual Filing for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to the Beneficial Owners of the Series 2016 Bonds to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall also be quantitative. The City will file a notice of the change in the accounting principles with the Repository on or before the effective date of any such amendment or waiver.

(e) Notwithstanding the foregoing, the Dissemination Agent shall not be obligated to agree to any amendment expanding its duties or obligations hereunder without its consent thereto.

(f) The City shall prepare or cause to be prepared a notice of any such amendment or modification and shall direct the Dissemination Agent to make such notice public in accordance with Section 8 hereof.

Section 11. <u>Agency Relationship</u>.

(a) The Dissemination Agent agrees to perform such duties, but only such duties, as are specifically set forth in this Disclosure Agreement, and no implied duties or obligations of any kind shall be read into this Disclosure Agreement with respect to the Dissemination Agent. The Dissemination Agent may conclusively rely, as to the truth, accuracy and completeness of the statements set forth therein, upon all notices, reports, certificates or other materials furnished to the Dissemination Agent pursuant to this Disclosure Agreement, and in the case of notices and reports required to be furnished to the Dissemination Agent pursuant to this Disclosure Agreement, the Dissemination Agent shall have no duty whatsoever to examine the same to determine whether they conform to the requirements of this Disclosure Agreement.

(b) The Dissemination Agent shall not be liable for any error of judgment made in good faith by a responsible officer or officers of the Dissemination Agent unless it shall be proven that the Dissemination Agent engaged in negligent conduct or willful misconduct in ascertaining the pertinent facts related thereto.

(c) The Dissemination Agent shall perform its rights and duties under this Disclosure Agreement using the same standard of care as a prudent person would exercise under the circumstances, and the Dissemination Agent shall not be liable for any action taken or failure to act in good faith under this Disclosure Agreement unless it shall be proven that the Dissemination Agent was negligent or engaged in willful misconduct.

(d) The Dissemination Agent may perform any of its duties hereunder by or through attorneys or agents selected by it with reasonable care, and shall be entitled to the advice of counsel concerning all matters arising hereunder, and may in all cases pay such reasonable compensation as it may deem proper to all such attorneys and agents. The Dissemination Agent shall not be responsible for the acts or negligence of any such attorneys, agents or counsel.

(e) None of the provisions of this Disclosure Agreement or any notice or other document delivered in connection herewith shall require the Dissemination Agent to advance, expend or risk its own funds or otherwise incur financial liability in the performance of any of the Dissemination Agent's duties or rights under this Disclosure Agreement.

(f) Except as expressly provided herein, the Dissemination Agent shall not be required to monitor the compliance of the City with the provisions of this Disclosure Agreement or to exercise any remedy, institute a suit or take any action of any kind without indemnification satisfactory to the Dissemination Agent.

(g) The Dissemination Agent may resign at any time by giving at least ninety (90) days prior written notice thereof to the City. The Dissemination Agent may be removed for good cause at any time by written notice to the Dissemination Agent from the City, provided that such removal shall not become effective until a successor dissemination agent has been appointed by the City under this Disclosure Agreement.

(i) In the event the Dissemination Agent shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of the Dissemination Agent for any reason, the City shall promptly appoint a successor. Notwithstanding any provision to the contrary in this Disclosure Agreement or elsewhere, the City may appoint itself to serve as Dissemination Agent hereunder.

(j) Any company or other legal entity into which the Dissemination Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which the Dissemination Agent may be a party or any company to whom the Dissemination Agent may sell or transfer all or substantially all of its agency business shall be the successor dissemination agent hereunder without the execution or filing of any paper or the performance of any further act and shall be authorized to perform all rights and duties imposed upon the Dissemination Agent by this Disclosure Agreement, anything herein to the contrary notwithstanding.

Section 12. Miscellaneous.

(a) Each of the parties hereto represents and warrants to each other party that it has (i) duly authorized the execution and delivery of this Disclosure Agreement by the officers of such party whose signatures appear on the execution pages hereto, (ii) that it has all requisite power and authority to execute, deliver and perform this Disclosure Agreement under applicable law and any resolutions, ordinances, or other actions of such party now in effect, (iii) that the execution and delivery of this Disclosure Agreement, and performance of the terms hereof, does not and will not violate any law, regulation, ruling, decision, order, indenture, decree, agreement or instrument by which such party or its property or assets is bound, and (iv) such party is not aware of any litigation or proceeding pending, or, to the best of such party's knowledge, threatened, contesting or questioning its existence, or its power and authority to enter into this Disclosure Agreement, or its due authorization, execution and delivery of this Disclosure Agreement, or otherwise contesting or questioning the issuance of the Series 2016 Bonds.

(b) This Disclosure Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida and applicable federal law.

(c) If any provision hereof shall be held invalid or unenforceable by a court of competent jurisdiction, the remaining provisions hereof shall survive and continue in full force and effect.

(d) This Disclosure Agreement may be executed in one or more counterparts, each and all of which shall constitute one and the same instrument.

Section 13. Identifying Information. All documents provided to the Repository pursuant to this Disclosure Agreement shall be accompanied by identifying information as prescribed by the MSRB.

Section 14. Severability. In case any part of this Disclosure Agreement is held to be illegal or invalid, such illegality or invalidity shall not affect the remainder or any other section of this Disclosure Agreement. This Disclosure Agreement shall be construed or enforced as if

such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application of this Disclosure Agreement affect any legal and valid application.

[SIGNATURE PAGES TO FOLLOW]

SIGNATURE PAGE TO
CONTINUING DISCLOSURE AGREEMENT
CITY OF DELTONA, FLORIDA
CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS,
SERIES 2016

IN WITNESS WHEREOF, the City and the Dissemination Agent have each caused this Disclosure Agreement to be executed, on the date first written above, by their respective duly authorized officers.

CITY OF DELTONA, FLORIDA

By:_____
Lenny Curry, Mayor

By:_____
Michael B. Weinstein, Chief Financial Officer

SIGNATURE PAGE TO
CONTINUING DISCLOSURE AGREEMENT
CITY OF DELTONA, FLORIDA
CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS,
SERIES 2016

IN WITNESS WHEREOF, the City and the Dissemination Agent have each caused this Disclosure Agreement to be executed, on the date first written above, by their respective duly authorized officers.

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as Dissemination Agent

By:_____
Name:_____
Title:_____
Date:_____

EXHIBIT A

NOTICE TO REPOSITORY OF THE OCCURRENCE OF
[INSERT THE NOTICE EVENT]

Relating to

$_____
CITY OF DELTONA, FLORIDA
CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS,
SERIES 2016

Originally Issued on _____, 2016
[CUSIP NUMBERS**)]**

Notice is hereby given by the City of Deltona, Florida (the "City"), as obligated person with respect to the above-referenced Series 2016 Bonds issued by the City, under the Securities and Exchange Commission's Rule 15c2-12, that **[**INSERT THE NOTICE EVENT**]** has occurred. **[**DESCRIBE NOTICE EVENT AND MATERIAL CIRCUMSTANCES RELATED THERETO**]**.

This Notice is based on the best information available to the City at the time of dissemination hereof and is not guaranteed by the City as to the accuracy or completeness of such information. The City will disseminate additional information concerning **[**NOTICE EVENT**]**, as and when such information becomes available to the City, to the extent that the dissemination of such information would be consistent with the requirements of Rule 15c2-12 and the City's obligation under that certain Continuing Disclosure Agreement dated as of _____, 2016. **[**Any questions regarding this notice should be directed in writing only to the City. However, the City will not provide additional information or answer questions concerning [**NOTICE EVENT**] except in future written notices, if any, disseminated by the City in the same manner and to the same recipients as this Notice**]**.

DISCLAIMER: All information contained in this Notice has been obtained by the City from sources believed to be reliable as of the date hereof. Due to the possibility of human or mechanical error as well as other factors, however, such information is not guaranteed as to the accuracy, timeliness or completeness. Under no circumstances shall the City have any liability to any person or entity for (a) any loss, damage, cost, liability or expense in whole or in part caused by, resulting from or relating to this Notice, including, without limitation, any error (negligent or otherwise) or other circumstances involved in procuring, collecting, compiling, interpreting, analyzing, editing, transcribing, transmitting, communicating or delivering any information contained in this Notice, or (b) any direct, indirect, special, consequential or incidental damages whatsoever related thereto.

Dated: _____

CITY OF DELTONA, FLORIDA

By:_____
Name:_____
Title:_____

RESOLUTION NO. 2016-22

A RESOLUTION OF THE CITY OF DELTONA, FLORIDA APPROVING THE FORM OF OFFICIAL NOTICE OF BOND SALE AND OFFICIAL BID FORM, APPROVING THE FORM OF THE PRELIMINARY OFFICIAL STATEMENT, APPROVING THE FORM OF THE CONTINUING DISCLOSURE AGREEMENT, APPROVING THE FORM OF ESCROW DEPOSIT AGREEMENT, APPROVING THE FORM OF A FIRST AMENDMENT TO DEBT SERVICE FORWARD DELIVERY AGREEMENT ALL IN REGARD TO THE ISSUANCE BY THE CITY OF NOT TO EXCEED $40,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF CITY OF DELTONA, FLORIDA CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2016; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE.

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RESOLUTION No. 2016-22

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

SECTION 1. AUTHORITY. This Supplemental Resolution is adopted pursuant to the Constitution and laws of the State of Florida, Chapter 166, Florida Statutes, Chapter 218, Parts II and VI, Florida Statutes, Chapter 202, Florida Statutes, the City of Deltona Charter, Ordinance No. 96-01 duly enacted by the City Commission on March 4, 1996, other applicable provisions of law (the "Act") and Resolution No. 2016-16 adopted by the City Commission on the date hereof (the "Bond Resolution").

SECTION 2. DEFINITIONS. All terms used herein in capitalized form that are defined in the Bond Resolution shall have the same meanings as are ascribed to those terms in the Bond Resolution, unless a different or additional meaning is given to those terms herein. In addition to the definitions provided in the Bond Resolution, as used herein, the following terms shall have the meanings indicated below unless the context clearly requires otherwise:

"**Award Certificate**" means the certificate of the Mayor or City Manager awarding the Series 2016 Bonds and setting forth certain other matters pursuant to Section 6 hereof.

"**DTC**" means The Depository Trust Company, its successors and assigns.

"**Official Notice of Sale**" means the Official Notice of Bond Sale and Official Bid Form substantially in the form attached hereto as EXHIBIT A.

"**Registrar**" **or** "**Paying Agent**" means initially U.S. Bank National Association.

"**Underwriters**" mean the successful bidders of the Series 2016 Bonds.

Words of masculine gender include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons.

SECTION 3. FINDINGS. It is hereby ascertained, determined and declared that:

(A) On the date hereof, the Governing Body adopted the Bond Resolution for the principal purpose of authorizing the issuance of the Series 2016 Bonds to finance the Initial Project including the refunding of the Refunded Bonds.

(B) The principal of and interest on the Series 2016 Bonds to be issued pursuant to the Bond Resolution and this Supplemental Resolution, and all other payments provided for in the Bond Resolution and this Supplemental Resolution will be paid solely from the Pledged Funds in accordance with the terms of the Bond Resolution and hereof. The ad valorem taxing power of the Issuer will never be necessary or authorized to pay the principal of and interest on the Series 2016 Bonds, or to make any other payments provided for in the Bond Resolution or this

Supplemental Resolution, and the Series 2016 Bonds shall not constitute a lien upon any other property whatsoever of the Issuer, other than the Pledged Funds.

(C) In accordance with Section 218.385, Florida Statutes, and pursuant to this Supplemental Resolution, the Series 2016 Bonds shall be advertised for competitive bids pursuant to the Official Notice of Sale, the form of which is attached hereto as EXHIBIT A.

(D) Pursuant to the Official Notice of Sale, any competitive bids received in accordance with the Official Notice of Sale no later than the date and time set forth therein, or such other date or time as is determined by the Mayor or City Manager in accordance with the terms and provisions of the Official Notice of Sale, shall be publicly opened and announced.

(E) It is desirable for the Issuer to be able to advertise and award the Series 2016 Bonds at the most advantageous time and date which shall be determined by the Mayor or City Manager; and, accordingly, the Governing Body hereby determines to delegate the advertising and awarding of the Series 2016 Bonds to the Mayor or City Manager within the parameters described herein.

(F) It is necessary and appropriate that the Governing Body in accordance with Section 7.01(E) of the Bond Resolution determine certain parameters for the terms and details of the Series 2016 Bonds and to delegate certain authority to the Mayor or City Manager for the award of the Series 2016 Bonds and the approval of the terms of the Series 2016 Bonds in accordance with the provisions hereof, of the Bond Resolution and of the Official Notice of Sale.

(G) In the event Bond Counsel and/or the Financial Advisor shall determine that the Series 2016 Bonds have not been awarded competitively in accordance with the provisions of Section 218.385, Florida Statutes, the Governing Body may adopt such resolutions and make such findings as shall be necessary to authorize and ratify a negotiated sale of the Series 2016 Bonds in accordance with said Section 218.385, Florida Statutes.

(H) The form, terms and details of the Series 2016 Bonds shall be determined in accordance with this Supplemental Resolution and the Bond Resolution.

(I) The Bond Resolution provides that the Series 2016 Bonds shall mature on such dates and in such amounts, shall bear such rates of interest, shall be payable in such places and shall be subject to such redemption provisions as shall be determined by Supplemental Resolution adopted by the Issuer; and it is now appropriate that the Issuer set forth the parameters and mechanism to determine such terms and details.

(J) The Issuer deems it in its best interest to delegate to the Mayor or City Manager the determination, upon advice of the Issuer's Financial Advisor, to let Underwriters purchase an Insurance Policy in connection with the public sale and issuance of the Series 2016 Bonds, if the Underwriters determine to exercise their right to insure all or a portion of the Series 2016 Bonds in accordance with the terms of the Official Notice of Sale and Section 6 hereof.

(K) The Series 2016 Bonds shall not be or constitute general obligations or indebtedness of the Issuer as "bonds" within the meaning of any constitutional or statutory

provision but shall be special obligations of the Issuer, payable solely from and secured by a pledge of the Pledged Funds, in the manner and to the extent provided in the Bond Resolution.

(L) The covenants, pledges and conditions in the Bond Resolution shall be applicable to the Series 2016 Bonds herein authorized.

SECTION 4. AUTHORIZATION AND DESCRIPTION OF THE SERIES 2016 BONDS; REDEMPTION PROVISIONS. Subject to the requirements set forth in Section 6 hereof, the Issuer hereby authorizes the issuance of the Series 2016 Bonds in the aggregate principal amount not to exceed $40,000,000 The aggregate principal amount of the Series 2016 Bonds to be issued pursuant to the Bond Resolution shall be determined by the Mayor or City Manager provided such aggregate principal amount does not exceed $40,000,000. The Series 2016 Bonds shall be dated their date of delivery (or such other date as shall be determined by the Mayor or City Manager), shall be issued in the form of fully registered Bonds in denominations of $5,000 or any integral multiple thereof, shall be numbered consecutively from one upward in order of maturity preceded by the letter "R", shall bear interest at fixed rates from their dated date, payable semi-annually, on April 1 and October 1 and of each year (the "Interest Dates"), commencing on October 1, 2016 (or such other date or dates as shall be determined by the Mayor or City Manager).

The Series 2016 Bonds shall bear interest at such rates and prices or yields, shall mature on October 1 of each of the years and in the principal amounts corresponding to such years, and shall have such redemption provisions as determined by the Mayor or City Manager subject to the conditions set forth in Section 7 hereof and the provisions of the Official Notice of Sale. The final maturity of the Series 2016 Bonds shall not be later than October 1, 2046.

The Series 2016 Bonds may be redeemed prior to their respective maturities from any moneys legally available therefor, upon notice as provided in the Bond Resolution, upon the terms and provisions as determined by the Mayor or City Manager, in their discretion and upon the advice of the Issuer's Financial Advisor; provided, however, with respect to optional redemption terms for the Series 2016 Bonds, if any, the first optional redemption date may be no later than October 1, 2027 and no call premium may exceed 1% of the par amount of that portion of the Series 2016 Bonds to be redeemed. Term Bonds may be established with such Amortization Installments as the Mayor or City Manager deems appropriate and upon the advice of the Issuer's Financial Advisor. The redemption provisions for the Series 2016 Bonds, if any, shall be set forth in the Award Certificate and in the final Official Statement.

All of the terms of the Series 2016 Bonds will be included in the Award Certificate to be executed by the Mayor or City Manager following the award of the Series 2016 Bonds and shall be set forth in the final Official Statement, as described herein.

SECTION 5. OFFICIAL NOTICE OF SALE. The form of the Official Notice of Sale attached hereto as EXHIBIT A and the terms and provisions thereof are hereby authorized and approved. The Mayor or City Manager are hereby authorized to make such changes, insertions and modifications as they shall deem necessary prior to the advertisement of such Official Notice of Sale or a summary thereof. The Mayor or City Manager are hereby authorized to advertise and publish the Official Notice of Sale, or a summary thereof, at such time as they

deem necessary and appropriate, upon the advice of the Issuer's Financial Advisor, to accomplish the competitive sale of the Series 2016 Bonds.

SECTION 6. AUTHORIZATION OF MUNICIPAL BOND INSURANCE. The Official Notice of Sale permits the successful bidder to specify that all or a portion of the Series 2016 Bonds shall be insured by an Insurance Policy designated in its bid and authorized below. The premium of such Insurance Policy shall be taken into account in calculating the true interest cost of the Series 2016 Bonds for purposes of determining the successful bidder.

If, in accordance with the provisions of the Official Notice of Sale, the winning bidder for the Series 2016 Bonds determines that any portion of the Series 2016 Bonds will be insured by an Insurance Policy, the Issuer hereby authorizes the payment of the principal of and interest on the Series 2016 Bonds to be insured pursuant to such Insurance Policy (the "Series 2016 Bond Insurance Policy"). For purposes of this Supplemental Resolution, the provider of the Series 2016 Bond Insurance Policy shall constitute the "Insurer" of the Series 2016 Bonds within the meaning of the Bond Resolution and the provisions of this Section 6. If the Mayor or City Manager determine that none of the Series 2016 Bonds are to be insured and the Series 2016 Bond Insurance Policy is not issued in connection with the Series 2016 Bonds, the provisions of this Section 6 will be deemed null and void and will be of no force or effect. The Mayor or City Manager are hereby authorized to execute such documents and instruments necessary to cause the Insurer to insure the Series 2016 Bonds, provided that the Mayor or City Manager may reject, upon the advice of the Financial Advisor, any such documents and instruments that are in conflict with the Bond Resolution or require the Issuer to make additional representations, undertakings or warranties.

The identity of the Insurer, if any, for the Series 2016 Bonds shall be included in the Award Certificate for the Series 2016 Bonds. If insured, there shall be printed on each insured Series 2016 Bond a statement to the effect that scheduled payments of the principal of and interest on such Series 2016 Bonds are insured by the Insurer.

SECTION 7. AWARD OF SERIES 2016 BONDS. The Mayor or City Manager, on behalf of the Issuer and only in accordance with the terms hereof and of the Official Notice of Sale, shall award the Series 2016 Bonds to the Underwriters that submit a bid proposal, together with a truth-in-bonding statement in the form provided in the Official Notice of Sale, which complies in all respects with the Bond Resolution, this Supplemental Resolution and the Official Notice of Sale and offers to purchase the Series 2016 Bonds at the lowest true interest cost to the Issuer, as calculated by the Issuer's Financial Advisor, in accordance with the terms and provisions of the Official Notice of Sale; provided, however, the Series 2016 Bonds shall not be awarded to any bidder unless the true interest cost set forth in the winning bid (as calculated by the Issuer's Financial Advisor) is equal to or less than 3.65%. In accordance with the provisions of the Official Notice of Sale, the Mayor or City Manager may, in their sole discretion, reject any and all bids.

Upon the satisfaction of the conditions set forth in Section 4 hereof and this Section 7 and to evidence the sale and award of the Series 2016 Bonds to the Underwriters, the Mayor or City Manager shall execute and deliver the Award Certificate which shall (1) certify compliance with the foregoing provisions; (2) set forth the principal amount, maturities, Amortization

Installments, interest rates, redemption provisions and other fiscal details of the Series 2016 Bonds; (3) attach the bid of the successful bidder; and (4) set forth any additional matters relating to the sale of the Series 2016 Bonds including, but not limited to, the identity of the Insurer, if any, pursuant to Section 6 hereof. The Mayor or City Manager shall rely upon advice of the Issuer's Financial Advisor as to satisfaction of the conditions provided in Section 4 hereof and this Section 7.

SECTION 8. APPOINTMENT OF PAYING AGENT AND REGISTRAR. Subject in all respects to the award of the Series 2016 Bonds in accordance with this Supplemental Resolution and the Official Notice of Sale, U.S. Bank National Association is hereby designated Registrar and Paying Agent for the Series 2016 Bonds. The Mayor or City Manager is hereby authorized to enter into any agreement which may be necessary to effect the transactions contemplated by this Section 8 and by the Bond Resolution.

SECTION 9. NO RESERVE ACCOUNT. In accordance with Section 4.05(A)4 of the Bond Resolution, the Issuer hereby determines based on the advice of the Financial Advisor that it is not necessary to secure the Series 2016 Bonds with a Reserve Account or a subaccount thereof.

SECTION 10. BOOK-ENTRY SYSTEM. Any provisions of the Bond Resolution to the contrary, the Series 2016 Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2016 Bond for each of the maturities. Upon initial issuance, the ownership of each such Series 2016 Bond shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC. As long as the Series 2016 Bonds shall be registered in the name of Cede & Co., all payments of interest on the Series 2016 Bonds shall be made by the Paying Agent by check or draft or by bank wire transfer to Cede & Co., as Holder of the Series 2016 Bonds in accordance with DTC's practices.

With respect to Series 2016 Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the Issuer, the Registrar and the Paying Agent shall have no responsibility or obligation to any direct or indirect participant in the DTC book-entry program (the "Participants"). Without limiting the immediately preceding sentence, the Issuer, the Registrar and the Paying Agent shall have no responsibility or obligation with respect to (A) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Series 2016 Bonds, (B) the delivery to any Participant or any other Person other than a Bondholder, as shown in the registration books kept by the Registrar, of any notice with respect to the Series 2016 Bonds, including any notice of redemption, or (C) the payment to any Participant or any other Person, other than a Bondholder, as shown in the registration books kept by the Registrar, of any amount with respect to principal of, Redemption Price, if any, or interest on the Series 2016 Bonds. The Issuer, the Registrar and the Paying Agent may treat and consider the Person in whose name each Series 2016 Bond is registered in the registration books kept by the Registrar as the Holder and absolute owner of such Series 2016 Bond for the purpose of payment of principal, Redemption Price, if any, and interest with respect to such Series 2016 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2016 Bond, for the purpose of registering transfers with respect to such Series 2016 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, Redemption Price, if any, and interest on the Series 2016 Bonds only to

or upon the order of the respective Holders, as shown in the registration books kept by the Registrar, or their respective attorneys duly authorized in writing, as provided herein and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of, Redemption Price, if any, and interest on the Series 2016 Bonds to the extent of the sum or sums so paid. No Person other than a Holder, as shown in the registration books kept by the Registrar, shall receive a certificated Series 2016 Bond evidencing the obligation of the Issuer to make payments of principal, Redemption Price, if any, and interest pursuant to the provisions of the Bond Resolution. Upon delivery by DTC to the Issuer of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in the Bond Resolution with respect to transfers during the 15 days next preceding an Interest Date or first mailing of notice of redemption, the words "Cede & Co." in this Supplemental Resolution shall refer to such new nominee of DTC; and upon receipt of such notice, the Issuer shall promptly deliver a copy of the same to the Registrar and the Paying Agent.

Upon (A) receipt by the Issuer of written notice from DTC (i) to the effect that a continuation of the requirement that all of the Outstanding Series 2016 Bonds be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, is not in the best interest of the beneficial owners of the Series 2016 Bonds, or (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, or (B) determination by the Issuer that such book-entry only system is burdensome or undesirable to the Issuer and compliance with any applicable DTC rules and procedures, the Series 2016 Bonds shall no longer be restricted to being registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names Holders shall designate, in accordance with the provisions of the Bond Resolution. In such event, the Issuer shall issue and the Registrar shall authenticate, transfer and exchange the Series 2016 Bonds of like principal amount, and maturity, in denominations of $5,000 or any integral multiple thereof to the Holders thereof. The foregoing notwithstanding, until such time as participation in the book-entry only system is discontinued, the provisions set forth in the Blanket Issuer Letter of Representations previously executed by the Issuer and delivered to DTC shall apply to the payment of principal of, premium, if any, and interest on the Series 2016 Bonds.

SECTION 11. APPROVAL OF COSTS OF ISSUANCE. The Issuer hereby authorizes the City Manager to pay, or cause to be paid, from a portion of the proceeds of the Series 2016 Bonds all costs of issuance incurred in connection with the issuance of the Series 2016 Bonds, including without limitation, the fees of Bond Counsel, disclosure counsel and the Financial Advisor, printing costs, costs of providing electronic publication and bidding, rating agency fees, initial acceptance fees of the Paying Agent and underwriting discount, all with respect to the Series 2016 Bonds.

SECTION 12. GOOD FAITH DEPOSIT. A good faith deposit in the amount set forth in the Official Notice of Sale shall be required of the Underwriters, which deposit shall be made as described in and subject to the conditions of the Official Notice of Sale.

SECTION 13. PRELIMINARY OFFICIAL STATEMENT AND FINAL OFFICIAL STATEMENT. The distribution of a Preliminary Official Statement, substantially in the form attached hereto as EXHIBIT B, is hereby authorized. The Mayor or City Manager, upon the advice of the Issuer's disclosure counsel, is hereby authorized to certify or otherwise represent when the Preliminary Official Statement is "deemed final" by the Issuer as of its date (except for permitted omissions), for purposes of Rule 15c2-12 promulgated by the Securities Exchange Commission under the Securities Exchange Act of 1934 (the "Rule"). The Mayor or City Manager is authorized and directed, on behalf of the Issuer, to modify, change and supplement the Preliminary Official Statement as attached hereto in order for the Preliminary Official Statement as so modified, changed and supplemented to be "deemed final" for purposes of the Rule.

The form, terms and provisions of the final Official Statement relating to the Series 2016 Bonds shall be substantially as set forth in the Preliminary Official Statement. The Mayor or City Manager is hereby authorized and directed to execute and deliver said Official Statement in the name and on behalf of the Issuer, and thereupon to cause such Official Statement to be delivered to the Underwriters with such changes, amendments, modifications, omissions and additions as may be approved by the Mayor or City Manager. Said Official Statement, including any such changes, amendments, modifications, omissions and additions as approved by the Mayor or City Manager and the information contained therein are hereby authorized to be used in connection with the sale of the Series 2016 Bonds to the public. Execution by the Mayor or City Manager of the Official Statement shall be deemed to be conclusive evidence of approval of such changes.

SECTION 14. SECONDARY MARKET DISCLOSURE. Subject in all respects to the award of the Series 2016 Bonds in accordance with this Supplemental Resolution and the Official Notice of Sale, the Issuer hereby covenants and agrees that, in order to provide for compliance by the Issuer with the secondary market disclosure requirements of the Rule, it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement to be executed by the Issuer and dated the date of the Series 2016 Bonds, as it may be amended from time to time in accordance with the terms thereof. The Continuing Disclosure Agreement shall be substantially in the form of EXHIBIT C hereto with such changes, amendments, modifications, omissions and additions as shall be approved by the Mayor or City Manager who is hereby authorized to execute and deliver such agreement. Notwithstanding any other provision of the Bond Resolution, failure of the Issuer to comply with such Continuing Disclosure Agreement shall not be considered an Event of Default under the Bond Resolution; provided, however, to the extent permitted by law, the sole and exclusive remedy of any Series 2016 Bondholder for the enforcement of the provisions of the Continuing Disclosure Agreement shall be an action for mandamus or specific performance, as applicable, by court order, to cause the Issuer to comply with its obligations under this Section 14 and the Continuing Disclosure Agreement. For purposes of this Section 14, "Series 2016 Bondholder" shall mean any Person who (A) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2016 Bonds (including persons holding such Bonds through nominees, depositories or other intermediaries), or (B) is treated as the owner of any such Bond for federal income tax purposes.

SECTION 15. ESCROW DEPOSIT AGREEMENT. The Escrow Deposit Agreement, pursuant to which certain proceeds of the Series 2016 Bond and other legally

available moneys of the Issuer will be deposited to provide for the refunding and defeasance of the Refunded Bonds, is hereby approved in substantially the form attached hereto as Exhibit D and the Mayor or City Manager is hereby authorized and directed to execute and deliver such agreement on behalf of and in the name of the Issuer and the City Clerk is hereby authorized to attest such execution, with such additions and deletions therein as may be made and approved by the Mayor or City Manager executing the same, such execution to be conclusive evidence of such approval. TD Bank, N.A. is hereby approved to serve as Escrow Agent under the Escrow Deposit Agreement.

SECTION 16. FIRST AMENDMENT TO DEBT SERVICE FORWARD DELIVERY AGREEMENT. The First Amendment to Debt Service Forward Delivery Agreement providing for the transfer of the Debt Service Forward Delivery Agreement dated as of July 1, 2006 to the Series 2016 Bonds is hereby approved in substantially the form attached hereto as Appendix E and the Mayor or City Manager is hereby authorized and directed to execute and deliver such agreement on behalf of and in the name of the Issuer and the City Clerk is hereby authorized to attest such execution, with such additions and deletions therein as may be made and approved by the Mayor or City Manager executing the same, such execution to be conclusive evidence of such approval.

SECTION 17. SEVERABILITY AND INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed severable from the remaining covenants, agreements or provisions of this Supplemental Resolution and shall in no way affect the validity of any of the other covenants, agreements or provisions hereof or of the Series 2016 Bonds.

[Remainder of Page Intentionally Left Blank]

SECTION 18. EFFECTIVE DATE. This Supplemental Resolution shall become effective immediately upon its adoption.

ADOPTED at a meeting this 16th day of May, 2016.

BY:_____
JOHN C. MASIARCZYK, SR., Mayor

ATTEST:

_____
JOYCE RAFTERY, CMC, City Clerk

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

_____
GRETCHEN R. H. VOSE, City Attorney

EXHIBIT A

FORM OF OFFICIAL NOTICE OF BOND SALE AND OFFICIAL BID FORM

EXHIBIT B

FORM OF PRELIMINARY OFFICIAL STATEMENT

EXHIBIT C

FORM OF CONTINUING DISCLOSURE AGREEMENT

EXHIBIT D

FORM OF ESCROW DEPOSIT AGREEMENT

EXHIBIT E

FORM OF FIRST AMENDMENT TO DEBT SERVICE FORWARD DELIVERY AGREEMENT

ESCROW DEPOSIT AGREEMENT

ESCROW DEPOSIT AGREEMENT, dated as of July _____, 2016, by and between **CITY OF DELTONA, FLORIDA**, a duly constituted and existing municipal corporation of the State of Florida (the "City"), and **TD BANK, N.A.** (the "Escrow Agent"), a national banking association organized and existing under the laws of the United States of America, as Escrow Agent hereunder.

WHEREAS, the City issued on July 12, 2006 its Transportation Capital Improvement Revenue Bonds, Series 2006 (the "Refunded Bonds") pursuant to City Resolution No. 2006-15 as amended and supplemented by City Resolution No. 2016-23 (collectively, the "Refunded Bonds Resolution"); and

WHEREAS, Section 8.01 of City Resolution No. 2006-15 provides that the Refunded Bonds shall be defeased and discharged with the effect expressed in such resolution upon compliance by the City with the provisions of said Section, which provisions the City hereby represents have not been amended or supplemented; and

WHEREAS, the City has determined to issue, pursuant to its Resolution No. 2016-16 adopted by the City on May 16, 2016, as supplemented (the "Resolution") its $_____ aggregate principal amount of Capital Improvement Revenue Refunding Bonds, Series 2016 (the "2016 Bonds"); and

WHEREAS, a portion of the proceeds of the 2016 Bonds will be deposited in the Escrow Fund created pursuant to Section 4 hereof and be invested as provided on **Schedule "A"** hereto to, together with any uninvested amounts in the Escrow Fund, discharge and satisfy the covenants, agreements and other obligations of the City in regard to the Refunded Bonds; and

WHEREAS, the issuance of the 2016 Bonds, the purchase by the Escrow Agent of the hereinafter defined Escrow Securities and the deposit of such Escrow Securities and cash into the Escrow Fund as provided in Sections 4 hereof to be held by the Escrow Agent and the discharge and satisfaction of the covenants, agreements and other obligations of the City under the Refunded Bonds Resolutions in regard to the Refunded Bonds shall occur as a simultaneous transaction; and

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

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

1. The recitals stated above are true and correct and incorporated herein.

2. Receipt of true and correct copies of the above-mentioned Refunded Bonds Resolution is hereby acknowledged by the Escrow Agent. The applicable and necessary provisions of the Refunded Bonds Resolution, in particular Section Section 8.01 of City Resolution No. 2006-15 is incorporated herein by reference. The Escrow Agent also acknowledges receipt of the verification report of _____ dated the date hereof (the "Verification Report"). Reference herein to or citation herein of any provisions of the Refunded

Bonds Resolutions or the Verification Report shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if the same were fully set forth herein.

3. In accordance with Section 25 of the City Resolution No. 2006-15 the City by this agreement exercises the option to have the covenants, agreements and other obligations of the City to the holders of the Refunded Bonds discharged and satisfied.

4. There is hereby created and established with the Escrow Agent a special, segregated and irrevocable escrow fund designated the "The City of Deltona Transportation Capital Improvement Revenue Escrow Deposit Fund" (the "Escrow Fund"), which Escrow Fund is to be held in trust by the Escrow Agent as a trust fund for the benefit of the holders of the Refunded Bonds as provided more specifically below, separate and apart from other funds of the City and the Escrow Agent. The Escrow Agent hereby accepts the Escrow Fund and acknowledges the receipt of the sum of $_____ in immediately available funds received from the City which has been deposited in the Escrow Fund of which $_____ will be used to purchase on behalf and for the account of the City the date hereof the **[**securities**]** described in **Schedule "A"** hereto. The **[**securities**]** described on **Schedule "A"** hereto are collectively referred to as the "Escrow Securities" The Escrow Securities and $___ held in the Escrow Fund uninvested are collectively the "Escrow Proceeds.

5. In reliance upon the Verification Report, the City represents and warrants that the Escrow Proceeds are sufficient to pay the principal of, and interest due and to become due on the Refunded Bonds as described in **Schedule "B"** attached hereto. If the amounts in the Escrow Fund shall be insufficient to make such payments, the City shall timely deposit in the Escrow Fund solely from legally available funds of the City, such additional amounts as may be required to pay the Refunded Bonds as described in **Schedule "B"** hereto. Notice of any insufficiency shall be given by the Escrow Agent to the City as promptly as possible, but the Escrow Agent shall in no manner be responsible for the City's failure to make such deposits.

6. The deposit of the Escrow Proceeds in the Escrow Fund as provided in Section 4 hereof shall constitute an irrevocable deposit of moneys and Refunding Securities in irrevocable trust with the Escrow Agent solely for the payment of the principal and interest on the Refunded Bonds at such time and in such amount as set forth in **Schedule "B"** hereto, and such amounts shall be used solely for the payments set forth on **Schedule "B"** hereto.

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

8. Money deposited in the Escrow Fund shall be invested only in the Escrow Securities listed in **Schedule "A"** hereto, and, except as provided in this section, neither the City nor the Escrow Agent shall otherwise invest or reinvest any money in the Escrow Fund.

The Escrow Agent may not sell or otherwise dispose of any or all of the Escrow Securities in the Escrow Fund and reinvest the proceeds thereof in other securities nor may it substitute securities for any of the Escrow Securities, except upon written direction of the City (which direction may be in the form of a City Resolution or written instructions from an authorized officer of the City) and where, prior to any such reinvestment or substitution, the Escrow Agent has received from the City the following:

(a) a written opinion by an independent certified public accountant or firm of independent certified public accountants, of recognized standing, or other entity acceptable to the City and the Escrow Agent, to the effect that after such reinvestment or substitution the principal amount of Escrow Securities, together with the interest thereon together with any cash, will be sufficient to pay the Refunded Bonds as described in **Schedule "B"** hereto; and

(b) a written opinion of nationally recognized bond counsel to the effect that (i) such investment will not cause the Refunded Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder or otherwise cause the interest on the Refunded Bonds to be subject to federal income tax, and (ii) such investment does not violate the provisions of the Resolution or the Refunded Bonds Resolution.

In the event the above-referenced verification concludes that there are surplus moneys in the Escrow Fund, such surplus moneys shall be promptly released to the City. The Escrow Fund shall continue in effect until the date upon which the Escrow Agent makes the final payment to the Refunded Bonds Paying Agent in an amount sufficient to pay the Refunded Bonds as described in **Schedule "B"** hereto. Upon final payment of the Refunded Bonds, the Escrow Agent shall sell or redeem any Escrow Securities remaining in the Escrow Fund, and shall remit to the City the proceeds thereof, together with all other money, if any, then remaining in the Escrow Fund.

9. The City hereby irrevocably instructs the Escrow Agent to direct the Refunded Bonds Paying Agent as the registrar for the Refunded Bonds to give, at the appropriate time, the notice or notices required by the Refunded Bonds Resolution in connection with the redemption of the Refunded Bonds. All of the Refunded Bonds shall be redeemed on October 1, 2016 at 100% of the principal amount thereof plus accrued interest to such redemption date. A notice of defeasance for the Refunded Bonds is attached hereto as Schedule C.

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

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

12. This Agreement is made for the benefit of the City and the holders from time to time of outstanding Refunded Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such holders and the written consent of the Escrow Agent

provided, however, that the City and the Escrow Agent may, without the consent of, or notice to, such holders enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

(a) to cure any ambiguity or formal defect or omission in this Agreement;

(b) to grant, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and

(c) to subject to this Agreement additional funds, securities or properties.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized bond counsel with respect to compliance with this Section 12, including the extent, if any, to which any change, modification or addition affects the rights of the holders of the Refunded Bonds, or that any instrument executed hereunder complies with the conditions and provisions of this Section 12.

13. In consideration of the services rendered by the Escrow Agent under this Agreement, the City is simultaneously paying to the Escrow Agent $___ as its fee and expenses provided, that such amount shall not include any expenses associated with the performance by the Escrow Agent at the request of the City of any extraordinary services hereunder, which are payable by the City upon presentation of an invoice therefor from the Escrow Agent. The Escrow Agent shall have no lien whatsoever upon any of the Escrow Proceeds in said Escrow Fund for the payment of such proper fees and expenses.

14. The Escrow Agent shall not be liable in connection with the performance of its duties hereunder except for any loss or damage directly caused by its own negligence or willful misconduct. The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of the Escrow Proceeds to pay the Refunded Bonds as provided on Schedule "B" hereto. So long as the Escrow Agent applies the Escrow Proceeds to pay the Refunded Bonds as provided herein, and complies fully with the terms of this Agreement, the Escrow Agent shall not be liable for any deficiencies in the amounts necessary to pay the Refunded Bonds caused by such calculations. Notwithstanding any provision herein to the contrary, in no event shall the Escrow Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

The duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement and no implied warrants or obligations shall be read into this Agreement against the Escrow Agent. The Escrow Agent may consult with nationally recognized bond counsel with respect to any matter as to which it has reasonable doubt as to its responsibilities under this Agreement, and be entitled to receive from the City reimbursement of the reasonable fees and expenses of such counsel. The Escrow Agent shall not be liable for any action it takes or omits to take in good faith reliance on such advice of counsel. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, such matter may be deemed to be

conclusively established by a certificate signed by an authorized officer of the City and the Escrow Agent may in good faith conclusively rely upon such certificate.

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

The City further agrees to indemnify and save the Escrow Agent harmless, to the extent allowed by law, against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to its negligence or willful misconduct. Such indemnification shall survive the termination of this Agreement and/or the sooner resignation or removal of the Escrow Agent and shall inure to the benefit of the Escrow Agent's successors and assigns.

15. The Escrow Agent, at the time acting hereunder, may at any time resign and be discharged from the duties and obligations hereby created by giving not less than twenty (20) days written notice to the City and mailing notice thereof, specifying the date when such resignation will take effect, to the holders of all Refunded Bonds then outstanding, but no such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the holders of a majority in aggregate principal amount of the Refunded Bonds then outstanding or by the City as hereinafter provided and such successor Escrow Agent shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent.

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

In the event the Escrow Agent hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case the Escrow Agent shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the holders of a majority in aggregate principal amount of the Refunded Bonds then outstanding by an instrument or concurrent instruments in writing, signed by such holders, or by their attorneys in fact, duly authorized in writing; provided, nevertheless, that in any such event, the City shall appoint a

temporary Escrow Agent to fill such vacancy until a successor Escrow Agent shall be appointed by the holders of a majority in aggregate principal amount of the Refunded Bonds then outstanding in the manner above provided, and any such temporary Escrow Agent so appointed by the City shall immediately and without further act be superseded by the Escrow Agent so appointed by such holders.

In the event that no appointment of a successor Escrow Agent or a temporary successor Escrow Agent shall have been made by such holders or the City pursuant to the foregoing provisions of this Section 15 within ten (10) days after written notice of resignation of the Escrow Agent has been given to the City, the holder of any of the Refunded Bonds or any retiring Escrow Agent may apply to any court of competent jurisdiction for the appointment of a successor Escrow Agent, and such court may thereupon, after such notice, if any, as it shall deem proper, appoint a successor Escrow Agent.

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

Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the City an instrument in writing accepting such appointment hereunder and thereupon such successor Escrow Agent, without any further act, deed or conveyance, shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor; but such predecessor shall nevertheless, on the written request of such successor Escrow Agent or the City execute and deliver an instrument transferring to such successor Escrow Agent all the estates, properties, rights, powers and trust of such predecessor hereunder; and every predecessor Escrow Agent shall deliver all securities and moneys held by it to its successor; provided, however, that before any such delivery is required to be made, all fees, advances and expenses of the retiring or removed Escrow Agent shall be paid in full. Should any transfer, assignment or instrument in writing from the City be required by any successor Escrow Agent for more fully and certainly vesting in such successor Escrow Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Escrow Agent, any such transfer, assignment and instruments in writing shall, on request, be executed, acknowledged and delivered by the City.

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

16. This Agreement, except for Sections 13 and 14 hereof, shall terminate when all transfers and payments required to be made by the Escrow Agent under the provisions hereof shall have been made. Upon such termination, all amounts remaining in the Escrow Fund shall be released to the City.

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

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

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

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

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

City of Deltona, Florida	TD Bank, N.A.
2345 Providence Blvd.	1006 Astoria Boulevard
Deltona, FL 32725	Cherry Hill, NJ 08034
Attention: City Manager	Attention: David C. Leondi

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

CITY OF DELTONA, FLORIDA

(SEAL)

By: _____
JOHN C. MASIARCZYK, SR., Mayor

ATTEST:

_____
JOYCE RAFTERY, CMC, City Clerk

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

_____
GRETCHEN R. H. VOSE, ESQ, City Attorney

(*Signature page of Escrow Deposit Agreement dated _____, 2016*
re: City of Deltona, Florida)

TD BANK, N.A., as Escrow Agent

By: _____
Vice President

SCHEDULE A

Type Date	Par Amount	Maturity Date	Interest Rate
SLG	$_____	_____, 2016	_____%

SCHEDULE B

Refunded Bonds

Payment Date	Interest	Principal Redeemed	Total
October 1, 2016	$292,962.50	$12,150,000	$12,442,962.50

SCHEDULE C

NOTICE OF DEFEASANCE

CITY OF DELTONA, FLORIDA
TRANSPORTATION CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2006

NOTICE IS HEREBY GIVEN to the holders of the outstanding Transportation Capital Improvement Revenue Bonds, Series 2006, of the City of Deltona, Florida (the "Bonds") that there have been deposited with TD Bank, N.A., as escrow agent, moneys consisting of refunding bond proceeds and other available moneys of the City which have been invested in obligations consisting of securities which are direct obligations of the United States of America which, together with certain amounts held uninvested, will be sufficient to pay the principal of and interest on such Bonds to the redemption date of October 1, 2016.

The Bonds are deemed to have been paid within the meaning of the resolutions under which the Bonds were issued and secured. **This notice does not constitute a notice of redemption and no Bonds should be delivered to the City or its paying agents as a result of this publication**.

Dated this _____ day of July, 2016.

TD BANK, N.A., Escrow Agent

FIRST AMENDMENT TO DEBT SERVICE FORWARD DELIVERY AGREEMENT

THIS FIRST AMENDMENT TO DEBT SERVICE FORWARD DELIVERY AGREEMENT (the "First Amendment") effective as of April [____], 2016 (the "Effective Date") is entered into by and among **[INSERT 2016 PAYING AGENT]**, as paying agent (the "Paying Agent"), **COMMERCE BANK, NATIONAL ASSOCIATION**, as prior paying agent (the "Prior Paying Agent"), **CITY OF DELTONA, FLORIDA** (the "Issuer") and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, successor in interest to Wachovia Bank, National Association, as provider (the "Provider").

W I T N E S S E T H :

WHEREAS, the Issuer, the Prior Paying Agent and the Provider have previously entered into the Debt Service Forward Delivery Agreement dated as of July 1, 2006 (the "Original Agreement") respecting the Issuer's Transportation Capital Improvement Revenue Bonds, Series 2006 (the "Prior Bonds");

WHEREAS, the Prior Bonds will be advance refunded with the Issuer's $[_____] Capital Improvement Revenue Refunding Bonds, Series 2016 (the "Bonds");

WHEREAS, the Issuer, the Prior Paying Agent, the Paying Agent and the Provider wish to amend the provisions of the Original Agreement as herein provided for the purpose of transferring the Original Agreement to the Bonds.

NOW, THEREFORE, in consideration of the foregoing and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

INTENTION OF PARTIES, AGREEMENT PROVISIONS; TERMINATION WITH RESPECT TO THE PRIOR PAYING AGENT

The Issuer, the Provider, the Prior Paying Agent and the Paying Agent have entered into this First Amendment pursuant to Section 9.05 of the Original Agreement to amend their rights and obligations set forth in the Original Agreement. The terms of the Original Agreement, as amended by this First Amendment (as so amended, the "Agreement"), shall govern the rights and obligations of the Issuer, the Provider, the Prior Paying Agent and the Paying Agent in connection with the transactions contemplated by the Agreement. Capitalized terms used but not defined in this First Amendment shall have the respective meanings assigned thereto in the Original Agreement.

The parties hereby agree that upon the execution and delivery of this First Amendment, the rights, duties and obligations of the Prior Paying Agent under the Original Agreement shall terminate. All references to Commerce Bank, National Association shall be deemed to be references to [INSERT 2016 PAYING AGENT].

ARTICLE II

AMENDMENTS

Section 2.01. Amendments to Definitions. The Original Agreement shall be amended as follows:

(a) The Original Agreement is hereby amended by deleting the definition of Alternate Termination Amount in its entirety.

(b) The Original Agreement is hereby amended by deleting the definition of Bond Insurer in its entirety and all references in the Original Agreement to the Bond Insurer shall be disregarded.

(c) The Original Agreement is hereby amended by deleting the definition of Bonds in its entirety and in place thereof inserting the following:

"*Bonds*" means the Issuer's $_____ Capital Improvement Revenue Refunding Bonds, Series 2016.

(d) The Original Agreement is hereby amended by deleting the definition of Debt Service Fund in its entirety and in place thereof inserting the following:

"*Debt Service Fund*" means the City of Deltona, Florida Capital Improvement Revenue Bonds Debt Service Fund established pursuant to Section 4.04 of the Original Resolution.

(e) The Original Agreement is hereby amended by deleting the definition of Issuer in its entirety and in place thereof inserting the following:

"*Issuer*" means the City of Deltona, Florida, a municipal corporation duly organized and existing under the laws of the State of Florida, and its successors.

(f) The Original Agreement is hereby amended by deleting the definition of Original Resolution in its entirety and in place thereof inserting the following:

"*Original Resolution*" means Resolution No. 03-2016 adopted on April 18, 2016, by the City Commission of the City of Deltona, Florida, and any amendments or supplements thereto permitted hereunder.

(g) The Original Agreement is hereby amended by deleting the definition of Paying Agent in its entirety and in place thereof inserting the following:

"*Paying Agent*" means [_____], and its successors.

(h) The Original Agreement is hereby amended by deleting the definition of Permitted Investments in its entirety and in place thereof inserting the following:

"*Permitted Investments*" shall have the meaning assigned to such term in the Resolution.

(i) The Original Agreement is hereby amended by deleting the definition of Provider in its entirety and in place thereof inserting the following:

"*Provider*" means Wells Fargo Bank, National Association, successor in interest to Wachovia Bank, National Association, a national banking association organized and existing under and by virtue of the laws of the United States of America, and its successors and assigns.

(j) The Original Agreement is hereby amended by deleting the definition of Qualified Dealer in its entirety and in place thereof inserting the following:

"*Qualified Dealer*" means Wells Fargo Bank, National Association, or its successors or assigns, or any other dealer in Eligible Securities selected by the Provider.

(k) The Original Agreement is hereby amended by deleting the definition of S&P in its entirety and in place thereof inserting the following:

"*S&P*" means Standard & Poor's Rating Services, a Standard & Poor's Financial Services LLC business.

(l) The Original Agreement is hereby amended by deleting the definition of Supplemental Resolution in its entirety and in place thereof inserting the following:

"*Supplemental Resolution*" means Resolution No. [2016-16] adopted on April 18, 2016 by the City Commission of the City of Deltona, Florida, authorizing the issuance of the Bonds, and any amendments or supplements thereto permitted hereunder.

(m) The Original Agreement is hereby amended by deleting the definition of Termination Amount in its entirety and in place thereof inserting the following:

"*Termination Amount*" means an amount, as reasonably determined by the Provider in good faith, to be its total losses and costs in connection with a termination of this Agreement, including any loss of bargain, cost of funding or, at the election of the Provider but without duplication, any loss or cost incurred (expressed as a positive number) or gain realized (expressed as a negative number) as a result of its terminating, liquidating, obtaining or reestablishing any hedge or related trading position; provided, however, that in any event the Termination Amount (i) shall also include any unpaid amounts due as of the date of termination of this Agreement (including any amounts due under Section 7.07), (ii) if such Termination Amount is being paid in connection with a termination of this Agreement following an Event of Default or if any Termination

Amount otherwise due hereunder is not paid when due, the Termination Amount shall also include any incidental costs and expenses incurred by the Burdened Party in connection with such termination and the enforcement of its rights hereunder (including costs of collection and reasonable attorneys' fees), and (iii) shall take into account and shall compensate the Provider for the payment by the Provider of the Fee Amount. Any determination of the Termination Amount by the Provider shall be conclusive and binding on the parties hereto absent manifest error.

Section 2.02. Amendment to Section 9.01. Section 9.01 to the Original Agreement is hereby amended by deleting such section and replacing it with the following:

Section 9.01. Notices and Delivery Instructions. All notices, demands or other communications hereunder shall be given or made in writing and shall be delivered personally, or sent by certified or registered mail, postage prepaid, return receipt requested, or overnight delivery service or facsimile to the party to whom they are directed at the following addresses, or facsimile numbers or at such other addresses or facsimile numbers as may be designated by notice from such party to all other parties:

To the Provider: Wells Fargo Bank, N.A.
MAC D1053-070
301 South College Street, 7th Floor
Charlotte, NC 28202-6000
Attention: Mr. Austin Fenn
Telephone: (704) 410-3674

Wells Fargo Bank, N.A.
MAC D1086-051
550 South Tryon Street, 5th Floor
Charlotte, NC 28202-4200
Attention: Mr. Ed Sprague
Director
Telephone: (704) 410-2043

Delivery: BK of NYC/FUNBBT
ABA #: 021000018

Payments to Provider: Wells Fargo Bank, NA
ABA#: 121000248
Acct: 01014890064228
Ref: City of Deltona, FL, Series 2016

Provider Settlements: Municipal Support
Telephone: (704) 383-9408 or (704) 374-2146

US Government and Agency Issues:
Fed Book Entry
ABA 021000018
Bk of NYC/FUNBBT

Mortgage Backed Securities:
Bk of NYC/FUNBTMBS
ABA 021000018

DTC Book Entry
Participant: 2072
Agent Bank: 52196
Institutional ID: 52196

Physical:
The Bank of New York
1 Wall Street
3rd Floor-Window B
ASP# 117629

Global Instructions: CEDEL No. 86013

To the Paying Agent: [PLEASE PROVIDE]

Attention:
Telephone:
Facsimile:
E-mail:
Account Name and Number:

FOR DELIVERY OF BOOK ENTRY GOVERNMENT OBLIGATIONS:

[PLEASE PROVIDE]

FOR DELIVERY OF DTC-ELIGIBLE SECURITIES:

[PLEASE PROVIDE]

To the Issuer: City of Deltona, Florida
2345 Providence Boulevard
Deltona, FL 32725
Attention: Mr. Robert Clinger, Finance Director
Telephone: (386) 878-8555
Facsimile: (386) 789-7230
E-mail: rclinger@deltonafl.gov
Issuer's Tax Payer I.D. #: 59-3348668

Any notice, demand or other communication given in a manner prescribed in this Section shall be deemed to have been delivered on receipt.

Section 2.03. Amendment to Exhibit E. Exhibit E to the Original Agreement is hereby deleted in its entirety and replaced by Exhibit E attached hereto; and all references in the Original Agreement to Exhibit E shall be references to Exhibit E as hereby amended.

ARTICLE III

FULL FORCE AND EFFECT

The Original Agreement is hereby amended to the extent provided in this First Amendment and, except as specifically provided herein, the Original Agreement shall remain in full force and effect in accordance with its terms.

ARTICLE IV

GOVERNING LAW

THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS FIRST AMENDMENT SHALL BE GOVERNED AS PROVIDED IN SECTION 9.11 OF THE ORIGINAL AGREEMENT.

ARTICLE V

HEADINGS

Section headings in this First Amendment are included herein for convenience of reference only and shall not have any effect for purposes of interpretation or construction of the terms of this First Amendment.

ARTICLE VI

COUNTERPARTS

This First Amendment may be signed in any number of counterpart copies, but all such copies shall constitute one and the same instrument.

ARTICLE VII

REPRESENTATIONS

Each party hereto hereby represents and warrants to the other that this First Amendment has been duly authorized and validly executed by it and that the Agreement as hereby amended constitutes its valid obligation enforceable in accordance with its terms. The representations and warranties contained in the Original Agreement are hereby remade by the Provider, the Prior Paying Agent and the Issuer as of the Effective Date. The representations and warranties contained in the Original Agreement which were originally made by the Prior Paying Agent are hereby made by the Paying Agent as of the Effective Date. For the avoidance of doubt, all references in such representations and warranties to defined terms shall be deemed to refer to such terms as defined in the Original Agreement, as amended by this First Amendment.

ARTICLE VIII

CLOSING CONDITIONS

Section 8.01. The parties hereto agree that this First Amendment shall become effective only upon the occurrence of each of the following conditions:

(a) delivery to the Provider and the Issuer of an executed original opinion of counsel to the Paying Agent, in the form of Exhibit A;

(b) delivery to the Paying Agent and the Issuer of an executed original opinion of counsel to the Provider, in the form of Exhibit B;

(c) delivery to the Provider and the Paying Agent of an executed original opinion of counsel to the Issuer, in the form of Exhibit C;

(d) delivery to the Provider of a copy of the final official statement for the Bonds;

(e) delivery to the Provider of a resolution or resolutions of the Issuer pursuant to which the Issuer is authorized to enter into this First Amendment;

(f) delivery to the Provider of a copy of the executed Resolution;

(g) payment by the Issuer to the Provider of a fee of $_____ in consideration for the transfer of the Original Agreement to the Bonds.; and

(h) payment by the Issuer of the fees and expenses of counsel to the Provider in the amount of $[_____].

Section 8.02. Post-Closing Conditions. In the event that the Provider elects to close this First Amendment without requiring that all of the conditions set forth in Section 8.01 be satisfied, the Issuer covenants and agrees that it shall cause all such unsatisfied conditions to be satisfied and cause all original executed signature pages to this First Amendment to be delivered

to the Provider within three Business Days of the Effective Date. In the event that all such documents are not received by the Provider within three Business Days of the Effective Date, the Issuer shall pay, on demand, the fees and expenses of counsel to the Provider incurred in connection with the satisfaction of this Section 8.02.

ARTICLE IX

FEES

The Issuer hereby agrees to pay to the Provider a fee of $_____ on the Effective Date in consideration for the transfer of the Original Agreement to the Bonds. The fee shall be paid to the following account of the Provider:

Wells Fargo Bank, NA
ABA#: 121000248
Acct: 01014890064228
Ref: [ISSUER]

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be duly executed and delivered as of the date and year first written above.

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Provider

By_____
Name _____
Title _____

[PAYING AGENT], as Paying Agent

By _____
Name _____
Title _____

[PAYING AGENT], as Paying Agent

By _____
Name _____
Title _____

CITY OF DELTONA, FLORIDA

By _____
Name _____
Title _____

Consented to:

MBIA INSURANCE CORPORATION

By _____
Name _____
Title _____

EXHIBIT A

OPINION OF COUNSEL TO PAYING AGENT

[LETTERHEAD OF COUNSEL TO PAYING AGENT]

April ____, 2016

City of Deltona, Florida
2345 Providence Boulevard
Deltona, FL 32725

Wells Fargo Bank, National Association
Municipal Derivatives
MAC D1086-041
550 South Tryon Street, 4th Floor
Charlotte, NC 28202-4200

City of Deltona, Florida
Capital Improvement Revenue Refunding Bonds,
Series 2016

Ladies and Gentlemen:

We have acted as counsel to [PAYING AGENT], as paying agent (the "Paying Agent") in connection with the execution and delivery by the Paying Agent of the First Amendment to Debt Service Forward Delivery Agreement, dated as of April ___, 2016 (the "First Amendment"), by and among the Paying Agent, City of Deltona, Florida (the "Issuer"), Commerce Bank, National Association (the "Prior Paying Agent") and Wells Fargo Bank, National Association (the "Provider") with respect to that Debt Service Forward Delivery Agreement dated as of July 1, 2006 (the "Original Agreement") by and among the Issuer, the Prior Paying Agent and the Provider. Capitalized terms used herein and not defined herein have the respective meanings given to them in the First Amendment.

In connection with the rendering of this opinion, we have examined the Original Agreement, the First Amendment, the Financing Documents and such other documents, records, certificates and instruments as we have deemed necessary in connection with the rendering of this opinion (such documents are collectively referred to herein as the "Documents"). In such examination we have assumed, without any independent investigation or inquiry on our part: (i) the genuineness of all signatures (other than those of the Paying Agent) on each of the Documents; (ii) the legal capacity of all natural persons who have signed the Documents; (iii) the authenticity of all Documents submitted to us as originals, the conformity to the original documents of all Documents submitted to us as certified, facsimile or photostatic copies or in electronic form and the authenticity of the originals of all such Documents; (iv) that each of the parties (other than the Paying Agent) to the Documents has been duly formed and organized and

is validly existing and in good standing under the laws of the jurisdiction of its incorporation or establishment; (v) that each of the parties (other than the Paying Agent) to the Documents (A) has duly authorized, executed and delivered such Documents, (B) has all requisite power and authority to enter into and perform its respective obligations under such Documents and (C) has obtained, secured or made all consents and approvals of, notice to, or registrations required with or by any governmental authorities, agencies or instrumentalities in connection with its execution, delivery and performance of, the Documents to which it is a party; (vi) the execution, delivery and performance by each of the parties (other than the Paying Agent) of such Documents to which it is a party will not contravene any provision of such party's articles of incorporation, by-laws, articles of organization, operating agreement, certificate of formation, limited liability company agreement or other governing instrument; and (vii) that there are no other agreements or understandings among the parties to such Documents, written or oral, and there is no usage of trade or course of prior dealings among the parties thereto that would, in any case, define, supplement, alter or qualify the terms of such Documents. As to all matters of fact we have relied in good faith on certificates and other statements of public officials and officers and other representatives of the Paying Agent, and we have made no inquiries to establish or verify these or any other facts material to this opinion.

In giving the opinions expressed below we do not purport to be experts in or generally familiar with or qualified to express legal opinions based on the laws of any jurisdiction other than the federal laws of the United States of America and the laws of the State of [STATE OF PAYING AGENT] (the "State").* We express no opinion as to the validity or enforceability of any choice of law, choice of forum or waiver provision contained in the Original Agreement or the First Amendment. We express no opinion as to the availability of equitable remedies to persons seeking to enforce the obligations of the Paying Agent under the Original Agreement, as amended by the First Amendment.

Based upon the foregoing examination and review, we are of the opinion that:

(a) The Paying Agent has full legal right, power and authority to enter into the First Amendment.

(b) The First Amendment has been duly authorized, executed and delivered by the Paying Agent.

(c) [Assuming for purposes of the opinion expressed in this paragraph (c) that the Original Agreement and the First Amendment were governed by and construed in accordance with the law of the State, the]* [The] Original Agreement, as amended by the First Amendment, is a legal, valid and binding obligation of the Paying Agent, enforceable against it in accordance with the terms thereof, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

* Insert if state law is other than New York law.

(d) The execution and delivery by the Paying Agent of the First Amendment and the performance of its obligations under the Original Agreement, as amended by the First Amendment, do not and will not conflict with or constitute or result in a default under, a breach or violation of, or the creation of any lien or encumbrance on any of its property under, its charter or bylaws, or the Financing Documents or any other agreement, instrument, judgment, injunction or order applicable to it or any of its property.

(e) The Financing Documents to which the Paying Agent is a party are legal, valid and binding obligations of the Paying Agent, enforceable against it in accordance with the terms thereof, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

We are furnishing this opinion to you solely for your benefit and no other person is entitled to rely hereon. This opinion is not to be used, circulated, quoted or otherwise referred to for any other purpose. This opinion is given as of the date hereof and we expressly disclaim any responsibility to update this opinion or advise you of any changes of law, facts or circumstances of any kind that may occur after the date hereof which might affect the opinion expressed herein.

Very truly yours,

EXHIBIT B

OPINION OF COUNSEL TO PROVIDER

[LETTERHEAD OF COUNSEL TO PROVIDER]

April [___], 2016

City of Deltona, Florida
2345 Providence Boulevard
Deltona, FL 32725

[PAYING AGENT], as Paying Agent
[ADDRESS]

City of Deltona, Florida
Capital Improvement Revenue Refunding Bonds,
Series 2016

Ladies and Gentlemen:

We have acted as counsel to Wells Fargo Bank, National Association (the "Provider"), in connection with its execution and delivery of the First Amendment to Debt Service Forward Delivery Agreement, dated as of April [___], 2016 (the "First Amendment"), by and among City of Deltona, Florida (the "Issuer"), [PAYING AGENT], as paying agent (the "Paying Agent"), Commerce Bank, National Association (the "Prior Paying Agent") and the Provider with respect to the Debt Service Forward Delivery Agreement dated as of July 1, 2006 (the "Original Agreement"), by and among the Issuer, the Prior Paying Agent and the Provider. Capitalized terms used herein and not defined herein have the respective meanings given to them in the First Amendment.

In connection with the rendering of this opinion, we have examined the Original Agreement, the First Amendment and such other documents, records, certificates and instruments as we have deemed necessary in connection with the rendering of this opinion (such documents are collectively referred to herein as the "Documents"). In such examination we have assumed, without any independent investigation or inquiry on our part: (i) the genuineness of all signatures on each of the Documents; (ii) the legal capacity of all natural persons who have signed the Documents; (iii) the authenticity of all Documents submitted to us as originals, the conformity to the original documents of all Documents submitted to us as certified, facsimile or photostatic copies or in electronic form and the authenticity of the originals of all such Documents; (iv) that each of the parties (other than the Provider) to the Documents has been duly formed and organized and is validly existing and in good standing under the laws of the jurisdiction of its incorporation or establishment; (v) that each of the parties (other than the Provider) to the Documents (A) has duly authorized, executed and delivered such Documents, (B) has all requisite power and authority to enter into and perform its respective obligations

under such Documents and (C) has obtained, secured or made all consents and approvals of, notice to, or registrations required with or by any governmental authorities, agencies or instrumentalities in connection with its execution, delivery and performance of, the Documents to which it is a party; (vi) the execution, delivery and performance by each of the parties (other than the Provider) of such Documents to which it is a party will not contravene any provision of such party's articles of incorporation, by-laws, articles of organization, operating agreement, certificate of formation, limited liability company agreement or other governing instrument; and (vii) that there are no other agreements or understandings among the parties to such Documents, written or oral, and there is no usage of trade or course of prior dealings among the parties thereto that would, in any case, define, supplement, alter or qualify the terms of such Documents. As to all matters of fact we have relied in good faith on certificates and other statements of public officials and officers and other representatives of the Provider, and we have made no inquiries to establish or verify these or any other facts material to this opinion.

In giving the opinions expressed below we do not purport to be expert in or generally familiar with or qualified to express legal opinions based on the laws of any jurisdiction other than the federal laws of the United States and the laws of the State of New York and the opinions expressed herein are limited to the federal laws of the United States and the laws of the State of New York. We express no opinion as to the validity or enforceability of any choice of law, choice of forum or waiver provision contained in the Original Agreement or the First Amendment. We express no opinion as to the availability of equitable remedies to persons seeking to enforce the obligations of the Provider under the Original Agreement, as amended by the First Amendment.

Based upon the foregoing examination and review, we are of the opinion that:

(a) The Provider has full corporate power and authority to enter into the First Amendment.

(b) The First Amendment has been duly authorized, executed and delivered by the Provider and the Original Agreement, as amended by the First Amendment, constitutes a legal, valid and binding obligation of the Provider, enforceable against it in accordance with the terms thereof, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

This opinion may be relied upon by Moody's Investors Service, Inc., Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, or Fitch Ratings to the extent any assign investment ratings to the Bonds, as if this opinion were addressed to them.

This opinion is limited to the matters expressly set forth above, and no opinion is implied or may be inferred beyond the matters expressly so stated. This opinion is delivered to you, and any rating agency referenced in the preceding paragraph, in connection with the above-referenced transaction and may not be utilized or quoted by you, or such rating agency, for any other purpose whatsoever or delivered to any other person without our prior written consent. This opinion is given as of the date hereof and we expressly disclaim any responsibility to update this opinion or advise

you of any changes of law, facts or circumstances of any kind that may occur after the date hereof which might affect the opinion expressed herein.

Very truly yours,

EXHIBIT C

OPINION OF COUNSEL TO ISSUER

[LETTERHEAD OF COUNSEL TO ISSUER]

April [___], 2016

[PAYING AGENT], as Paying Agent
[ADDRESS]

Wells Fargo Bank, National Association
Municipal Derivatives
MAC D1086-041
550 South Tryon Street, 4th Floor
Charlotte, NC 28202-4200

City of Deltona, Florida
Capital Improvement Revenue Refunding Bonds,
Series 2016

Ladies and Gentlemen:

We have acted as counsel to City of Deltona, Florida (the "Issuer") in connection with its execution and delivery of the First Amendment to Debt Service Forward Delivery Agreement, dated as of April [___], 2016 (the "First Amendment"), by and among the Issuer, [PAYING AGENT], as paying agent (the "Paying Agent"), Commerce Bank, National Association (the "Prior Paying Agent") and Wells Fargo Bank, National Association (the "Provider") with respect to the Debt Service Forward Delivery Agreement dated as of July 1, 2006 by and among the Issuer, the Prior Paying Agent and the Provider (the "Original Agreement") and its execution and delivery of the Financing Documents. Capitalized terms used herein and not defined herein have the respective meanings given to them in the First Amendment.

In connection with the rendering of this opinion, we have examined the Original Agreement, the First Amendment, the Financing Documents and such other documents, records, certificates and instruments as we have deemed necessary in connection with the rendering of this opinion (such documents are collectively referred to herein as the "Documents"). In such examination we have assumed, without any independent investigation or inquiry on our part: (i) the genuineness of all signatures (other than those of the Issuer) on each of the Documents; (ii) the legal capacity of all natural persons who have signed the Documents; (iii) the authenticity of all Documents submitted to us as originals, the conformity to the original documents of all Documents submitted to us as certified, facsimile or photostatic copies or in electronic form and the authenticity of the originals of all such Documents; (iv) that each of the parties (other than the Issuer) to the Documents has been duly formed and organized and is validly existing and in good standing under the laws of the jurisdiction of its incorporation or establishment; (v) that

each of the parties (other than the Issuer) to the Documents (A) has duly authorized, executed and delivered such Documents, (B) has all requisite power and authority to enter into and perform its respective obligations under such Documents and (C) has obtained, secured or made all consents and approvals of, notice to, or registrations required with or by any governmental authorities, agencies or instrumentalities in connection with its execution, delivery and performance of, the Documents to which it is a party; (vi) the execution, delivery and performance by each of the parties (other than the Issuer) of such Documents to which it is a party will not contravene any provision of such party's articles of incorporation, by-laws, articles of organization, operating agreement, certificate of formation, limited liability company agreement or other governing instrument; and (vii) that there are no other agreements or understandings among the parties to such Documents, written or oral, and there is no usage of trade or course of prior dealings among the parties thereto that would, in any case, define, supplement, alter or qualify the terms of such Documents. As to all matters of fact we have relied in good faith on certificates and other statements of public officials and officers and other representatives of the Issuer, and we have made no inquiries to establish or verify these or any other facts material to this opinion.

In giving the opinions expressed below we do not purport to be experts in or generally familiar with or qualified to express legal opinions based on the laws of any jurisdiction other than the federal laws of the United States of America and the laws of the State of Florida (the "State"). We express no opinion as to the validity or enforceability of any choice of law, choice of forum or waiver provision contained in the Original Agreement or the First Amendment. We express no opinion as to the availability of equitable remedies to persons seeking to enforce the obligations of the Issuer under the Original Agreement, as amended by the First Amendment.

Based upon the foregoing examination and review, we are of the opinion that:

(a) The Issuer has full legal right, power and authority to enter into the First Amendment and the Financing Documents and to authorize and direct the Paying Agent, pursuant to the Original Agreement, as amended by the First Amendment, to make purchases of the Qualified Securities in accordance with the terms therein.

(b) The First Amendment and the Financing Documents to which it is a party have been duly authorized, executed and delivered by the Issuer.

(c) Assuming for purposes of the opinion expressed in this paragraph (c) that the Original Agreement and the First Amendment were governed by and construed in accordance with the laws of the State, the Original Agreement, as amended by the First Amendment, is a legal, valid and binding obligation of the Issuer, enforceable against it in accordance with the terms thereof, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(d) The Issuer's execution and delivery of the First Amendment and the performance of its obligations under the Original Agreement, as amended by the First Amendment, do not and will not conflict with or constitute or result in a default under, a

breach or violation of, or the creation of any lien or encumbrance on any of its property under the Financing Documents or any other agreement, instrument, judgment, injunction or order applicable to it or any of its property.

(e) The Financing Documents to which the Issuer is a party are legal, valid and binding obligations of the Issuer, enforceable against it in accordance with the terms thereof, subject to applicable bankruptcy, insolvency and similar laws affecting creditors rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(f) The Issuer is not entitled to claim immunity on the grounds of sovereignty or other similar grounds with respect to itself or its revenues or assets (irrespective of their use or intended use) from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgment) or (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be made subject to in any suit, action or proceedings relating to the Original Agreement, as amended by the First Amendment, brought validly ex contractu in the courts of any jurisdiction and no such immunity (whether or not claimed) may be attributed to the Issuer or its revenues or assets.

(g) All consents, authorizations and approvals requisite for the Issuer's execution and delivery of the First Amendment and performance of the Original Agreement, as amended by the First Amendment, have been obtained and remain in full force and effect and all conditions thereof have been duly complied with, and no other action by, and no notice to or filing with, any governmental authority, regulatory body or any other entity is required for such execution, delivery or performance.

(h) The Eligible Securities to be delivered under the Original Agreement, as amended by the First Amendment, are permitted investments for amounts held in the Debt Service Fund under the Indenture and applicable law.

We are furnishing this opinion to you solely for your benefit and no other person is entitled to rely hereon. This opinion is not to be used, circulated, quoted or otherwise referred to for any other purpose. This opinion is given as of the date hereof and we expressly disclaim any responsibility to update this opinion or advise you of any changes of law, facts or circumstances of any kind that may occur after the date hereof which might affect the opinion expressed herein.

Very truly yours,

EXHIBIT E

[TO BE PROVIDED]

City of Deltona

2345 Providence Blvd.
Deltona, FL 32725

Agenda Memo

AGENDA ITEM: H.

TO: Mayor and Commission **AGENDA DATE:** 5/16/2016

FROM: Jane K. Shang, City Manager **AGENDA ITEM:** 9 - H

SUBJECT:
Public Hearing - Consideration of Purchase of Casey Property - Jane K. Shang, City Manager - (386) 878-8858.

Strategic Goal: Economic Development. Focus on Howland Blvd. as the Gateway for Commercial Growth.

LOCATION:
Generally located north of the intersection of Dr. Martin Luther King Blvd. and Howland Blvd.

BACKGROUND:
Howland Boulevard has been identified on numerous occasions as the commercial gateway to the City given the proximity to I-4 and the number of commercial parcels available for development.

At the October 17, 2015, and November 7, 2015, Strategic Planning sessions, the Community and the Commission reiterated the need for economic/community development and to develop a City Center. This goal was then included in the City's Strategic Plan (Strategic Goals for FY 15/16-FY 16/17) as Priority Objective 2. Economic Development: "Focus on Howland Boulevard as the gateway for commercial growth (create a City Center and pursue acquisition of the Casey property).

City Centers are generally created by assembling close parcels of land to create dense activity in a concentrated area. Further, at the November 2, 2015, City Commission meeting, the City Commission concurred to authorize the City Manager to start negotiations with Mr. Casey on the property known as the "Casey property", which staff would begin the process to determine the feasibility to acquire the Casey property, given the decision to locate the Senior Community Center at Howland Crossings. Then, at the March 2, 2016 workshop, the Commission directed staff to move forward with negotiations for the Casey property.

The effort is supported by the concept that the assemblage of the Casey property for a City Center makes good sense given:

1. The size of the parcel for development (±46.5-acres in assembly);
2. The commitment by the City to utilize its land acquisition within the Howland Crossings property for a Senior Community Center, in addition to the investment made for Fire Station 65.
3. The mast arm signalized intersection.

4. The proximity and development potential of vacant land in the immediate vicinity for long-range growth. The availability of large parcels for development in the Howland Crossings area is limited and the Casey property is in close proximity to the Howland Crossings City-owned tracts.
5. The tract is adjacent to a Volusia County School Board property for a future elementary school and there is potential to co-locate facilities with that school in the future for synergistic development.

Appraisals of the Casey property have been completed. Earlier appraisals determined a fair market value of $2.3M and $5.2M. At the direction of the Commission a third appraisal was ordered and the appraised value was determined to be $3.35M. With the appraisal efforts completed, staff requests direction from the City Commission on whether to make a formal offer to purchase the Casey property as consideration for a future City Center. Finally, the land will also need to be re-entitled to allow for an array of land uses, if acquired.

It is recommended that if the City Commission wishes to make an offer to purchase the Casey property that the purchase price be set at not to exceed $3.35M, with three contingencies:

- for an inspection period of 120 days with a provision for a satisfactory subsurface soil investigation with the expense to be shared equally between the City and Mr. Casey;
- for delivery to Mr. Casey of a letter from the City regarding the purchase for income tax purposes; and
- for disclosure of beneficial interests by property owner, if applicable, under F.S. 286.23.

COST:
$3.35M

SOURCE OF FUNDS:
Reserves

ORIGINATING DEPARTMENT:
City Manager

STAFF RECOMMENDATION PRESENTED BY:
Jane K. Shang, City Manager - Recommends consideration of making a formal offer to purchase the Casey property for a sum not to exceed $3.35, with three contingencies: for an inspection period of 120 days with a provision for a satisfactory subsurface investigation with the expense to be shared equally between the City and Mr. Casey; for delivery to Mr. Casey a letter from the City regarding the purchase for income tax purposes; and for disclosure of beneficial interests by property owner, if applicable under F.S. 286.23.

POTENTIAL MOTION:
“I move to approve the offer of a contract for purchase and sale of the Casey Property for a purchase price not exceeding $3.35M, with two contingencies: for an inspection period of 120 days with a

provision for a satisfactory subsurface soil investigation with the expense to be shared equally between the City and Mr. Casey; for delivery to Mr. Casey a letter from the City regarding the purchase for income tax purposes; and for disclosure of beneficial interests by property owner, if applicable under F.S. 286.23."

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City of Deltona

Potential Land Acquisition
Of the Casey Property

Action Item Chronology

9/14/15 – City Commission Workshop directing staff to consider Howland Crossings for the new Senior Community Center and to consider in a larger context assemblage of land for a City Center. Concept plan presented (see next slides).

10/17/15 – Community Visioning & Strategic Planning Workshop where the community discussed a need for a City Downtown/Center.

11/2/15 – City Commission Meeting authorizing the City Manager to begin negotiations for land acquisition of the Casey property.

11/7/15 – City Commission Workshop for the Strategic Plan creating the Economic Development Goal and Other Objective to explore the concept and development of a City Center.

9/14/15 – City Commission Workshop

AGENDA MEMO

TO: Mayor & City Commission **AGENDA DATE:** 9/14/2015

FROM: Jane K. Shang, City Manager **AGENDA ITEM:** 5 - A

SUBJECT: New Senior/Community Center - Chris Bowley, Planning and Development Services Department (386) 878-8602.

LOCATION: Citywide

BACKGROUND: The City of Deltona is experiencing great demand on its existing community facilities, due to population growth and being predominantly residentially-oriented. The facilities constructed at a time when Deltona was a much smaller community (such as the Community Center, Harris Saxon Park building, and the Wes Crile Park gymnasium) are serving a greater humber of residents-seeking community facilities.

The City owns property for potential development of a new Senior/Community Center that would serve our ±87,497 residents. To achieve public facility levels of service and focusing on existing City-owned land, an in-house site selection effort was applied. The result was the use of City-owned property within Howland Crossings that offers existing infrastructure to a parcel with full utility services, a pad-ready site, and has signalized access potential to Howland Blvd.

In a larger context and conceptual in design only, a new Senior/ Community Center within the Howland Crossings project could become the impetus of more development within the Howland Crossings project and potentially at the north side of Howland Blvd. on existing assembled vacant land.

ORIGINATING DEPARTMENT: Planning and Development Services

SOURCE OF FUNDS: City debt combined with potential grant funding.

COST: $6.6 million - $8.9 million, estimated and subject to amentities desired.

REVIEWED BY: Planning Director, Finance Director, City Attorney, City Manager

STAFF RECOMMENDATION PRESENTED BY: Chris Bowley, AICP, Planning and Development Services Director - That the Commission select Howland Crossings Lot 7 as the site for the Senior/Center and to utilize City debt and potential grant funds for the design and construction of the center.

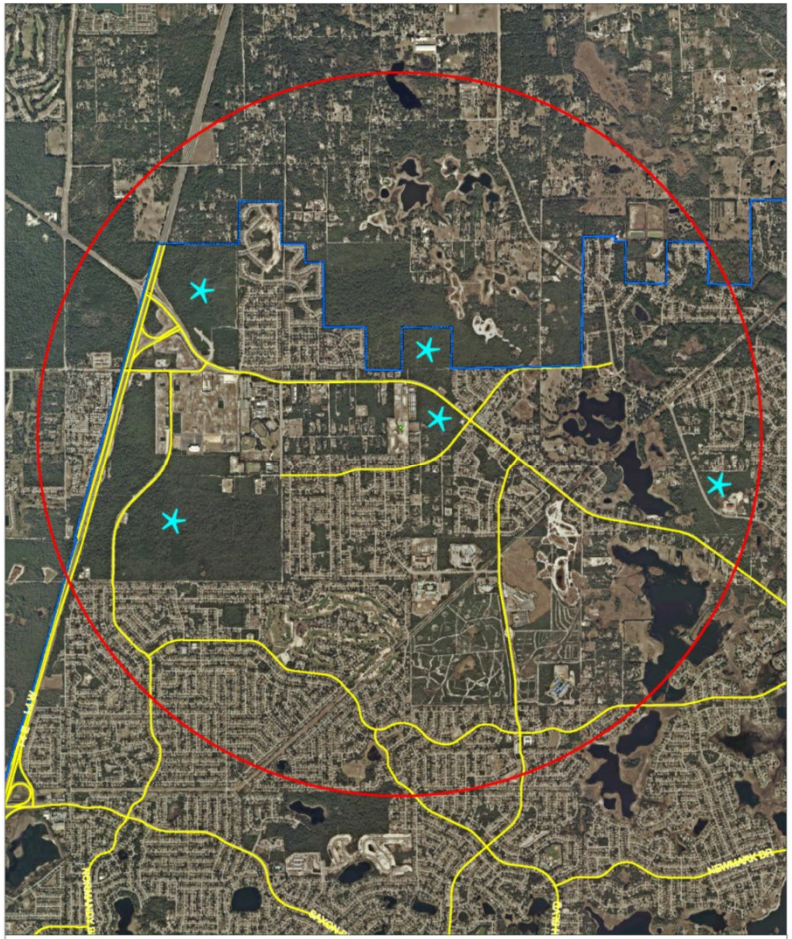
POTENTIAL MOTION: "I move to approve the selection of Howland Crossings Lot 7 as the site for the Senior/Community Center and to utilize City debt and potential grant funds for the design and construction of the center."

AGENDA ITEM APPROVED BY: Jane K. Shang, City Manager

ATTACHMENTS:
- Community Center Presentation 091415
- Community Center Grant Chart 090215

City Center Overall Concept (Slide #17 – 9/14/15 Presentation)

City Center Limited Land Alternatives in Proximity



Community Visioning & Strategic Planning Goal tied to 9/14/15 Agenda Memo

Goal: Economic Development

To provide a strategic and consistent approach for economic development throughout the City that enhances existing businesses, attracts new development opportunities, and provides a balance of land use values.

II. Other Objectives – Explore the concept and development of a City Center.

City of Deltona
Resulting Strategic Plan

Priority Objective: Economic Development

Focus on Howland Blvd. as a gateway for commercial growth (create a City Center and pursue acquisition of Casey property) – Pg. 2

11/2/15 – City Commission Meeting to Start Negotiations

The City Commission concurred to authorize the City Manager to start negotiations with Mr. Casey on what is known as the “Casey Property”.

11/2/15 – City Commission Public Hearing Minutes

Ms. Shang stated the next item is on the Trap, Neuter, Release Program (TNR).

Mrs. Vose stated there will be a revised resolution because there were two (2) typos. Ms. Shang stated it will just be read into the record with corrections. Mrs. Vose stated the resolution was presented to the City Commission as it would be for a three (3) year term but, when it was first drafted it was drafted for a one (1) year term so in some places it says three (3) and some places it says one (1).

D. **Public Hearing - Resolution No. 2015-39, Request for a Granny Flat to be located at 925 Dandridge Drive - Chris Bowley, AICP, Planning and Development Services (386) 878-8602.**

Ms. Shang stated next there is a Public Hearing on a request for a Granny Flat and there were no questions or comments.

7. OLD BUSINESS:

A. **Presentation of the Thornby garden development project and approval of survey cost- Vice Mayor Schleicher, (386) 878-8860.**

Ms. Shang stated the Thornby Park presentation is being pulled as there are a few more questions that need answers.

8. NEW BUSINESS:

Mayor Masiarczyk brought up that after he left the Pine Ridge High School on Friday he went by Deltona High School but, the traffic and parking were hectic so he went home. He stated he watched the game on Bright House Networks and he was amazed at the quality and the professionalism; it was like watching a professional football game, the game was called well, there were no commercials and it highlighted Deltona. He asked to have a letter drafted to send to Bright House Networks to letting them know how great it was and maybe it will encourage more people to watch that channel.

The Commission concurred to send a letter.

Ms. Shang stated she will have comments under City Manager Comments in regards to the Casey property.

Commissioner Honaker stated he will be giving a report from an advanced course for elected municipal officials he attended.

9. ADJOURNMENT:

13. CITY MANAGER COMMENTS:

Ms. Shang stated she provided the Commission with appraisal reports on approximately 50 acres of land on Howland Blvd. known as the "Casey Property." Mr. Casey also has an appraisal completed on the property and she asked the Commission for approval and direction to discuss negotiations for the acquisition of the "Casey Property."

Commissioner Smith stated she does not have a problem starting negotiations with Mr. Casey. There is a Strategic Plan meeting coming up on Saturday, she would like to have a discussion about how to prioritize all the projects that have been talked about and she provided examples and she will support the negotiation.

Mayor Masiarczyk stated he supports it because the City cannot ask Mr. Casey to show his appraisal unless officially getting into negotiations. He stated he looked at the map of Deltona; it is obvious that the City's population is going to grow, the City has to have a large track of land in order to keep moving forward and maybe something could be worked out within the Strategic Plan.

The Commission concurred to authorize the City Manager to start negotiations with Mr. Casey on what is known as the "Casey Property."

14. CITY COMMISSION COMMENTS:

Commissioner Soukup stated he attended the Pine Ridge Manufacturing Program opening and he encouraged everyone to go see the facility. He congratulated Principal Carbonell and Jim Gawriluk, Coach Allen Johnson, and the players as it is the first time in the history of Deltona High School that the football team made the playoffs and will be playing November 13th against Heritage High School in Palm Bay at 7:30 p.m. He stated he has lived in the City for 28 years but, shame on him, this was the first time he had attended Spooktacular. He is one of those dads that drive around trying to find something for the kids and the whole time it was right in his backyard. The event was second to none, with the Haunted Trail and the Zombie Warehouse, to judging the costume contest. He would like to expand the event and he thanked staff and all the volunteers for putting on the event.

Commissioner Herzberg thanked everyone for their support tonight.

Commissioner Honaker stated that on November 5th at the Texas Road House will donate 10% of the overall bill to the American Legion. There is a meeting coming up in November where the Commission is going to discuss sidewalks and the Capital Improvement Plan (CIP) and he asked that before the meeting everyone read the pavement indexing report that was provided by staff. He stated he would like to see the study that was done nine (9) years ago if staff can locate it. He asked everyone to also read "Gabby's Law" and to take a few minutes to drive Courtland Blvd. between Howland and Fort Smith Blvds. and drive Courtland Blvd. between Elckam Blvd. and Beckwith Street in order to make a good sound decision as a team.

1/11/16 – City Commission Workshop Minutes

question and answer forum on homelessness with the News-Journal on Wednesday night from 6:00 - 8:00 p.m. at the News-Journal Center.

4. BUSINESS:

A. City of Deltona Strategic Plan, Chris Bowley, Planning and Development Services, (386) 878-8602.

City Manager Shang gave a general introduction of the strategic goals and how it was put together. She stated a bullet list is easier to utilize as a reference to see if an item supports the strategic goals and she explained the strategic goals that are in the strategic plan. Ms. Shang asked the Commission for a consensus if the Commission agrees that the proposed projects are correct, if they disagree, if they believe that there are too many goals or if they need to substitute goals. Ms. Shang spoke about grant funding, ongoing projects and reviewing the strategic plan and goals.

The Commission and staff discussed sending the strategic plan to the attendees of the October 17, 2015 strategic planning meeting, if the strategic plan is doable for staff, having an industrial/business park, Howland Boulevard becoming the gateway for commercial activity, a grants management program, having a dialogue to add items to the strategic plan, grants administration, the TPO, the Capital Improvement Program (CIP), any new program having justification on how it supports the strategic plan, the hiring of the events coordinator, homelessness, social services, the Amphitheater, the strategic plan goals and the social services summit.

Ms. Shang stated that on the Casey property in regards to the appraised value; there was a difference in the City's appraised value and Mr. Casey's appraised value. She stated that the City is in the process of having a third appraisal completed and that she thinks the City needs to do its due diligence and perform borings to see if there is a sinkhole issue. She stated that there is a proposal for $17,000 and she asked the Commission for direction to proceed with the proposal and that work could start next week if approved.

The Commission and staff discussed the Casey property, getting the money back if the City purchased the property, who should pay for the boring test, having a purchase agreement contingent on the boring test, who would pay for the third appraisal, the cost of the third appraisal being split between the City and Mr. Casey, Mr. Casey splitting the cost of the boring tests, Mr. Casey providing geotechnical investigation results that he completed in 2005 which included borings in the upper 10 feet of the property to the City, Universal Engineering in Daytona Beach recommending a half (1/2) dozen borings that go down 100 feet, the soil borings having an impact on the appraisal, the third appraiser requesting the geotechnical investigation and the first appraisal being done without a geotechnical investigation.

After discussion, the Commission concurred to ask Mr. Casey to split the cost of the geotechnical investigation.

2/22/16 – City Commission Workshop Potential Next Steps

1. Officially notice the City Commission Public Hearing.
2. Publicize the City Commission Public Hearing at least 10 days prior to the City Commission Public Hearing.
3. Hold the advertised Agenda Item at the announced City Commission Public Hearing.
4. Publicly discuss the potential Casey property land acquisition, including the proposed purchase price and any potential conditions of sale, which also includes geotechnical explorations.

Thank you

APPRAISAL OF

46.54± ACRES OF VACANT MULTI-FAMILY LAND

LOCATED

NORTH OF HOWLAND BOULEVARD
ACROSS FROM DR. MARTIN LUTHER KING BOULEVARD
IN THE CITY OF DELTONA, VOLUSIA COUNTY, FLORIDA

FOR

MS. JANE K. SHANG, CITY MANAGER
CITY OF DELTONA
2345 PROVIDENCE BOULEVARD
DELTONA, FLORIDA 32725

DATE OF VALUATION: JANUARY 5, 2016
DATE OF REPORT: FEBRUARY 4, 2016

CRM NO: 16-002

PREPARED BY:

CRAIG H. CLAYTON, MAI
STATE-CERTIFIED GENERAL REAL ESTATE APPRAISER
LICENSE NUMBER: RZ 118

MARY T. LEADON
STATE-CERTIFIED GENERAL REAL ESTATE APPRAISER
LICENSE NUMBER: RZ1569

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ADDENDUM

CLAYTON ROPER MARSHALL
www.crmre.com

Clayton, Roper & Marshall, Inc., a Florida Corporation
CRAIG H. CLAYTON, MAI
State-Certified General Appraiser RZ 118

PAUL M. ROPER, MAI, SRPA SRA
State-Certified General Appraiser RZ 141

STEVEN L. MARSHALL, MAI, SRA, AI-GRS
State-Certified General Appraiser RZ 155

1982 - 2015
33
Years of Service

February 4, 2016

Ms. Jane K. Shang, City Manager
City of Deltona
2345 Providence Boulevard
Deltona, Florida 32725

Re: Appraisal Report of Approximately 46.54 Acres of Vacant Land Located on the north side of Howland Boulevard in the City of Deltona, Volusia County, Florida 32725

Dear Ms. Shang:

As you requested, we have made the inspections, investigations, and analyses necessary to appraise the above referenced property. The subject property consists of a vacant site with primarily multi-family zoning with a small portion of commercial zoning that totals approximately 46.54 acres, according to a 2006 survey. The property is further described by both narrative and legal descriptions contained within the text of the following appraisal report.

The purpose of this appraisal was to estimate the "As Is" market value of the fee simple interest in the subject property. The value estimates address the subject property in its "As Is" condition under market conditions prevailing as of January 5, 2016, the date of our most recent inspection of the subject property. Market value, fee simple interest, and other appraisal terms are defined within the text of the following appraisal report.

This is an Appraisal Report which is intended to comply with the reporting requirements set forth under the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. As such, it presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraisers' opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraisers' file.

Based upon our investigation into those matters which affect market value, and by virtue of our experience and training, subject to the *General Assumptions, General Limiting Conditions* and *Extraordinary Assumptions*, we have estimated that the market value of the fee simple interest in the subject property "As Is," effective January 5, 2016, was:

THREE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS

($3,350,000).

Ms. Jane K. Shang, City Manager
City of Deltona

Furthermore, we have considered an appropriate marketing period for the subject property at the market value estimates reported above. Our estimates are based upon interviews with active market participants within the subject's marketing area. Assuming the utilization of an organized and coordinated marketing effort, we have estimated a reasonable marketing period for the subject property of approximately one year and an exposure period of approximately one year.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which include the *Uniform Standards of Professional Appraisal Practice* (USPAP).

This letter of transmittal precedes and is hereby made a part of the Appraisal Report that follows, setting forth the most pertinent data and reasoning which was used in order to reach the final value estimate. The appraisal is subject to the *General Assumptions, General Limiting Conditions* and *Extraordinary Assumptions* which have been included within the text of this report. Possession of the report, or a copy thereof, does not carry with it the right of publication. No other party is entitled to rely on the information, conclusions, or opinions contained herein.

The Appraisal Institute maintains a voluntary continuing education program for its members. As of the date of this report, the undersigned MAI has completed the requirements of the continuing education program of the Appraisal Institute. We do not authorize the out of context quoting from or partial reprinting of this appraisal report. Further, neither all nor any part of this appraisal report shall be disseminated to the public by the use of media for public communication without the prior written consent of the appraisers signing this appraisal report. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives and to the requirements of the State of Florida relating to review by its Real Estate Appraisal Board. This is a certified appraisal as defined in the provisions of Part II, Chapter 475.610, Florida Statutes.

Respectfully submitted,

CLAYTON, ROPER & MARSHALL

Craig H. Clayton

Craig H. Clayton, MAI
State-Certified General Real Estate Appraiser
License Number: RZ 118

Mary T. Leadon

Mary T. Leadon
State-Certified General Real Estate Appraiser
License Number: RZ1569

CHC/MTL/avr

CERTIFICATION

We hereby certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- Craig H. Clayton, MAI, and Mary T. Leadon have made a personal inspection of the property that is the subject of this report.
- No one provided significant professional assistance to the persons signing this report.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which include the *Uniform Standards of Professional Appraisal Practice*. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. As of the date of this report, Craig H. Clayton, MAI, has completed the requirements of the continuing education program of the Appraisal Institute.

We have not performed a prior appraisal of the subject property within the three-year period immediately preceding acceptance of this appraisal assignment.

This appraisal report is subject to the *General Assumptions, General Limiting Conditions* and *Extraordinary Assumptions* which have been included within the text of this report.

Craig H. Clayton, MAI
State-Certified General Real Estate Appraiser
License Number: RZ 118

Mary T, Leadon
State-Certified General Real Estate Appraiser
License Number: RZ 1569

DEFINITIONS

MARKET VALUE[1]

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and passing of title from the seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised and each acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

EXPOSURE TIME

Within Definition of Market Value, the value opinion presumes that "A reasonable time is allowed for exposure in the open market". Exposure time is defined as the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at the market value on the effective date of the appraisal. Exposure time is presumed to precede the effective date of the appraisal.

The reasonable exposure period is a function of price, time and use. It is not an isolated opinion of time alone. Exposure time is different for various types of real estate and under various market conditions. As noted above, exposure time is always presumed to precede the effective date of appraisal. It is the length of time the property would have been offered prior to a hypothetical market value sale on the effective date of appraisal. It is a retrospective opinion based on an analysis of recent past events, assuming a competitive and open market. It assumes not only adequate, sufficient and reasonable time but adequate, sufficient and a reasonable marketing effort. Exposure time and conclusion of value are therefore interrelated.

Based on discussions with market participants and information gathered during the sales verification process, we estimated a reasonable exposure time would be twelve (12) months. This assumes an active and professional marketing plan would have been employed by the current owner.

1 Interagency Appraisal and Evaluation Guidelines; December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472.

MARKETING TIME

Marketing time is an opinion of the time that might be required to sell a real property interest at the appraised value. Marketing time is presumed to start on the effective date of the appraisal. (Marketing time is subsequent to the effective date of the appraisal and exposure time is presumed to precede the effective date of the appraisal.) The opinion of marketing time uses some of the same data analyzed in the process of estimating reasonable exposure time and it is not intended to be a prediction of a date of sale.

We believe, based on the assumptions employed in our analysis, as well as our selection of investment parameters for the subject, that our value conclusion represents a price achievable within twelve (12) months.

FEE SIMPLE ESTATE[2]

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

LEASED FEE INTEREST[2]

An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the lessee are specified by contract terms contained within the lease.

LEASEHOLD INTEREST[2]

The interest held by the lessee (the tenant or renter) through a lease conveying the rights of use and occupancy for a stated term under certain conditions.

CONDOMINIUM[2]

1. A form of fee ownership of separate units or portions of multiunit buildings that provides for formal filing and recording of a divided interest in real property.

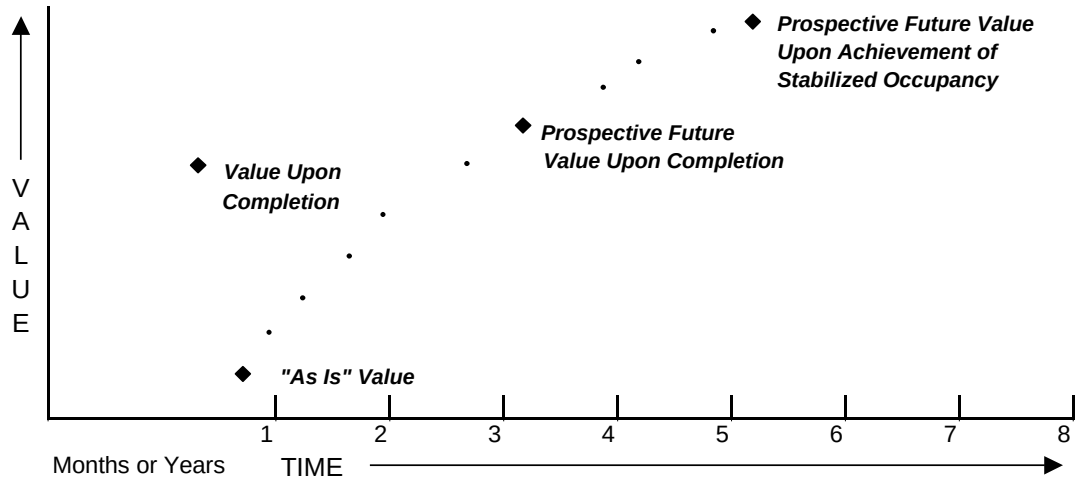
2. A multiunit structure or property in which persons hold fee simple title to individual units and an undivided interest in common areas.

HIGHEST AND BEST USE[2]

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility and maximum probability.

2 The Dictionary of Real Estate Appraisal, 4th Edition (Chicago: Appraisal Institute, 2002).

VALUE CREATION CONTINUUM[3]



The preceding exhibit graphically displays the creation of value in a real estate development projection over time, assuming a zero inflation environment for clarity of presentation.

The four time differential values on the graph that may be considered in the appraisal of proposed developments are defined as follows:

1. ***As Is*** means an estimate of the market value of a property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions, or qualifications as of the date of appraisal is prepared.

2. ***Value Upon Completion*** means the market value of a property with all proposed construction, conversion, or rehabilitation hypothetically completed, or under other specified hypothetical conditions as of the date of appraisal. With regard to properties wherein anticipated market conditions indicate that stabilized occupancy is not likely as of the date of completion, this estimate of value shall reflect the market value of the property as if complete and prepared for occupancy by tenants.

3. ***Prospective Future Value Upon Completion*** means the prospective future value of a property on the date that construction is completed, based upon market conditions forecast to exist as of that completion date.

4. ***Prospective Future Value Upon Achievement of Stabilized Occupancy*** means the prospective future value of a property at a point in time when all improvements have been physically constructed and the property has been leased to its optimum level of long term occupancy.

3 Code of Federal Regulations, Title 12, as amended by the Federal Home Loan Bank Board.

GENERAL ASSUMPTIONS

1. The legal description used in this report is assumed to be correct.

2. No survey of the property has been made by the appraiser and no responsibility is assumed in connection with such matters. Sketches in this report are included only to assist the reader in visualizing the property.

3. No responsibility is assumed for matters of legal nature affecting title to the property nor is an opinion of title rendered. The title is assumed to be good and merchantable.

4. Information and data furnished by others is usually assumed to be true, correct and reliable. When such information and data appears to be dubious and when it is critical to the appraisal, a reasonable effort has been made to verify all such information; however, no responsibility for its accuracy is assumed by the appraiser.

5. All mortgages, liens, encumbrances, leases and servitudes have been disregarded unless so specified within the report. The property is appraised as though under responsible ownership and competent management.

6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.

7. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.

8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined and considered in the appraisal report.

9. It is assumed that all required licenses, consents or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted within the report.

GENERAL LIMITING CONDITIONS

1. The appraiser will not be required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have been previously made thereof.

2. Possession of the report, or copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with proper written qualifications and only in its entirety.

3. The distribution of the total valuation in this report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.

4. No environmental impact studies were either requested or made in conjunction with this appraisal, and the appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions based upon any subsequent environmental impact studies, research or investigation.

5. Neither all nor any part of the contents of this report, or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales or any other media without written consent and approval of the appraiser. Nor shall the appraiser, firm or professional organization of which the appraiser is a member be identified without written consent of the appraiser.

6. Acceptance of and/or use of this appraisal report constitutes acceptance of the foregoing General Assumptions and General Limiting Conditions.

7. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

8. The value estimated is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions unless otherwise stated in this report. The appraiser is not an expert in the identification of hazardous substances or detrimental environmental conditions. The appraiser's routine inspection of and inquiries about the subject property did not develop any information that indicated any apparent significant hazardous substances or detrimental environmental conditions which would affect the property negatively unless otherwise stated in this report. It is possible that tests and inspections made by a qualified hazardous substance and environmental expert would reveal the existence of hazardous substances or detrimental environmental conditions on or around the property that would negatively affect its value.

EXTRAORDINARY ASSUMPTIONS

EXTRAORDINARY ASSUMPTION DEFINITION

An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions.

> Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.
>
> (USPAP, 2014-2015 ed.)

EXTRAORDINARY ASSUMPTIONS USED IN THIS APPRAISAL

1. We have made the extraordinary assumption that the planned in-depth engineering study of depressions visible on the site will not discover sinkhole activity that would be considered undevelopable land area and/or require extraordinary site work. Our valuation is subject to the subject property being considered all developable land area. We reserve the right to alter our value estimate if it is later discovered that portions of the subject are undevelopable land area and/or require extraordinary site work.

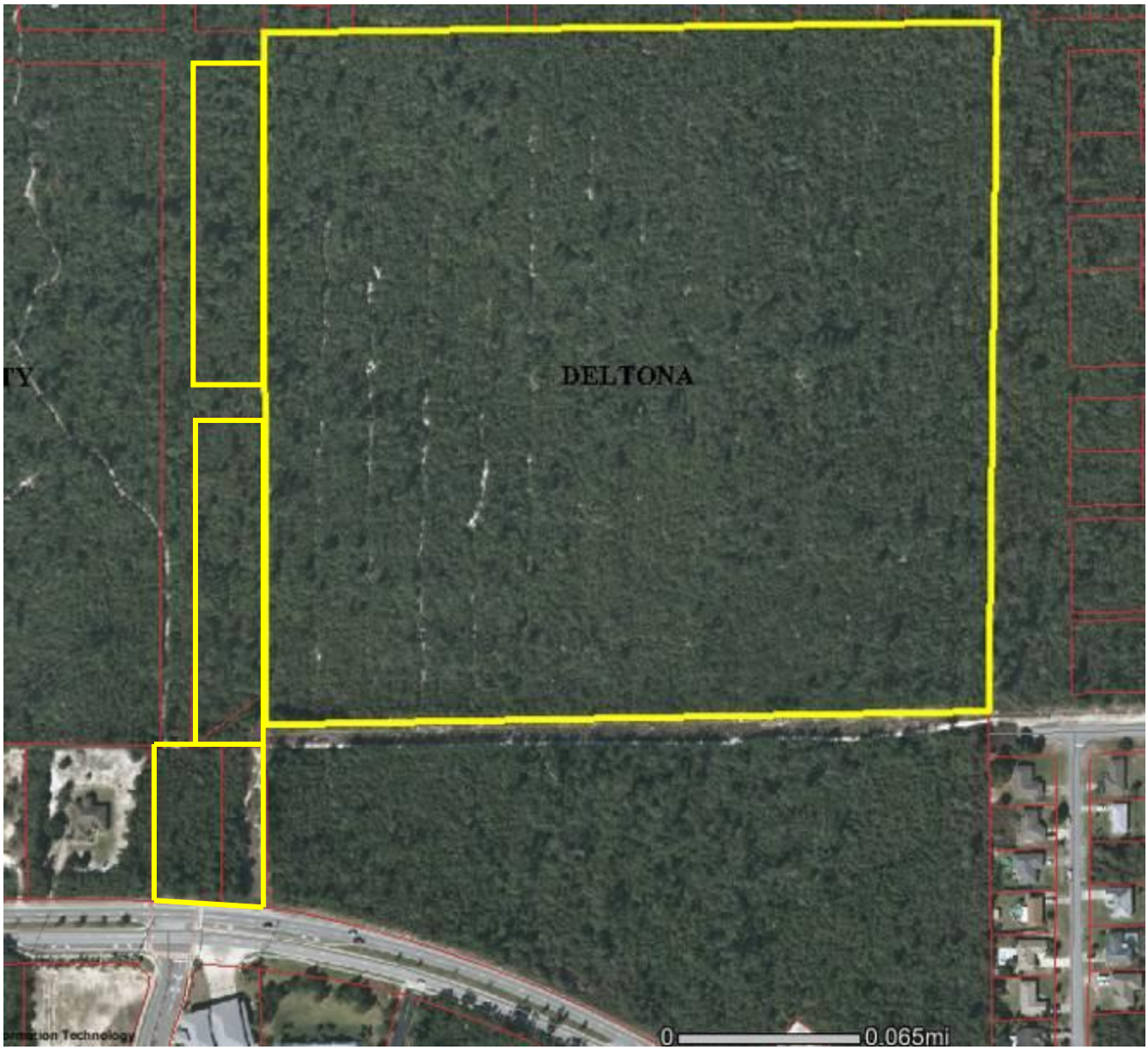
SUMMARY OF SALIENT FACTS

PROPERTY USE	Vacant Land
OWNER OF RECORD	Dennis J. Casey
PARCEL IDENTIFICATION	Volusia County Property Appraiser's Identification Numbers: 04-18-31-00-00-0360, 05-18-31-14-01-0010, 10-0010 and -10-0190 and 08-18-31-00-00-0035
INTEREST APPRAISED	Fee Simple Interest, As-Is
EFFECTIVE DATE OF VALUE	January 5, 2015
DATE OF REPORT	February 4, 2016
LOCATION	The property is located on the north side of Howland Boulevard opposite Dr. Martin Luther King Boulevard in the City of Deltona, Volusia County, Florida 32765.
CENSUS TRACT	0910.01
SITE	The subject site contains a total of 46.54 acres per a 2006 survey. The site has rolling topography and its southwest parcel is at road grade. All utilities are available.
BUILDING IMPROVEMENTS	None
ZONING	RM-1, Residential Multi-Family, Medium-Density (majority of property) and C-2, Commercial (Howland Boulevard frontage), City of Deltona
FUTURE LAND USE	Residential Medium Density (6.1 to 12 units per gross acre), City of Deltona and Commercial (Howland Boulevard frontage), City of Deltona
FLOOD ZONE INFORMATION	According to the pertinent FEMA Maps, the subject property is located in Zone "X," an area of minimal flooding (see included copy of FEMA *Flood Maps*).

SUMMARY OF SALIENT FACTS
(Cont'd)

EASEMENTS AND ENCUMBRANCES	The property is encumbered with a Florida Power (now Duke Energy) Distribution easement, which has no measurable impact on the market value or marketability of the subject property.
HIGHEST AND BEST USE	Residential Development
MARKET VALUE OPINION "AS-IS"	$3,350,000
MARKETING PERIOD	One year
EXTRAORDINARY ASSUMPTIONS	As described on Page 9, this appraisal is subject to the Extraordinary Assumption that a planned engineering study of the subsoil will not discover a significant likelihood of sinkhole activity that would limit the developability of portions of the subject land, or cause extraordinary site work expenses.
HYPOTHETICAL CONDITIONS	None

AERIAL PHOTO



SUBJECT PHOTOGRAPHS

VIEW EAST OF HOWLAND BOULEVARD FROM SUBJECT

VIEW WEST OF HOWLAND BOULEVARD FROM SUBJECT

VIEW NORTH OF DR. MARTIN LUTHER KING BOULEVARD TO SUBJECT ACROSS SIGNALLED INTERSECTION WITH HOWLAND BOULEVARD

VIEW NORTH OF SUBJECT'S ENTRANCE PARCEL ON HOWLAND BOULEVARD

VIEW EAST OF SOUTHERN BOUNDARY OF SUBJECT PROPERTY
AND POWER LINE EASEMENT WEST OF AUTUMN STREET

VIEW WEST OF NORTH PORTION ON SUBJECT'S SOUTHWEST PARCEL

VIEW NORTH OF POWER LINE EASEMENT AND TYPICAL INTERIOR VEGETATION

OVERVIEW OF ASSIGNMENT

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to provide the appraiser's best estimate of the market value of the subject real property as of the effective date. *Market Value* is defined by the federal financial institution's regulatory agencies as follows:

Market Value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

(1) buyer and seller are typically motivated:
(2) both parties are well-informed or well-advised, and acting in what they consider their own best interests;
(3) a reasonable time is allowed for exposure in the open market;
(4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
(5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(Source: Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions (fj.)

INTENDED USER AND INTENDED USE OF REPORT

This appraisal user is the client, the City of Deltona, and its representatives. The intended use is to for internal decision making regarding possible acquisition.

INTEREST APPRAISED

The interest in the subject property being appraised is the fee simple interest.

EFFECTIVE DATE OF APPRAISAL

The purpose of this appraisal was to form an opinion of the "as is" market value of the fee simple interest in the subject property. The “as is” market value estimate is made effective the date of our most thorough physical inspection of the subject property, January 5, 2016.

DATE OF INSPECTION January 5, 2016

DATE OF REPORT February 4, 2016

COMPETENCY OF APPRAISERS

The appraisers’ specific qualifications are included within the *Addendum* of this report. These qualifications serve as evidence of their competence for the completion of this appraisal assignment in compliance with the Competency Provision contained within the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Standards Board of the Appraisal Foundation. The appraisers’ knowledge and experience, combined with their professional qualifications, are commensurate with the complexity of this assignment. The appraisers have previously provided consultation and value estimates for similar properties throughout the State of Florida.

SCOPE OF WORK

In preparing this appraisal, the appraisers:

- inspected the subject property;
- gathered information on comparable land sales;
- quantified the subject, i.e., legal, zoning, taxes, etc.
- analyzed the historic performance of several comparable and competing residential developments within the subject marketing area;
- applied the Sales Comparison Approach

We have formed an opinion of the market value of the fee simple interest in the subject property via the utilization of the Sales Comparison approach to value. The Sales Comparison Approach was utilized to form the “as is” land value. The Cost and Income Approaches were not considered applicable in the valuation of the subject property, as it was unimproved vacant land.

To develop the opinion of value, the appraisers performed a complete appraisal process, as defined by the Uniform Standards of Professional Appraisal Practice. This means that no departures from Standard 1 were invoked.

No limitations or restrictions prevented application of traditional appraisal methodology, and the data supplied by the client was sufficient. All data relating to sales was confirmed with buyers, sellers, or agents who were involved with or had knowledge of the transactional information.

IDENTIFICATION OF THE SUBJECT PROPERTY

LOCATION

The subject property is located north of Howland Boulevard opposite Dr. Martin Luther King Boulevard and west of Catalina Boulevard, within the City of Deltona, Seminole County, Florida.

LEGAL DESCRIPTION

The following legal description of the subject property was taken from the survey dated January 30, 2006 survey by Bowyer-Singleton & Associates, Inc., Project 2AL-J1, which is included later in this appraisal report.

DESCRIPTION:
(PER TITLE REPORT FURNISHED BY FIRST AMERICAN TITLE INSURANCE COMPANY, AGENT FILE NO: CASEY/MARONDA PARCEL A AND AGENT FILE NO: CASEY/MARONDA PARCEL B)

PARCEL A:

THE EAST 198.91 FEET OF THE NORTHEAST 1/4, NORTH OF STATE ROAD 444, OF SECTION 8, TOWNSHIP 18 SOUTH, RANGE 31 EAST, VOLUSIA COUNTY, FLORIDA. SUBJECT TO DECLARATION OF EASEMENTS FOR UTILITIES, INGRESS AND EGRESS, RECORDED IN OFFICIAL RECORDS BOOK 5362, PAGE 1563, PUBLIC RECORDS OF VOLUSIA COUNTY, FLORIDA.

AND:

PARCEL B:

PARCEL 1
SOUTH ONE-HALF OF GOVERNMENT LOT 12, SECTION 4, TOWNSHIP 18 SOUTH, RANGE 31 EAST, VOLUSIA COUNTY, FLORIDA.

PARCEL 2
BEGIN AT THE SOUTHEAST CORNER OF LOT19, BLOCK 10, DAVIS PARK, 6TH ADDITION TO ORANGE CITY, ACCORDING TO THE PLAT THEREOF AS RECORDED IN MAP BOOK 7, PAGE 25, OF THE PUBLIC RECORDS OF VOLUSIA COUNTY, FLORIDA; THENCE NORTH ALONG THE EAST LINE OF SAID LOT 19, A DISTANCE OF 77.45 FEET; THENCE SOUTHWEST IN A STRAIGHT LINE TO A POINT ON THE SOUTH LINE OF SAID BLOCK 10, A DISTANCE OF 121.70 FEET WEST OF THE POINT OF BEGINNING; THENCE EAST ALONG THE SOUTH LINE OF SAID BLOCK 10, A DISTANCE OF 121.70 FEET TO THE POINT OF BEGINNING.

LOTS 1 TO 23, INCLUSIVE, IN BLOCK 1 OF DAVIS PARK SIXTH ADDITION TO ORANGE CITY, ACCORDNG TO THE PLAT THEREOF, AS RECORDED IN MAP BOOK 7, PAGE 25 OF THE PUBLIC RECORDS OF VOLUSIA COUNTY, FLORIDA.

AND:

LOTS 1 TO 23, INCLUSIVE, IN BLOCK 10, AND VACATED STREET LYING SOUTH OF LOT 18, BLOCK 10 OF DAVIS PARK SIXTH ADDITION TO ORANGE CITY, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN MAP BOOK 7, PAGE 25, OF THE PUBLIC RECORDS OF VOLUSIA COUNTY, FLORIDA, LESS AND EXCEPT: BEGIN AT THE SOUTHEAST CORNER OF LOT 19, BLOCK 10, DAVIS PARK SIXTH ADDITION TO ORANGE CITY, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN MAP BOOK 7, PAGE 25, OF THE PUBLIC RECORDS OF VOLUSIA COUNTY, THENCE NORTH ALONG THE EAST LINE OF SAID LOT 19, A DISTANCE OF 77.45 FEET; THENCE SOUTHWEST IN A STRAIGHT LINE TO A POINT ON THE SOUTH LINE OF SAID BLOCK 10, A DISTANCE OF 121.70 FEET WEST OF THE POINT OF BEGINNING; THENCE EAST ALONG THE SOUTH LINE OF SAID BLOCK 10, A DISTANCE OF 121.70 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH THE DECLARATION OF EASEMENTS RECORDED IN OFFICIAL RECORDS BOOK 5362, PAGE 1563.

FIVE-YEAR HISTORY

The subject property is under the ownership of Dennis J. Casey, who purchased the majority of the property in 1994 and two of the western parcels in 2001 and 2003. There have been no arm's length transactions involving the subject parcels in the previous five years. To our knowledge, the subject is not listed for sale or under contract. Two prior contracts were effective on October 20, 2014 to the

same potential buyer, Deion Lowery of Lowery Construction and Development, LLC. Both contracts were for $1,440,000 on one eight-acre parcel for senior living units, and one 12-acre parcel to its east for family garden style apartments. Neither contract closed. We were not able to contact Deion Lowery.

The information contained within this *Five Year History* section is assumed to be accurate and correct. This information is not to be construed as a title search or a report of title. Our office renders no opinion to title, which is assumed to be good and marketable.

FLOOD HAZARD STATEMENT

The commercial portion of the subject at 2982 Howland Boulevard has a flood zone of X, according to FEMA Map 12127C0630J, dated February 19, 2014. The medium-density residential portion to its north is predominantly located in flood zone X, according to the same FEMA Map. Flood Hazard Area X is an area of minimal flood hazard that corresponds to areas outside the 1-percent annual chance floodplain, areas of 1-percent annual chance sheet flow flooding where average depths are less than 1 foot, areas of 1-percent annual chance stream flooding where the contributing drainage area is less than 1 square mile, or areas protected from the 1-percent annual chance flood by levees. No Base Flood Elevations or depths are shown within this zone. Insurance purchase is not required in these zones. However, the flood map does indicate three small areas highlighted in blue that are within the 100-year floodplain. It is later noted that none of these show up as wetlands.

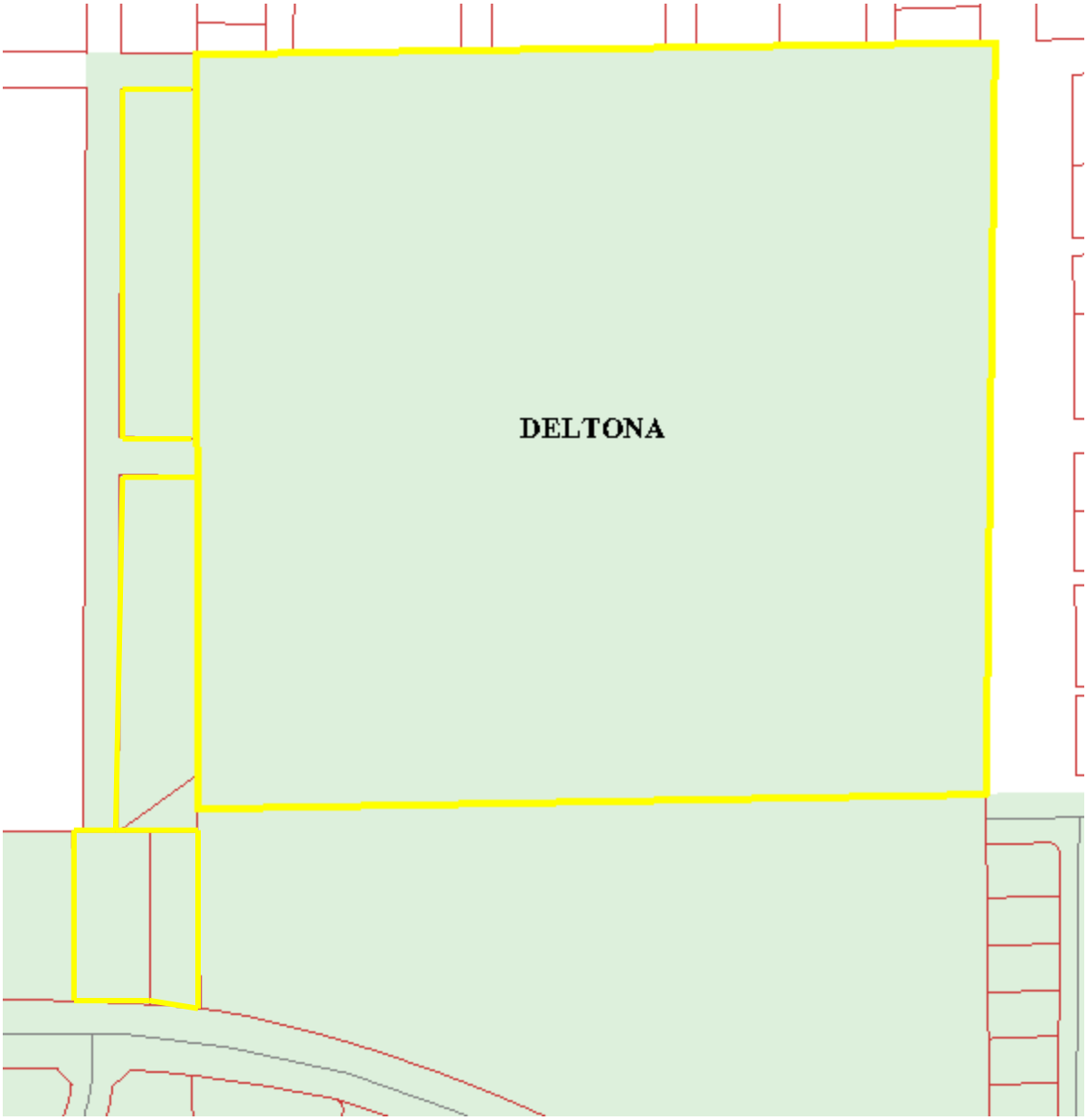
REAL ESTATE TAX INFORMATION

The subject property is assessed for ad valorem property taxes by Volusia County. The assessment for real estate tax purposes is made as of January 1 of each year. The County Commission sets the millage rate to be used in calculating the tax bill in September or October of each year. The County Tax Collector issues the tax bills providing for a 4% discount for payment in November, a 3% discount for payment in December, a 2% discount for payment is January and a 1% discount for payment in February. All tax bills are considered delinquent after March 31 of each year. The following table displays the subject property's pertinent tax information.

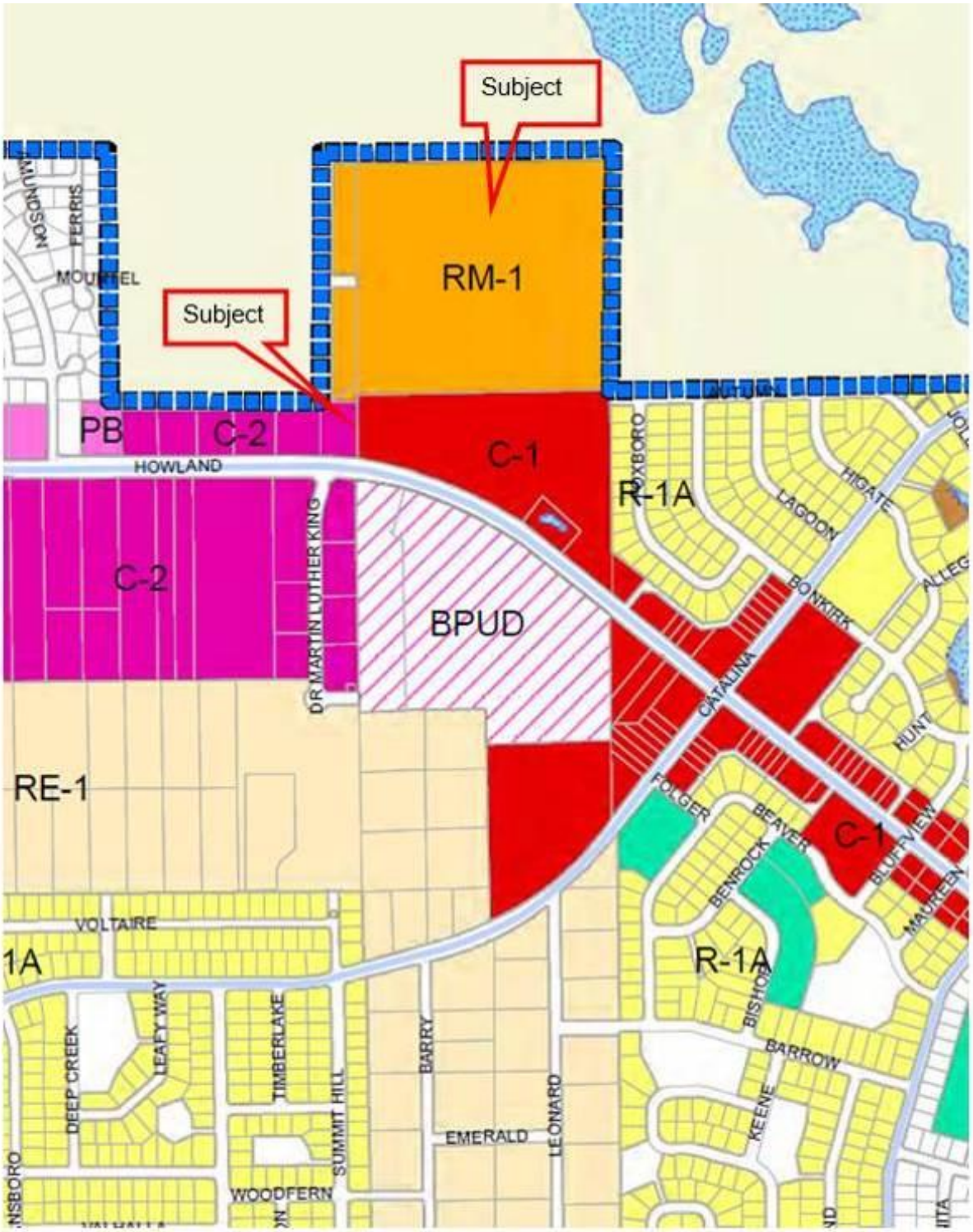
SUBJECT TAX INFORMATION 2015								
Parcel ID	Owner	Just Market Value	Tax Value	Millage Rate	Ad Valorem Taxes	Non Ad Valorem Taxes	2015 Gross Tax Amount	Prior Delinquent Taxes Due
08-18-31-00-00-0035	Dennis J. Casey, Trustee	$64,471 & $127151	$64,471 & $127151	24.4601	$2,028.06	$291.60	$2,319.66	None
05-18-31-14-10-0190	Dennis J. Casey	$165	$165	24.4601	$4.11	$68.04	$72.15	None
05-18-31-14-10-0010	Dennis J. Casey	$4,455	$4,455	24.4601	$110.92	$68.04	$178.96	None
05-18-31-14-01-0010	Dennis J. Casey	$4,455	$4,455	24.4601	$110.92	$68.04	$178.96	None
04-18-31-00-00-0360	Dennis J. Casey	$300,000	$300,000	24.4601	$7,338.03	$1,080.00	$8,418.03	None
							$11,167.76	Total

Mr. Casey subsequently split the first of these parcels in two for tax purposes, directing one to his traditional IRA and the other newly-created parcel to his Roth IRA under the Alternate Key 7773287.

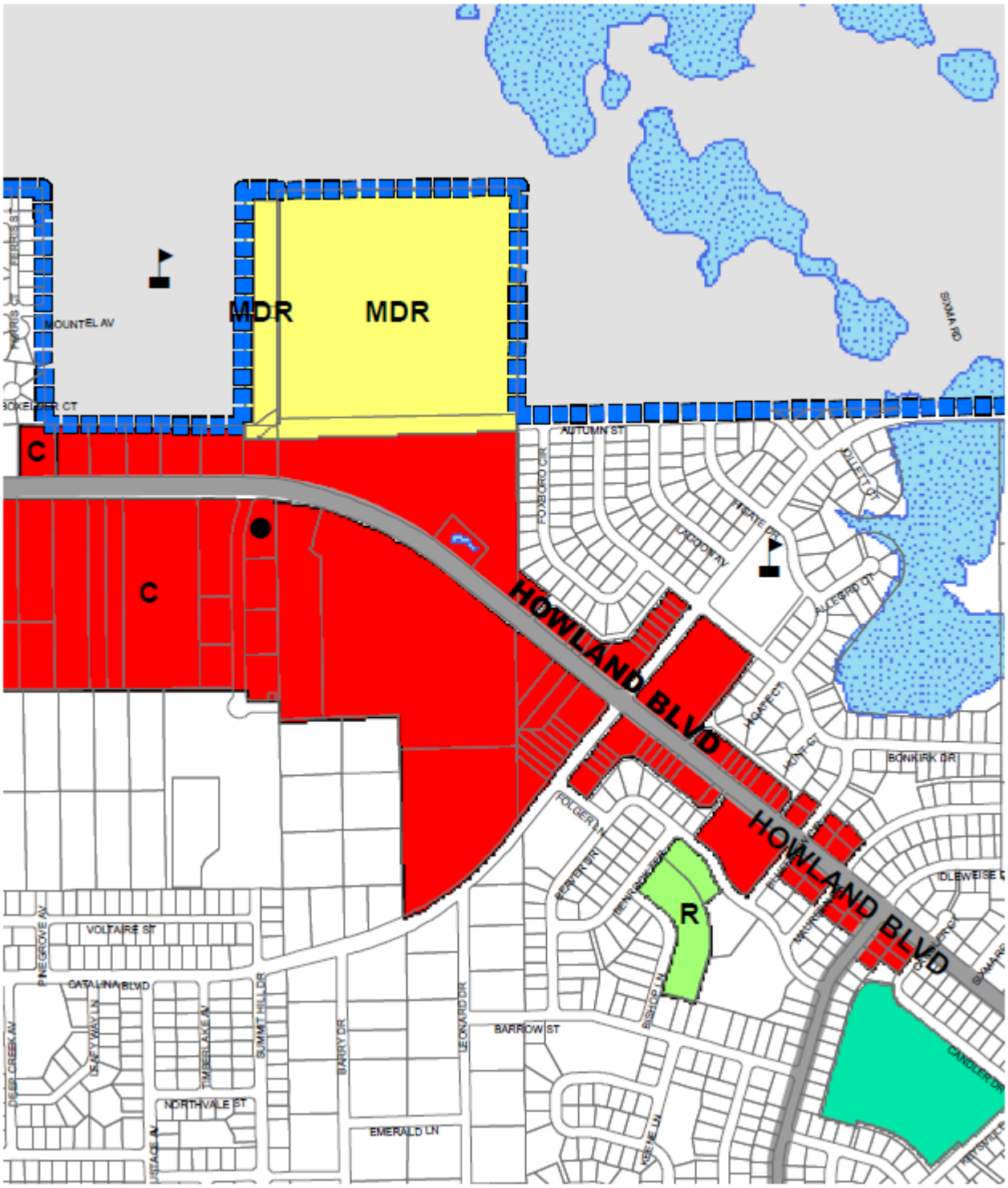
TAX MAP



ZONING MAP


Subject
Subject
RM-1
PB
C-2
C-1
HOWLAND
C-2
BPUD
DR MARTIN LUTHER KING
R-1A
LAGOON
HIGATE
BONKIRK
CATALINA
HUNT
RE-1
FOLGER
BEAVER
C-1
BLUFFVIEW
BENROCK
MAUREEN
VOLTAIRE
R-1A
BISHOP
BARROW
KEENE
DEEP CREEK
LEAFY WAY
TIMBERLAKE
SUMMIT HILL
BARRY
EMERALD
LEONARD
WOODFERN
FERRIS
MOUNTAIL

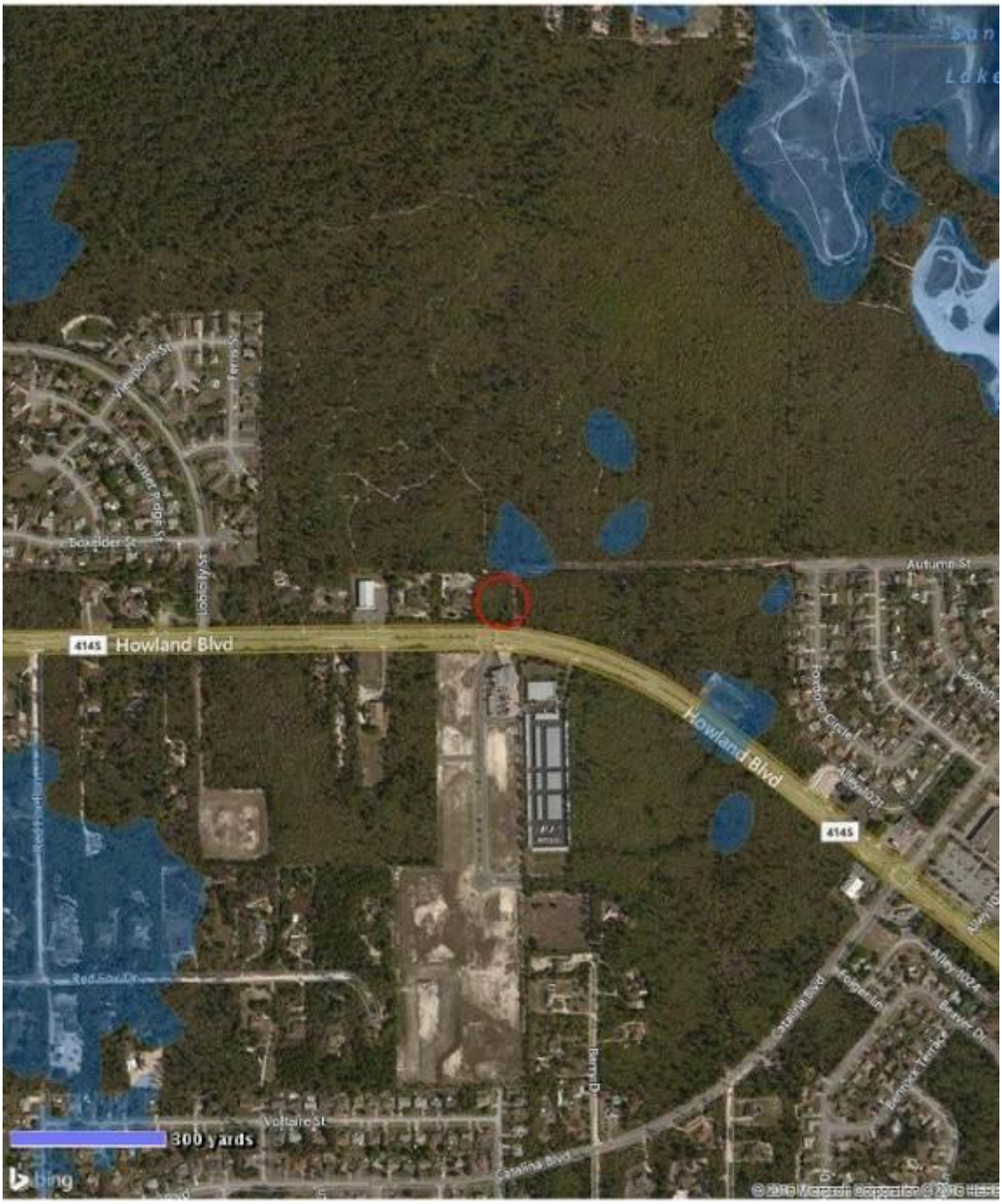
FUTURE LAND USE MAP



COMMERCIAL LAND FLOOD MAP

InterFlood by a la mode

Prepared for: Clayton, Roper & Marshall
2982 Howland Blvd
Deltona, FL 32725-2901



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MAP DATA

FEMA Special Flood Hazard Area: **No**
Map Number: **12127C0630J**
Zone: **X**
Map Date: **February 19, 2014**
FIPS: **12127**

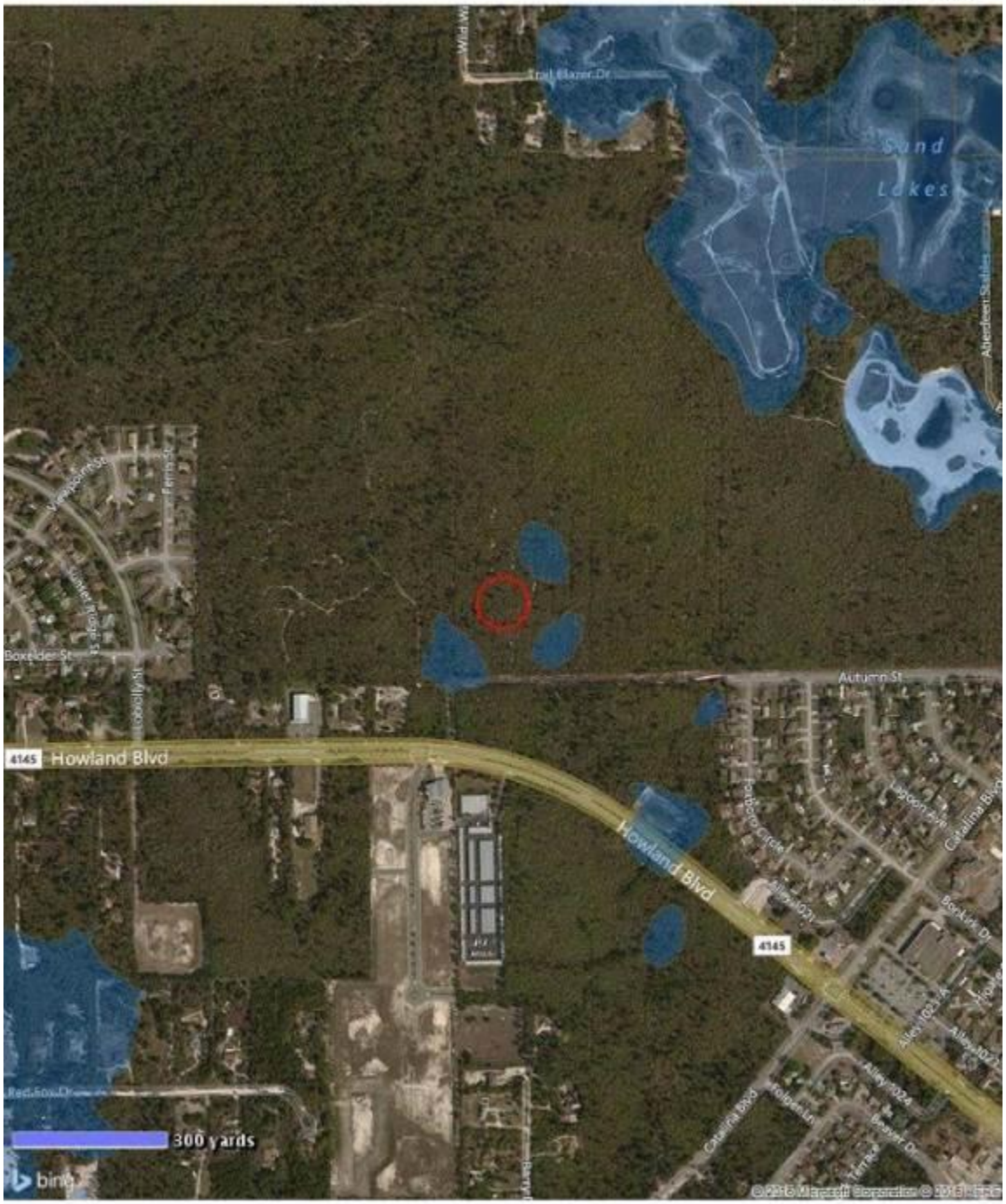
MAP LEGEND

- Areas inundated by 500-year flooding
- Areas inundated by 100-year flooding
- Velocity Hazard
- Protected Areas
- Floodway
- Subject Area

RESIDENTIAL MEDIUM DENSITY LAND FLOOD MAP

InterFlood by a la mode

Prepared for: Clayton, Roper & Marshall
Autumn Street
Deltona, FL 32725



MAP DATA

FEMA Special Flood Hazard Area: **No**
Map Number: **12127C0630J**
Zone: **X**
Map Date: **February 19, 2014**
FIPS: **12127**

MAP LEGEND

Powered by CoreLogic©

- Areas inundated by 500-year flooding
- Areas inundated by 100-year flooding
- Velocity Hazard
- Protected Areas
- Floodway
- Subject Area

ZONING AND FUTURE LAND USE

The majority of the subject property is zoned RM-1, Residential Multi-Family, Medium-Density, by the City of Deltona, with a Future Land Use of Residential Medium Density. This zoning district allows development of six to twelve dwelling units per acre. The lot on the north side of Howland Boulevard is zoned C-2, General Commercial, also by the City of Deltona with a Future Land Use designation of Commercial. That 1.39± acre commercial property with road frontage would be necessary as an entrance to the overall subject property.

The City of Deltona Land Development Code defines the two zoning categories as follows:

Sec. 110-316. C-2, General Commercial.

(a) *Purpose and intent.* The purpose and intent of the C-2 General Commercial classification is to encourage the development of intensive commercial areas providing a wide range of goods and services, and located adjoining at least one major collector or arterial road. The C-2 classification is intended to be applied to strip retail areas and may be applied to Interstate Highway interchange areas and other intersections that are characterized by high traffic volumes appropriate for highway-oriented commercial development and shopping centers. This district is not intended to be applied within established residential areas, except when those areas are either in transition, blighted, or designated in the Commercial future land use category on the adopted Future Land Use Map. This zoning district shall only be applied to areas designated in the Commercial future land use category on the adopted Deltona Comprehensive Plan Future Land Use Map.

Sec. 110-310. RM-1, Multiple Family Residential Dwelling District.

(a) Purpose and intent. The purpose of this zoning district is to allow single-family detached patio homes, duplex dwellings, and multiple family dwellings consistent with the development standards and density requirements of the Medium Density Residential Future Land Use Category.

(b) Permitted uses. Within the RM-1, Multiple Family Residential Dwelling District, no building, structure, land, or water shall be used except for one or more of the following uses and their customary, incidental, and subordinate accessory uses.

1. Single-family patio homes.
2. Single-family townhomes and townhome condominiums.
3. Two-family (duplex) dwellings.
4. Multiple-family dwellings, including cooperative apartments and condominiums.
5. Accessory buildings and uses customarily incident to the above uses when located on the same lot as the principal use, and not involving the conduct of a business (other than the customarily incidental business of onsite management and maintenance of apartment buildings).
6. Essential utility services.
7. Publicly owned or regulated public water supply wells of less than eight inches in diameter in accordance with the potable water wellfield protection requirements of Chapter 98, Article V, Code of Ordinances, City of Deltona, as it may be amended from time to time.
8. Communication towers up to 70 feet high in accordance with the requirements of Chapter 82, Code of Ordinances, City of Deltona, as it may be amended from time to time.
9. Home occupation offices.

(c) Conditional uses. The following land uses and their customary subordinate and incidental accessory uses are permitted as conditional uses subject to the public hearing and staff review requirements established for conditional uses in this chapter.

Adult family-care home (refer to section 110-817(l))

Assisted living facility (refer to section 110-817(l))

Community residential home

Group home facility (refer to section 110-817(l))

Nursing home and nursing home facility (refer to section 110-817(l))

Publicly owned park and recreational facilities and recreational areas. In the platted Deltona Lakes Subdivisions, such facilities are permitted on a site designated as "Park" on the Deltona Lakes Master Development Plan, and passive parks and recreational facilities may be placed on designated drainage tracts.

Schools, public or private, including colleges and universities, junior or community colleges, high schools, junior high or middle schools, elementary schools, kindergarten schools, day care centers, correspondence and vocational schools, schools for adult education, and libraries. Schools are permitted in the platted Deltona Lakes Subdivisions only when they are located on a site designated as "school" on the Deltona Lakes Master Development Plan.

Public markets.

Public uses not otherwise listed under permitted uses or conditional uses.

Publicly owned or regulated water supply wells of eight inches in diameter or greater.

Communication towers over 70 feet high, in accordance with Chapter 82, Code of Ordinances, as it may amended from time to time.

(d) Density.

1. No development shall be permitted to exceed the maximum density limits established for the development site by the Future Land Use Map Category established in the Deltona Comprehensive Plan, as it may be amended from time to time. No development shall approved with less than the minimum density established for the property by the Future Land Use Map Category in the Deltona Comprehensive Plan, as it may be amended from time to time.
2. Maximum density: 12 dwelling units/acre.
3. Minimum density: Six dwelling units/acre.

The City of Deltona describes the subjects Future Land Use Designations as follows:

Commercial (C): Max FAR - 0.55. The Commercial category allows a wide range of retail and service oriented commercial uses including big box, mall, shopping center, restaurant, and other self contained or clustered business uses. Heavy commercial type uses, such as storage and major repair activities may be allowed if compatible with the surrounding area. Commercial uses shall be subject to strict design and compatibility standards. As part of design, access should be managed and if appropriate limited to minimize traffic impacts on City roads or provide appropriate transportation mitigation measures. Commercial uses should be clustered around arterial road intersections as to discourage linear, one store deep strip development patterns. However, in some cases limited strip commercial development patterns may allowed if they are associated with existing commercial areas and do not result in unacceptable levels of traffic. Uses proposed within the Commercial category shall be consistent with the Land Use Location standards.

Medium Density Residential (MDR): 6.1 to 12 units per acre. The purpose and intent of the MDR is to facilitate a range of housing types and options including single family dwellings on small individual lots, townhouses and low and mid-rise multi-family formats. Cluster type subdivisions are allowed as long as the MDR density range is not exceeded. While residential is the primary use, commercial uses may be allowed at the neighborhood convenience scale. Commercial uses should be compatible with the neighborhood by not generating traffic, and being scaled appropriately to serve only the immediate neighborhood. Commercial uses need to be consistent and in compliance with the Land Use Location Standards and other provisions of the Comprehensive Plan. The MDR category shall be served by adequate infrastructure including central water and sewer service.

HAZARDOUS OR TOXIC MATERIALS

During the course of our inspection of the subject property, no hazardous or toxic materials were observed and none came to our attention; however, we are not experts in these matters and assume no responsibility in these regards. Please refer to Item 8 of the *General Limiting Conditions* of this appraisal for a full disclaimer. The appraisers were provided with a Phase One Environmental Site Assessment Report prepared by Point Four Engineering & Technological Services on December 5, 2005. This report summarized that were "no indications of environmental threats or contamination. No further investigations or assessments are recommended at this time."

BIOLOGICAL SITE ASSESSMENT

According to an October 18, 2006 Biological Site Assessment by Bowyer-Singleton & Associates, Inc., File Number: 2AL-1, no wetland systems were identified within the property limits and "current site conditions reduce the opportunity of the site providing habitat or maintaining any size population of species listed as threatened, endangered or species of special concern."

PRELIMINARY SUB-SOIL INVESTIGATION

According to the December 3, 2005 Preliminary Sub-Soil Investigation, by Point Four Engineering & Technological Services, 12 auger borings were performed to a depth of seven feet below ground surface. The soil types were mostly Paola fine sands and Orsino fine sand with little topsoil, which were "generally suitable to support development."

FUNCTIONAL UTILITY AND CONCLUSIONS

The subject site is considered to be well-adapted for a variety of land use types. The intended use of the subject property for a residential development is consistent with both proposed and existing land uses in the area. According to the above sub-soil Point Four Engineering report provided:

1- "The natural topography of the site varies widely and may require substantial 'fill' and 'cut' to achieve build-able grades."

2- “There are localized closed contour sinkhole type depressions visible on the site. Also, the site is located within a physiographic region that exhibits ‘Karst’ conditions wherein there could be possible future sinkhole activity. Such conditions should be considered and addressed during final level design and investigations.”

FLORIDA CONCURRENCY LAW

COUNTY AND MUNICIPAL PLANNING AND LAND DEVELOPMENT REGULATION ACT: CHAPTER 163, FLORIDA STATUTES

The county and Municipal Planning and Land Development Regulation Act, which is commonly referred to as the "Growth Management Act", limits and controls Florida's future growth to levels acceptable to natural, environmental, political, social, and human tolerances. Simply stated, no city or county may issue building permits to developers or allow general real estate growth and development:

1) ahead of existing public infrastructure (i.e., transportation, streets, water supplies, sewage treatment and disposal, schools, social services, health services, etc.); or

2) in advance of approved planned and funding of such public facilities.

The statute requires all city and county comprehensive plans to provide "basic service levels" for the:

- future land use;
- traffic circulation, roads, and mass transportation, if applicable;
- natural ground water recharge, potable water, drainage, sanitary sewer treatment, and solid waste management and disposal;
- conservation and natural environmental impact;
- open spaces and recreation facilities;
- housing
- intergovernmental coordination; and
- capital improvement

All cities and counties are required to submit updated comprehensive plans to the Department of Community Affairs (DCA), which is the state agency responsible for the evaluation and approval of the revised plans. The plans must provide for "concurrency rules" that growth, zoning, and building permits must be kept in line with existing infrastructure facilities, existing and approved plans for future facilities, and developer commitment or local budget existing for development of future facilities in compliance with present and future "levels of service" and environmental tolerances.

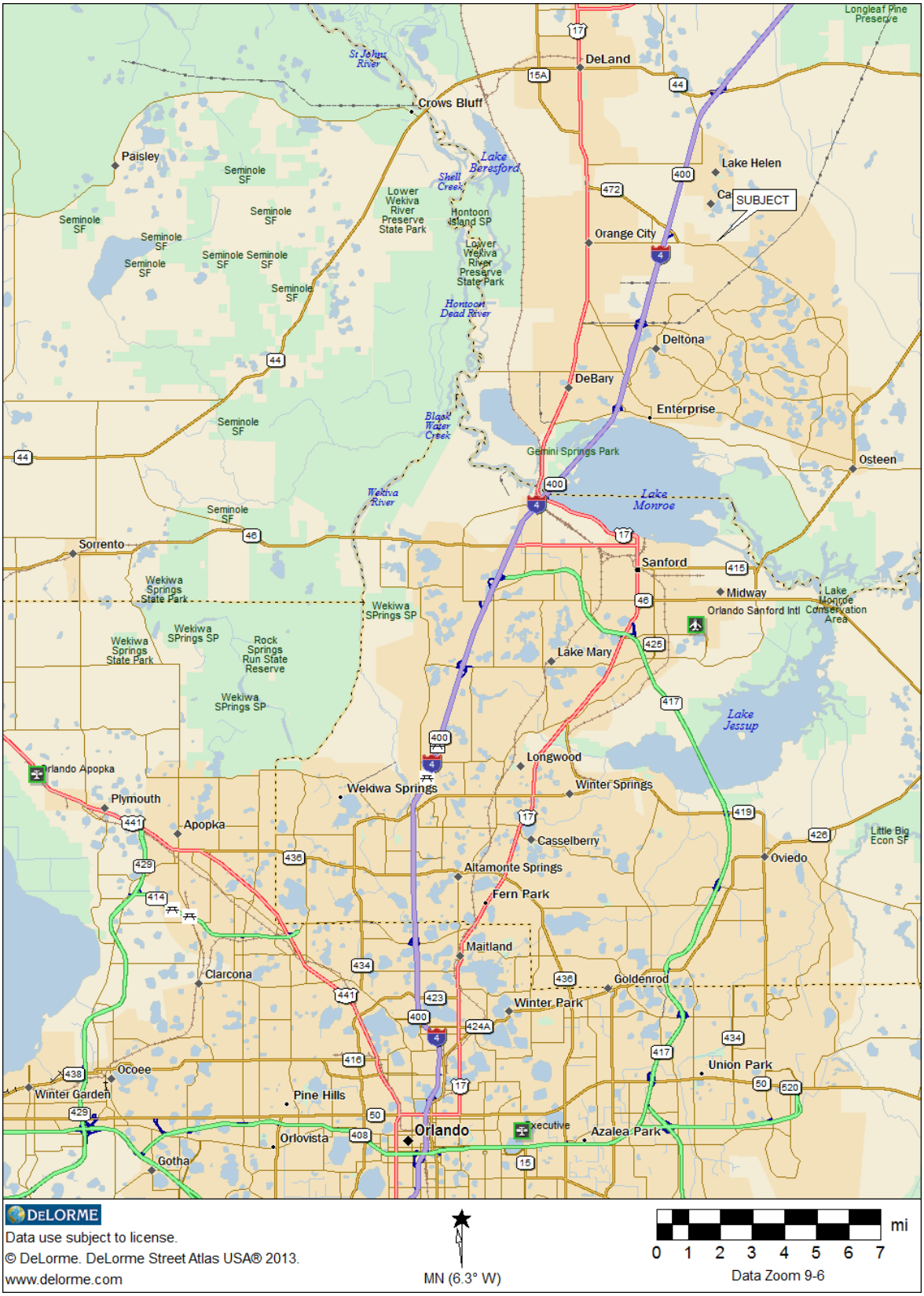
Once a plan is reviewed and accepted by the state, local governments must adopt a Land Development Regulation (LDR) to implement the plan. When the LDR is in place, no development order or permit may be issued by a local government unless the project is consistent with the plan and the LDR.

Concurrency requires that within one year after a local plan is required to be submitted to DCA, public facilities and services, meeting or exceeding the levels of service established in the capital improvement element of the plan, must be available concurrent with the actual impact of any development.

Central Florida developable properties are presently in a transitional stage. A determination of which properties enjoy "vested" development rights has not been determined. It is likely that properties constructed prior to the date of adoption of the comprehensive plan and those with DRI are vested. Other properties are not guaranteed. If adequate services and public facilities are available, then it is likely a building permit is obtainable.

Our estimate of market value within this report is predicated upon the assumption that the subject property is in conformance with concurrency laws thus enabling the subject property to be utilized to its highest and best use.

AREA MAP


DeLand
Crows Bluff
Paisley
Lake Helen
SUBJECT
Orange City
Deltona
DeBary
Enterprise
Osteen
Gemini Springs Park
Lake Monroe
Sorrento
Sanford
Midway
Orlando Sanford Intl
Lake Mary
Lake Jessup
Longwood
Winter Springs
Wekiwa Springs
Casselberry
Altamonte Springs
Fern Park
Maitland
Goldenrod
Winter Park
Oviedo
Union Park
Orlando Apopka
Plymouth
Apopka
Clarcona
Ocoee
Winter Garden
Pine Hills
Orlovista
Orlando
Azalea Park
Gotha
Lake Helen
Longleaf Pine Preserve
Lake Beresford
Hontoon Island SP
Lower Wekiva River Preserve State Park
Wekiwa Springs State Park
Wekiwa SPrings SP
Rock Springs Run State Reserve
Seminole SF
Little Big Econ SF
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Data Zoom 9-6

VOLUSIA COUNTY AREA ANALYSIS

The information contained within this section of the appraisal report has been obtained from numerous and various sources. These sources include various Chambers of Commerce, the Volusia County Planning Authority, United States Bureau of the Census, National Association of Counties, Florida State Employment Service, Volusia County Zoning Commission, Site To Do Business Volusia, County Council of Governments, and the University of Florida Bureau of Economic and Business Research, Volusia County Economic Development Update, and Volusia County Profile by Enterprise Florida.

HISTORY

Volusia County's historic places reveal a rich and exciting past. The remnants of massive shell heaps along the Atlantic coast and the St. Johns River tell of numerous bountiful harvests by native peoples for more than 40 centuries.

The ruins of several sugar and indigo plantations speak of the struggle to settle the East Florida coast by British, Spanish and American colonists in the late 1700's and early 1800's, and the resistance put forth by the Seminole Indian nation to preserve their way of life.

Grand lodges and quaint frame hotels are reminiscent of the time that Volusia County was the "end of the line" for well-to-do Victorian snowbirds from the north – those with ill health seeking out a gentler, warmer climate and those with the lust for the hunt taking advantage of forests and rivers teeming with wildlife.

Volusia County also was once at the edge of the Florida frontier, as evidenced by modest pioneer homes erected by homesteaders and a history rooted in the citrus, timber and cattle industries.

At the turn of the 20th century, Volusia County experienced a roller-coaster sequence of booms and busts – the more prosperous times evidenced by the historic architecture of the County's cities and towns. Today, many of these historic places are open as attractions to the public or are visible from public rights-of-way.

LOCATION

Volusia County is situated on the northeast coast of Florida. Volusia County is located approximately 35 miles northeast of Orlando, 140 miles northeast of Tampa-St. Petersburg, 260 miles north of Miami, and 90 miles south of Jacksonville. The County is convenient to all portions of the state via the excellent interstate highway system.

Volusia County is a large geographical area, with a land area of 1,106± square miles, in which the Greater Daytona Beach area (a/k/a Daytona Beach Metropolitan Service Area) is the largest population center. DeLand, the seat of the County's government, is located on the west side of the County, approximately 22 to 25 miles west of Daytona Beach. The other two population centers are the New Smyrna Beach and Deltona areas, in the southeast and southwest portions of the County, respectively.

The Greater Daytona Beach area is the principal metropolitan area on the Central East Coast of Florida. Encompassed in the Greater Daytona Beach area are the immediately adjoining cities (north to south) of Ormond Beach, Holly Hill, Daytona Beach, South Daytona, Daytona Beach Shores, Port Orange, and Ponce Inlet.

TOPOGRAPHY

The topography in the area is practically level, with elevations from sea level to a high elevation approximately 110 feet above. The soil is suitable for development, requiring no special on-site engineering, footings, or foundations and will support the development of large multi-story structures including condominiums, motels, office buildings, etc. A wide variety of building types can be seen throughout the area. Septic tanks are generally permitted in those areas not serviced by municipal waste disposal systems.

The St. Johns River forms the southwestern Volusia County line. The river twists and turns over more than 67 miles stretching from close to Clark Lake in the southeast to Lake George in the northwest.

On the east side, the Halifax River divides the area into the mainland and the peninsula, which is on the beach side. The peninsula is approximately 25 miles long, stretching from Ponce Inlet in the south to Flagler Beach in the north. The ocean frontage on this long peninsula is the "World Famous" Daytona Beach. The Halifax River is part of the Intercoastal Waterway.

POPULATION

The County is divided into three primary population centers. The Greater Daytona Beach or Halifax area is located in the northeast section of the County along the coastline and is comprised of the communities of Daytona Beach, Ormond Beach, Port Orange, South Daytona, Daytona Beach Shores, Ponce Inlet, and Ormond by the Sea. The New Smyrna Beach area consists of the southeast coastal area of the County and consists of New Smyrna Beach, Edgewater, and Oak Hill, while the west Volusia area consists of the communities of DeLand, Deltona, De Leon Springs, Orange City, DeBary, Lake Helen, and Pierson. In addition to the incorporated cities, towns, and communities listed above, each population area is bordered by unincorporated but populated portions of Volusia County.

The following two charts list the demographic and income information from the Site To Do Business with forecasts for 2015 and 2020 and the 2010 Census.

	Volusia County, ...
Population Summary	
2000 Total Population	443,343
2010 Total Population	494,593
2015 Total Population	506,494
2015 Group Quarters	12,829
2020 Total Population	521,743
2015-2020 Annual Rate	0.60%
Median Household Income	
2015	$42,109
2020	$50,261
Median Home Value	
2015	$141,002
2020	$179,155
Per Capita Income	
2015	$24,348
2020	$27,665
Median Age	
2010	45.3
2015	46.6
2020	47.5

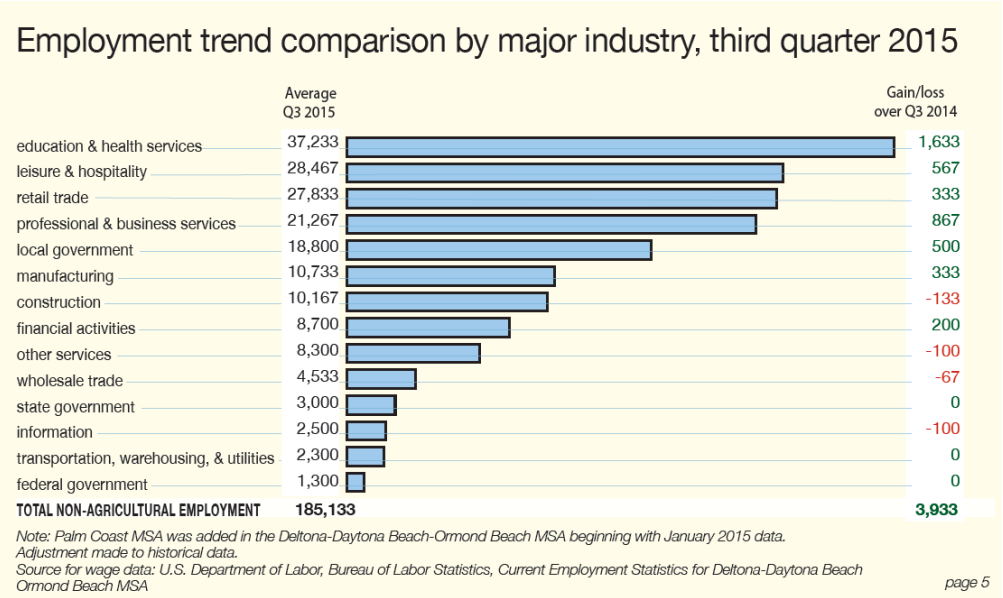
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020. Esri converted Census 2000 data into 2010 geography.

	Volusia County, ...
2015 Households by Income	
Household Income Base	213,463
<$15,000	15.0%
$15,000 - $24,999	13.8%
$25,000 - $34,999	12.4%
$35,000 - $49,999	15.8%
$50,000 - $74,999	18.8%
$75,000 - $99,999	11.0%
$100,000 - $149,999	8.8%
$150,000 - $199,999	2.4%
$200,000+	2.1%
Average Household Income	$57,069

2015 Population by Age	
Total	506,494
0 - 4	4.6%
5 - 9	4.9%
10 - 14	5.0%
15 - 24	11.7%
25 - 34	11.3%
35 - 44	10.6%
45 - 54	13.5%
55 - 64	15.1%
65 - 74	12.7%
75 - 84	7.3%
85 +	3.3%
18 +	82.5%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020. Esri converted Census 2000 data into 2010 geography.

EMPLOYMENT



The Volusia County area's economic base is dependent on the tourist and trade industries, which tend to follow the trends of the national economy as a whole. The previous chart from the 3rd Quarter 2015 Volusia County Economic Development Update lists the employment by major industry in Volusia County.

The following is a list of the top Volusia employers according to the Volusia County Florida Data Report – February 2015, and 4th Quarter labor statistics from Volusia County Economic Development Fourth Quarter 2014 Update – February 6, 2015.

Top Volusia employers, November 2014

Business/organization	Number of employees	Type of business
Volusia County Schools	7,340	education
Halifax Health	4,090	healthcare
Volusia County Government	3,285	government
Florida Hospital – all divisions	3,834	healthcare
Publix Supermarkets, Inc.	3,046	grocery
State of Florida	2,661	grocery/retail
Wal-Mart Stores, Inc.	1,873	government
Daytona State College	1,558	education
Embry-Riddle Aeronautical University	1,465	education
U.S. Government	1,450	government
total employees	**30,602**	

Source: Total labor force in Volusia County: 258,685 per Department of Economic Opportunity Local Area Unemployment Statistics. Note: The above list ranks the largest employers in the county by the number of workers employed. It is based on a telephone survey by Volusia County Economic Development to area businesses and organizations. Only companies responding to this survey are included on this listing.

The following charts from the 3rd Quarter 2015 Volusia County/Department of Economic Development Update give a summary of Deltona-Daytona Beach-Ormond Beach MSA and selected Volusia County cities labor force.

Third quarter 2015 labor statistics

labor force (all available workers)

	3rd qtr 2015	3rd qtr 2014	net change	% net change
Volusia County	**238,311**	**241,291**	**-2,980**	**-1.2**
Florida	9,606,333	9,695,333	-89,000	-0.9
U.S.	156,962,000	156,636,667	325,333	0.2

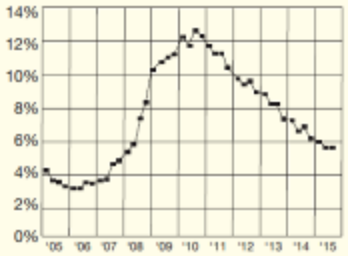
unemployment (all unemployed workers)

	3rd qtr 2015	3rd qtr 2014	net change	% net change
Volusia County	**13,763**	**16,617**	**-2,854**	**-17.2**
Florida	534,333	636,000	-101,667	-16.0
U.S.	8,070,000	9,685,333	-1,615,333	-16.7

unemployment rate

	3rd qtr 2015	3rd qtr 2014
Volusia County	**5.8%**	**6.9%**
Florida	5.6%	6.5%
U.S.	5.1%	6.2%

Volusia County unemployment rate by quarter



Note: Numbers are based on an individual's place of residence (whether employed in their immediate area or elsewhere).
Source: U.S. Department of Labor, Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics Program (LAUS).
LAUS data reflects fourth generation BLS modeling implemented January 2015, also applied to historic data.

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Labor force Volusia County and selected cities

Volusia County

3rd quarter 2015

	July	Aug	Sept	average
labor force	237,055	238,525	239,354	238,311
employment	222,759	224,621	226,266	224,549
unemployed	14,296	13,904	13,088	13,763
% uemployed	6.0	5.8	5.5	5.8

3rd quarter 2014

	July	Aug	Sept	average
labor force	241,905	240,604	241,364	241,291
employment	224,686	223,673	225,663	224,674
unemployed	17,219	16,931	15,701	16,617
% uemployed	7.1	7.0	6.5	6.9

Daytona Beach

3rd quarter 2015

	July	Aug	Sept	average
labor force	28,958	29,118	29,185	29,087
employment	26,941	27,167	27,366	27,158
unemployed	2,017	1,951	1,819	1,929
% uemployed	7.0	6.7	6.2	6.6

3rd quarter 2014

	July	Aug	Sept	average
labor force	29,564	29,432	29,506	29,501
employment	27,174	27,052	27,293	27,173
unemployed	2,390	2,380	2,213	2,328
% uemployed	8.1	8.1	7.5	7.9

DeLand

3rd quarter 2015

	July	Aug	Sept	average
labor force	12,322	12,404	12,445	12,390
employment	11,551	11,648	11,733	11,644
unemployed	771	756	712	746
% uemployed	6.3	6.1	5.7	6.0

3rd quarter 2014

	July	Aug	Sept	average
labor force	12,530	12,457	12,486	12,491
employment	11,651	11,599	11,702	11,651
unemployed	879	858	784	840
% uemployed	7.0	6.9	6.3	6.7

Note: Numbers are based on an individual's place of residence (whether employed in their immediate area or elsewhere).
Source: U.S. Department of Labor, Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics Program (LAUS).
LAUS data reflects fourth generation BLS modeling implemented January 2015, also applied to historic data.

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Labor force Volusia County and selected cities

Deltona

3rd quarter 2015

	July	Aug	Sept	average
labor force	42,476	42,718	42,808	42,667
employment	39,757	40,089	40,383	40,076
unemployed	2,719	2,629	2,425	2,591
% unemployed	6.4	6.2	5.7	6.1

3rd quarter 2014

	July	Aug	Sept	average
labor force	43,415	43,024	43,223	43,221
employment	40,101	39,920	40,275	40,099
unemployed	3,314	3,104	2,948	3,122
% unemployed	7.6	7.2	6.8	7.2

Ormond Beach

3rd quarter 2015

	July	Aug	Sept	average
labor force	17,976	18,079	18,192	18,082
employment	17,012	17,154	17,280	17,149
unemployed	964	925	912	934
% unemployed	5.4	5.1	5.0	5.2

3rd quarter 2014

	July	Aug	Sept	average
labor force	18,314	18,208	18,274	18,265
labor force	17,159	18,082	17,274	17,158
unemployed	1,155	1,126	1,040	1,107
% unemployed	6.3	6.2	5.7	6.1

Port Orange

3rd quarter 2015

	July	Aug	Sept	average
labor force	28,749	28,931	29,032	28,904
employment	27,318	27,547	27,749	27,538
unemployed	1,431	1,384	1,283	1,366
% unemployed	5.0	4.8	4.4	4.7

3rd quarter 2014

	July	Aug	Sept	average
labor force	29,250	29,192	29,290	29,244
employment	27,555	27,431	27,675	27,554
unemployed	1,695	1,761	1,615	1,690
% unemployed	5.8	6.0	5.5	5.8

Note: Numbers are based on an individual's place of residence (whether employed in their immediate area or elsewhere).
Source: U.S. Department of Labor, Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics Program (LAUS).
LAUS data reflects fourth generation BLS modeling implemented January 2015, also applied to historic data.

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CLIMATE AND PHYSICAL FACTORS

The Volusia County area is near the demarcation line of the subtropics, thus resulting in the climate being fairly stable and slightly warmer during the cold winter months than cities inland from the ocean. Similarly, the ocean breezes tend to decrease summer temperatures along the eastern part of the County, giving this area slightly lower readings than cities inland. The yearly average maximum temperature is 79.7 degrees. Typically the hottest months are from June through August when the temperature averages 81 degrees, and the coldest months are typically December through February when the temperature averages 61.5 degrees.

Rainfall averages 48.46 inches yearly, with much of this falling in the form of late afternoon thundershowers during the warmer summer months. Sunny weather can be expected more than 90% of the year.

The Volusia County area has a fairly constant elevation ranging from 38 to 40 feet above sea level. Soil ranges from sand on the peninsula to sandy loam inland. Natural vegetation consists mainly of pines, with scattered oaks and cabbage palms. Palmettos comprise the primary ground cover. Subtropical and tropical plants are cultivated extensively with the tropical plants surviving only with protection from frosts. Portions of the County are at lower elevations above sea level and certain areas are considered special flood hazard areas, as delineated by the Department of Housing and Urban Development flood zone maps.

SHOPPING

Shopping facilities are in abundance throughout the Volusia County area. The various downtown shopping areas are well-supplemented by outlying shopping centers and malls, including the one million square foot Volusia Mall, completed in 1975, and having four major department stores and over 100 smaller stores.

RECREATION

Being primarily a tourist area, as well as having a large population of retired people, the Greater Daytona Beach area abounds with recreational facilities. Daytona Beach is known internationally as the "World's Most Famous Beach" and "NASCAR's World Center of Racing." The beaches of the Daytona Beach and New Smyrna Beach areas offer breathtaking beauty and water-related fun. At low tide, the beach is up to 500 feet wide. More than 10 million tourists visit Volusia County annually.

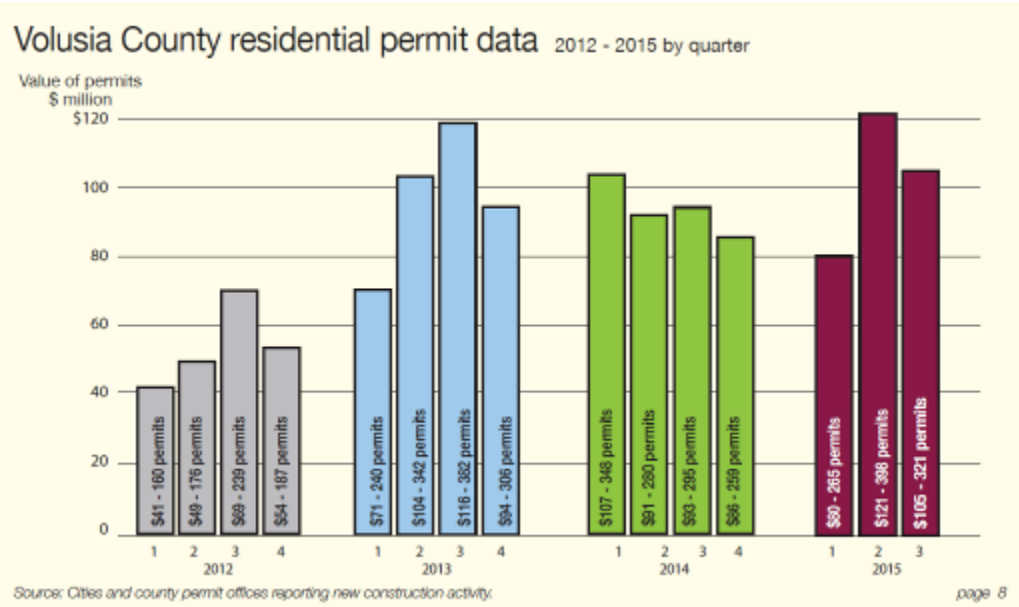
Various sports attractions are found in the Greater Daytona Beach area including the Daytona International Speedway, the Daytona Beach Kennel Club, YMCA/YWCA sports complexes, and unlimited fishing, sailing, and boating opportunities. The West Volusia and New Smyrna Beach areas are similarly equipped with adequate recreational facilities situated in strategic locations.

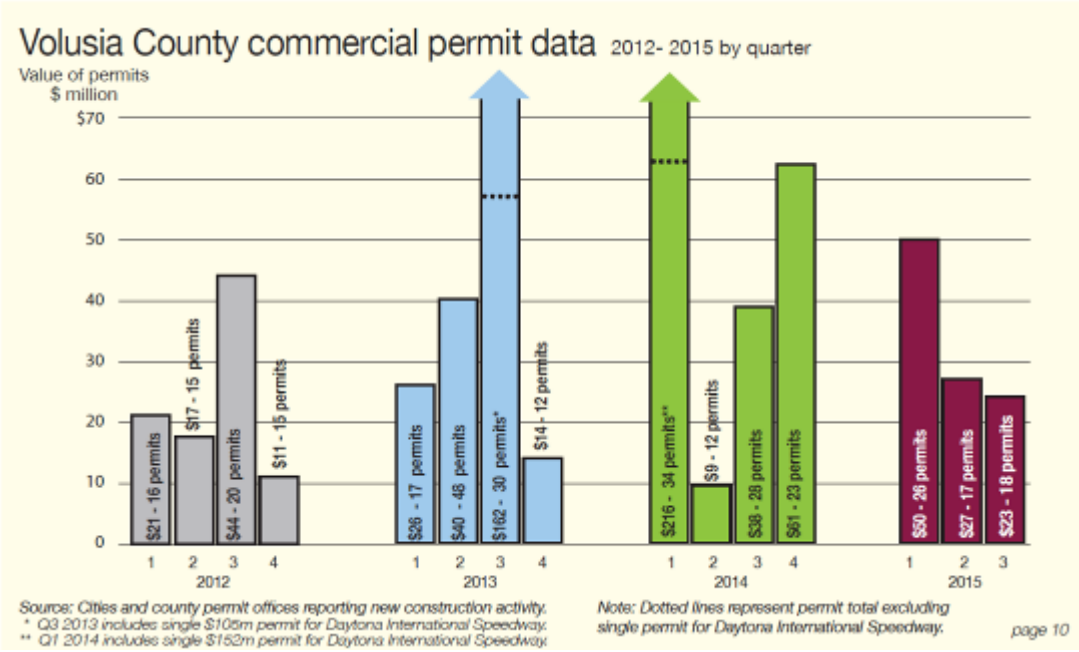
The area has most of the well-known civic or service clubs for men and women including Rotary, Kiwanis, Optimist, Lions, Junior League, Jaycees, Civitan, and American Business Women's Association. It also boasts of a variety of cultural attractions and facilities including the Museum of Arts and Sciences and Planetarium, the Halifax Historical Society Museum, the Daytona Playhouse Theatre, the 2,500 seat Peabody Auditorium, the Art League of Daytona Beach, Civic Center (Ocean Center), and others.

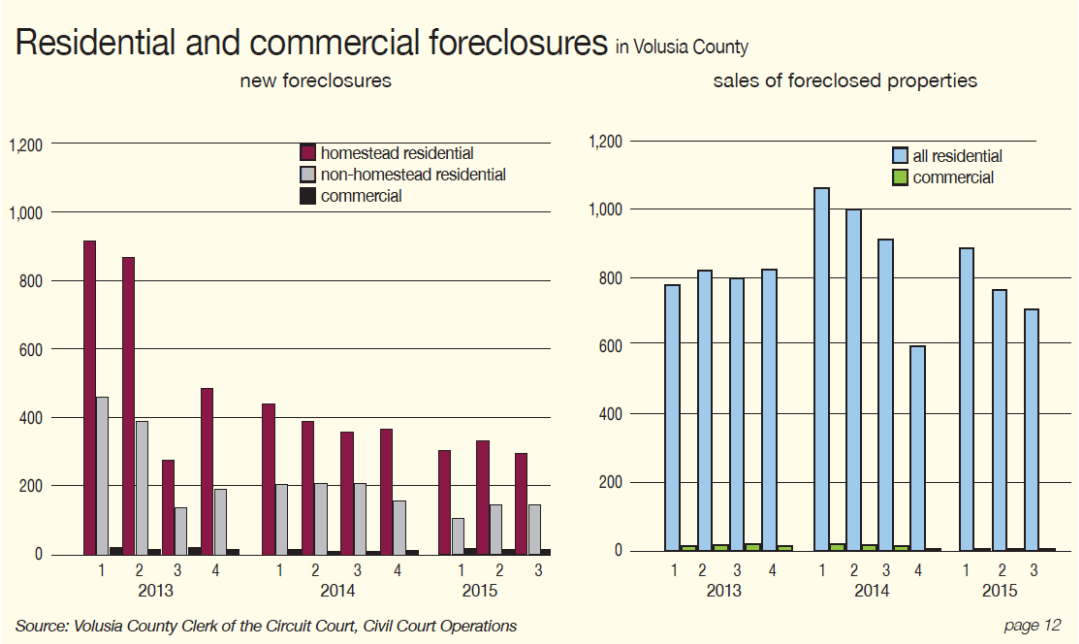
HOUSING

Housing available in the area ranges from condominiums to single-family dwellings and mobile homes. The majority of condominium developments are located on the peninsula and have proven to be a popular type of ownership. Residential areas have spread to the north, south, and west of built-up downtown areas. Mobile home placement is very restricted, and well-planned mobile home parks are the rule rather than the exception.

Housing starts are a good measure of current economic climate. The following charts from the 3rd Quarter 2015 Volusia County/Department of Economic Development Update show residential and commercial permit data as well as residential and commercial foreclosures.







GOVERNMENT AND TAXES

Volusia County employs a County Council/County Manager form of government, while incorporated municipalities utilize either a Mayoral/City Council or a City Manager/City Council form of government. The current County managerial form of administration combines the planning departments of the County with its municipalities to achieve a coordinated and cohesive master plan for the County.

Taxes are levied on the County level, with municipal districts having varying boundaries for the services they provide. These taxes are competitive with those levied by surrounding Counties. The area has a 6.5% retail sales tax and no state income tax.

ECONOMY

The Volusia County area, like the rest of the state, has been significantly impacted by the slumping economy. The high growth rates of the recent past have slowed to virtually nothing along with national economic conditions. Demand is likely to increase gradually when the overall national economy revives.

Development in DeLand's Airport Business Park, a Free Trade Zone, has been a significant catalyst of the recent past. Several new manufacturing plants relocated to the area during that time. City incentives, including tax abatement, are determined by the number of jobs created and the wages paid. The city has helped local businesses to expand and new businesses to relocate.

UTILITIES AND MUNICIPAL SERVICES

Florida Power and Light Corporation, Duke Energy, New Smyrna Utilities and Clay Electric supply the electricity throughout the area according to Enterprise Florida Volusia County Profile. Telephone service is provided by AT&T (which is now BellSouth), Actel, East Florida Communications, Verizon, Bright House Networks and Sprint, which is now CenturyLink. Natural gas is provided by TECO and Florida Public Utilities. The municipalities provide water, sewer, and garbage collection services while residents in unincorporated areas generally have a private or community water supply, sewage disposal systems, and contract individually for garbage disposal. Some of the water and sewer companies include Florida Water Services Corporation, North Peninsula Utilities Corporation, Plantation Bay Utilities and Tymber Creek Utilities.

The police departments serve the incorporated areas of Volusia County and the Volusia County Sheriff's Department serves all other areas of the County. Four fire districts operate within Volusia County and include 24 municipal and seven County fire stations.

EDUCATION AND RELIGION

Throughout the Volusia County area, there are an adequate number of public, private, and religious schools which represent lower levels of education (i.e., elementary, junior, and senior high schools). The older school buildings have been recently upgraded, renovated, or replaced. New facilities have also been added where needed. According to the Volusia County Schools website the county has over 62,000 students and approximately 7,300 employees.

The Volusia County area has several higher level educational facilities including Daytona State College, Keiser College, Embry-Riddle Aeronautical University, Stetson University, Bethune-Cookman College, University of Central Florida (Daytona Beach Campus) and Nova Southeastern University.

There are more than 110 churches and places of worship scattered throughout the Greater Daytona Beach area, and most of these offer ancillary programs such as nursery schools, kindergarten, child care, etc.

HOSPITAL AND MEDICAL SERVICES

The Volusia County area has several health care facilities. There are a number of modern hospitals scattered throughout the Greater Daytona Beach area. According to Enterprise Florida, major hospital facilities located in Volusia County are Bert Fish Memorial Center in New Smyrna Beach, Florida Hospital in DeLand, Florida Hospital Fish Memorial in Orange City, Florida Hospital in Daytona Beach, Florida Hospital Oceanside, and Halifax Medical Center in Daytona Beach and Port Orange. In addition to the hospital facilities, there are several medical facilities such as nursing homes, convalescent centers, and private health care facilities.

TRANSPORTATION

The Volusia County area is served by all major forms of transportation, including an excellent state and federal highway system. The major north-south roadways include Interstate 95, US Highway 1, Nova Road, and State Road A1A (Atlantic Avenue). The major east-west roadways are Interstate 4, US Highway 92 (Volusia Avenue), Dunlawton Avenue, Beville Road (State Road 400), and State Road 40 (Granada Boulevard).

Interstate 95 is in the western section of the Greater Daytona Beach area and is generally considered the western boundary of present development. There has recently been some activity west of Interstate 95, and it is reasonable to assume that development will gradually expand west of the interstate.

For many years, US Highway 1 was the primary north-south artery for tourism in the Greater Daytona Beach area. It has been heavily developed with tourist-oriented businesses. The construction of the interstate highway system to the west took most of the transient traffic away from US Highway 1, and the roadway became more local in nature. US Highway 1 is still a major traffic artery throughout the Greater Daytona Beach area and is heavily developed with a variety of commercial improvements.

Nova Road is west of US Highway 1 and was originally constructed as a truck route around the Greater Daytona Beach area. Interstate 95 now handles a majority of the truck traffic, and Nova Road has become a major traffic artery. Nova Road is improved with a variety of development including single-family, multi-family, commercial, and industrial improvements. It varies from two to six lanes throughout the Greater Daytona Beach area. It has six lanes from Beville Road in the south to just north of Mason Avenue in the north. Nova Road is currently planned to be widened in the areas north of Mason Avenue and south of Beville Road, where it is currently two lanes.

State Road A1A (Atlantic Avenue) has been used for many years as a scenic route along the Florida east coast. This road parallels, and is adjacent to, the Atlantic Ocean. State Road A1A is the prime artery for the tourism industry in the Greater Daytona Beach area. The state road is lined with hotels, motels, restaurants, and shops, all geared toward the tourism industry. State Road A1A is a four-lane road which stretches from Dunlawton Avenue on the south to Granada Boulevard (State Road 40) in the north.

Beville Road (State Road 400) is a direct extension of Interstate 4 where Interstate 4 intersects with Interstate 95. This road varies from four to six lanes of traffic and connects US Highway 1 on the east with the Interstate 4 area. Beville Road is a heavily-traveled road due to its recent commercial and residential development.

Dunlawton Avenue, the southernmost major roadway in the Greater Daytona Beach area, connects the beach area with Interstate 95 via the Port Orange Causeway. The Dunlawton extension provides a direct link between Interstate 95 and the southern portion of the Greater Daytona Beach area.

US Highway 92 (Volusia Avenue) is the main east-west artery to and from Interstate 95 to the Beaches and the downtown area. US Highway 92 provides direct access to several major shopping malls, the Daytona International Airport, the Daytona International Speedway, etc. US Highway 92 also provides direct access to the County Seat which is located in DeLand, Florida, west of the Greater Daytona Beach area. Several schools are located along US Highway 92 including Daytona Beach Community College, Embry-Riddle Aeronautical University, Mainland Senior High School, etc.

State Road 40 (Granada Boulevard) runs east-west, also connecting the beach area to Interstate 95. State Road 40 travels west of the Greater Daytona Beach area, extending to Silver Springs in Ocala, Florida. State Road 40 is of major importance in the Ormond Beach area and development is

progressing at a steady pace. A bridge across the Halifax River alleviates some of the traffic congestion problems inherent in the previous two-lane structure. Additional bridges connecting the beaches and the mainland over the Halifax River include the Oakridge Bridge, the Main Street Bridge, and the South Bridge.

In addition to the major roadways, the Greater Daytona Beach area is served with numerous local streets handling inter-city access. The area has a good road system that adequately handles the traffic including peak hours of traffic. Public transportation is furnished by the VoTran system, a County/State financed program providing access through most portions of the Greater Daytona Beach area and including some of the outlying areas. VoTran varies its schedule by season and needs.

Air transportation is available at the Daytona Beach International Airport, south of US Highway 92 in the western portion of the City of Daytona Beach. There are five airlines serving the airport, providing an average of 11 scheduled flights per day.

Rail transportation within the area is provided by CSX, Amtrak, and the Florida East Coast Railway.

SunRail is a planned commuter rail system within the Orlando and greater Orlando area, linking Poinciana to Deland via a route through downtown Orlando and Lake Mary. The 31-mile first phase of SunRail serves 12 stations, linking DeBary to Orlando. Phase II will serve five (5) additional stations, north to Deland and south to Poinciana. The southern portion of Phase II received funding in September of 2015 and will extend the *SunRail* line another 17.2 miles to Poinciana with four new train stations along the way. This southern phase is expected to open in 2017. The first phase routes began May 1, 2014. The DeBary SunRail station is located at 630 South Charles R. Beall Boulevard. The DeBary station is projected to generate 13,400 jobs over time and, according to studies, have an economic impact of $410 million according to an article in the Division of Economic Development of Volusia County.

A municipal yacht basin in downtown Daytona Beach (owned by the City of Daytona Beach) offers harbor facilities including dockage service, etc.

Nationwide passenger/freight bus service is provided by Greyhound, which has a terminal in the downtown area.

SUMMARY

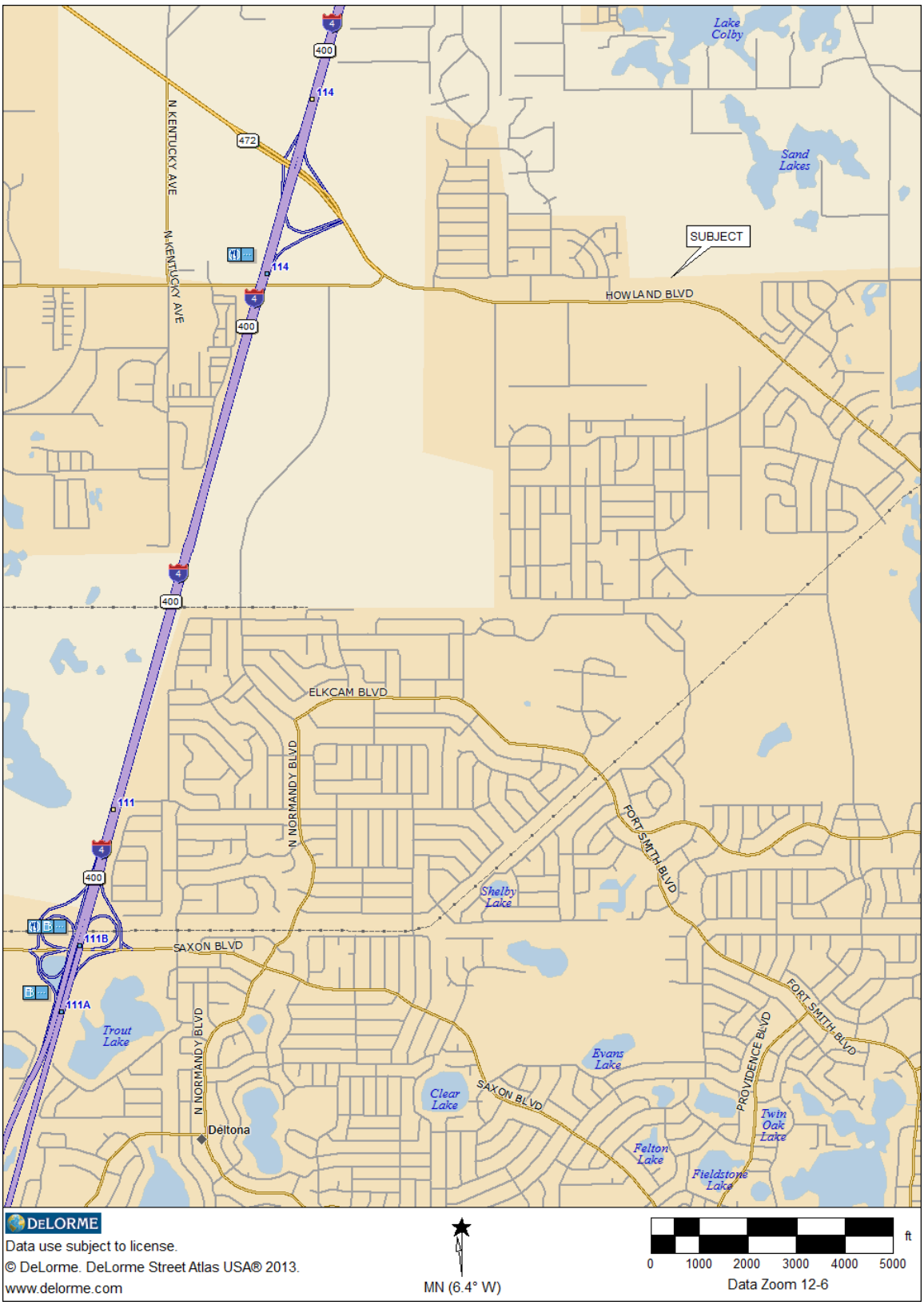
Growth in Central Florida and Volusia County is expected to remain flat for the near future but to continue in the medium term albeit at a much lower and more sustainable pace than experienced during the booming years of 2003-2006. The area has potential for slow but steady growth as the economy recovers following land use plans which: 1) protect existing residential areas from encroachment by non-complementary land uses; 2) encourage compact commercial centers; and 3) guide industry into areas suitable to industry and its special needs.

The main downtown commercial areas of Volusia County are undergoing "facelifts" due to the loss of business to the development of large shopping centers in the outlying areas. The County Council is studying other possibilities in the downtown areas for the creation of a central shopping and culturally-oriented area to draw people to what was, at one time, the heart of Daytona Beach.

Factors which may adversely affect the pattern of growth of Volusia County directly relate to the natural boundaries created by its location. To the east, expansion is limited due to the coastal location. The southern boundary of Volusia County is a natural water barrier between the counties of Volusia and Brevard. Between east and west Volusia is a large swampy area limiting growth in this location. Also, the water recharge area for the County covers much of this territory. To the northeast is a salt marsh area, the development of which would be costly.

The long-term forecast for Volusia County is positive. The County and the various municipalities appear well suited for slow, sustainable expansion. Volusia County has followed the course of the national economy. A weak economy, overbuilt housing market, and high unemployment has had a dramatic effect on real estate. The rapid growth seen in 2003 through 2006 has turned into a period of stagnant growth. We anticipate a period of little to slow growth for the next several years.

NEIGHBORHOOD AREA MAP



NEIGHBORHOOD ANALYSIS

A neighborhood is a separately identifiable, cohesive area within a community with some interests shared by its occupants. Most neighborhoods have recognizable natural or man-made barriers. While physical boundaries are stipulated by appraisers to delineate the neighborhood, they are often less significant than other boundaries of influence.

GENERAL DESCRIPTION

The subject neighborhood is considered to be the Howland Boulevard corridor east of Interstate 4 and west of Catalina Boulevard. The subject neighborhood is located in southwest Volusia County in the northern limits of the City of Deltona, which is on the north side of the Orlando Metropolitan Area. Other municipalities in the southwest Volusia County area consist of Orange City, Debary and Deland, all west of Interstate 4 (I-4).

Howland Boulevard originates as County Road 472 at US Highway 17-92 about two and a half miles west of I-4. It extends east past scattered single family subdivisions and individual homes and Victoria Hills Gold Club community. It then turns southeast past a TG Lee Food plant and a few industrial sites near its intersection with Dr. Martin L. King Beltway with extensive vacant, wooded land to its east and west to the I-4 interchange. Howland Boulevard continues southeasterly past I-4 through an intersection with East Graves Avenue, where it becomes an east-west roadway for about one and a half miles to the subject property. Just past the subject, it again turns southeast to its intersection with Catalina Boulevard and then continues southeast and south for about six miles to its eastern terminus at State Road 415 in Osteen. Howland Boulevard is a four-lane road with a grass median.

Interstate 4 (I-4) is a 132-mile highway that stretches from Interstate 275 in Tampa, Florida to Interstate 95 in Daytona Beach, Florida. The combination of the Tampa, Lakeland, Orlando, and Daytona Beach metropolitan areas is often referred to as the I-4 Corridor, since the freeway connects all four. Within the subject neighborhood, there are access points located at Debary Avenue and Saxon Boulevard and Howland Boulevard.

State Road 415 is a two-lane roadway that traverses in a north/south direction through the subject neighborhood. State Road 415 connects with State Road 46 in Sanford approximately 5 miles southwest of Doyle Road. State Road 415 also connects with State Road 44 a few miles west of Interstate 95 near Venetian Bay. North of State Road 44, State Road 415 takes on the name Tomoka Farms Road (County Road 415) for another 11 miles before terminating at US Highway 92.

US Highway 17-92 is a six-lane, divided highway extending in Florida from Jacksonville on the north to South Florida on the south. In the southwest Volusia County, it is mostly four-lanes and provides an alternate route to the Orlando area for I-4 commuters. It also functions as a main street for the towns of Debary, Orange City and DeLand.

Dr. Martin Luther King Boulevard

Opposite the subject on the south side of Howland Boulevard is Dr. Martin Luther King Boulevard, which provides entrance and access to a business park. A Deltona fire station is located on the southeast corner of those two roads and is the only occupant of the business park.

Catalina Boulevard is a neighborhood subdivision street with an intersection with Howland Boulevard to the southeast of the subject.

Autumn Street is a four-block-long, east-west subdivision road directly east of the subject that provides access to the south side of the largest of the subject's parcels. Its east end intersects with Catalina Boulevard.

NEIGHBORHOOD DEVELOPMENT

Much of the vacant land surrounding the I-4 interchange with Howland Boulevard is part of the proposed Deltona Town Center, a large, multiple unit planned development. On the south side of the I-4 interchange at Normandy Boulevard and East Graves Avenue is the proposed Deltona Village, a 150-acre site with 900,000 square feet of entitlements with a 14-screen Epic Theatre in place. On the southwest side of the I-4 interchange with Howland Boulevard is Orange City RV Resort with an entrance on East Graves Road. On the south side of Howland Boulevard east of the I-4 interchange

just east of the East Graves Avenue intersection is Deltona High School extending east to Wolf Pack Run. Across Howland Boulevard to its north is a possible location of a new Halifax Health hospital, which is expected to be submitted to the Florida Agency for HealthCare Administration in July 2016 in hopes of obtaining a Certificate of Need. Extending about one mile to the north is Arbor Ridge, a large single-family subdivision. Intermittent development extends east on both sides of Howland Boulevard from Deltona High School to the subject, including several churches, small office buildings, individual homes, a Dollar General and a Deltona fire station.

Howland Crossings, an office park, has been developed across Howland Boulevard from the subject at the intersection of Howland Boulevard and Dr. Martin Luther King Boulevard, but only the Deltona fire station occupies one lot directly on Howland Boulevard. To the east of the fire station is a self-storage facility with vacant land to its north and east. Directly west of the subject is 32.80 acres of vacant land owned by the Volusia County School Board, which was planned for an elementary school, but has been on hold during the recession. The intersection of Howland Boulevard and Catalina is improved with a couple of small offices, two gas/convenience stores, a Winn-Dixie supermarket, a Family Dollar store and a PNC Bank branch with extensive surrounding single-family subdivision development.

CONCLUSION

In our opinion that the subject's neighborhood is a stable suburban area of subdivisions and supporting small commercial development and government services. The neighborhood has good access via Interstate 4, which leads south to the Central Business District of Orlando or north to the City of Daytona. Demand for affordable housing will continue to fuel steady growth in this neighborhood as Seminole County to the south grows and less available vacant land is available for construction.

The following charts, obtained by Site to Do Business, provide a demographic overview of the areas within 5, 10 and 15-minute drive times from the subject property.

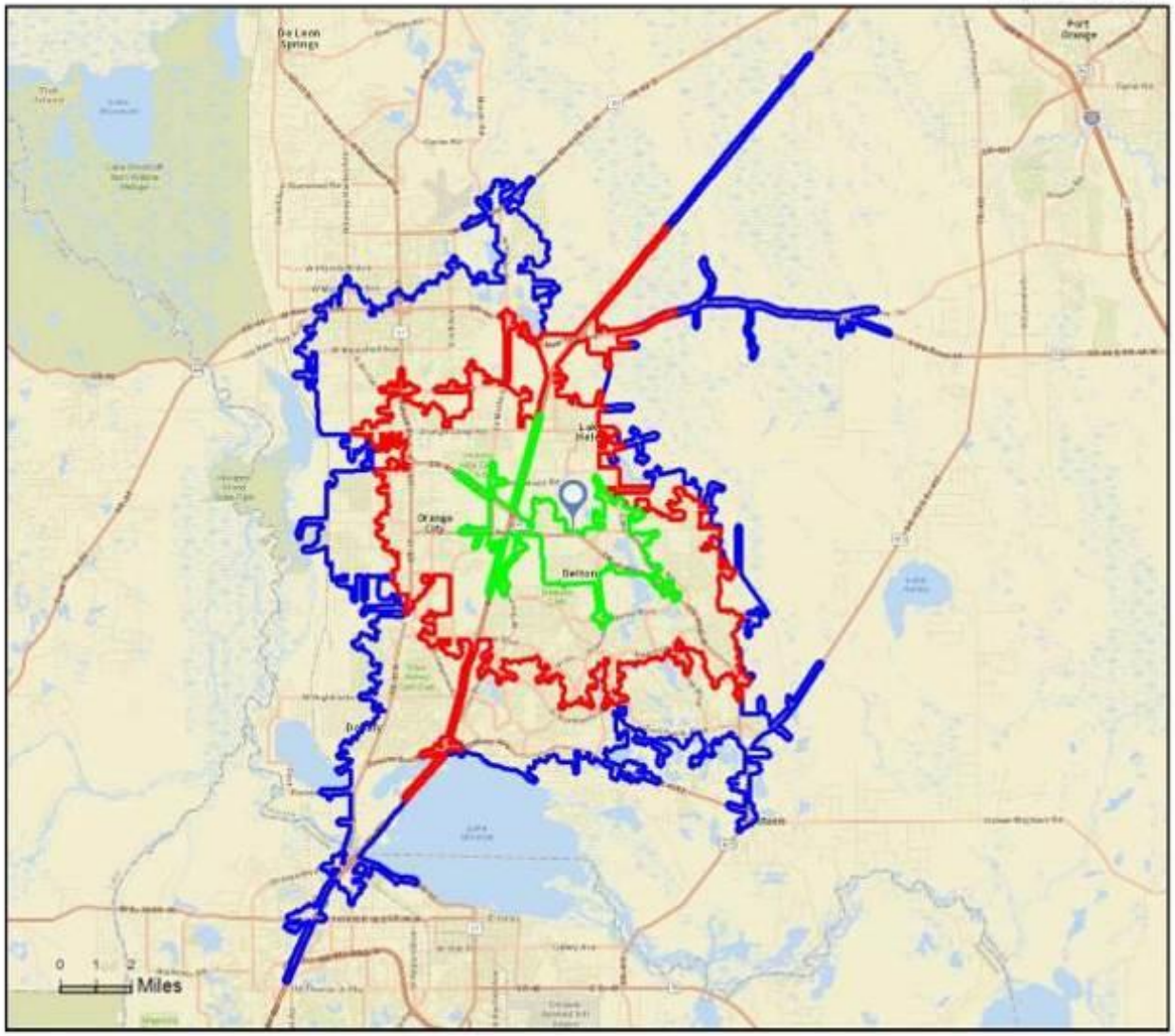
SITE TO DO BUSINESS MAP

esri

Site Map

2982 Howland Blvd, Deltona, Florida, 32725
Drive Times: 5, 10, 15 minute radii

Prepared by Esri
Latitude: 28.94789
Longitude: -81.23292



January 27, 2016

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SITE TO DO BUSINESS MARKET PROFILE

esri

Market Profile

2982 Howland Blvd, Deltona, Florida, 32725
Drive Times: 5, 10, 15 minute radii

Prepared by Esri
Latitude: 28.94789
Longitude: -81.23292

	5 minutes	10 minutes	15 minutes
Population Summary			
2000 Total Population	5,531	56,466	124,346
2010 Total Population	7,653	70,597	153,598
2015 Total Population	7,895	72,922	157,367
2015 Group Quarters	14	323	1,517
2020 Total Population	8,157	75,420	161,856
2015-2020 Annual Rate	0.66%	0.68%	0.56%
Household Summary			
2000 Households	1,922	21,370	48,010
2000 Average Household Size	2.87	2.63	2.56
2010 Households	2,637	26,407	58,580
2010 Average Household Size	2.90	2.66	2.60
2015 Households	2,724	27,280	60,043
2015 Average Household Size	2.89	2.66	2.60
2020 Households	2,822	28,233	61,812
2020 Average Household Size	2.89	2.66	2.59
2015-2020 Annual Rate	0.71%	0.69%	0.58%
2010 Families	2,041	19,122	41,248
2010 Average Family Size	3.27	3.08	3.05
2015 Families	2,092	19,617	41,924
2015 Average Family Size	3.28	3.09	3.06
2020 Families	2,156	20,211	42,925
2020 Average Family Size	3.28	3.10	3.07
2015-2020 Annual Rate	0.60%	0.60%	0.47%
Housing Unit Summary			
2000 Housing Units	2,146	23,033	51,846
Owner Occupied Housing Units	80.8%	78.9%	74.8%
Renter Occupied Housing Units	8.8%	13.9%	17.8%
Vacant Housing Units	10.4%	7.2%	7.4%
2010 Housing Units	3,006	30,087	66,743
Owner Occupied Housing Units	73.3%	69.6%	67.0%
Renter Occupied Housing Units	14.5%	18.2%	20.8%
Vacant Housing Units	12.3%	12.2%	12.2%
2015 Housing Units	3,111	31,191	68,753
Owner Occupied Housing Units	70.2%	66.1%	63.2%
Renter Occupied Housing Units	17.4%	21.3%	24.1%
Vacant Housing Units	12.4%	12.5%	12.7%
2020 Housing Units	3,226	32,323	70,864
Owner Occupied Housing Units	69.8%	65.5%	62.6%
Renter Occupied Housing Units	17.7%	21.8%	24.6%
Vacant Housing Units	12.5%	12.7%	12.8%
Median Household Income			
2015	$52,047	$46,907	$46,368
2020	$57,430	$53,243	$53,063
Median Home Value			
2015	$134,426	$123,091	$124,518
2020	$162,617	$144,724	$150,587
Per Capita Income			
2015	$22,462	$21,194	$21,703
2020	$25,543	$24,011	$24,545
Median Age			
2010	39.3	40.3	40.3
2015	40.5	41.5	41.4
2020	39.8	41.7	41.8

Data Note: Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by the total population.
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020. Esri converted Census 2000 data into 2010 geography.

January 27, 2016

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Market Profile

2982 Howland Blvd, Deltona, Florida, 32725
Drive Times: 5, 10, 15 minute radii

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Latitude: 28.94789
Longitude: -81.23292

	5 minutes	10 minutes	15 minutes
2015 Households by Income			
Household Income Base	2,724	27,280	60,043
<$15,000	9.1%	11.4%	12.0%
$15,000 - $24,999	10.5%	12.5%	12.9%
$25,000 - $34,999	11.5%	12.2%	11.9%
$35,000 - $49,999	15.6%	16.5%	16.3%
$50,000 - $74,999	25.7%	23.9%	22.3%
$75,000 - $99,999	14.5%	12.1%	12.3%
$100,000 - $149,999	7.5%	8.4%	9.0%
$150,000 - $199,999	3.6%	1.8%	2.0%
$200,000+	2.1%	1.3%	1.3%
Average Household Income	$63,008	$56,359	$56,897
2020 Households by Income			
Household Income Base	2,822	28,233	61,812
<$15,000	8.4%	10.5%	11.3%
$15,000 - $24,999	7.3%	9.1%	9.4%
$25,000 - $34,999	8.7%	9.7%	9.5%
$35,000 - $49,999	14.4%	15.3%	15.1%
$50,000 - $74,999	27.4%	27.0%	25.0%
$75,000 - $99,999	17.6%	15.8%	15.8%
$100,000 - $149,999	8.7%	8.7%	9.6%
$150,000 - $199,999	5.1%	2.5%	2.7%
$200,000+	2.4%	1.5%	1.6%
Average Household Income	$71,481	$63,815	$64,330
2015 Owner Occupied Housing Units by Value			
Total	2,184	20,622	43,485
<$50,000	6.4%	6.6%	6.1%
$50,000 - $99,999	14.7%	24.7%	25.8%
$100,000 - $149,999	41.9%	40.4%	36.9%
$150,000 - $199,999	26.8%	17.5%	16.8%
$200,000 - $249,999	6.6%	5.6%	7.0%
$250,000 - $299,999	2.1%	2.5%	3.5%
$300,000 - $399,999	0.9%	1.6%	2.4%
$400,000 - $499,999	0.3%	0.5%	0.7%
$500,000 - $749,999	0.0%	0.3%	0.4%
$750,000 - $999,999	0.0%	0.0%	0.1%
$1,000,000 +	0.2%	0.3%	0.3%
Average Home Value	$139,766	$134,078	$140,688
2020 Owner Occupied Housing Units by Value			
Total	2,252	21,176	44,383
<$50,000	5.7%	5.4%	4.2%
$50,000 - $99,999	8.2%	15.6%	16.3%
$100,000 - $149,999	26.5%	32.3%	29.2%
$150,000 - $199,999	37.9%	25.7%	23.8%
$200,000 - $249,999	14.2%	10.5%	12.4%
$250,000 - $299,999	4.5%	4.8%	6.4%
$300,000 - $399,999	1.9%	3.0%	4.2%
$400,000 - $499,999	0.6%	1.2%	1.6%
$500,000 - $749,999	0.1%	0.7%	1.1%
$750,000 - $999,999	0.2%	0.3%	0.4%
$1,000,000 +	0.2%	0.4%	0.4%
Average Home Value	$165,426	$162,489	$174,066

Data Note: Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest dividends, net rents, pensions, SSI and welfare payments, child support, and alimony.
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020. Esri converted Census 2000 data into 2010 geography.

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	5 minutes	10 minutes	15 minutes
2010 Population by Age			
Total	7,652	70,597	153,599
0 - 4	5.7%	5.9%	6.0%
5 - 9	6.7%	6.4%	6.4%
10 - 14	7.4%	6.8%	6.7%
15 - 24	13.3%	12.4%	12.4%
25 - 34	11.1%	11.6%	11.7%
35 - 44	13.8%	13.0%	12.9%
45 - 54	16.3%	15.0%	14.9%
55 - 64	12.0%	12.3%	12.4%
65 - 74	7.5%	8.4%	8.4%
75 - 84	4.4%	5.6%	5.5%
85 +	1.7%	2.5%	2.6%
18 +	74.9%	76.5%	76.7%
2015 Population by Age			
Total	7,895	72,923	157,366
0 - 4	5.4%	5.6%	5.7%
5 - 9	5.8%	5.8%	5.9%
10 - 14	6.6%	6.3%	6.3%
15 - 24	13.6%	12.5%	12.3%
25 - 34	12.4%	12.1%	12.1%
35 - 44	12.1%	12.2%	12.1%
45 - 54	14.9%	13.8%	13.7%
55 - 64	13.9%	13.4%	13.5%
65 - 74	9.0%	9.9%	10.0%
75 - 84	4.6%	5.7%	5.6%
85 +	1.7%	2.7%	2.8%
18 +	78.2%	78.6%	78.5%
2020 Population by Age			
Total	8,159	75,420	161,858
0 - 4	5.5%	5.5%	5.6%
5 - 9	5.6%	5.8%	5.8%
10 - 14	6.1%	6.2%	6.3%
15 - 24	11.5%	11.2%	11.3%
25 - 34	15.2%	13.2%	13.0%
35 - 44	12.0%	12.0%	11.9%
45 - 54	12.6%	12.4%	12.3%
55 - 64	14.5%	13.8%	13.8%
65 - 74	10.2%	10.9%	11.0%
75 - 84	5.0%	6.3%	6.3%
85 +	1.8%	2.7%	2.8%
18 +	78.9%	78.8%	78.7%
2010 Population by Sex			
Males	3,731	34,013	74,031
Females	3,922	36,584	79,567
2015 Population by Sex			
Males	3,850	35,183	75,917
Females	4,044	37,739	81,450
2020 Population by Sex			
Males	4,000	36,542	78,329
Females	4,158	38,878	83,527

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020. Esri converted Census 2000 data into 2010 geography.

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2015 Population 25+ by Educational Attainment			
Total	5,416	50,888	109,780
Less than 9th Grade	1.7%	3.6%	4.1%
9th - 12th Grade, No Diploma	6.4%	8.2%	8.6%
High School Graduate	24.2%	29.0%	27.9%
GED/Alternative Credential	7.2%	5.8%	5.5%
Some College, No Degree	26.3%	24.1%	24.2%
Associate Degree	10.0%	11.1%	10.9%
Bachelor's Degree	16.9%	12.2%	12.3%
Graduate/Professional Degree	7.3%	6.0%	6.4%
2015 Population 15+ by Marital Status			
Total	6,488	59,995	129,179
Never Married	26.0%	27.2%	27.9%
Married	56.9%	52.3%	51.6%
Widowed	4.9%	7.1%	7.5%
Divorced	12.1%	13.4%	13.0%
2015 Civilian Population 16+ in Labor Force			
Civilian Employed	93.9%	93.4%	93.7%
Civilian Unemployed	6.1%	6.6%	6.3%
2015 Employed Population 16+ by Industry			
Total	3,891	31,850	68,277
Agriculture/Mining	1.2%	0.4%	0.6%
Construction	5.4%	7.8%	8.8%
Manufacturing	6.5%	6.6%	6.1%
Wholesale Trade	2.3%	2.3%	2.1%
Retail Trade	13.1%	14.0%	14.8%
Transportation/Utilities	9.0%	5.8%	5.0%
Information	2.0%	2.1%	2.3%
Finance/Insurance/Real Estate	7.9%	6.6%	7.0%
Services	48.0%	49.2%	48.1%
Public Administration	4.6%	5.1%	5.2%
2015 Employed Population 16+ by Occupation			
Total	3,891	31,851	68,277
White Collar	58.0%	54.0%	55.9%
Management/Business/Financial	10.6%	9.2%	10.3%
Professional	20.6%	16.0%	17.1%
Sales	15.6%	12.8%	12.9%
Administrative Support	11.2%	16.0%	15.7%
Services	21.9%	24.3%	21.9%
Blue Collar	20.1%	21.7%	22.2%
Farming/Forestry/Fishing	0.0%	0.2%	0.4%
Construction/Extraction	4.5%	4.9%	5.7%
Installation/Maintenance/Repair	2.8%	5.4%	5.2%
Production	3.4%	4.3%	4.6%
Transportation/Material Moving	9.4%	6.9%	6.3%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020. Esri converted Census 2000 data into 2010 geography.

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	5 minutes	10 minutes	15 minutes
2010 Households by Type			
Total	2,636	26,407	58,580
Households with 1 Person	17.2%	21.8%	23.5%
Households with 2+ People	82.8%	78.2%	76.5%
Family Households	77.4%	72.4%	70.4%
Husband-wife Families	58.8%	53.3%	51.0%
With Related Children	25.6%	21.8%	20.7%
Other Family (No Spouse Present)	18.7%	19.1%	19.4%
Other Family with Male Householder	5.4%	5.3%	5.4%
With Related Children	3.5%	3.2%	3.1%
Other Family with Female Householder	13.3%	13.8%	14.0%
With Related Children	8.3%	8.5%	8.7%
Nonfamily Households	5.4%	5.8%	6.1%
All Households with Children	37.8%	34.0%	33.2%
Multigenerational Households	6.0%	5.6%	5.3%
Unmarried Partner Households	7.1%	7.6%	7.9%
Male-female	6.4%	6.9%	7.1%
Same-sex	0.7%	0.7%	0.8%
2010 Households by Size			
Total	2,635	26,406	58,581
1 Person Household	17.2%	21.8%	23.5%
2 Person Household	34.7%	35.1%	34.8%
3 Person Household	18.9%	17.6%	17.2%
4 Person Household	16.5%	14.0%	13.7%
5 Person Household	7.6%	7.1%	6.6%
6 Person Household	3.3%	2.7%	2.6%
7 + Person Household	1.7%	1.6%	1.6%
2010 Households by Tenure and Mortgage Status			
Total	2,637	26,407	58,579
Owner Occupied	83.5%	79.3%	76.3%
Owned with a Mortgage/Loan	64.6%	60.1%	57.2%
Owned Free and Clear	18.9%	19.2%	19.1%
Renter Occupied	16.5%	20.7%	23.7%

Data Note: Households with children include any households with people under age 18, related or not. Multigenerational households are families with 3 or more parent-child relationships. Unmarried partner households are usually classified as nonfamily households unless there is another member of the household related to the householder. Multigenerational and unmarried partner households are reported only to the tract level. Esri estimated block group data, which is used to estimate polygons or non-standard geography.
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020. Esri converted Census 2000 data into 2010 geography.

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		5 minutes	10 minutes	15 minutes
Top 3 Tapestry Segments				
	1.	Middleburg (4C)	American Dreamers (7C)	American Dreamers (7C)
	2.	Home Improvement (4B)	Midlife Constants (5E)	Rustbelt Traditions (5D)
	3.	Senior Escapes (9D)	Rustbelt Traditions (5D)	Midlife Constants (5E)
2015 Consumer Spending				
Apparel & Services: Total $		$5,289,737	$46,733,789	$104,032,201
Average Spent		$1,941.90	$1,713.12	$1,732.63
Spending Potential Index		84	74	75
Computers & Accessories: Total $		$597,694	$5,263,999	$11,671,027
Average Spent		$219.42	$192.96	$194.38
Spending Potential Index		84	74	74
Education: Total $		$3,174,289	$28,052,962	$62,942,032
Average Spent		$1,165.30	$1,028.33	$1,048.28
Spending Potential Index		76	67	69
Entertainment/Recreation: Total $		$7,646,438	$68,690,219	$152,551,244
Average Spent		$2,807.06	$2,517.97	$2,540.70
Spending Potential Index		85	76	77
Food at Home: Total $		$11,871,273	$108,327,717	$241,748,273
Average Spent		$4,358.03	$3,970.96	$4,026.25
Spending Potential Index		83	76	77
Food Away from Home: Total $		$7,593,370	$67,110,215	$149,051,182
Average Spent		$2,787.58	$2,460.05	$2,482.41
Spending Potential Index		85	75	76
Health Care: Total $		$11,115,664	$103,034,519	$229,040,370
Average Spent		$4,080.64	$3,776.93	$3,814.61
Spending Potential Index		86	80	80
HH Furnishings & Equipment: Total $		$4,361,657	$38,604,103	$85,598,777
Average Spent		$1,601.20	$1,415.11	$1,425.62
Spending Potential Index		87	77	77
Investments: Total $		$5,577,174	$51,472,345	$109,070,226
Average Spent		$2,047.42	$1,886.82	$1,816.54
Spending Potential Index		74	68	66
Retail Goods: Total $		$59,365,704	$537,446,336	$1,194,862,290
Average Spent		$21,793.58	$19,701.11	$19,900.11
Spending Potential Index		85	77	78
Shelter: Total $		$36,900,697	$328,124,284	$728,379,278
Average Spent		$13,546.51	$12,028.02	$12,130.96
Spending Potential Index		82	73	74
TV/Video/Audio: Total $		$3,021,235	$27,514,291	$61,497,528
Average Spent		$1,109.12	$1,008.59	$1,024.22
Spending Potential Index		85	77	78
Travel: Total $		$4,509,083	$39,526,705	$87,136,367
Average Spent		$1,655.32	$1,448.93	$1,451.23
Spending Potential Index		85	74	74
Vehicle Maintenance & Repairs: Total $		$2,603,969	$23,366,994	$51,773,866
Average Spent		$955.94	$856.56	$862.28
Spending Potential Index		86	77	77

Data Note: Consumer spending shows the amount spent on a variety of goods and services by households that reside in the area. Expenditures are shown by broad budget categories that are not mutually exclusive. Consumer spending does not equal business revenue. Total and Average Amount Spent Per Household represent annual figures. The Spending Potential Index represents the amount spent in the area relative to a national average of 100.
Source: Consumer Spending data are derived from the 2011 and 2012 Consumer Expenditure Surveys, Bureau of Labor Statistics. Esri.
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020. Esri converted Census 2000 data into 2010 geography.

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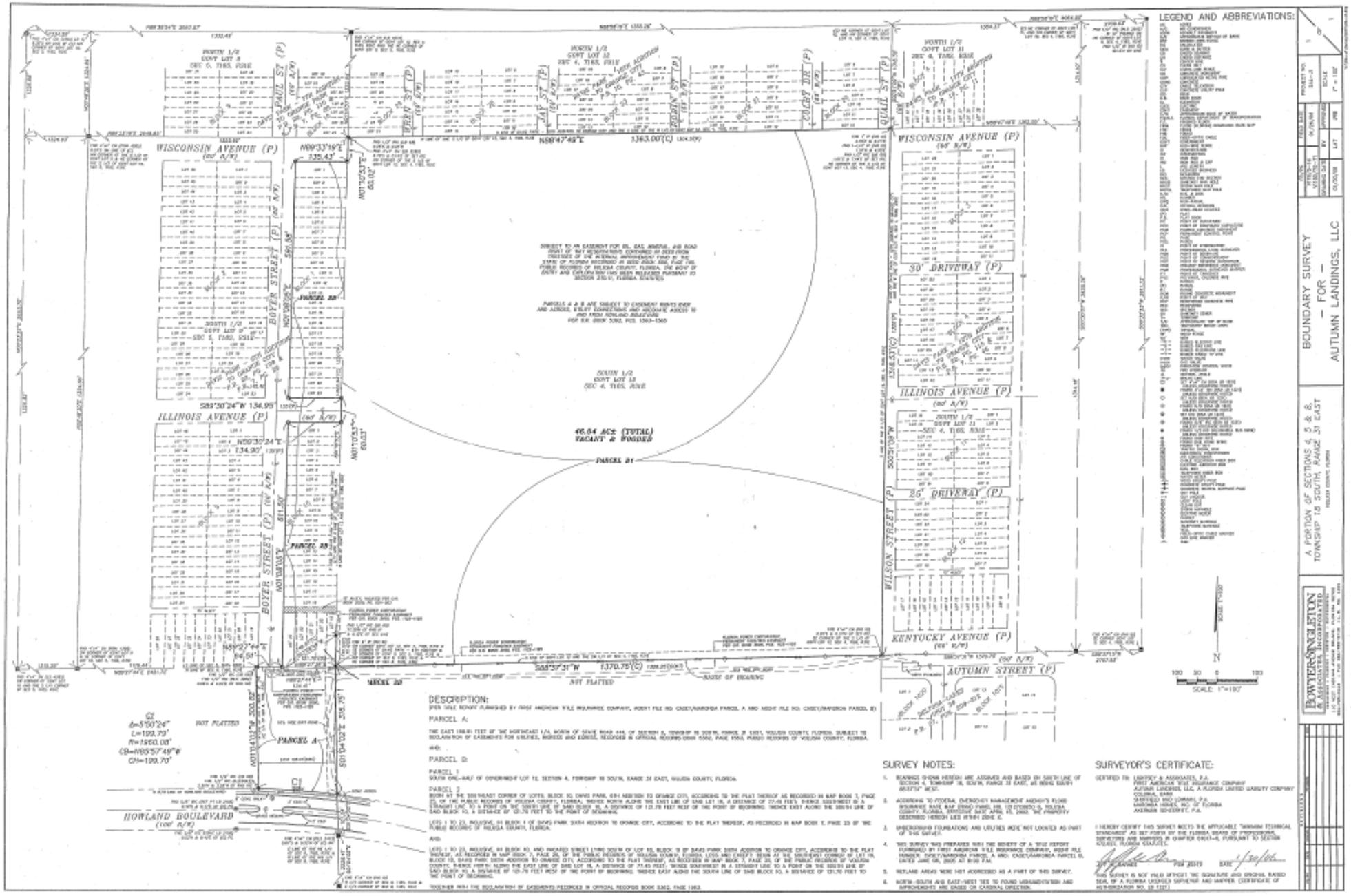
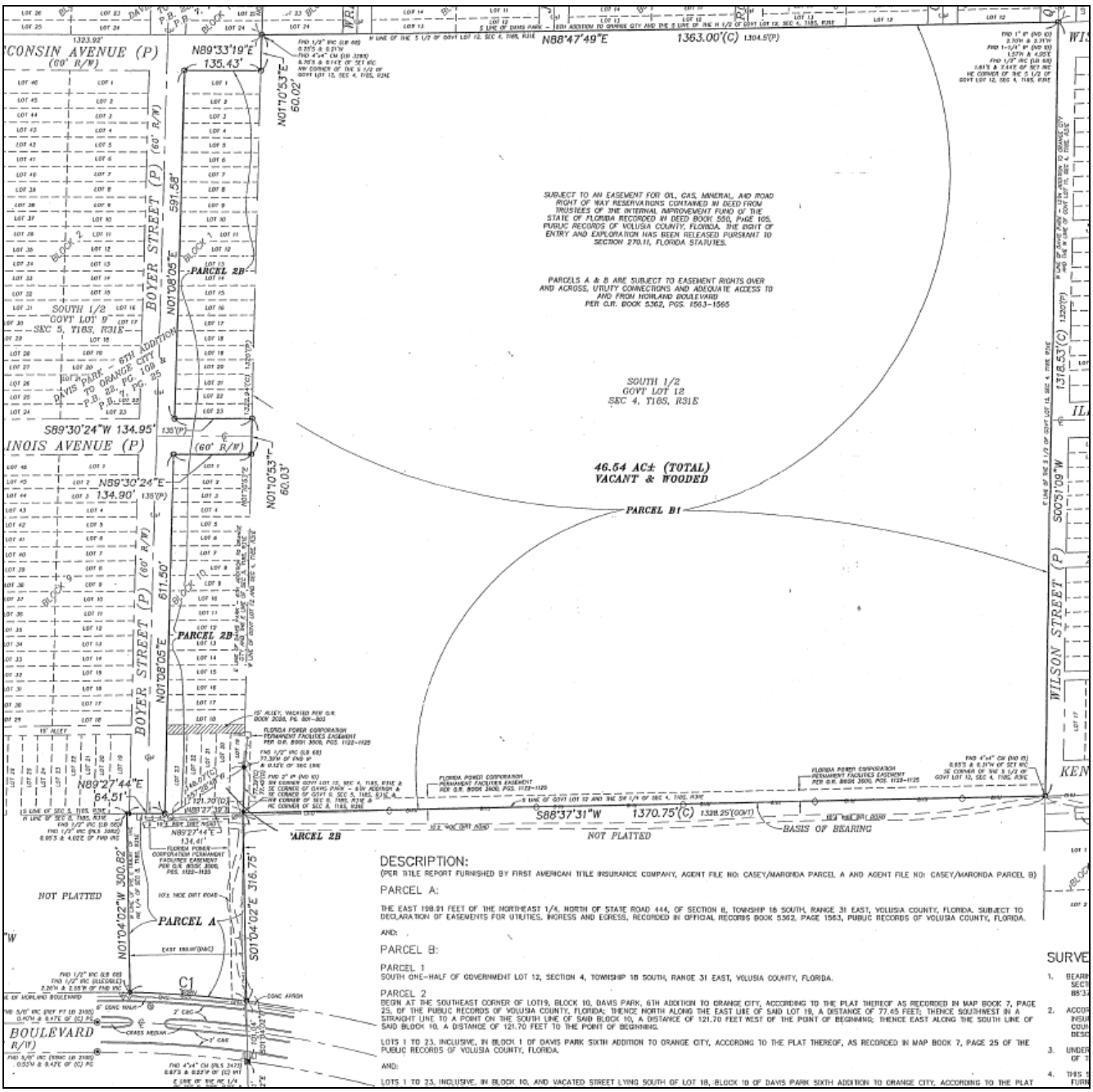
BOUNDARY SURVEY/ SITE PLAN



SURVEY DETAIL



DESCRIPTION OF THE SUBJECT PROPERTY

LOCATION

The subject property is located on the north side of Howland Boulevard opposite Dr. Martin Luther King Boulevard, within the City of Deltona, Volusia County, Florida.

CONFIGURATION AND SIZE

As illustrated by the preceding survey exhibit, the subject property has an irregular configuration and consists of 46.54± gross acres none of which is wetlands, according to the National Wetlands Inventory Map. Therefore, ultimately all 46.54±acres are considered usable for development.

ACCESS

It has 198.91 feet of frontage on the north side of Howland Boulevard. It does not share a border with Autumn Street on its east side. The proposed overall access for the subject property is considered to be average.

UTILITIES AND SERVICES

Water:	Deltona Water
Sewer:	City of Deltona
Electricity:	Duke Energy
Police:	City of Deltona
Fire:	City of Deltona

TOPOGRAPHY

The subject has a rolling topography which ranges from more than 90 feet above mean sea level in its northeast quadrant and northcentral border to less than 55 feet above mean see level in the southwest corner of the largest parcel and in the southcentral portion of that parcel. The northeast corner of that largest parcel also appears to be about 55 feet above mean sea level.

EASEMENTS

There is a Florida Power Corporation Permanent Facilities Easement on the east side and a portion of the north side of the subject's southwest parcel as recorded in OR Book 3600, Page 1122 of the Volusia County Public Records. The power easement along the east side of the southwest parcel also appears to extend to the north along a narrow strip of the west side of the subject's largest parcel adjacent to Lot 19 of Davis Park, 6th Addition. In addition, the power easement extends along the entire southern edge of that largest parcel. The owner, Dennis J. Casey created perpetual nonexclusive cross-access and utility easements in July 14, 2004 as recorded in OR Book 5362, Page 1563 that encumber all five parcels of the subject.

The survey also states that the subject property also has the following easement:

SUBJECT TO AN EASEMENT FOR OIL, GAS, MINERAL, AND ROAD RIGHT OF WAY RESERVATIONS CONTAINED IN DEED FROM TRUSTEES OF THE INTERNAL IMPROVEMENT FUND OF THE STATE OF FLORIDA RECORDED IN DEED BOOK 550, PAGE 105, PUBLIC RECORDS OF VOLUSIA COUNTY, FLORIDA. THE RIGHT OF ENTRY AND EXPLORATION HAS BEEN RELEASED PURSUANT TO SECTION 270.11, FLORIDA STATUTES.

The easements do not appear to cause any adverse effects on the development of the overall site.

TOPOGRAPHY AND SOIL

The appraisers were provided with a preliminary Sub-Soil Investigation completed by Point Four Engineering & Technological Services on December 3, 2005. Regarding the topography, the study concludes, "there is a relatively high ridge that trends northwest to southeast through the site. The east and northeast part of the site slopes from the ridge toward the Sand Lakes basin. The western slope of the ridge is irregular and two localized contour depressional areas interrupt the topography." Regarding the soils, the study concludes, "Based on our evaluation of the encountered subsurface conditions it is our opinion that the sub-soils encountered on the site are generally suitable to support

development." Additional studies were summarized in the Identification of the Subject Property section earlier in this appraisal report. Possible Karst formations were mentioned in a prior subsurface study, but the conclusion was not definitive.

We understand that additional subsurface studies may be performed and we reserve the right to change our conclusions if there are any subsurface features that have an effect on value. See *Extraordinary Assumption* on Page 9.

HIGHEST AND BEST USE ANALYSIS

Highest and best use is a complex concept, and, as a result, has been defined and redefined in many ways. Highest and best use may be defined as that reasonable and probable use which will support the highest present value, as defined, as of the effective date of the appraisal. Highest and best use can also be defined as that use from among reasonably probable and legally alternative uses, found to be physically possible, appropriately supported, financially feasible, and which will result in the highest present land value.

Highest and best use is one of the most crucial determinants of value. In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The estimation of market value of a property, whether it be vacant land or an improved property, is based upon the assumption that potential purchasers will pay prices which reflect their opinion of the most profitable likely use of the property. Highest and best use is, therefore, necessarily subjective to a certain extent, because it is an opinion rather than a fact which can be ascertained.

The estimate of highest and best use of a property is selected from a group of alternative potential uses. The alternative uses can be very limited, or essentially limitless, depending upon the nature and character of the subject property. For a use to be the highest and best use, it must meet four criteria. The use must be physically possible, legally permissible, financially feasible and maximally productive. Normally, these criteria should be considered sequentially, since, for example, it would be illogical to consider a use, which is financially feasible but not legally permissible. The following is an in-depth analysis of these criteria and how they bear upon the highest and best use of the subject property.

PHYSICALLY POSSIBLE

In terms of physical characteristics, the subject property is considered to be well suited for any use that could fit within its confines. However, the site may require extensive site work due to its rolling topography. All utilities are available to the subject. Therefore, it is our opinion that the subject property is well suited for a variety of uses from a physical standpoint.

LEGALLY PERMISSIBLE

The subject property is 97% zoned RM-1, Multiple Family Residential Dwelling District, and 3% C-2, General Commercial, by the City of Deltona. The corresponding future land use designations are also Medium Intensity Residential and Commercial. Therefore, any use allowed in those zoning districts would be suitable for the subject, keeping in mind that the commercial parcel will have to provide the only access to the entire subject property.

ECONOMICALLY FEASIBLE AND MAXIMALLY PRODUCTIVE

Once the physically possible and legally permissible potential land uses have been determined, the next step in estimating the highest and best use is to determine which uses are logical, economically feasible and maximally productive. Determining which uses are logical is based primarily upon the nature of the subject property, the characteristics of the subject neighborhood and expected growth trends which are projected to impact the subject property. All of these factors are examined in detail within the body of this report.

After determining which uses are logical, it is necessary to determine what potential uses are economically feasible. Strictly speaking, a use, which produces any positive overall return, be it cash flow or internal rate of return (IRR), is economically feasible. From the list of economically feasible uses is chosen the one use, which produces the greatest return. This is the maximally productive use and is, therefore, the highest and best use of the subject property. This procedure, therefore, can be seen as being shaped like a pyramid, with physically possible uses representing the base and the one maximally productive use representing the peak.

Furthermore, a determination of highest and best use must take into consideration not only present influences upon the subject property, but the expectation of future influences, as well. The highest and best use of a property can change if market influences on the property change.

The subject property appears to be well suited for either single-family or multi-family residential development of some type with the commercial parcel as a boulevard entrance. Such a use is

physically possible, legally permissible and logical, in our opinion. Based upon this analysis, we conclude that at this time, there is a demand for residential development for the subject property, possibly as a phased development.

Therefore, as a result of our analysis of the physical, legal (as defined above) and economic factors relative to the subject property, we believe the highest and best use of the subject property would be for future residential development.

MARKETABILITY ANALYSIS

GENERAL MARKETABILITY

The subject property is located within the City of Deltona, a suburban, primarily single-family community.

ESTIMATED MARKETING PERIOD

In order to estimate a reasonable marketing period for the subject property, we have interviewed a number of active realtors and market participants within the subject's marketing area. Based upon these interviews, we have been able to arrive at a consensus of opinion relative to the subject.

In order to arrive at such an opinion, it is necessary to give consideration to many factors. The size of the subject is worthy of consideration since it is reasonable to expect a longer marketing period for a larger property than for a smaller property, all other factors remaining constant. It is readily apparent that the number of potential purchasers for a 20-unit development, for instance, would be greater than the number of potential purchasers for a larger project such as the subject.

It is also necessary to consider the relationship between the factors of supply and demand within the subject property's particular submarket. It is necessary to examine both existing and proposed levels of supply and demand within the appropriate submarket. If the current supply of residential lots similar to those proposed for the subject exceeded demand, for instance, it would be reasonable to expect a rather lengthy marketing period. The opposite would be true if demand exceeded supply.

The marketing period estimates for a property similar to the subject ranged from approximately 12 to 18 months. There was a general consensus that properties of this type are now in demand as a result of a general diminished inventory of developed lots available for sale. Based upon these interviews, we estimate a reasonable marketing period for the subject property of approximately one year or less. We also estimate a reasonable exposure period for the subject property of approximately one year or less.

APPRAISAL PROCESS

Traditionally, there are three approaches utilized in the valuation of real property; the Cost Approach, the Sales Comparison Approach, and the Income Approach. All three standard approaches to value were considered in the valuation of the subject. Because the subject is undeveloped vacant land, the Cost and Income Approaches were not considered applicable in the valuation of the subject property. The Sales Comparison Approach was performed.

The Sales Comparison Approach is based on the principle of substitution that indicates that an informed purchaser would pay no more for a property than the cost of acquiring an equally desirable substitute property with the same or similar utility. This approach is applicable when an active market provides sufficient quantities of reliable data that can be verified from authoritative sources. The Sales Comparison Approach is reliable in an active market or if an estimate of value is related to properties for which there are comparable sales available. This approach to value is also pertinent when sales data can be verified with the principals to the transaction. Heavy emphasis is usually placed on this approach to value in an active market.

SALES COMPARISON APPROACH

In order to estimate the market value of the subject site as vacant land, we have utilized the Sales Comparison Approach, which directly compares the subject site to land sales that have occurred within the marketing area of the subject property. We have analyzed numerous comparable land sales and have found comparable sales for use in this analysis. The sale write-ups, which follow, summarize the pertinent details of each of the comparable land sales analyzed. We will also discuss the manner in which they have been adjusted toward the subject property. The adjustments have been made with price per net acre as the main unit of comparison. All of the comparable land sales have been inspected and analyzed on the basis of time of sale, location, utility, size, frontage, etc.

ADJUSTMENTS

An explanation of the adjustments made to each comparable land sale follows. The adjustments considered were for property rights conveyed, conditions of sale, financing, market conditions as well as various physical characteristics.

Property Rights Conveyed

All of the transactions involved the sale of the fee simple interest; therefore, no adjustments were necessary with regard to property rights conveyed.

Conditions Of Sale

All of the comparable land sales involved typically motivated buyers and sellers and no other unusual terms of sale are known. Therefore, no adjustments were applied to the comparable land sales to account for conditions of sale.

Financing

When a property is sold with other than typical market financing, such as a purchase money mortgage and an atypical interest rate and/or terms, the sale price will often reflect the influence of financing. All of the sales utilized in this analysis involved direct payment of cash to the seller or cash equivalent mortgage terms. Therefore, no adjustments are applied for financing.

Market Conditions

We have not adjusted for changes in market conditions, because we are not able to specify a particular percentage change in the vacant land market at this time, which is recovering gradually from the prior recession.

Location / Access

The subject property is located in the City of Deltona, north of Howland Boulevard. Sales 1 and 5 have been adjusted downward for superior locations compared to the subject. Both are at the northeast quadrants of prominent roads. Sale 2 was adjusted upward for a somewhat inferior location, while Sale 3 was adjusted upward for inferior access on an unpaved road. Sale 4 had a somewhat similar location and no adjustment was made.

Zoning/Approvals

The subject property is zoned RM-1, Residential Multi-Family, Medium-Density, which allows 6-12 dwelling units per acre with a C-2, Commercial zoning district on its southern parcel, which would primarily function as an entrance to the larger, northern property. All of the sales have Planned Development or residential zoning. A downward adjustment was made for the higher density allowed by the zoning of Sale 1. The other sales had zoning density similar to the subject and no adjustments were made.

Size

The subject contains approximately 46.54 gross and net developable acres. The land sales range from nine to 32 net acres. Downward adjustments were made to Sales 1, 2, 3 and 4 for their smaller sizes, because smaller parcels tend to sell for higher unit values than larger parcels, in this case the subject. Sale 5 at 59.25 gross acres and 32 net developable acres was fairly similar in size to the subject and no adjustment was made.

Topography / Configuration

The subject property has an undulating topography. Sales 1, 2 and 3 were basically flat and downward adjustments were made for that superior, more easily developed characteristic compared to the subject. However, the topography adjustment to Sale 2 was more than offset by its extremely irregular configuration, and intermittent wetlands and wet-soils pattern which required an upward adjustment. Overall, the Sale 2 adjustment for Topography/Configuration was an upward adjustment compared to the subject. Sale 4 was adjusted upward for its sloping topography, which had larger changes in topography than the subject. Sale 5 sloped moderately toward the Econ River and no adjustment was made compared to the subject.

Utilities

The subject and all of the Sales have utilities available and no adjustments were made.

Listings

We obtained the following current listings of vacant land for sale in the area.

Land Size Acres	Asking Price	Asking Price/Ac	Location	Comments
36.60	$3,500,000	$95,628	SS Howland Blvd, NS Catalina, Deltona	Business/Commercial PUD, Extensive road frontage
17.58	$1,700,000	$96,701	NS Howland Blvd, S and E of subject, Deltona	Commercial, Extensive road frontage
5.05	$500,000	$99,010	3035 Howland Blvd, 1 block W of subject, Deltona	Commercial, Rectangle
4.06	$450,000	$110,837	3085 Howland Blvd, 2 blocks W of subject, Deltona	C-2, Commercial, Former Nursery, Rectangle
46.25	$642,000	$13,881	3443 Somerset Ave, Deltona	School Board Excess Land, Residential
20.00	$164,900	$8,245	Parma Dr NE of Lk Helen Osteen Rd, Deltona	R-1, Residential
47.57	$695,000	$14,610	Doyle Rd and Gatling Rd, Deltona	Poinsetta Platted Subdivision, Residential
17.23	$550,000	$31,921	N of Dirksen between US 17 and I-4, Debary	RC and R-4, Urban Single Family

LAND VALUE CONCLUSION

The comparable land sale indicated an unadjusted range from $35,000 to $158,611 per net acre. After adjustments, the range was from $43,780 per net acre to $112,500 per net acre, with a mean of $71,375 per net acre and a median of $73,882 per net acre. All of the sales were considered good indicators of value. Based upon the above-mentioned components, we estimate the “as is” market value of the subject site, effective January 5, 2016, to be $72,000 per net acre, or $3,350,880, which we have rounded to **$3,350,000**.

LAND SALES ANALYSIS

LAND SALES ANALYSIS GRID

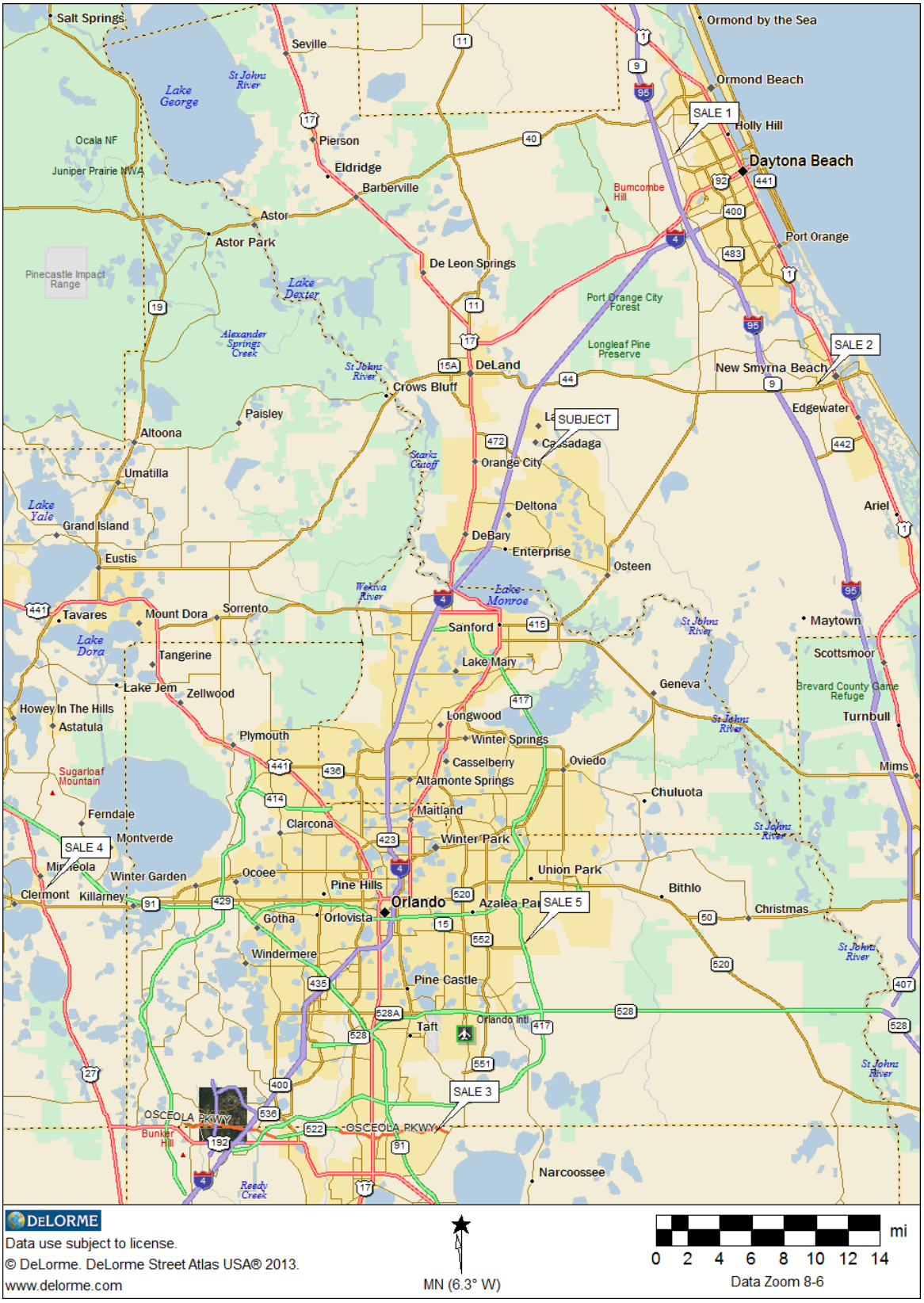
Vacant Land

"As Is" Land Market Value

		Subject	Land Sale 1	Land Sale 2	Land Sale 3	Land Sale 4	Land Sale 5
CRM #			**28347**	**28324**	**28174**	**28254**	**28346**
LOCATION		N side of Howland Blvd	NEQ LPGA Blvd & Williamson Blvd	1964 Jungle Rd	W End of Myers Rd Unpaved dead end	ES Grand Ave	NEQ SR 417 & Curry Ford Rd
		Deltona	Unincorporated	New Smyrna Beach	Unincorporated	Clermont	Unincorporated
		Volusia County	Volusia County	Volusia County	Osceola County	Lake County	Orange County
SALES INFORMATION							
Date of Sale		N/A	12/17/15	12/01/15	01/06/15	12/23/14	11/26/13
Sale Price		N/A	$2,376,000	$315,000	$1,200,000	$864,000	$4,500,000
Zoning/Approvals		RM-1 & C-2	PD	R-4	LDR	R-3	PD
Topography		Rolling	Level	Level	Level	Sloping	Mild Slope
Land Size (Gross Acres)		46.54	14.98	16.00	22.04	10.16	59.25
Net Developable Acreage		46.54	14.98	9.00	19.77	10.16	32.00
Proposed Density		6 to 12	17.62	8.00	8.00	10.33	7.81
Price/Net Acre			$158,611	$35,000	$60,698	$85,039	$140,625
PRIMARY ADJUSTMENTS							
Property Rights		Fee Simple	0.0%	0.0%	0.0%	0.0%	0.0%
Financing Terms		Cash Equivalent	0.0%	0.0%	0.0%	0.0%	0.0%
Conditions of Sale		Arm's Length	0.0%	0.0%	0.0%	0.0%	0.0%
Market Conditions(Rnded)		Stable	0.0%	0.0%	0.0%	0.0%	0.0%
Net Primary Adjustment			0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted Price/Net Acre			$158,611	$35,000	$60,698	$85,039	$140,625
OTHER ADJUSTMENTS							
Location / Access		N side of Howland Blvd	-20.0%	15.0%	10.0%	0.0%	-20.0%
Zoning		RM-1	-20.0%	0.0%	0.0%	0.0%	0.0%
Property Size (Net Acres)		46.54	-10.0%	-10.0%	-5.0%	-10.0%	0.0%
Topography/Configuration		Rolling	-5.0%	20.0%	-5.0%	5.0%	0.0%
Utilities		All Available	0.0%	0.0%	0.0%	0.0%	0.0%
Net Other Adjustment			-55.0%	25.0%	0.0%	-5.0%	-20.0%
Final Adjusted Price/Net Acre			$71,375	$43,750	$60,698	$80,787	$112,500

	Per Unit					
				ESTIMATED LAND VALUE		
Median	$71,375					
Mean	$73,822		46.54	Acres	@	$72,000	$3,350,880
			RECONCILED VALUE OPINION			**$3,350,000**

VACANT LAND SALES MAP



28347

LAND SALE 1

PROPERTY TYPE	Vacant Multi-family Land
RECORDED	O.R. Book 7198, Page 0134, Volusia County, Florida
GRANTOR	Consolidated-Tomoka Land Co. and Indigo Development LLC
GRANTEE	Panther Daytona/Sands, LLC
SALE DATE	December 17, 2015
SALE PRICE	$2,376,000
ANALYSIS	$158,611 per Gross and Net Acre $3.64 per Gross and Net Square Foot $9,000 per Unit
LOCATION	The property is located on the east side of Williamson Boulevard two lots north of LPGA Boulevard one block east of its I-95 interchange in unincorporated Volusia County, Florida.

28347
Page 2

LAND SALE 1
(Cont'd)

SITE DESCRIPTION	Shape: Irregular Size: 14.98± gross acres Corner: No Frontage: 898.20 feet on west side of Williamson Boulevard Utilities: All Available Topography: Level
IMPROVEMENT DESCRIPTION	Vacant Land
ZONING	PDG, Planned Development, General, Daytona Beach
FUTURE LAND USE	Multi-family, Daytona Beach
TYPE OF INSTRUMENT	Special Warranty Deed
INTEREST CONVEYED	Fee Simple
CONDITIONS OF SALE	Arm's Length
FINANCING	Cash to Seller
MOTIVATIONS OF PARTIES	Typical of market
CASH EQUIVALENCY	No adjustments required
EASEMENTS	Three temporary easements were recorded for construction of drainage and utility easements.
PRESENT USE	Vacant land
HIGHEST AND BEST USE	Multi-Family Development
INSPECTION DATE	January 31, 2016
VERIFICATION	
With/Relationship:	S. Scott Bullock, V.P., Consolidated Tomoka, representative of grantee (did not return our calls)
Telephone	386-944-5636
Date:	January 31, 2016
Verified by:	Mary T. Leadon

LAND SALE 1
(Cont'd)

COMMENTS

The sale transaction was described in several articles and a news release by the grantor. The deed restricted the sale property to a Mediterranean-style apartment complex. The sale property will be developed with Integra Sands, a 264-unit apartment complex expected to be completed in April 2017. There will be six four-story buildings and five two-story carriage houses in a total of 358,480 square feet of building area, plus amenities. There will be a large retention pond on the west side of the property along Williamson Road. The property will be accessible from LPGA Boulevard via Concierge Boulevard, which the grantee will extend to the north about 145 feet. It will also be accessible from Williamson Boulevard via Integra Sands Boulevard, which the grantee will extend about 490 feet east to meet Concierge Boulevard.

SALE HISTORY

The sale property was not yet identified as a specific parcel by the Volusia County Property Appraiser's office, but was part of a group of four parcels that had been owned for many years by the grantor.

TAX ID NUMBER

Part of 03-15-32-00-00-0011

LEGAL DESCRIPTION

A PORTION OF SECTION 3, TOWNSHIP 15 SOUTH, RANGE 32 EAST, VOLUSIA COUNTY, FLORIDA, BEING DESCRIBED AS FOLLOWS:

BEGIN AT THE NORTHWESTERLY CORNER OF TRACT A, LPGA BOULEVARD P.C.D. "A" UNIT 1; ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 52, PAGES 133 THROUGH 135, PUBLIC RECORDS OF VOLUSIA COUNTY, FLORIDA; THENCE RUN S 25°41'21" E, ALONG THE WESTERLY LINE OF SAID TRACT A, A DISTANCE OF 150.23 FEET; THENCE, DEPARTING SAID WESTERLY LINE, RUN S 64°21'40" W, A DISTANCE OF 209.81 FEET; THENCE RUN S 25°38'20" E, A DISTANCE OF 94.54 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF CONCIERGE BOULEVARD; THENCE RUN S 64°21'40" W, A DISTANCE OF 70.00 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF CONCIERGE BOULEVARD; THENCE, DEPARTING SAID WESTERLY RIGHT-OF-WAY LINE, RUN N 25°38'20" W, A DISTANCE OF 145.00 FEET TO A POINT OF CURVATURE OF A CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 90°00'00"; THENCE RUN WESTERLY, ALONG THE ARC OF SAID CURVE, A DISTANCE OF 39.27 FEET TO THE POINT OF TANGENCY THEREOF; THENCE RUN S 64°21'40" W, A DISTANCE OF 487.25 FEET TO A POINT OF CURVATURE OF A CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 30.00 FEET AND A CENTRAL ANGLE OF 80°47'13"; THENCE RUN SOUTHWESTERLY, ALONG THE ARC OF SAID CURVE, A DISTANCE OF 42.30 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF WILLIAMSON BOULEVARD; THENCE RUN N 16°25'33" W, ALONG SAID EASTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 898.20 FEET; THENCE, DEPARTING SAID EASTERLY RIGHT-OF-WAY LINE, RUN N 72°11'37" E, A DISTANCE OF 711.49 FEET; THENCE RUN S 25°41'21" E, A DISTANCE OF 439.67 FEET TO A POINT ON THE NORTHERLY LINE OF A DRAINAGE EASEMENT, AS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 5979, PAGES 3932 AND 3961, PUBLIC RECORDS OF VOLUSIA COUNTY, FLORIDA; THENCE RUN ALONG THE NORTHERLY AND WESTERLY LINES OF SAID DRAINAGE EASEMENT THE FOLLOWING TWO COURSES AND DISTANCES: RUN S 64°18'39" W, A DISTANCE OF 27.72 FEET; THENCE RUN S 25°41'21" E, A DISTANCE OF 250.00 FEET TO THE POINT OF BEGINNING.

28324

LAND SALE 2

TYPE OF PROPERTY	Vacant Residential Land
RECORDED	O.R. Book 7192, Page 1343, Volusia County, Florida
GRANTOR	RLH Family Limited Partnership
GRANTEE	Thomas H. Overstreet
SALE DATE	December 1, 2015
SITE DESCRIPTION	The site is irregularly shaped and contains approximately 16 acres of gross land area or 696,960 square feet. According to the Property Appraiser's site, approximately 7 acres are designated wetlands resulting in 9 acre of uplands.
SALE PRICE	$315,000
ANALYSIS	$19,688 per gross acre $35,000 per net acre
TYPE OF INSTRUMENT	Warranty Deed

LAND SALE 2
(Cont'd)

INTEREST CONVEYED	Fee Simple
LOCATION	1964 Jungle Road, New Smyrna Beach, FL 32168
ZONING	R-4, Volusia
FUTURE LAND USE	UMI, Urban Medium Intensity, Volusia County
PRESENT USE	Vacant Land
CONDITIONS OF SALE	Arm's Length Transactions
FINANCING	Cash to Seller
IMPROVEMENT DESCRIPTION	The site was vacant at the time of sale.
VERIFICATION	
With/Relationship:	William Riggle, Listing Broker
Telephone Number:	(386) 763-3323
Date:	January 15, 2015
Verified by:	Vaughn Fakess
MOTIVATIONS OF PARTIES	Typical Market Motivations
CASH EQUIVALENCY	N/A
COMMENTS	City of New Smyrna Beach would allow 8 Dwelling units per acre.
SALE HISTORY	According to the Volusia County Property Appraiser's records, there have been no transactions in the previous three years.

LAND SALE 2
(Cont'd)

LEGAL DESCRIPTION

Lot 5, vacated Charlton Street and a portion of Lot 6, ELLISON ACRES NO. 3, as per map recorded in Map Book 23, Page 84, Public Records of Volusia County, Florida, and a portion of Lot 54, Block 20, DOUGHERTY'S SUBDIVISION OF THE NAPIER & HULL GRANTS, as per map recorded in Deed Book "M", Page 68 and Map Book 2, Page 42, of the Public Records of Volusia County, Florida, and a portion of U.S. Lot 2, Section 24, Township 17 South, Range 33 East, and a portion of Lot 17, A.B. HAWLEY SUBDIVISION, as per map in Map Book 1, Page 75, of the Public Records of Volusia County, Florida, all being more particularly described as follows:

Beginning at the Northeast corner of Lot 1, Block A, ELLISON ACRES NO. 2, as per map recorded in Map Book 8, Page 249, Public Records of Volusia County, Florida, also being the Southeast corner of said Lot 54; thence S 59 degrees 56' 48" W, along the North line of said ELLISON ACRES NO. 2, a distance of 659.92 feet to the Northwest corner of said ELLISON ACRES NO. 2, also being the Southwest corner of said Lot 54; thence N 30 degrees 09' 43" W, along the East line of said ELLISON ACRES NO. 3, also being the West line of said Lot 54, a distance of 659.74 feet to the Northwest corner of said Lot 54; thence N 59 degrees 45' 29" E, a distance of 150.09 feet; thence N 29 degrees 54' 39" W, a distance of 105.02 feet; thence S 60 degrees 00' 25" W, a distance of 30.00 feet; thence N 29 degrees 54' 39" W, a distance of 192.68 feet to the monumented South Right-of-Way line of Jungle Road, an existing county maintained road; thence S 88 degrees 03' 00" E, along the aforementioned line a distance of 562.79 feet to the North line of said Lot 54; thence N 60 degrees 00' 25" East, a distance of 11.97 feet along the aforementioned line to the monumented South Right-of-Way line of said Jungle Road; thence N 87 degrees 45' 50" E, along the aforementioned line a distance of 6.65 feet; thence S 02 degrees 25' 40" E, a distance of 175.00 feet; thence N 87 degrees 28' 42" E, a distance of 150.22 feet; thence N 02 degrees 35' 03" W, a distance of 175.04 feet to the monumented South line of said Jungle Road; thence N 87 degrees 38' 25" East along the aforementioned line a distance of 463.15 feet; thence S 00 degrees 35' 33" E, a distance of 764.34 feet; thence N 89 degrees 31' 07" W, a distance of 140.97 feet to the East line of said ELLISON ACRES NO. 2; thence N 30 degrees 08' 09" W, along the aforementioned line a distance of 221.73 feet to the Point of Beginning.

TAX ID NUMBER 43-17-33-03-00-0050

28174

LAND SALE 3

TYPE OF PROPERTY	Vacant Residential Land
RECORDED	O.R. Book 4721, Page 0307, Osceola County, Florida
GRANTOR	Genesis Communications I, Inc.
GRANTEE	Eagle Hammock, LLC
SALE DATE	January 6, 2015
SALE PRICE	$1,200,000
ANALYSIS	$54,446 per acre $6,818 per unit (8 to 1)
TYPE OF INSTRUMENT	Special Warranty Deed
INTEREST CONVEYED	Fee Simple
CONDITIONS OF SALE	Arm's Length
FINANCING	Same as Cash to Seller

28174
Page 2

LAND SALE 3
(Cont'd)

CASH EQUIVALENCY	N/A
MOTIVATIONS OF PARTIES	Typical Motivations
SITE DESCRIPTION	The sale property is a rectangular shaped parcel consisting of 22.04 acres of land area. Per the U.S. Fish and Wildlife Service National Wetland Inventory Mapper, the sale property contains approximately 2.27 acres of probable jurisdictional wetlands. The wetlands are situated in the north central portion of the site. There was a small building improvement (shed) onsite at the time of the sale which was considered to be of no value.
LOCATION	The sale property is located at the west terminus Myers Road along the unimproved section, west of the paved two lane portion of the road, within the Kissimmee area of unincorporated Osceola County, FL. The surrounding subdivisions were built-out at a density of about 8 units per acre which is the maximum allowable density within the LDR land use plan.
ZONING	Low Density Residential, Osceola County
FUTURE LAND USE	Low Density Residential, Osceola County
ENCUMBRANCES	None
IMPROVEMENT DESCRIPTION	Small Shed/Workshop no value
PRESENT USE	Vacant residential land at the time of sale.
HIGHEST AND BEST USE	Single Family Residential Development

VERIFICATION

Property Data Sources:	Grantor, Bruce Maduri
Telephone:	813-281-1040
Date:	August 26, 2015
Verified by:	Brian L. Roper, Clayton, Roper & Marshall

And

Property Data Sources:	John Kraynick, Representative of Grantee
Telephone:	407-542-4909
Date:	February 2, 2016
Verified by:	Mary T. Leadon, Clayton, Roper & Marshall

LAND SALE 3
(Cont'd)

COMMENTS	According to verifying source the property was purchased with no entitlements or approvals in place. However the property was located just north of multiple built-out subdivisions and the property would likely take on similar development as the existing surrounding developments.
SALE HISTORY	According to the Osceola County Property Appraiser's records, there have been no previous arm's length sale transactions of the property within the past five years.
LEGAL DESCRIPTION	Please see attached deed for legal description.
PARCEL IDENTIFICATION #	05-25-30-0000-0200-0000

28254

LAND SALE 4

TYPE OF PROPERTY	Vacant Multi-Family Residential Land
RECORDED	O.R. Book 4567, Page 1789, Lake County, Florida
GRANTOR	Charles Sharkus, as Trustee under Trust Agreement known as the Charles Sharkus Living Trust, dated January 19, 2005
GRANTEE	New Beginnings of Central Florida, Inc.
SALE DATE	December 23, 2014
SITE DESCRIPTION	Shape: Rectangular Size (SF): 442,570 gross square feet Size (AC): 10.16±- gross acres-all of which are uplands and developable Corner: No Frontage: More than 650 feet along east side of S Grand Highway Utilities: All Available In Area Topography: Undulating (See Comments)

28254
Page 2

LAND SALE 4
(Cont'd)

SALE PRICE	$864,000
ANALYSIS	$85,039 per gross acre $1.95 per gross square foot
TYPE OF INSTRUMENT	Special Warranty Deed
INTEREST CONVEYED	Fee Simple
LOCATION	The site is located along the east side of S Grand Highway, at the eastern terminus of Hunt Street, within the City of Clermont, Lake County, Florida.
ZONING	R-3, City of Clermont
FUTURE LAND USE	High Density Residential, City of Clermont
PRESENT USE	Vacant Land
CONDITIONS OF SALE	Arm's Length Transaction
FINANCING	Cash to Seller
IMPROVEMENT DESCRIPTION	The site was vacant at the time of sale.
VERIFICATION	
With/Relationship:	Harry Champ, Listing Broker-Coldwell Banker Commercial
Telephone Number:	(407) 539-1000
Date:	October 13, 2015
Verified by:	Joseph W. Machovina
MOTIVATIONS OF PARTIES	Typical Market Motivations
CASH EQUIVALENCY	N/A
COMMENTS	Per the verification source, the site was raw land with sloping and undulating topography that will require substantial grading and clearing prior to development. A cost of grading and clearing was not known. The property was previously entitled for a 105 unit apartment complex, but the entitlements have since expired. The grantee

LAND SALE 4
(Cont'd)

intends to develop the property as an affordable housing apartment complex. Please see attached deed for list of encumbrances and restriction. None of the reservations or restrictions are likely to have a negative impact on the value of the property.

SALE HISTORY

There are no additional arm's length transaction involving the sale property appearing in the Lake County Public Records in the 5-year period preceding the December 2014 sale.

LEGAL DESCRIPTION

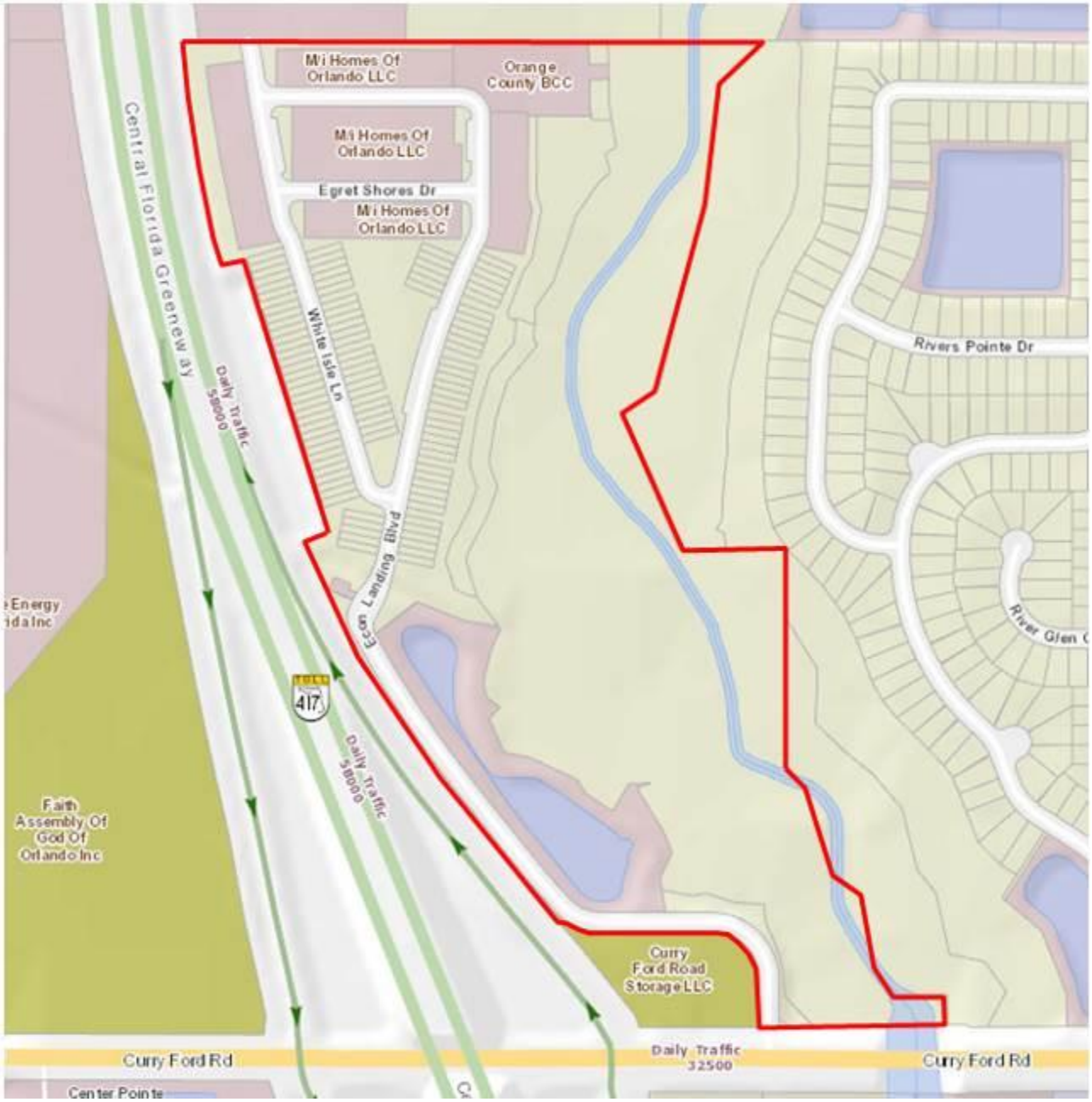
Tract 9, SECTION 20, TOWNSHIP 22 SOUTH, RANGE 26 EAST, PROPERTY OF LAKE HIGHLANDS COMPANY, according to the Plat thereof as recorded in Plat Book 3, Page 30, of the Public Records of Lake County, Florida.

TAX ID NUMBER 09-22-26-080-5009-00000

ALTERNATE KEY 3801239

28346

LAND SALE 5



PROPERTY TYPE Vacant Multi-family Land

RECORDED O.R. Book 10671, Page 3200, Orange County, Florida

28346
Page 2

LAND SALE 5
(Cont'd)

GRANTOR	Econ Landing, LLP
GRANTEE	M/I Homes of Orlando, LLC
SALE DATE	November 26, 2013
SALE PRICE	$4,500,000
ANALYSIS	$75,949 per Gross Acre $140,625 per Net Acre $18,000 per Unit
LOCATION	The property is located on the northeast side of the State Road 417 interchange at Curry Ford Road with an entrance at Econ Landing Boulevard in unincorporated Orange County, Florida.
SITE DESCRIPTION	Shape: Irregular Size: 59.25± gross acres 32.00± net acres Corner: No Frontage: Curry Ford Road, SR 417 visibility Utilities: All Available Topography: Fairly Level
IMPROVEMENT DESCRIPTION	Vacant Land
ZONING	PD, Planned Development, Orange County
FUTURE LAND USE	PD-C/LMDR/Cons, Planned Development-Commercial/ Multifamily Residential/Conservation, Orange County (Up to 300 Multi-family Residential Units and 96,000 SF of Commercial Land Uses)
TYPE OF INSTRUMENT	Special Warranty Deed
INTEREST CONVEYED	Fee Simple
CONDITIONS OF SALE	Arm's Length
FINANCING	Cash to Seller
MOTIVATIONS OF PARTIES	Typical of market

LAND SALE 5
(Cont'd)

CASH EQUIVALENCY	No adjustments required
EASEMENTS	None at sale date
PRESENT USE	Vacant land
HIGHEST AND BEST USE	Multi-Family Development
INSPECTION DATE	January 31, 2016
VERIFICATION	
With/Relationship:	Jim Dowd, Dowd Properties, representative of grantee
Telephone	(407) 504-1140
Date:	January 29, 2016
Verified by:	Mary T. Leadon

COMMENTS

Although the subject had entitlements for 300 residential units along with 96,000 square feet of commercial uses, the property was developed with Econ Landing, which will ultimately have 250 townhome units between State Road 417 and the Econ River. The density is 7.8 units per net acre. The Community Declaration is recorded in OR Book 10939, Page 5187 of the Orange County Public Records.

SALE HISTORY

Econ Landing LLP purchased the property in 2010 from the FDIC and Peoples First Community Bank. There are no more recent transactions listed in the Orange County Public Records.

TAX ID NUMBERS

The original Orange County Property appraiser's Parcel Number was 06-23-31-0000-00-048, but the property was subsequently divided into the following Parcel Identification Numbers:

06-23-31-1920-00-001	
06-23-31-1920-00-002	
06-23-31-1920-00-003	06-23-31-1920-11-000
06-23-31-1920-00-004	06-23-31-1920-14-000
06-23-31-1920-00-006	06-23-31-1920-16-000
06-23-31-1920-00-008	06-23-31-1920-17-000
06-23-31-1920-00-009	06-23-31-1920-18-000
06-23-31-1920-10-000	06-23-31-1920-19-000

LAND SALE 5
(Cont'd)

LEGAL DESCRIPTION

A PORTION OF SECTION 3, TOWNSHIP 15 SOUTH, RANGE 32 EAST, VOLUSIA COUNTY, FLORIDA, BEING DESCRIBED AS FOLLOWS:

BEGIN AT THE NORTHWESTERLY CORNER OF TRACT A, LPGA BOULEVARD P.C.D. "A" UNIT 1; ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 52, PAGES 133 THROUGH 135, PUBLIC RECORDS OF VOLUSIA COUNTY, FLORIDA; THENCE RUN S 25°41'21" E, ALONG THE WESTERLY LINE OF SAID TRACT A, A DISTANCE OF 150.23 FEET; THENCE, DEPARTING SAID WESTERLY LINE, RUN S 64°21'40" W, A DISTANCE OF 209.81 FEET; THENCE RUN S 25°38'20" E, A DISTANCE OF 94.54 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF CONCIERGE BOULEVARD; THENCE RUN S 64°21'40" W, A DISTANCE OF 70.00 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF CONCIERGE BOULEVARD; THENCE, DEPARTING SAID WESTERLY RIGHT-OF-WAY LINE, RUN N 25°38'20" W, A DISTANCE OF 145.00 FEET TO A POINT OF CURVATURE OF A CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 90°00'00"; THENCE RUN WESTERLY, ALONG THE ARC OF SAID CURVE, A DISTANCE OF 39.27 FEET TO THE POINT OF TANGENCY THEREOF; THENCE RUN S 64°21'40" W, A DISTANCE OF 487.25 FEET TO A POINT OF CURVATURE OF A CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 30.00 FEET AND A CENTRAL ANGLE OF 80°47'13"; THENCE RUN SOUTHWESTERLY, ALONG THE ARC OF SAID CURVE, A DISTANCE OF 42.30 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF WILLIAMSON BOULEVARD; THENCE RUN N 16°25'33" W, ALONG SAID EASTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 898.20 FEET; THENCE, DEPARTING SAID EASTERLY RIGHT-OF-WAY LINE, RUN N 72°11'37" E, A DISTANCE OF 711.49 FEET; THENCE RUN S 25°41'21" E, A DISTANCE OF 439.67 FEET TO A POINT ON THE NORTHERLY LINE OF A DRAINAGE EASEMENT, AS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 5979, PAGES 3932 AND 3961, PUBLIC RECORDS OF VOLUSIA COUNTY, FLORIDA; THENCE RUN ALONG THE NORTHERLY AND WESTERLY LINES OF SAID DRAINAGE EASEMENT THE FOLLOWING TWO COURSES AND DISTANCES: RUN S 64°18'39" W, A DISTANCE OF 27.72 FEET; THENCE RUN S 25°41'21" E, A DISTANCE OF 250.00 FEET TO THE POINT OF BEGINNING.

RECONCILIATION AND FINAL VALUE ESTIMATE

As requested, we have made the inspections, investigations, and analyses necessary to appraise the vacant land north of Howland Boulevard opposite Dr. Martin Luther King Boulevard in the City of Deltona, Volusia County, Florida.

The purpose of this appraisal was to form an opinion of the "as is" market value of the fee simple interest in the subject vacant land. The “as is” market value estimate is made effective the date of our most thorough physical inspection of the subject property, January 5, 2016.

The Sales Comparison Approach involved the analysis of five comparable sales. The estimate of value by the Sales Comparison Approach employed a sales comparison based on the sale price per net acre, which is considered a very reliable value indicator when the property is vacant residential or mixed-use land and there is an active market with ample sales data, as it reflects the actions of buyers and sellers in the marketplace. The market data was considered good, for this reason we have formed our opinion of value for the subject based on the Sales Comparison Approach.

Based upon our investigation into those matters which affect market value, and by virtue of our experience and training, our opinion of the market value of the fee simple interest in the subject property “as is,” effective January 5, 2016, was:

THREE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS

($3,350,000).

A D D E N D U M

QUALIFICATIONS OF CRAIG H. CLAYTON, MAI

BUSINESS ADDRESS

Clayton, Roper & Marshall
246 North Westmonte Drive
Altamonte Springs, Florida 32714

Ph: (407) 772-2200 x 315
Fax: (407) 772-1340
cclayton@crmre.com

PROFESSIONAL ASSOCIATIONS

MAI Designation - Appraisal Institute, Certificate #6441
Appraisal Institute - Standards of Professional Practice – Former Committee Member
Appraisal Institute - Regional Ethics and Counseling Panel – Former Committee Member
Appraisal Institute - Admissions Committee – Former Chapter Admissions Committee Chairman
Appraisal Institute – East Florida Chapter President (2005)
Member - Orlando-Winter Park Board of Realtors (REALTOR)
Member - Florida Association of Realtors
Member - National Association of Realtors
Associate Member – SMAC (Southeast Mortgage Advisory Council)
State-Certified General Appraiser - State of Georgia - Exp. June 30, 2016, License No. CG 5138
State-Certified General Appraiser - State of Florida - Exp. November 30, 2016, License No. RZ 118
Licensed Real Estate Broker – State of Florida – Exp. March 31, 2016, License No. BK 128405

Certificate of Completion for the Valuation of Conservation Easements Certificate Program, as offered by the American Society of Appraisers, the American Society of Farm Managers and Rural Appraisers and the Appraisal Institute and endorsed by the Land Trust Alliance. This certificate indicates that Craig H. Clayton, MAI, has completed the Valuation of Conservation Easements educational requirements and passed the examination – January 14-18, 2008, Tallahassee Florida.

EDUCATION

Bachelor of Science in Business Administration (BSBA)
University of Florida, Gainesville, Florida
Major - Real Estate, Graduated - 1975

Master in Business Administration (MBA)
University of Florida, Gainesville, Florida
Major - Real Estate, Graduated - 1976

The Appraisal Institute conducts a voluntary program of continuing education for its designated members. MAI's and RM's who meet the minimum standards of this program are awarded periodic educational certification. Craig H. Clayton is currently certified under this program through December 31, 2017.

APPRAISAL COURSES SPONSORED BY THE APPRAISAL INSTITUTE

(formerly the American Institute of Real Estate Appraisers)

Course II (Urban Case Studies), University of Colorado	-1977
Course VII (Industrial Valuation), Lake Lanier, Georgia	-1981
Course #2-3 (Standards of Professional Practice), Orlando, Florida	-1984
Standards of Professional Practice Update, Orlando, Florida	-1988
Standards of Professional Practice Update, Parts A & B, Orlando, Florida	-1992
Standards of Professional Practice Update, Part A, Orlando, Florida	-1998
Standards of Professional Practice Update, Part B, Orlando, Florida	-1998
Florida State Law and USPAP Review for R.E. Appraisers	-2000
Florida State Law Update for Real Estate Appraisers	-2002
Standards of Professional Practice, Part C	-2002
National Uniform Standards of Professional Appraisal Practice (USPAP) Update Course	-2004

Scope of Work and the New USPAP Requirements	-2006
Business Practices and Ethics	-2007
Valuation of Conservation Easements	-2008
7-Hour National USPAP Update Course	-2008
Florida Law	-2008
Supervisor/Trainee Roles & Relationship	-2008
Florida Law	-2010
Supervisor/Trainee Roles and Rules	-2010
7-Hour National USPAP Update Course	-2010
Condemnation Appraising Principles and Applications	-2010
Central Florida Real Estate – 2011 Valuation Forum (Presenter)	-2011
Business Practices & Ethics	-2012
IRS Valuation – Webinar	-2012
Course 833 – Fundamentals of Separating Real Property, Personal Property And Intangible Business Assets	-2012
Florida Law	-2012
7-Hour National USPAP Update Course	-2012
Florida Law	-2014
7-Hour National USPAP Update Course	-2014
Evaluating Commercial Construction	-2014
2014 Central Florida Real Estate Forum – Unity of the Community	-2014
Business Practices and Ethics	-2015
2015 Central Florida Real Estate Forum – A Sustainable Growth Story	-2015

REAL ESTATE COURSES SPONSORED BY THE APPRAISAL INSTITUTE
(formerly the Society of Real Estate Appraisers)

Course 101 (Introduction to Appraising Real Property) - University of Florida	-1977
Course 201 (Principals of Income Property Appraising) - University of Florida	-1974

SEMINARS

Market Analysis for Appraising and Real Estate Investment Analysis	-1977
The Influence of Capital Markets on Real Estate Valuation	-1980
Land Development and Market Analysis	-1980
Discount and Capitalization Rates, Their Components and How to Find Them	-1981
Fifth Colloquium on Real Estate and Land Use Models passed	-1981
Creative Financing/Cash Equivalency	-1982
Developing Small Office Buildings	-1983
Appraisers and Communication Tools	-1984
Is Judgment Obsolete in the High Tech Era?	-1984
Subdivision Analysis	-1985
R-41b Overview	-1985
Appraising for Pension Funds	-1986
Valuation of Multi-Family Housing	-1986
Tax Reformation and its Effect on Real Property	-1986
Use of Videotaping in Eminent Domain Trials	-1986
Memorandum R-41c	-1986
Underwriting Guidelines and the Appraiser	-1986
Where is the Real Estate Industry Going?	-1986
Valuation Under FHLBB Regulations: An Update	-1987
Resort Hotel Development	-1987
Hands On Computer Session	-1987
Environmental Regulations Affecting Land Use and Value	-1988

SEMINARS (continued)

Easement Valuation	-1988
Real Estate Boundary Law given by Professional Education Systems, Inc.	-1989
Managing Real Estate Assessment	-1989
Hotel - Motel Valuation Seminar	-1990
Concurrency	-1990
Appraisal Regulations of the Federal Banking Agencies	-1990
Americans with Disabilities Act	-1992
Valuation Considerations: Appraising Nonprofit Properties	-1992
Rates, Ratios and Reasonableness	-1992
The Challenge of Measuring External Obsolescence	-1992
Appraising Interim Use Properties	-1992
Affordable Housing Initiatives - Urban Land Institute	-1993
Understanding Limited Appraisals & Reporting Options - General	-1994
Professional Standards USPAP Update Core Law for Appraisers	-1994
The Appraiser in Litigation	-1994
How to Appraise FHA-Insured Property	-1995
Fair Lending and the Appraiser	-1995
Electro-Magnetic Fields	-1995
Less than Fee Acquisitions/Mineral Rights/Remnants/Highest and Best Use	-1996
1996 Real Estate Law Symposium	-1996
Professional Standards USPAP Update Core Law for Appraisers	-1998
R4321 - Rates & Ratios Used in the Income Capitalization Approach	-1998
Highest and Best Use Applications	-1998
Small Hotel/Motel Valuation Seminar	-1998
665 - Understanding and Using DCF Software	-1998
Lease Abstracting & Analysis	-1999
International Symposium - The Globalization of Real Estate	-1999
Technology Forum, Parts I and II	-1999
Valuation and the Evolution of the Real Estate Capital Markets	-1999
Appraising from Blueprints and Specifications	-2000
SFWMD Current Appraisal Issues in Florida	-2000
The IRS & FLPS: Where are we Now?	-2000
The Real Estate Capital Markets: An Update to Valuers (Parts I and II)	-2000
Bridging the Gap: Marketability Discounts for Real Estate Interest	-2000
The Effect of E-Commerce on Real Estate Value	-2000
HUD MultiFamily Accelerated Processing (MAP) - 3rd Party Technical Training Seminar	-2000
Exchanges/An Investors Dream - A Comprehensive Study of the Creative Possibilities	-2001
SFWMD Current Appraisal Issues in Florida	-2001
Land Acquisition & Management Partnership Conference	-2001
Section 8/HUD: Rent Comparability Studies	-2001
The Appraisal Institute Commercial Database and Appraiser Loop	-2002
USPAP The Changing Role of the Appraiser and USPAP	-2002
Financial Reporting Valuations: Part 1, Principles and Concepts	-2002
The Aftermath: Our World Post September 11: A General/Commercial View	-2002
Technology Update II, Computer Hardware and Software	-2002
Appraisal Review	-2003
2003 National Public Land Acquisition & Management Partnership Conference	-2003
Appraising a Proposed Property	-2004
Timberland Appraisal Methods	-2004
Uniform Appraisal Standards for Federal Land Acquisitions “The Yellowbook”	-2004

SEMINARS (continued)

New Technology for the Real Estate Appraiser: Cool Tools	-2004
Site to Do Business	-2005
Florida State Law for Real Estate Appraisers	-2005
Conservation Easements	-2005
Inspecting Commercial Properties	-2005
Beat the Clock	-2005
An Overview of the Hospitality & Wine Industries	-2005
National USPAP Update	-2005
Subdivision Valuation: A Comprehensive Guide to Valuing Improved Subdivisions	-2006
Case Studies in Financial Harmonization	-2006
SFWMD - Appraisal Seminar	-2006
SFWMD - Appraisal Seminar	-2007
A Professional's Guide to Conservation Easements	-2007
The Real Estate Economy: What's in Store for 2008?	-2007
Making Sense of the Changing Landscape of Valuation: Cool Tools	-2007
The Valuation of Wetlands	-2007
Sovereignty Submerged Land Easements	-2008
SFWMD – Appraisal Seminar	-2008
HUD Multi-Family Accelerated Processing (MAP) - 3rd Party Technical Training Seminar	-2009
HUD Multi-Family Accelerated Processing (MAP) - 3rd Party Technical Training Seminar	-2010
HUD Multi-Family Accelerated Processing (MAP) - 3rd Party Technical Training Seminar	-2012
Orlando Regional Realtor Association – 3rd Cycle Quad Code of Ethics	-2012

EXPERIENCE

Real Estate Appraiser, Consultant and Market Analyst with 1976-1982
Pardue, Heid, Church, Smith & Waller, Inc.

Co-Founder and President of Clayton, Roper & Marshall, Inc. Since 1982
(formerly Clayton & Roper Appraisal Services)

Testified as Expert Witness in Orange, Seminole, Osceola, Hernando, Volusia and Indian River Counties

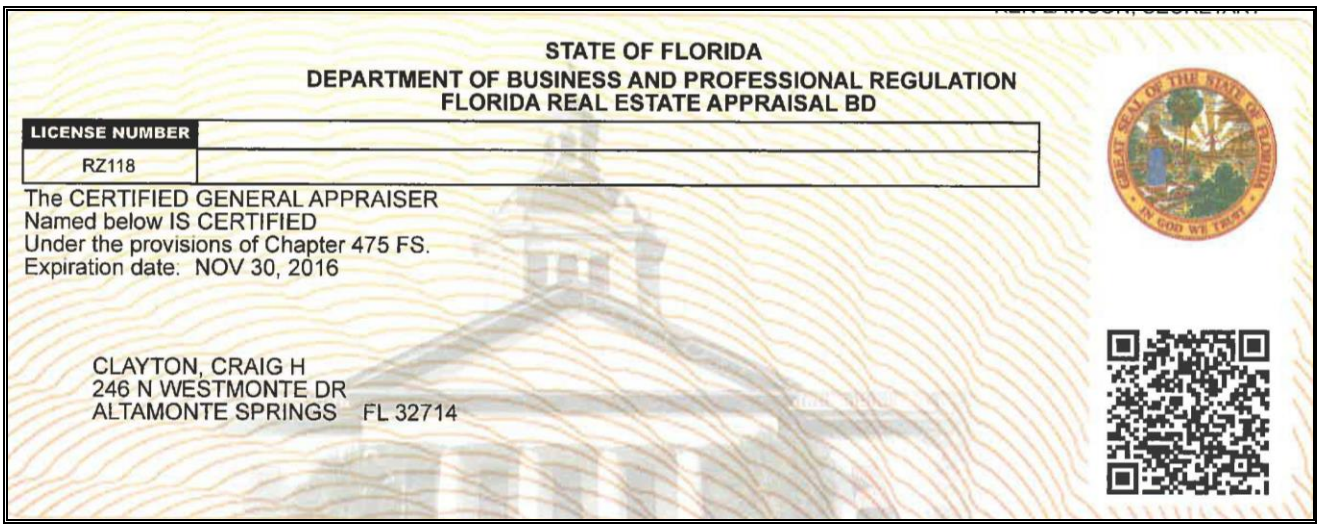
Testified as Expert Witness in Federal Bankruptcy Court in Orlando, Miami, Tampa, Jacksonville, Memphis and Pittsburgh

Property Appraisal Adjustment Board Member for Orange, Osceola, and Seminole Counties, Florida

- Diverse clientele including individuals, lenders, trustees, corporations, government agencies, attorneys, accountants, developers, builders and non-profit organizations.
- Designed, authored and extensively utilized computer software (programs) for real estate appraisal and investment analysis applications for the benefit of my clients.
- 34 Years Experience in Appraisals, Market Studies and Feasibility Studies of Diverse Property Types including
  - Apartments
  - Assisted Living Facilities and Nursing Homes
  - Hotel/Motel Properties
  - Mixed-Use Planned Unit Developments (PUD's)
  - Single Family Properties and Subdivisions
  - Condominiums Projects
  - Commercial and Retail Buildings
  - Shopping Centers
  - Office Buildings and Parks
  - Industrial Parks and Buildings

- Storage Buildings
- Agricultural Ranches, Timberlands and Citrus Groves
- Environmentally Endangered Lands - Waterfront, Lowlands, Coastal Barrier Islands
- Conservation Easements
- Recreational Properties - i.e., Golf Courses, Ski Resorts, etc.
- Mobile Home Parks and Subdivisions
- New Community Developments
- Resort Developments
- Special Use Properties
- Special Purpose Properties
- Mitigation Banks
- Litigation Assignments]

STATE OF FLORIDA CERTIFICATION



STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA REAL ESTATE APPRAISAL BD

LICENSE NUMBER	
RZ118	

The CERTIFIED GENERAL APPRAISER
Named below IS CERTIFIED
Under the provisions of Chapter 475 FS.
Expiration date: NOV 30, 2016

CLAYTON, CRAIG H
246 N WESTMONTE DR
ALTAMONTE SPRINGS FL 32714

QUALIFICATIONS OF MARY T. LEADON

BUSINESS ADDRESS
Clayton, Roper & Marshall
246 North Westmonte Drive
Altamonte Springs, Florida 32714
Telephone: (407) 772-2200, Extension 313

EDUCATION
B.A., University of Florida
Department of Real Estate and Urban Land Use, University of Florida
Real Estate Fundamentals
Urban Land Utilization

COURSES SPONSORED BY THE APPRAISAL INSTITUTE

Course 1A-1	Real Estate Appraisal Principles
Course 8-2	Residential Valuation
Course 1A-2	Basic Valuation Procedures
Course 1B-A	Capitalization Theory and Techniques, Part A
Course 1B-B	Capitalization Theory and Techniques, Part B
Course SPP	Standards of Professional Practice, Parts A, B & C
Course 540	Report Writing and Valuation Analysis
Course 550	Advanced Applications

SEMINARS SPONSORED BY THE APPRAISAL INSTITUTE
Real Estate Evaluations and the Appraisal Industry
Depreciation
Environmental Concerns
Interim Use Properties
Rates, Ratios & Reasonableness
Residential Construction Methods
Appraising Nursing/Congregate Care Facilities
Analyzing Commercial Leases
Litigation Valuation
Office Valuation
Hotel Appraising
Identify and Prevent Real Estate Fraud
Uniform Standards of Professional Appraisal Practice
Florida Law
Supervisor/Trainee Roles and Relationships
Business Practices and Ethics

RELATED APPRAISAL SEMINARS
Wetland Valuation
Green Buildings
Systems Built Housing
Regression Analysis
Expert Witness Testimony

EXPERIENCE

Commercial Appraiser, Clayton, Roper & Marshall, Orlando, Florida	Present
Administrative Director, Litigation Division, Clayton, Roper & Marshall	(9/91 – 7/01)
Commercial Appraiser, Clayton, Roper & Marshall	(5/90-8/91)
Commercial Appraiser, AppraisalFirst, Inc., Orlando, Florida	(02-89 to 05-90)
Commercial Appraisal Assistant, AppraisalFirst, Inc., Orlando, Florida	(05-87 to 02-89)

PROFESSIONAL DESIGNATIONS AND AFFILIATIONS

State Certified General Appraiser - RZ 1569; License Renewal: November 30, 2016
Licensed Florida Broker/Salesperson
Expert Witness - Circuit Courts of Seminole, Volusia, and Brevard Counties

STATE OF FLORIDA CERTIFICATION

STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA REAL ESTATE APPRAISAL BD

LICENSE NUMBER	
RZ1569	

The CERTIFIED GENERAL APPRAISER
Named below IS CERTIFIED
Under the provisions of Chapter 475 FS.
Expiration date: NOV 30, 2016

LEADON, MARY T
246 NORTH WESTMONTE DRIVE
ALTAMONTE SPRINGS FL 32714

CLAYTON ROPER MARSHALL
www.crmre.com

Clayton, Roper & Marshall, Inc., a Florida Corporation
CRAIG H. CLAYTON, MAI
State-Certified General Appraiser RZ 118

PAUL M. ROPER, MAI, SRPA SRA
State-Certified General Appraiser RZ 141

STEVEN L. MARSHALL, MAI, SRA, AI-GRS
State-Certified General Appraiser RZ 155

1982 - 2015
33
Years of Service

Delivered via e-mail:
jshang@deltonafl.gov

January 4, 2016

Ms. Jane Shang, City Manager
City of Deltona
2345 Providence Boulevard
Deltona, Florida 32725

Re: Appraisal of 45± Acres of Vacant Multi-Family Land Located on the North Side of Howland Boulevard, (Parcel AltKeys 2574518, 2561602, 2568020, 2567821, and 2568038), Deltona, Volusia County, Florida

Dear Ms. Shang:

Subject to your authorization, Clayton, Roper & Marshall will prepare an Appraisal Report on the "as is" market value of the property referenced above. The report will conform to the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by The Appraisal Foundation.

The Appraisal Report is intended to comply with the reporting requirements set forth under the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. As such, it presents discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is also retained in the appraiser's file. The depth of discussion contained in the report is specific to the needs of the client. The appraiser is not responsible for unauthorized use of this report.

The fee for this assignment is $3,000. We will deliver a pdf electronic copy and two (2) hardbound original reports within 30 days from authorization.

Please indicate your agreement with the terms of this assignment by returning a copy of this letter, signed and dated where provided below.

If you have any additional information applicable to the valuation of the property, please forward it as soon as possible to assure timely completion of the appraisal. Should you have any questions, please feel free to call me at your convenience.

Respectfully submitted,

CLAYTON, ROPER & MARSHALL

Craig H. Clayton, MAI
State-Certified General Real Estate Appraiser
License No. RZ 118

CHC/avr

By: Jane K Shang

Dated: 1/5/2016

AN APPRAISAL OF

46.54 ACRES OF MULTI-FAMILY AND COMMERCIAL LAND
LOCATED ON HOWLAND BOULEVARD AT THE INTERSECTION OF
DR. MARTIN LUTHER KING BOULEVARD
DELTONA, FLORIDA
32725

PREPARED FOR

MR. DENNIS CASEY
443 BELOIT AVENUE
WINTER PARK, FLORIDA 32789

ATTENTION: MR. DENNIS CASEY

DATE OF VALUATION
OCTOBER 14, 2015

DATE OF REPORT
OCTOBER 20, 2015

PREPARED BY

LANDMARK APPRAISAL SERVICES, INC.

ROBERT D. POYNTER, GAA
STATE-CERTIFIED GENERAL APPRAISER RZ 2372

LANDMARK APPRAISAL SERVICES, INC.
1540 GROVE TERRACE
WINTER PARK, FLORIDA 32789
TELEPHONE 407 629 1967
FAX 407 629 0420

October 20, 2015

Mr. Dennis Casey
443 Beloit Avenue
Winter Park, FL 32789

RE: An appraisal report of 46.54 acres multi-family and commercial land in Deltona, Florida 32725

Dear Mr. Casey,

As requested, I have made the necessary investigations and analyses incident to appraising the above captioned property located in the city of Deltona, Volusia County, Florida.

The purpose of this appraisal is to estimate the "As Is" Market Value of the fee simple interest in the subject property as of October 14, 2015, the date of the last inspection of the subject property. The date of this report is October 20, 2015. The intended use of this appraisal is to aid the client in establishing a market value for the subject property for internal decision-making purposes. The property is further described by both legal and narrative descriptions within the text of the following appraisal report.

General Assumptions, Limiting Conditions and certain Special Assumptions concerning the valuation of the subject property can be found following this section of the report.

This is an appraisal report and has been prepared under Standard Rules 2-2(b) and performed under Standard 1 of the Uniform Standards of Professional Appraisal Practice (USPAP).

As a result of my investigation into those matters, which affect Market Value, and by virtue of my experience and training, I have formed the opinion that the "As Is" Market Value of the fee simple interest in the subject property as of October 14, 2015, was:

"AS IS" MARKET VALUE OF THE FEE SIMPLE INTEREST

FIVE MILLION TWO HUNDRED THIRTY THOUSAND DOLLARS

($5,230,000)

The following report was prepared in conformity with the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute that became effective January 1, 1989. As such, it conforms to the Uniform Standards of Professional Practice and Supplemental Standards of Professional Practice. This report meets or exceeds the guidelines of Federal, Financial Institutions Reform, Recovery and Enforcement Act of 1989 (Title XI of FIRREA), as issued by the Office of the Comptroller of Currency.

This letter of transmittal precedes the appraisal report further describing the subject property and containing a summary of the reasoning and most pertinent data leading to the final value estimate.

Respectfully submitted,

Landmark Appraisal Services, Inc.

Robert Poynter

Robert D. Poynter, GAA
State-Certified General Appraiser RZ 2372

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ADDENDA

LEGAL DESCRIPTIONS
SURVEY
PROPOSED DEVELOPMENT PLAN
TOPO MAP
ZONING MAP
FUTURE LAND USE MAP
PHASE ONE ENVIRONMENTAL ASSESSMENT (2005)
FEMA MAP
SUBJECT EXPIRED CONTRACT SYNOPSIS
APARTMENT LAND COMPARABLE PLATS
APPRAISER QUALIFICATIONS

CERTIFICATE OF APPRAISAL

The undersigned appraiser hereby certifies that to the best of his knowledge and belief:

- the statements of fact contained in this appraisal report (upon which the analyses, opinion and conclusions expressed herein are based) are true and correct.

- the analysis, opinions, and conclusion in the report are limited only by the assumptions and limiting conditions and any special assumptions if any, set forth, and are the personal, unbiased professional analyses, opinions, and conclusions of the appraiser.

- the appraiser has no present or prospective interest in the subject property and has no personal bias with respect to the parties involved.

- the appraiser's compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

- the appraisal analyses and opinions were developed and this appraisal report has been prepared in conformity with (and the use of this report is subject to) all regulations issued by the appropriate regulatory entities regarding the enactment of Title XI of the Financial Institution Reform, Recovery and Enforcement Act of 1989 (FIRREA), the Uniform Standards of Professional Appraisal Practice, as promulgated by the *Appraisal Standards Board of the Appraisal Foundation*, and the requirements of the *Code of Professional Ethics* and the *Standards of Professional Appraisal Practice of the Appraisal Institute*.

- I do not authorize the out-of-context quoting from or partial reprinting of this appraisal report; and neither all nor part of this appraisal report shall be disseminated to the general public by the use of any public communications media without the prior written consent of the undersigned appraiser.

- no one other than the undersigned prepared the personal unbiased professional analyses, conclusions and opinions concerning real estate that are set forth in this appraisal report unless and except as acknowledged in this report.

- the appraiser has performed within the context of the competency

provision of the Uniform Standards of Professional Appraisal Practice.

- this appraisal assignment was not made, nor was the appraisal rendered, on the basis of a requested minimum valuation, specific valuation, or an amount, which would result in approval of a loan.

Property Location:	The subject is located on Howland Boulevard opposite Dr. Martin Luther King Boulevard approximately 1.4 miles west of I-4.
Date of Report:	October 20, 2015
Date of Valuation:	October 14, 2015
Final Value Opinion:	**$5,230,000 - "As Is" Fee Simple Interest**

Certified by,

Landmark Appraisal Services, Inc.

Robert Poynter

Robert D. Poynter, GAA
State-Certified General Appraiser RZ 2372

EXECUTIVE SUMMARY

LOCATION:	The subject property is located on the north side of Howland Boulevard across from the intersection of Dr. Martin Luther King Boulevard, Deltona, Florida 32725.
TYPE OF PROPERTY:	The subject consists of approximately 46.54 acres. The parcels are entitled for development of apartments with a small portion at the entrance being zoned commercial.
HIGHEST AND BEST USE:	The highest and best use "As Vacant" is planned development for multi-family use with a commercial use at the frontage on Howland Boulevard.
SITE:	The site contains a total of 46.54 acres consisting of all uplands.
IMPROVEMENTS:	None.
ZONING:	The property is zoned RM-1 and C-2 by the City of Deltona. The future land use designation for the parcels is MDR, "medium density residential" and "Commercial" development.
INTEREST APPRAISED:	Fee Simple Interest
DATE OF VALUATION:	October 14, 2015
DATE OF REPORT:	October 20, 2015
EXPOSURE PERIOD:	6 to 12 months

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

1. The legal description used in this report is assumed to be correct.

2. The appraiser has relied on the survey of the property but no responsibility is assumed regarding its accuracy. Sketches in this report are only illustrative.

3. No responsibility is assumed for matters of legal nature affecting title to the property nor is an opinion of title rendered. The title is assumed to be good and merchantable.

4. Information and data furnished by others is usually assumed to be true, correct and reliable. When such information and data appears to be dubious and when it is critical to the appraisal, a reasonable effort has been made to verify all such information; however, no responsibility for its accuracy is assumed by the appraiser.

5. All mortgages, liens, encumbrances, leases and servitude have been disregarded unless so specified within the report. The property is appraised as though under responsible ownership and competent management.

6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for research, which may be required to discover them.

7. It is assumed that there is full compliance with all-applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.

8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined and considered in the appraisal report.

9. It is assumed that all required licenses, consents or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

10. It is assumed that the utilization of the land and improvements will be within the boundaries or property lines or the property described and that there will be no encroachments or trespass unless noted within the report.

11. The value opinion reported herein is specific to the current date.

12. Unless otherwise stated in the report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The reader is urged to retain an expert in this field, if desired.

This appraisal report has been made with the following general limiting conditions:

1. The appraiser will not be required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have been previously made thereof.

2. Possession of the report, or copy thereof, does not carry with it the right of publication. It may not be used for any purposes by any person other than the party to whom it is addressed without written consent of the appraiser, and in any event only with proper written qualification and only in its entirety.

3. The distribution of the total valuation in this report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for the land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.

4. No environmental impact studies were requested or made in conjunction with this appraisal, and the appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions based upon any subsequent environmental impact studies, research or investigation.

5. Neither all nor any part of the contents of this report, or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales or any other media without written consent and approval of the appraiser. Nor shall the appraiser, firm or professional organization of which the appraiser is a member be identified without written consent of the appraiser.

6. Acceptance of and/or use of this appraisal report constitutes acceptance of the foregoing General Assumptions and General Limiting Conditions.

7. The appraiser has not previously appraised this subject.

DEFINITION OF IMPORTANT TERMS

Market Value[1]

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is consummation of a sale as of a specified date and passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised and each acting in what they consider their own best interest;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Highest and Best Use[2]

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.

Fee Simple Estate[2]

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Leased Fee Estate[2]

An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease.

Leasehold Estate[2]

The interest held by the lessee (the tenant or renter) through a lease conveying the rights of use and occupancy for a stated term under certain conditions.

Definition Sources

1 Title XI - Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA"), (Pub.L.No.101-73, 103 State.183 (1989), 12 U.S.C. 3310,3331-3351, and Section 5(b) of the Bank Holding Company Act, 12 U.S.C. 1844(b); Part 225,Subpart G: Appraisals; Paragraph 225.62(f).
Uniform Standards of Professional Appraisal Practice, Pages 1-7
Federal Reserve System, 12 CFR Parts 208 and 225, Sec.225.62
Office of the Comptroller of the Currency, 12 CFR Part 34, Sec.34.42
FDIC, 12 CFR Part 323, Sec.323.2
Office of Thrift Supervision, 12 CFR Part 564, Sec.564.2
NCUA, 12 CFR Part 722, Sec.722.2
RTC, 12 CFR Part 1608, Sec. 1608.2

2 The Dictionary of Real Estate Appraisal, Appraisal Institute, Third Edition, 1993

REGIONAL DATA

The Orlando Metropolitan Statistical Area (MSA) includes the counties of Orange, Seminole, Osceola, and Lake. The four-county area is commonly referred to as Central Florida or Metropolitan Orlando. While the subject is located in the Deltona-Daytona Beach-Ormond Beach MSA, the subject neighborhood is increasingly considered functionally a part of the Orlando MSA.

Historical Background

Originally, the Orlando Metropolitan Area, like most of Central Florida, was predominantly an agricultural community, with citrus fruits being the primary crop. The citrus industry endured some severe freezes in the 1980's and early 1990's, but Florida still dominates the nation in citrus production.

Although agriculture is still a factor in the Central Florida economy, new industries have moved into the area. Industries such as tourism, electronics, manufacturing and distribution have all contributed to making Central Florida one of the fastest growing regions in the nation.

The remainder of this section is divided into the four regional forces that influence value. The forces are categorized as: environmental (physical), social, governmental, and economic. These forces are often interrelated, with each force having an impact on the others. An overview of these regional forces within the Orlando MSA follows.

Environmental (Physical)

The Orlando MSA is situated in the approximate center of the State of Florida and covers 3,985 square miles. Orlando is by far the largest city and the focal point of the MSA. The cities of Orlando and Winter Park, along with south Seminole County, comprise the primary population center, which covers approximately 300 square miles.

Climate – The climate of the Orlando MSA is classified as subtropical. The average annual temperature is 72°, with average temperatures ranging from 54° in January to 82° in July and August. Rainfall typically exceeds 50 inches annually. The climate allows for outdoor activities year-round and is extremely conducive to tourism, retirement, and recreation. Central Florida's climate is one of the main factors in attracting tourists, new residents, and new business.

Topography – The area is characterized as gently rolling terrain, with numerous lakes and rivers. Central Florida is well known for its lakes, which provide excellent recreational opportunities and waterfront homesites. The climate and topography of the Orlando MSA are conducive to the growth-oriented trends, which are projected for the Metropolitan Orlando Area.

Transportation Overview – The Orlando area is well served by all modes of transportation. A well-designed network of major interstate highways, limited access toll roads, state highways and commuter rail service covers Central Florida. Freight Rail service, both custom and piggyback, is available in several areas, most notably in industrial nodes. Deep and shallow water ports are a short distance away as the Atlantic Coast (Port Canaveral) is 50 miles east of Orlando and is the second largest Cruise Port in the US. The Gulf Coast (Port of Tampa) is 75 miles to the west. Private, commercial, charter, and cargo air service are provided via Orlando International Airport, Sanford International Airport, Orlando Executive Airport and several smaller airports.

Historically, land use patterns develop around transportation systems, with business enterprises locating at crossroads or along heavily traversed roadways and the manufacturing sector locating near railways and convenient distribution points. Generally speaking, this has been the case in the Orlando area. Most of the growth in the area has focused around the Interstate 4 corridor, with major projects occurring the Orlando central business district, the southwest portion of Orange County, and north Seminole County. In the long-term, this trend is expected to continue with development along the I-4 corridor eventually stretching from Daytona to Tampa.

Road Network – Metropolitan Orlando has an extensive roadway system providing good access to all area of the state. The major arterials in the area are Interstate 4 and the Florida Turnpike (Florida Sunshine Parkway). Interstate 4 connects the Daytona Beach area on the East Coast through the Orlando area to the Tampa/St. Petersburg area on the West Coast. The Florida Turnpike is a limited access toll road, which traverses the state in a northwest/southeast direction. It extends south from Wildwood through Orlando to Miami.

Traffic flow has been a problem in portions of Central Florida, particularly in downtown Orlando and certain sections of Interstate 4. As in most expanding urban areas, recent transportation system improvements have not kept pace with rapid population growth. Thus, many of the major streets and highways are congested, a problem that is expected to get worse as growth continues. To counteract the congestion, a mix of highway construction and commuter rail service is currently being finalized by state and federal agencies. SunRail commuter rail links Debary on the north with Sand Lake Station in south Orlando with 12 stops along the metro corridor.

At least, partially in response to the lack of available funding, private toll roads have become a viable alternative. The Orlando-Orange County Expressway Authority (O-OCEA) is rapidly building a beltway system that will eventually encircle Metropolitan Orlando. The beltway project is nearly complete, with only the northwest portion being incomplete but in the works. The Greeneway has improved traffic flow in the region. The East-West Expressway is a heavily used toll road connecting the east and western reaches of the metro area. Relatively speaking, the traffic situation in Central Florida is favorable as compared to other major urban areas.

Aviation – The Orlando International Airport (OIA) is one of the fastest growing airports in the country. One industry publication recently ranked OIA as the fastest growing major airport in

the world. According to current data, it ranks as the 13th busiest airport in the country based on passenger traffic and is the third largest airport in the country based on land size (13,297 acres)

According to the Greater Orlando Aviation Authority, passenger traffic has increased from approximately 10,000,000 in 1985 to over 18,000,000 in 1990, to 2012 with 35,300,000. It has four airside terminals with a central main terminal and four parallel runways serving 42 scheduled airlines in 2013. Ongoing plans call for a second main terminal to the south of the existing complex and a passenger rail terminal for the All Aboard Florida high speed rail connection to Miami/Ft. Lauderdale. The total expansion project is budgeted for over $1 billion and is currently underway.

Sanford International Airport has scheduled airline service and handled 1.8 million passengers in 2014. Other smaller airports that serve the region include Orlando Executive Airport, Orlando Daytona Beach International Airport, Melbourne International Airport, Kissimmee Municipal Airport, and Leesburg Municipal Airport.

Public Ground Transportation – Lynx provides local public transportation and currently operates an expansive bus system that serves Orlando, as well as other communities in Orange and Seminole counties. The Greyhound / Trailways bus line also serves the Orlando area, with a terminal just west of the Orlando central business district. Lynx has several improvement projects that should increase the efficiency of public ground transportation. The Lymo bus route in downtown Orlando essentially functions as a free circulating trolley service for the central business district. A multi-modal transportation center recently opened downtown. This center will feature expanded bus service as well as servicing the SunRail commuter-rail line.

Rail – Amtrak presently operates passenger trains in the Orlando area with round-trip service from Orlando to New York. Passenger trains typically stop at four stations in the MSA: Sanford, Winter Park, Orlando and Kissimmee. The CSX Railroad operates freight rail service between northern and southern Atlantic points and connects with all major U.S. rail lines. There are two major freight stations in the Central Florida area, Orlando and Plymouth. Presently SunRail Commuter Rail System links Debary, Sanford, Lake Mary, Altamonte Springs, Maitland and Winter Park to five stations in Orlando. Ultimately it will extend from Deland to Poinciana.

Ports – There are three major ports within two hours of the Orlando MSA. The Port of Sanford is an inland port northeast of Orlando. Both Port Canaveral and the Tampa Harbor are deepwater seaports located on either coast. As stated above, the Port of Canaveral is the second largest cruise port in the world.

Population – The Orlando MSA is the third largest MSA in the state and among the twenty largest MSA's in the nation. Population statistics are as follows.

POPULATION - ORLANDO MSA	
1990	1,072,748
1995	1,214,314
2000	1,615,957
2010	2,134,411
Source: U.S. Census Bureau	

Central Florida has seen significant population increases over that last few decades. From 1980 to 1990, the Orlando MSA reflected an average annual growth rate of over 4 %. During this study period, the MSA included Orange, Osceola, and Seminole counties. In 1990, Lake County was added to the Orlando MSA. For the next decade, population growth in this four-county area is expected to continue, with a projected average annual growth rate of 3% to 3.5%. The 2013 population of the metro area was 2,307,871. The metro area has added 57,820 people per year since 2010. The 2014 estimated metro population was 2,321,418.

Government

As provided in the State Constitution, Seminole and Osceola counties are divided into five districts, each represented by a commissioner who must reside in that district and is elected at large. Orange County has six single-member districts, with only the mayor elected at large. The county commissioners are the chief administrators and fiscal officers of the county. They have no authority over the other elected officers (tax collector, tax assessor or sheriff). County commissioners are elected on a partisan basis, and the Mayor (formerly the Chairman of the Board of County Commissioners) is also an elected official. The city of Orlando is run by an elected mayor and city council as are most cities within the metro Orlando area.

Services – City and county municipalities within the metropolitan area are responsible for providing most types of services. Sewer, water, electric, police, fire and most other relevant services are adequately provided in the region. Wells and septic tanks are still being permitted if soil conditions are adequate in certain areas where sewer and water are unavailable from nearby municipalities.

Impact Fees – In order to raise additional revenue to fund public services, all four counties, as well as most municipalities, have adopted impact fees. Depending on the type of development, these fees typically fund public transportation, sewer, water, police, fire, libraries, and/or schools. Impact fees have come under close scrutiny lately as they may be deemed as a discouragement to new development and many have been relaxed or suspended to rekindle growth.

Employment – The Central Florida region is dominated by the tourist industry with Walt Disney far and away the largest employer. The following table lists the top 20 employers in the metro area for 2014 (full and part-time). SunTrust Banks and Bank of America did not disclose their numbers for this survey.

NAME OF EMPLOYER	NUMBER OF EMPLOYEES
1. Walt Disney Company	53,500
2. Orange County Schools	53,500
3. Adventist Health System (Florida Hospital)	31,284
4. State of Florida	17,200
5. Wal-Mart Stores	13,139
6. Orlando Regional Health	12,754
7. Comcast Corp. (Universal Orlando)	12,000
8. Federal Government	10,800
9. Publix Supermarkets	9,927
10. McDonalds Corp.	9,130
11. Darden Restaurants, Inc.	7,600
12. Lockheed Martin Corporation	7,400
13. Walgreen Company	6,500
14. Health First, Inc.	6,265
15. Sea World Parks & Entertainment	6,032
16. Harris Corp.	6,000
17. Marriott International, Inc.	5,635
18. Central Florida Investments	5,213
19. Siemans, AG	4,448
20. Home Depot	3,963

The overall breakdown of employment categories for 2014 was: Tourism 31%, Retail 20%, Health Care 16%, Technology 10%, Restaurants 9% and Transportation 4%.

Convention Business

The Orange County Convention Center is the second largest convention center in the US. Orlando has 115,875 hotel rooms and hosts nearly 50,000,000 visitors annually. The University of Central Florida together with the Sanford Burnham Institute is cementing Orlando's reputation as a major world center for the Bio-Tech industry. Coupled with the growing tourist attractions including Harry Potter and recently opened Legoland in Winter Haven, the attractiveness is on the ascension. Orlando successfully hosted the 2012 NBA All Star game at its recently opened Amway Center. In October 2013, the City of Orlando and Orange County passed a financing arrangement to build a new soccer stadium in the Parramore area that will house the Orlando Lions MLS expansion professional soccer team based in Orlando.

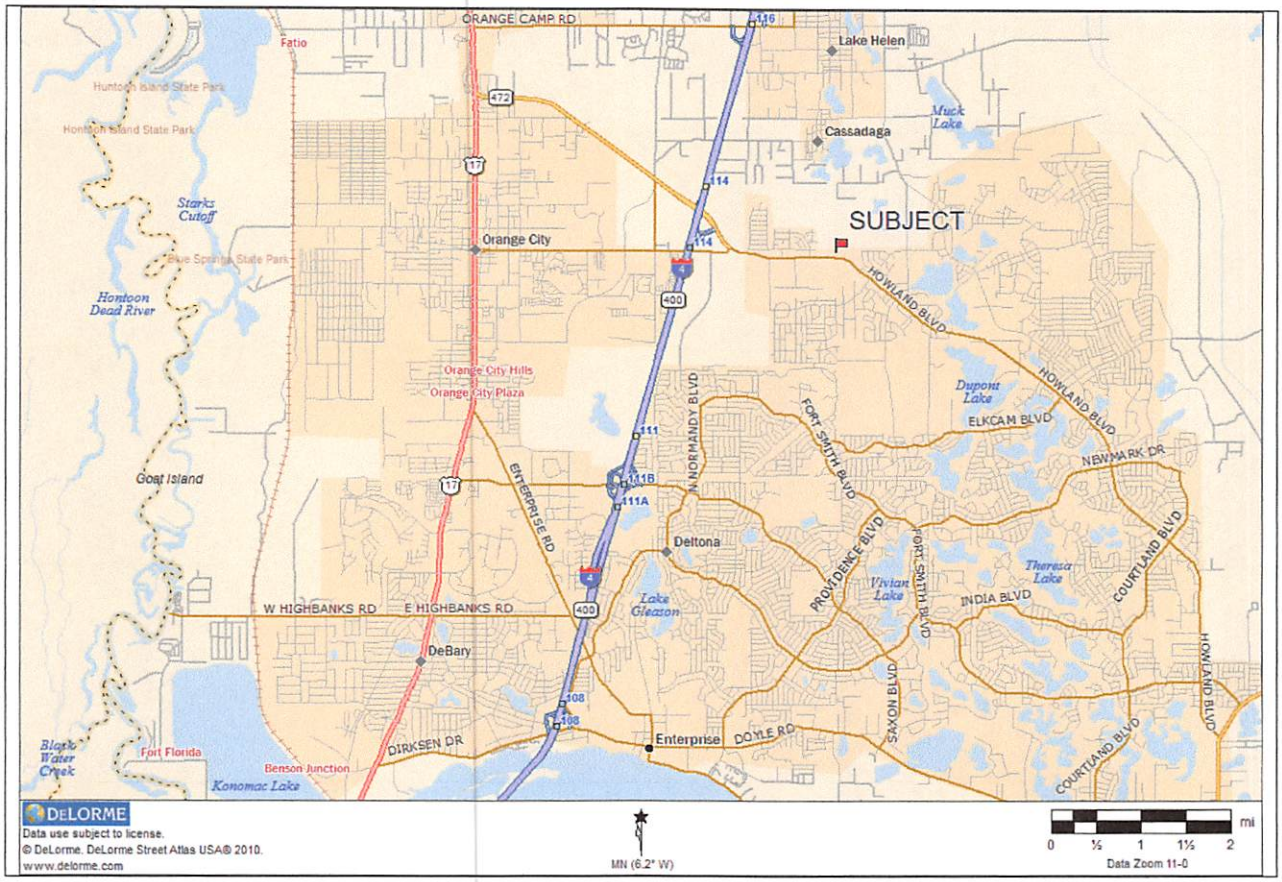
Individual County Population and Income Statistics (December 2013)

COUNTY	POPULATION	PER CAPITA INCOME	POP. GROWTH RATE
Orange	1,229,172	$37,610	1.71%
Seminole	449,138	$44,825	1.50%
Osceola	304,250	$28,225	3.06%
Lake	325,311	$35,172	2.23%
Total	2,307,871		

Conclusion

The favorable environmental, social, governmental, and economic factors which affect the real estate market in the Orlando MSA have contributed to a healthy, vibrant economy and this region is one the fastest growing areas in the country. It has become more diverse with a better balance of commercial, industrial, agricultural, financial, and tourist-related industries. However, tourism continues to be the leading economic force, with substantial growth projected for the future. The completion of the new home of the Sanford-Burnham-Prebys Medical Discovery Institute and the new medical school of UCF is focusing increasing interest in the bio-sciences on the metro area. The same Lake Nona area is now home to the country's largest VA hospital. This fall the 139 bed Nemours Children's Hospital celebrates two years of business. Overall, the long-term outlook for the Central Florida region is positive.

LOCATION MAP

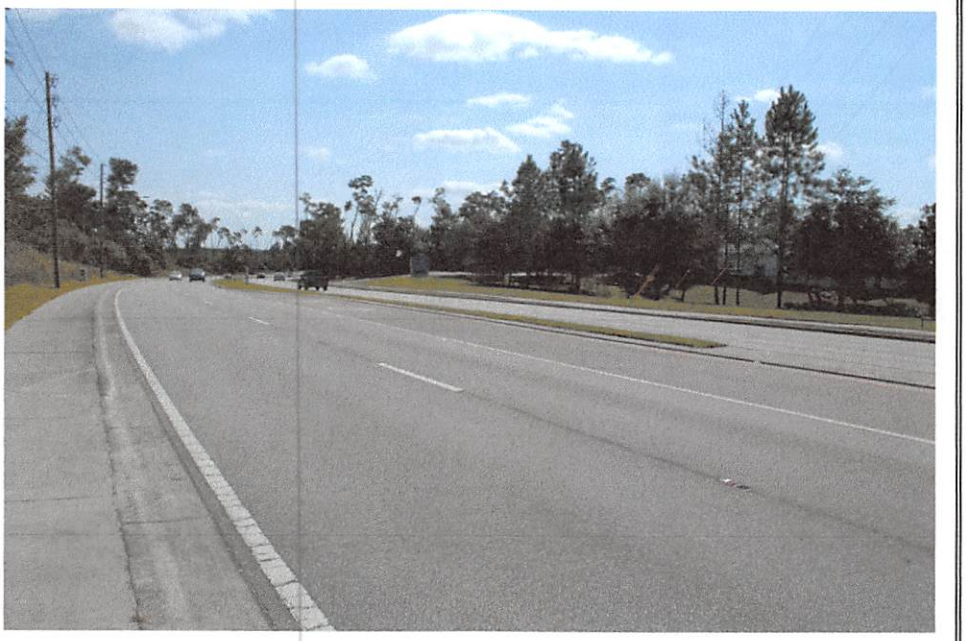


NORTHERLY VIEW ONTO THE SUBJECT

NORTHERLY VIEW ALONG THE FLORIDA POWER EASEMENT

INTERIOR VIEW OF THE SUBJECT

EASTERLY VIEW ALONG HOWLAND BOULEVARD (SUBJECT ON RIGHT)



WESTERLY VIEW ALONG HOWLAND BOULEVARD

VIEW OF THE CITY OF DELTONA PUBLIC SAFETY FACILITY OPPOSITE SUBJECT

Purpose and Date of Appraisal

The purpose of this appraisal is to estimate the "As Is" Market Value of the fee simple interest in the subject property on October 14, 2015 the most recent inspection date of this property. The date of this report is October 20, 2015.

Intended Use of Appraisal

The intended use of this appraisal is to establish a Market Value for the subject property for the client's use in analyzing the subject for internal decision-making purposes regarding a possible sale. The intended user is Mr. Dennis Casey.

Type and Address

The subject property is a vacant 46.54 acre vacant tract of land located in the city of Deltona opposite the intersection of Dr. Martin Luther King Boulevard and Howland Boulevard.

Scope of the Appraisal

The scope of the appraisal refers to the extent of the process in which data is collected, confirmed and reported. The scope must follow the guidelines as set forth in the Uniform Standards of Professional Appraisal Practice (USPAP).

In the course of developing my appraisal, I inspected the subject property, the subject neighborhood, and the comparable sales. Comparable sales were obtained from various sources including Costar, the MLS and the Volusia County Property Appraiser. The value of the subject property has been estimated using the Sales Comparison Approach to value.

Legal Description

The complete legal description is contained in the addenda including surveys.

Property Rights Appraised

Fee Simple Estate

Census Tract

The subject is located in Census Tract 910.22 within the Deltona-Daytona Beach-Ormond Beach MSA.

Ownership and History of Subject

The subject is owned by Mr. Dennis J. Casey and has been owned for more than 20 years. The subject consists of five separate parcels that comprise approximately 46.54 acres.

Flood Hazard Statement

According to the FEMA Flood Insurance Rate Map, Community Panel 12127 C 0630 J, with an effective date of 2/19/2014 the subject is located in zone "X" an area of minimal flooding and several small areas of zone "A" an area of occasional flooding. A copy of the Flood Panel appears in the addendum.

Zoning

The subject is zoned C-2, Commercial for the 1.41 acre frontage parcel and RM-1, Medium Density Residential by the City of Deltona for the remaining 45.13 acres. The future land use designations include Commercial and MDR; Medium Density Residential respectively. The zoning and the future land use maps are consistent with each other.

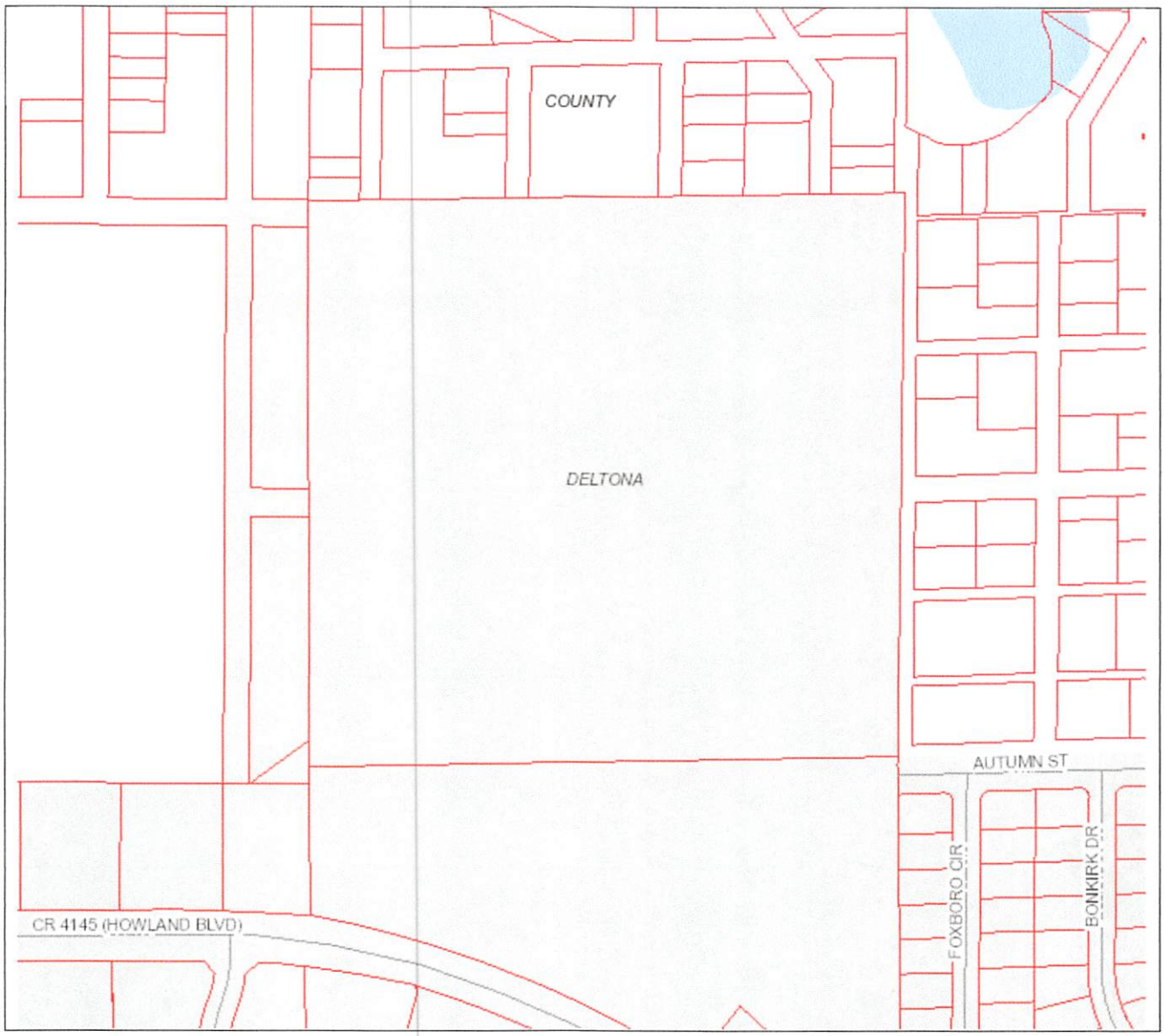
Assessment and Taxes

The subject has the following assessment and tax information relating to the 2014 tax year.

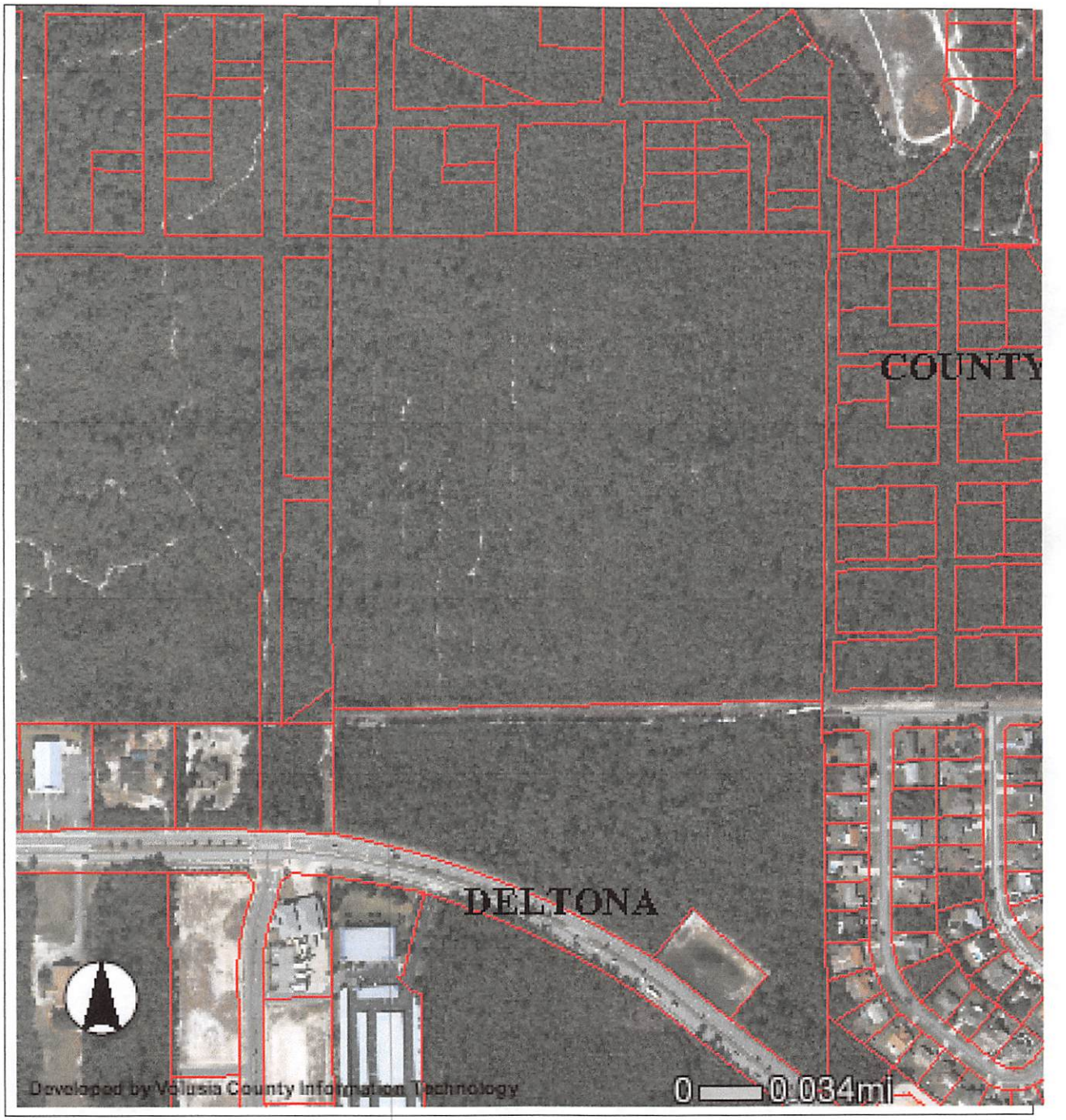
REAL ESTATE ASSESSMENT AND TAXES					
Alternate Key	**Land**	**Improvements**	**Total Asv.**	**Millage**	**Gross Taxes**
2561602	$300,000	-0-	$300,000	24.8715	$7,461.45
2574518	127,151	-0-	127,151	"	1,960.52
2567821	4,050	-0-	4,050	"	100.73
2568020	4,050	-0-	4,050	"	100.73
2568038	150	-0-	150	"	3.74
TOTAL	$435,401	-0-	$435,401		$9,627.17

There are non-ad valorem assessments for storm-water in the amount of $1,110.15
Taxes for 2014 are paid

TAX MAP


COUNTY
DELTONA
AUTUMN ST
FOXBORO CIR
BONKIRK DR
CR 4145 (HOWLAND BLVD)

AERIAL TAX MAP



NEIGHBORHOOD DATA

MARKET AREA ANALYSIS

Definition

The area of influence is commonly called a neighborhood. A neighborhood is defined by the Appraisal Institute's text, *The Appraisal of Real Estate*, as a *group of complementary land uses*. A residential neighborhood, for example, may contain single-family homes and commercial properties that provide services for local residents. A clear distinction can be drawn between a neighborhood and a district. *A district is a type of neighborhood that is characterized by homogeneous land use*. Districts are commonly composed of residential, apartment, commercial, industrial, or agricultural.

NEIGHBORHOOD BOUNDARIES

The subject property is located in the City of Deltona, Florida. The general market area is characterized by the following boundaries.

Northern Boundary	City of Lake Helen
Southern Boundary	Lake Monroe
Eastern Boundary	Osteen Road
Western Boundary	I-4

NEIGHBORHOOD DISCUSSION

The subject is located in the north Deltona area along the Howland Boulevard commercial corridor. The area is characterized by new development linking Providence Boulevard to I-4. Howland Boulevard is an arterial feeder highway for the north Deltona community. The 2013 traffic count shows the highway in front of the subject carries approximately 37,970 vehicles per day. The overall neighborhood includes the Deltona City Hall Complex, Daytona State College, Deltona High School, Winn Dixie, Dollar General and Family Dollar Stores, a new storage facility and a new large size fire department. It is very well served by transportation linkages as I-4 is just over a mile to the west. The Orlando International Airport is approximately 30 minutes to the southeast I-4 / SR 417.

The present neighborhood represents a better planned portion of Deltona that is also the last area of this city to develop. The 175 bed Florida Hospital Fish Memorial is located just off Graves Avenue in nearby Orange City to the southwest of the subject. The hospital that opened its doors in 1994 has been a positive influence in the overall west Volusia neighborhood. Schools and recreation opportunities are convenient and the property adjoining the subject on the west is owned by Volusia County to be used for a new elementary school.

Deltona is the second largest city in Volusia County with a 2013 population of 86,290. In general, this neighborhood is a desirable part of a growth-oriented town with a strong future.

SITE DATA

Location

The subject is located on the north side of Howland Boulevard opposite the intersection of Dr. Martin Luther King Boulevard, Deltona, Florida. This is approximately 1.3 miles east of I-4.

Area and Dimensions

The subject contains a total of approximately 46.54 acres according to the survey and the Volusia County Property Appraiser. Please see the subject tax map and survey in the addendum to visualize the overall property. The property consists of five tax parcels that comprise approximately 46.54 upland acres.

Topography

The site is a mix of sloping uplands with several depressions. A topo map and the FEMA map appear in the addendum.

Drainage

The site is 100% pervious. There is no storm water retention on site. Drainage appears to be adequate.

Hazardous or Toxic Materials

No hazardous or toxic materials were observed and none came to my attention. A phase one environmental audit was performed on the subject property in 2005 with a positive result. I am not expert in matters concerning the environmental integrity of a site. Please refer to Item 12 of the *General Assumptions* of this appraisal for a full disclaimer. The study is presented in the addendum.

Soil Condition/Types

The appraiser made a visual inspection of the subject and found it to be essentially sandy soil that appeared to be typical for the area. I assume no responsibility for hidden or unapparent conditions beyond my area of expertise as an appraiser.

Easements and Encroachments

There appears to be utility (electric power transmission) easements on the property especially the 1.41 acre commercial frontage parcel and along the south side of the 45.13 acre interior parcel.

Utilities and Services

Water	Deltona Utilities
Sewer	Deltona Utilities
Electricity	Florida Power & Light
Telephone	Local Provider
Police and Fire	City of Deltona

Access and Street Improvements

The subject site is accessible from Howland Boulevard. There is a curb cut at the location of the utility easement. Upon development, the entrance would correspond with the alignment of the Dr. Martin Luther King Boulevard intersection on the east side of the frontage parcel. It is anticipated that the right of way requirement would be at least 80' to correspond with the alignment of Dr. Martin Luther King Boulevard just to the south of the frontage parcel.

Howland Boulevard is improved as a four lane highway with turning lanes, curbs, gutters and street lighting. There is a median break at the subject with a signalized intersection.

Traffic Count

The 2013 traffic count for the subject location is 37,970 vehicles per day.

Surrounding Land Uses

Land uses that surround the subject are commercial, institutional, low-density residential development or vacant development land.

Conclusion

The subject site appears to be suited for medium-density multi-family use with good exposure on Howland Boulevard.

HIGHEST AND BEST USE ANALYSIS

The highest and best use is defined in the Definitions Section. The definition applies specifically to the highest and best use of land. It is to be recognized that in cases where a site has existing improvements on it, the highest and best use may very well be determined to be difference from the existing use. The existing use will continue however, unless and until land value in its highest and best use, exceeds the total value of the property in its existing use.

Implied within these definitions is recognition of the contribution of that specific use to community environment and to community development goals in addition to wealth maximization. Also implied is that the determination of highest and best use results from the Appraiser's judgment and analytical skill, i.e., that the use determined from analysis represents an opinion, not a fact to be found. In appraisal practice, the concept of highest and best use represents the premise upon which value is based. In the context of most probable selling price (market value) another appropriate term to reflect highest and best use would be the most probable use. In the context of investment value, an alternative form would be the most profitable use.

In estimating the highest and best use of the subject property, I have considered those uses that are legally permissible, physically possible, financially feasible, and maximally productive, and which would result in the highest positive return to the land. Consideration was given to the individual features of the land such as zoning, size, shape, location and access as well as the surrounding land uses and the demand for property in the current real estate market.

In order to fully apply this definition, an extensive study of the economics of the legally permissible land uses for the subject property would be required. Such a study is beyond the scope of this appraisal. Therefore, the highest and best use of the subject property can only be approximated within the context of the conditions and facts available at this time.

AS VACANT

Legally Permissible

After considering those uses that are physically possible, the uses that are legally permissible are considered. Present zoning or future rezoning, if such is determined to be probable, would be considered. A change in zoning would only be considered if there was evidence that it was reasonably probable.

The subject property is zoned C-2 and RM-1 Commercial and Medium Density Residential by the City of Deltona. The future land use map for the City has allocated this area for "Commercial" and MDR, "Medium-Density Residential" use. The zoning requires plan approval for sites in this zoning district and has minimum size stipulations according to the type of development. Therefore, the parcel can be legally used for development of a variety of uses. This is consistent with the uses that are physically possible.

Physically Possible

The property consists of approximately 46.54 acres. The land is supported by road frontage, nearby potable water, sewer, electric and telephone services. The subject meets the test of physically possible.

Financially Feasible

The next analysis involves consideration of those uses that have been determined to be physically possible and legally permissible to determine which are financially feasible. Financial feasibility reflects the overall return to the property. Given the current zoning regulations, it was anticipated that the most economically feasible use of the site would be for a multi-family use.

As discussed in the Neighborhood Section, the area is developing. When arriving at the financially feasible use of the subject site, particular attention was given to the surrounding land uses. The surrounding properties are single-family residential, institutional and commercial/office uses. Accordingly, a multi-family use would appear to be highly likely. Therefore, a multi-family use would appear to be financially feasible.

Maximally Productive

Based on the preceding analysis, and considering the legal, physical and financial factors that influence the highest and best use of the subject, it is my opinion that the highest and best use of the subject is for development of a multi-family project that is consistent with the zoning and the future land use plus the dictates of the local real estate market.

Marketing/Exposure Period

I estimate the exposure/marketing period to be 6 to 12 months depending on the price of the subject.

APPRAISAL PROCESS

The appraisal process is an orderly investigative procedure wherein data is acquired, classified, analyzed and then processed into value indications.

I have determined that the highest and best use of the subject is multi-family use. As the subject is a vacant parcel, I will apply the Sales Comparison Approach.

The unit of comparison in this analysis is *Sale price per dwelling unit*.

In the last year, the subject had an arm's length contract from a seasoned developer, Lowery Construction, for 20 acres of the subject land for a consideration of $2,880,000 or $12,000 per unit. The purchaser cancelled the contract when the City of Deltona failed to endorse the developer's plan of development. This is considered a useful comparable in this analysis.

ADJUSTMENTS FOR PHYSICAL FACTORS

In the absence of specific adjustment percentages, which might be indicated by paired sale comparison, the following percentage adjustments are used to reflect the relative weighting of various characteristics affecting value:

Effect on Value	Percentage Adjustment
Relatively little effect	5%
Moderate effect	10%
Significant effect	15%
Very Significant effect	25%

ANALYSIS OF COMPARABLE SALES AND EXPLANATION OF ADJUSTMENTS

Property Rights Conveyed - All sales were fee simple estate interests.

Cash Equivalency – All of the sales examined were cash to seller. Accordingly, no adjustment would apply for cash equivalency.

Market Conditions The indicated sale prices vary, and no consistent measurable support could be found for a precise adjustment for market conditions for sales of entitled apartment land.

Access - The subject property is considered to have legal access via frontage on Howland Boulevard. All of the comparables were deemed to have similar access and adjustments were not required.

Location - The subject and all of the comparables are located in the overall Orlando metro area.

Topography – The topography of the subject property is generally similar to all of the comparable sales. All comparables are stated as "Usable Acres"; hence no topographic adjustments were needed.

Size – The comparable sales ranged in size from approximately 7.74 acres to 20.88 usable acres. Generally, the larger the property, the lower the unit value and conversely, the smaller the property, the higher the unit value. The subject has approximately 45.13 acres and is zoned for up to 12 units per acre hence the subject would have a maximum density of (45.13 X 12) or 541 units.

Shape – The subject is generally rectangular in shape with no shape inutility. No adjustments were applied for shape.

Utilities – The subject property has the availability of water, sewer, telephone and electricity, as do all of the comparable sales. No adjustment was required for utilities availability.

Zoning - All of the sales have similar zoning classifications and future land use plan designations. No adjustments were required for zoning.

The following is a list of comparable properties arranged by price per unit with the subject placed in overall qualitative order. I have chosen the subject contract and three other comparables for further analysis from the list and they are depicted in bold.

DATE	ADDRESS	Size (ac)/Units	Price / unit
Listing	**Deltona Blvd @ Welcome Center Dr.**	19.75 / 235	$9,362
July 2015	**SUBJECT CONTRACT**	20.00 / 240	$12,000
Oct. 2014	**10955 Moss Park Drive, Orlando**	15.95 / 320	$12,010
April 2014	**12701-769 Narcoossee Road, Orlando**	17.89 / 274	$13,333
Feb. 2015	9932 Grande Lakes Blvd., Orlando	9.53 / 236	$14,301
March 2015	Dean Rd. @ Eastmar Commons, Orlando	17.03 / 312	$15,000
Jan. 2015	I-Drive @ Continental Gateway, Orlando	20.88 / 411	$15,800
Nov. 2013	545 Keller Road, Orlando	7.74 244	$16,189
	Median Unit Value		**$12,776**
	Mean Unit Value		**$13,499**

Discussion of Vacant Land Comparables

COMP NO. 1 Is the listing of an approximate 19.75 acre parcel Deltona Boulevard and Welcome Center Drive near the Deltona Boulevard interchange. This is an entitled parcel capable of being developed into 235 multi-family units. This property is listed for $2,200,000 or $9,362 per unit. This sale required a -5% negative adjustment for being a listing. To account for size, I applied a negative 10% adjustment. No other adjustments were needed and the result is an adjusted indication of $9,362 per unit.

COMP NO. 2 This is the subject contract of October 2014 for a 20.0 acre portion of the subject (240 units) at a price of $2,880,000 or $12,000 per acre. I have applied a negative 10% adjustment for size. No other adjustments were needed and the result is an adjusted unit sale price of $10,800 per unit.

SALE NO. 3 Is the sale of an approximately 15.95 acre parcel located at 10955 Moss Park Drive in southeast Orlando. This parcel was entitled for 320 units and sold on October 2014 for a consideration of $3,595,300 or $12,010 per unit. I applied a negative 10% adjustment for a superior location. To account for size, I applied a negative 10% adjustment. No other adjustments were needed and the result is an adjusted unit sale price of $9,608 per unit.

SALE NO. 4. Is the sale of a 17.89 acre apartment parcel located at 12701-12769 Narcoossee Road in southeast Orlando. It sold in April 2014 for a consideration of $3,613,343 or $13,333 per unit. This is a superior location across from Valencia College and I have applied a negative 15% adjustment for this feature. To account for smaller size, I have applied a 10% downward adjustment. No other adjustments were needed and the result is an adjusted unit price of $10,000 per unit.

CONCLUSION

The range of unit values after adjusting is $7,958 per unit to $10,800 per unit. This is a reasonably compact range with a mid-point of $9,379 per unit. As the subject is a very large site and based on the size, I have concluded a unit value opinion of $9,000 per unit. Accordingly, I have concluded a value opinion for the apartment parcel of (541 units X $9,000) / Unit = $4,869,000 or rounded to $4,870,000.

Accordingly, the market value opinion of the fee simple interest in the subject Multi-family land "As Is" on October 14, 2015 is:

FOUR MILLION EIGHT HUNDRED SEVENTY THOUSAND DOLLARS

($4,870,000)

COMMERCIAL LAND VALUATION

The subject commercial parcel is an approximately 1.41 acre parcel with approximately 199 feet of frontage on Howland Boulevard. It is zoned C-2 with a Commercial Future Land Use classification. This parcel is the parcel that will have to be substantially sacrificed in order to access the multi-family parcel.

One development plan presented to the owner assumed a divided entrance road taking approximately 80 feet of the frontage. As Dr. Martin Luther King Boulevard is a divided parkway at the Howland Boulevard intersection, it is reasonable to assume that the city, state and county may require as similar divided roadway. This would leave an approximately 119' wide parcel or an approximately 36,650 square feet (0.84 acre) of commercially zoned land.

In the valuation process, I have selected recent commercial sales and current listings from the immediate neighborhood. I have listed these sales and listings below with the subject placed in overall qualitative order with the most comparable shown in bold. The result is a reasonable opinion of value based on the current market.

STATUS	ADDRESS	SIZE (AC)	SALE PRICE/SF
Listing	3035 Howland Boulevard, Deltona	5.05	$2.27
Listing	3085 Howland Boulevard, Deltona	4.06	$2.54
10/2014	Sterling Silver Boulevard, Deltona	7.31	$2.58
12/2015	**1626 Catalina Boulevard, Deltona**	**0.23**	**$4.50**
5/2015	**1854 Providence Boulevard, Deltona**	**0.20**	**$4.56**
Listing	**Howland Boulevard, Deltona**	**2.95**	**$5.06**
Listing	**3026 Howland Boulevard, Deltona**	**1.37**	**$6.70**
Listing	**2925 Howland Boulevard, Deltona**	**1.89**	**$6.98**
	SUBJECT	**0.84**	
Listing	**3086 Howland Boulevard, Deltona**	**1.38**	**$7.64**

The range of values represented by the six smaller comps above is relatively narrow. The median indication of the bold sales is $6.07 per square foot. Because the subject will be a corner parcel at a signalized intersection, I have concluded a unit value opinion for the subject at the high end of the range or $7.00 per square foot. If not for the uncertainty of the road right-of-way requirements, this could be substantially higher.

Accordingly, the value opinion of the commercial lot is therefore; $7.00 X 36,650 = $256,550; rounded to $260,000

CONCLUSION

The multi-family land value opinion is $4,870,000. The commercial land value opinion is $260,000. The total is $5,230,000.
Accordingly, the subject value opinion as of October 14, 2015 is:

FIVE MILLION TWO HUNDRED THIRTY THOUSAND DOLLARS

(5,230,000)

LAND SALES SUMMARY

	Subject	COMP NO. 1	CONTRACT	SALE NO. 3	SALE NO.4
Location	Howland Boulevard @ Dr. MLK Bl.	Deltona Blvd @ Welcome Cntr., Deltona	Howland Blvd. @Dr. MLK, Blvd. Deltona	10955 Moss Park Drive, Orlando	12701-12769 Narcoossee Rd Orlando
Sale Price	N/A	$2,200,000	$2,880,000	$3,593,300	$3,613,343
Sale Date	N/A	Listing	October 2014	Oct. 2014	April 2014
Zoning / Future Land Use Plan Designation	RM-1/MDR City of Deltona	RM-2/, City of Deltona	RM-1/ MDR City of Deltona	R-3/MDR Orange County	PD/HDR Orange County
Size in Acres	45.13	19.75	20.00	15.95	17.89
Number of units	541	235	240	320	274
Sale Price/Unit		$9,362	$12,000	$12,010	$13,333
COMPARISONS					
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing	Cash	Cash	Cash Equiv.	Cash Equiv.	Cash Equiv.
Conditions of Sale	Arm's Length	Arm's Length	Arms Length	Arms Length	Arms Length
Market Conditions		Listing -5%	0%	0%	0%
Location		Similar 0%	Similar 0%	Superior -10%	Superior -15%
Physical Considerations		Size -10%	Size -10%	Size -10%	Size -10%
Total Adjustment		-15%	-10%	-20%	-25%
Adjusted Price /Unit		$7,958	$10,800	$9,608	$10,000

Mean Indication: $9,592 Median Indication: $9,379

Conclusion: $9,500 per dwelling unit

ADDENDUM

LEGAL DESCRIPTIONS

DESCRIPTION:

PARCEL 1:

South One-Half of government Lot 12, Section 4, Township 18 South, Range 31 East, Volusia County, Florida.

PARCEL 2:

Begin at the Southeast corner of Lot 19, Block 10, DAVIS PARK, 6TH ADDITION TO ORANGE CITY according to the Plat thereof as recorded in Map Book 7, Page 25, of the Public Records of Volusia County, Florida; thence North along the East line of said Lot 19, a distance of 77.45 feet; thence Southwest in a straight line to a point on the South line of said Block 10, a distance of 121.70 feet West of the Point of Beginning; thence East along the South line of said Block 10, a distance of 121.70 feet to the Point of Beginning.

PARCEL 3:

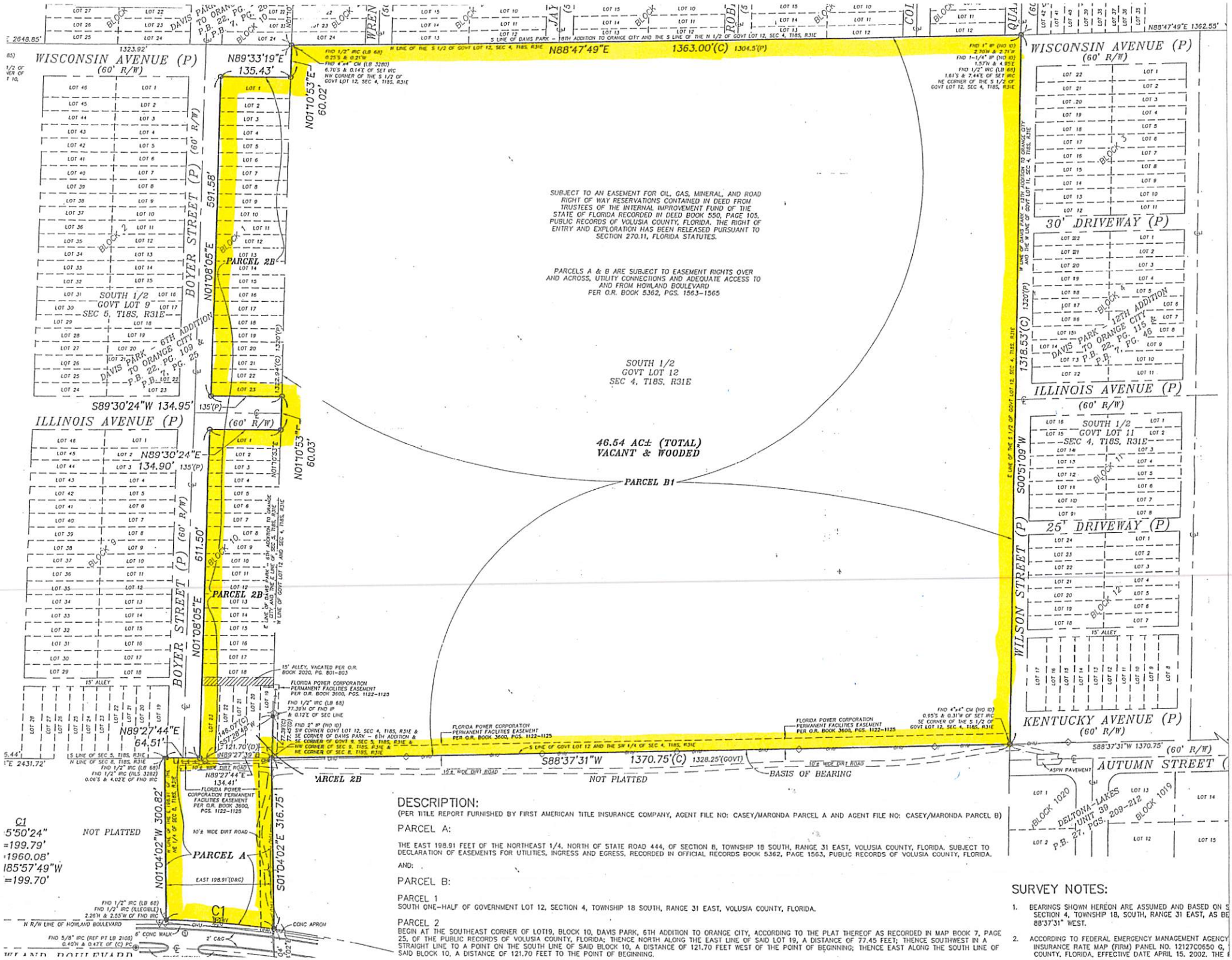
The East 198.91 feet of the Northeast One-Quarter, North of State Road 444, Section 8, Township 18 South, Range 31 East, Volusia County, Florida.

PARCEL 4:

Lots 1 to 23, inclusive, in Block 1, of DAVIS PARK 6TH ADDITION TO ORANGE CITY, according to the Plat thereof, as recorded in Map Book 7, at Page 25, of the Public Records of Volusia County, Florida.

PARCEL 5:

Lots 1 through 23, inclusive, in Block 10, and Vacated Street lying South of Lot 18, Block 10, of Davis Park 6th Addition, according to the plat thereof, as recorded in Plat Book 7, at Page 25, of the Public Records of Volusia County, Florida, Less and except: Begin at the Southeast corner of Lot 19, Block 10, Davis Park 6th Addition to Orange City, according to the plat thereof as recorded in Plat Book 7, Page 25, of the Public Records of Volusia County, Florida, thence North along the East line of said Lot 19, a distance of 77.45 feet; thence Southwest in a straight line to a point on the South line of said Block 10, a distance of 121.70 feet West of the point of beginning, thence East along the South line of said Block 10, a distance of 121.70 feet to the point of beginning.



DESCRIPTION:

(PER TITLE REPORT FURNISHED BY FIRST AMERICAN TITLE INSURANCE COMPANY, AGENT FILE NO: CASEY/MARONDA PARCEL A AND AGENT FILE NO: CASEY/MARONDA PARCEL B)

PARCEL A:

THE EAST 198.91 FEET OF THE NORTHEAST 1/4, NORTH OF STATE ROAD 444, OF SECTION 8, TOWNSHIP 18 SOUTH, RANGE 31 EAST, VOLUSIA COUNTY, FLORIDA. SUBJECT TO DECLARATION OF EASEMENTS FOR UTILITIES, INGRESS AND EGRESS, RECORDED IN OFFICIAL RECORDS BOOK 5362, PAGE 1563, PUBLIC RECORDS OF VOLUSIA COUNTY, FLORIDA.

AND:

PARCEL B:

PARCEL 1

SOUTH ONE-HALF OF GOVERNMENT LOT 12, SECTION 4, TOWNSHIP 18 SOUTH, RANGE 31 EAST, VOLUSIA COUNTY, FLORIDA.

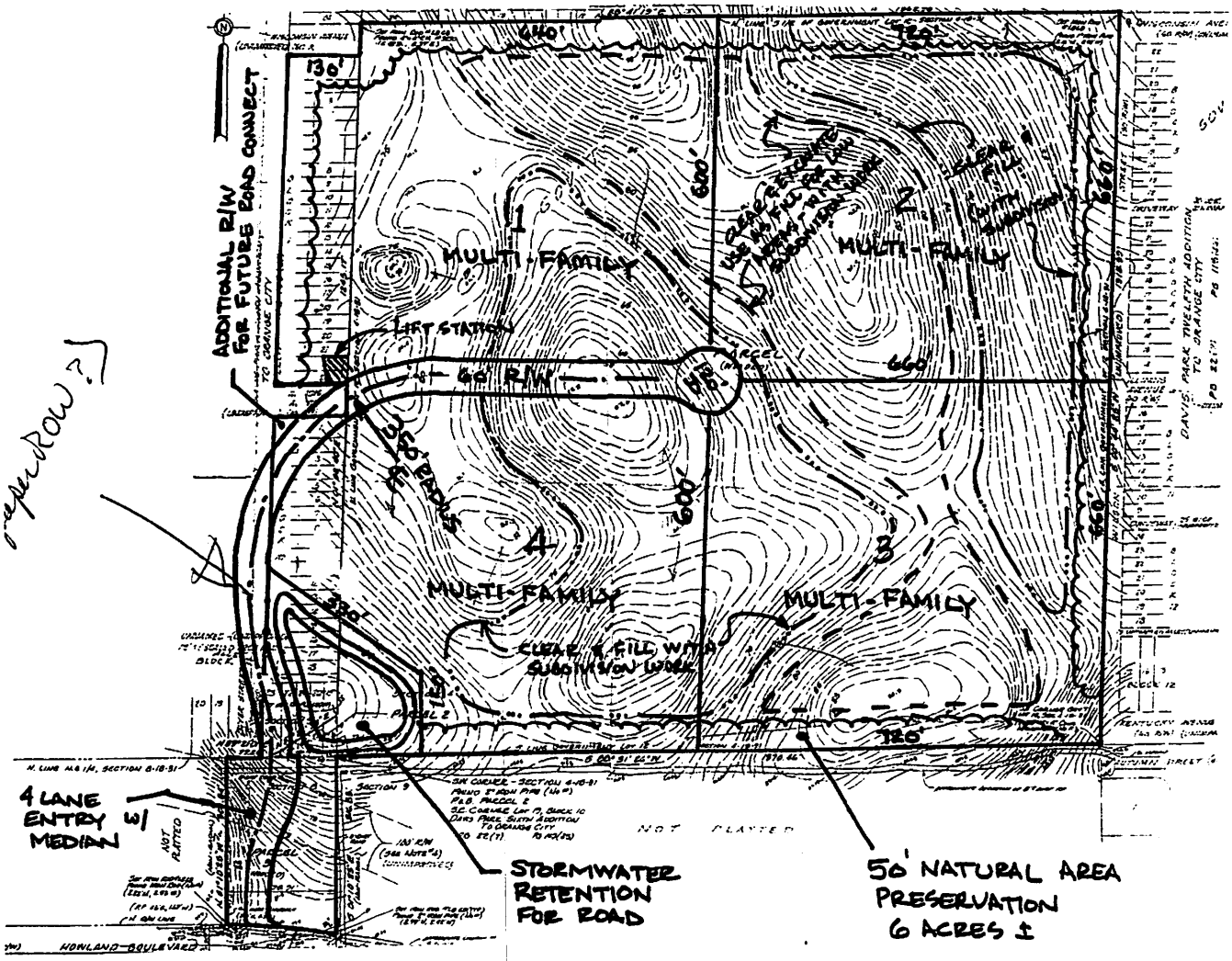
PARCEL 2

BEGIN AT THE SOUTHEAST CORNER OF LOT19, BLOCK 10, DAVIS PARK, 6TH ADDITION TO ORANGE CITY, ACCORDING TO THE PLAT THEREOF AS RECORDED IN MAP BOOK 7, PAGE 25, OF THE PUBLIC RECORDS OF VOLUSIA COUNTY, FLORIDA; THENCE NORTH ALONG THE EAST LINE OF SAID LOT 19, A DISTANCE OF 77.45 FEET; THENCE SOUTHWEST IN A STRAIGHT LINE TO A POINT ON THE SOUTH LINE OF SAID BLOCK 10, A DISTANCE OF 121.70 FEET WEST OF THE POINT OF BEGINNING; THENCE EAST ALONG THE SOUTH LINE OF SAID BLOCK 10, A DISTANCE OF 121.70 FEET TO THE POINT OF BEGINNING.

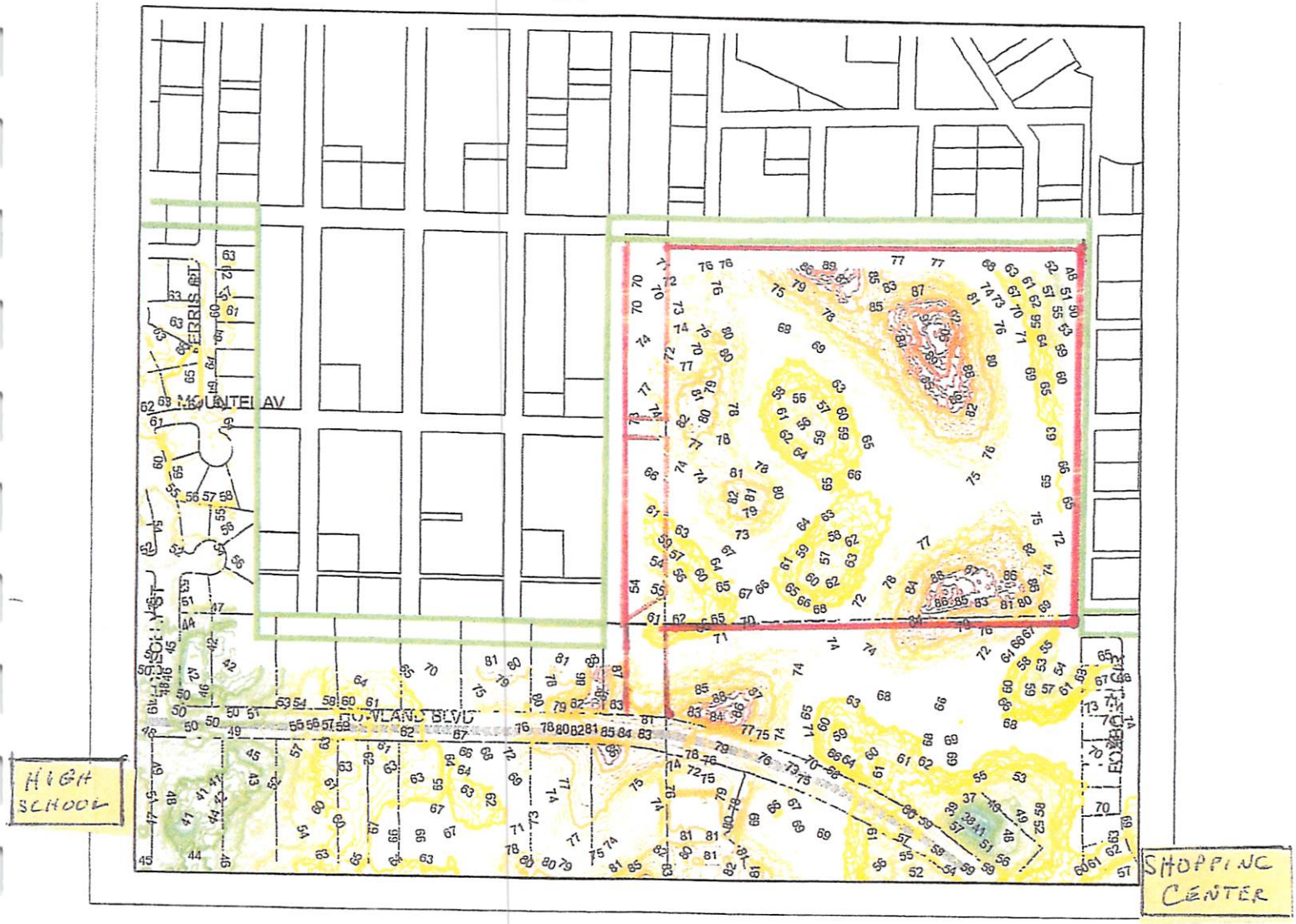
SURVEY NOTES:

1. BEARINGS SHOWN HEREON ARE ASSUMED AND BASED ON S SECTION 4, TOWNSHIP 18, SOUTH, RANGE 31 EAST, AS BE 88°37'31" WEST.
2. ACCORDING TO FEDERAL EMERGENCY MANAGEMENT AGENCY INSURANCE RATE MAP (FIRM) PANEL NO. 12127C0650 G, COUNTY, FLORIDA, EFFECTIVE DATE APRIL 15, 2002. THE

PROPOSED DEVELOPMENT PLAN



TOPO MAP



CITY OF DELTONA

1' CONTOUR MAP (RZ06-001)

PREPARED BY DEVELOPMENT SERVICES

DELTONA MUNICIPAL COMPLEX
2345 PROVIDENCE BOULEVARD
DELTONA, FL 32725
PHONE: (386) 561-2100 FAX: (386) 789-7234

DRAWN BY: HIROYUKI MATSUDA

C:\GIS_Projects\CITY_ORDINANCE\RZ06-001

LEGEND
ELEVATION:

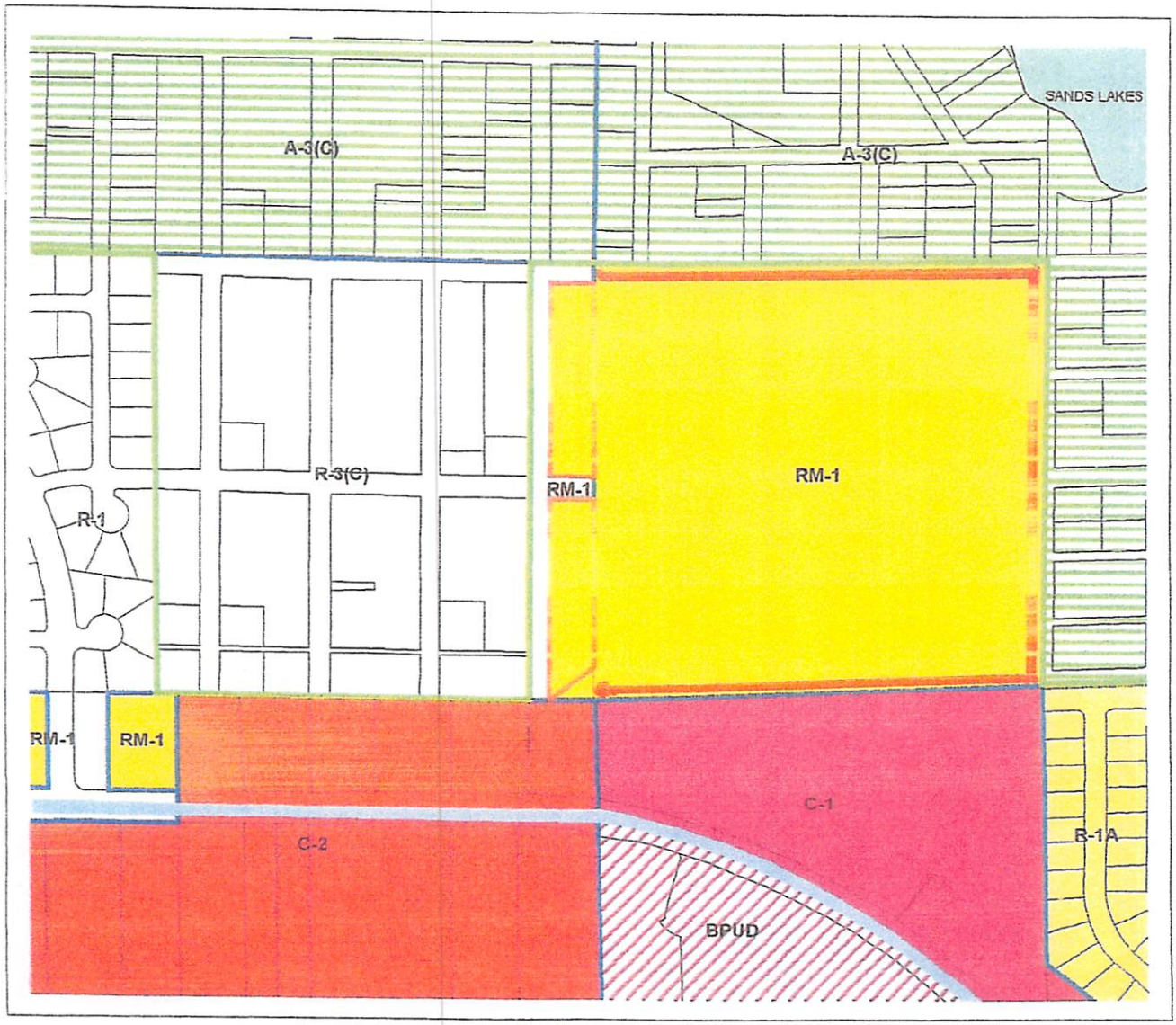
0-5
5-10
10-15
15-20
20-25
25-30
30-35
35-40
40-45
45-50
50-55
55-60
60-65
65-70
70-75
75-80
80-85
85-90
90-95
95-100
100-105
105-110
110-115

Subject Property
City Boundary
Lakes

NOTE: BASE MAPS PROVIDED BY VOLUSIA COUNTY GIS DEPT., ST JOHNS RIVER WATER MANAGEMENT DISTRICT.

0 750 Feet

ZONING MAP



CITY OF DELTONA

Exhibit A (RZ06-001)

PREPARED BY DEVELOPMENT SERVICES

DELTONA MUNICIPAL COMPLEX
2345 PROVIDENCE BOULEVARD
DELTONA, FL 32725
PHONE: (386) 561-2100 FAX: (386) 789-7234

DRAWN BY: HIROYUKI MATSUDA

Legend

CITY OF DELTONA ZONING CODES:

- A - Agriculture
- A-1 PRIME AGRICULTURE(COUNTY)
- BPUD BUSINESS PLANNED UNIT DEVELOPMENT
- BPUD(C) BUSINESS PLANNED UNIT DEVELOPMENT
- BPUD(C)(EO) BUSINESS PLANNED UNIT DEVELOPMENT
- BPUD(EO) BUSINESS PLANNED UNIT DEVELOPMENT
- C-1 - General Commercial
- C-1(EO) General Commercial
- C-2 - General Commercial
- C-2(EO) General Commercial
- C-3 - Heavy Commercial
- FR(C) FORESTRY RESOURCE
- I - Industrial
- I(EO) Industrial
- MH - Mobile Home Park
- OR - Office Residential
- P - Public Use
- P(EO) Public Use
- PB - Professional Business
- PB(EO)
- R-1 - Single-Family Residential
- R-1(C)(EO) SUBURBAN SINGLE FAMILY RESIDENTIAL
- R-1A - Single-Family Residential
- R-1AA - Single-Family Residential
- R-1AAA - Single-Family Residential
- R-1B - Single-Family Residential
- R-2 - Two-Family (Duplex) Residential
- R-2(1)(C) URBAN SINGLE FAMILY RESIDENTIAL
- R-3(C) URBAN SINGLE FAMILY RESIDENTIAL
- R-4(C) URBAN SINGLE FAMILY RESIDENTIAL
- RA(C) RURAL AGRICULTURE ESTATE
- RC(C) - Resource Corridor
- RC(C)(EO) Resource Corridor
- RE-1 - Estate Single-Family Residential
- RE-5 - Estate Single-Family Residential
- RM-1 - Residential Multi-Family, Medium Density
- RM-2 - Residential Multi-Family, High Density
- RM-2(EO)
- RP - Resource Protection
- RP(EO) Resource Protection
- RPUD

COUNTY OF VOLUSIA ZONING CODES:

- A-2 - RURAL AGRICULTURE
- A-3 - TRANSITIONAL AGRICULTURE
- P - PUBLIC USE
- RA - RURAL AGRICULTURE ESTATE
- RC - RESOURCE CORRIDOR
- RR - RURAL RESIDENTIAL

SUBJECT PROPERTY | CITY BOUNDARY | LAKES

NOTE: BASE MAPS PROVIDED BY VOLUSIA COUNTY GIS DEPT.

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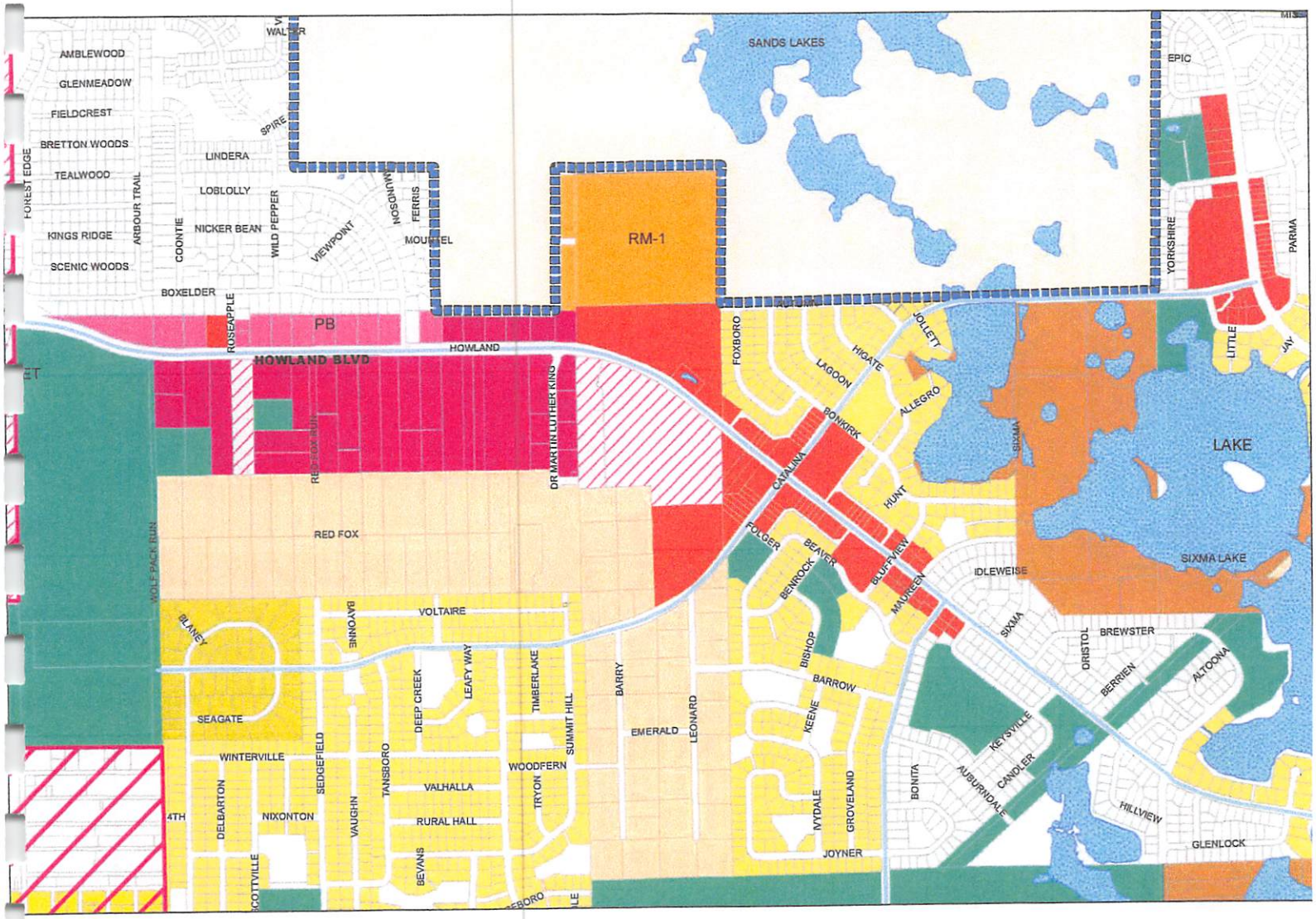
0 750 Feet

FUTURE LAND USE MAP



POINT FOUR
Engineering & Technological Services

Phone: (407) 260-9449
Phone: (386) 228-0300
Fax: (386) 228-2808
email: pointfour@mpinet.net

DECEMBER 5, 2005

HAGEN PROPERTIES, LLC
950 S. WINTER PARK DRIVE, SUITE 350
CASSELBERRY, FL 32707

SUBJECT: PHASE ONE ENVIRONMENTAL SITE ASSESSMENT, CASEY PROPERTY, VOLUSIA COUNTY, FLORIDA

Mr. Terry Hagen

Point Four Engineering and Technological Services performed the Phase One Environmental Site Assessment in general conformance with the scope and limitations of ASTM Practice E 1527-00 of the properties described as Volusia County Parcel ID Numbers:

04-18-31-00-00-0360
05-18-31-14-01-0010
05-18-31-14-10-0010
05-18-31-14-10-0190
08-18-31-00-00-0035

This Environmental Assessment included performing inspections of the site and the surrounding area, a review of available public records (the historical aerial photographs dating back to 1943, the USDA/SCS Soils Map of the site), and reviewed records maintained by the Federal EPA and state FDEP regarding any known hazardous environmental conditions.

It is the opinion of **Point Four Engineering and Technological Services** that there is a low probability of encountering a past release of hazardous or toxic materials on this site. This investigation found no indications of environmental threats or contamination. No further investigations or assessments are recommended at this time.

We trust that this evaluation is sufficient to meet your immediate needs. Should you have any questions regarding this investigation or need further information, please do not hesitate to contact this office.

Sincerely:
POINT FOUR ENGINEERING and Technological Services

LaDora A. Lacy

LaDora A. Lacy, E.I.
Project Engineer

12/5/05

Michael S. Sims, P.E.
Principal
FL Reg. No 24872

193 West New York Avenue • Lake Helen, FL 32744

BOWYER-SINGLETON
& ASSOCIATES, INCORPORATED
ENGINEERING · PLANNING · SURVEYING · ENVIRONMENTAL
520 SOUTH MAGNOLIA AVENUE • ORLANDO, FLORIDA 32801
407-843-5120 • FAX 407-649-8664

October 18, 2005

File No: 2AL-1

Mr. Craig Harris
Autumn Landings, LLC
950 South Winter Park Drive, Suite 350
Casselberry, Florida 32707

Subject: **Autumn Landings Subdivision**
Biological Site Assessment
City of Deltona, Florida

Dear Mr. Harris:

The purpose of this letter is to summarize our site evaluation, which was conducted on October 14, 2005, for the referenced property. Qualified biologists of Bowyer-Singleton & Associates, Inc. (BSA) reviewed the property to evaluate general site conditions and environmental constraints that may influence site development. Specifically, the site was evaluated for identifying the potential presence of wildlife species listed as threatened (T), endangered (E) or Species of Special Concern (SSC) as defined by the United States Fish and Wildlife Service (FWS) and/or the Florida Fish and Wildlife Conservation Commission (FWC) and their habitat and for the presence of wetland systems.

Site Description

The subject property is located within Sections 4, 5 and 8, Township 18 South and Range 31 East, within the City of Deltona, Florida. Specifically, the property is located north of Howland Boulevard, east of Loblolly Street and west of Cardinal Street. The site consists of approximately 46 acres and vegetatively comprised of a sandhill pine community.

Methods

The site evaluation included a review of aerial photographs, topographic maps and meandering vehicular and pedestrian transects throughout the property. In addition to reviewing aerial photographs and topographic maps, the 2003 FWC records of documented bald eagle nest sites and water bird colonies were reviewed for their presence within a one (1) mile radius and three (3) mile radius of the site, respectively.

Survey Summary

The property is largely comprised of a homogeneous canopy of sand pine *(Pinus clausa)* with a dense midstory of gallberry *(Ilex glabra)*, pignut hickory (*Carya glabra*), rusty lyonia (*Lyonia ferruginea*), scrub live oak (*Quercus inopina*), myrtle oak *(Quercus myrtifolia)*, turkey oak (*Quercus laevis*), wax myrtle *(Myrica cerifera)*, saw palmetto *(Serenoa repens)* and scrub plum (*Prunus geniculata*). The groundcover is vegetatively comprised of a dense layer of broomsedge (*Andropogon virginicum*), golden aster (*Chrysopsis* spp.), blueberry bush (*Campanula* spp.), deer moss *(Cladonia* spp.), and muscadine grapevine (*Vitis rotundifolia*).

Wetlands

No wetland systems were identified within the property limits.

Wildlife

One (1) bald eagle nest site was identified through the 2003 FWC database of known bald eagle nest sites within approximately one (1) mile of the property. The 2003 FWC database is the most currently published data available for bald eagle nest sites. This nest is identified as VO083 and showed active status (i.e., nesting behavior) during the 2003 season. However, neither the primary (750 foot radius from the nest tree) or secondary (1,500 foot radius from the net tree) protection zones of Nest ID VO083 lie within any portion of the property.

No other federally and/or state listed species were identified within the site.

Species identified on-site include the blue jay *(Cyanocitta cristata)*, roufus-sided towhee (*Pipilo erythrophthalmus*), red-bellied woodpecker (*Nerodia erythrogaster*), Carolina wren (*Thryothorus ludovicianus*), catbird (*Dumetella carolinensis*), and green anole (*Anolis carolinensis*).

Conclusion

No wetland systems were identified within the limits of the property. Database records, as well as a site review, did not reveal any federally and/or state listed wildlife species that would influence development.

The current site conditions (i.e. overgrown midstory and dense groundcover) that have developed, along with a large number of trees that have blown down, potentially from the 2004 hurricane season, further reduce the opportunity of the site providing habitat or maintaining any size population of wildlife species listed as threatened, endangered or species of special concern.

Mr. Harris, we thank you for the opportunity of providing our services. Bowyer-Singleton & Associates, Inc. looks forward to working with you in the near future. Should you have any questions concerning the result of this survey, please contact me at (407) 843-5120 extension 3126.

Sincerely,

Kendra J. Davis
Environmental Scientist

KJD:slb
2AL1/Environ/BioAssessment
Enclosure

c: Tadd W. Kasbeer, P.E., Bowyer-Singleton & Associates, Inc.
Maurice L. Pearson, Bowyer-Singleton & Associates, Inc.
Correspondence File

Listed Species Occurrence-Volusia County

Code Key: E = Endangered, T = Threatened, SSC = Species of Special Concern, N/A = Not Applicable, FWS = US Fish and Wildlife Service, FWC = Florida Fish and Wildlife Conservation Commission. Occurrence Potential represents the likelihood of that particular specie residing on the property. Potential range is Low, Moderate, High and Observed.

Scientific Name	Common Name	FWS Status	FWC Status	Occurrence Potential
Amphibians				
Rana capito	gopher frog	N/A	SSC	Low
Reptiles				
Drymarchon corais couperi	eastern indigo snake	N/A	T	Low
Gopherus polyphemus	gopher tortoise	N/A	SSC	Low
Pituophis melanoleucus mugitus	Florida pine snake	N/A	SSC	Low
Birds				
Aphelocoma coerulescens	Florida scrub-jay	T	T	Low
Falco peregrinus	peregrine flacon	N/A	E	Low
Falco sparverius paulus	southeastern American kestrel	N/A	T	Low
Haliaeetus leucocephalus	bald eagle	T	T	Low
Mammals				
Podomys floridanus	Florida mouse	N/A	SSC	Low
Sciurus niger shermani	Sherman's fox squirrel	N/A	SSC	Low
Ursus americanus floridanus	Florida black bear	N/A	T	Low

Source: Florida's Endangered Species, Threatened Species and Species of Special Concern- Official Lists Published Date: 1 August 1997

POINT FOUR
Engineering & Technological Services

Phone: (407) 260-9449
Phone: (386) 228-0300
Fax: (386) 228-2808
email: pointfour@mpinet.net

DECEMBER 3, 2005

HAGEN CUSTOM HOMES, LLC
950 S. WINTER PARK DRIVE, SUITE 350
CASSELBERRY, FL 32707

ATTENTION: Mr. TERRY HAGEN

SUBJECT: PRELIMINARY SUB-SOIL INVESTIGATION, CASEY PROPERTY, HOWLAND BOULEVARD, VOLUSIA COUNTY, FL

Mr. Hagen:

Pursuant to your request and authorization **Point Four Engineering and Technological Services** has completed an investigation of the subsoil within the subject site. The following report presents a summary of the results of our field investigation and our preliminary evaluation of the same with respect to the suitability of the site-soils for development. A final evaluation and report will need to be completed in conjunction with any final development plans.

SITE AND PROJECT DESCRIPTION

The subject parcel occupies about 44± acres of land located on the north side of Howland Boulevard approximately 1-3/4 miles east of Interstate Highway 4, in Volusia County, Florida. A vicinity map as reproduced from the U.S.G.S Quadrangle Map of the area is included as Figure 1. An aerial photograph of the site is included on Sheet 1.

The ground elevations throughout the site vary considerably. Based on a review of the USGS Quadrangle Map there is a relatively high ridge that trends northwest to southeast through the site. The east and northeast part of the site slopes from the ridge toward the Sand Lakes basin. The western slope of the ridge is irregular and two localized closed contour depressional areas interrupt the topography.

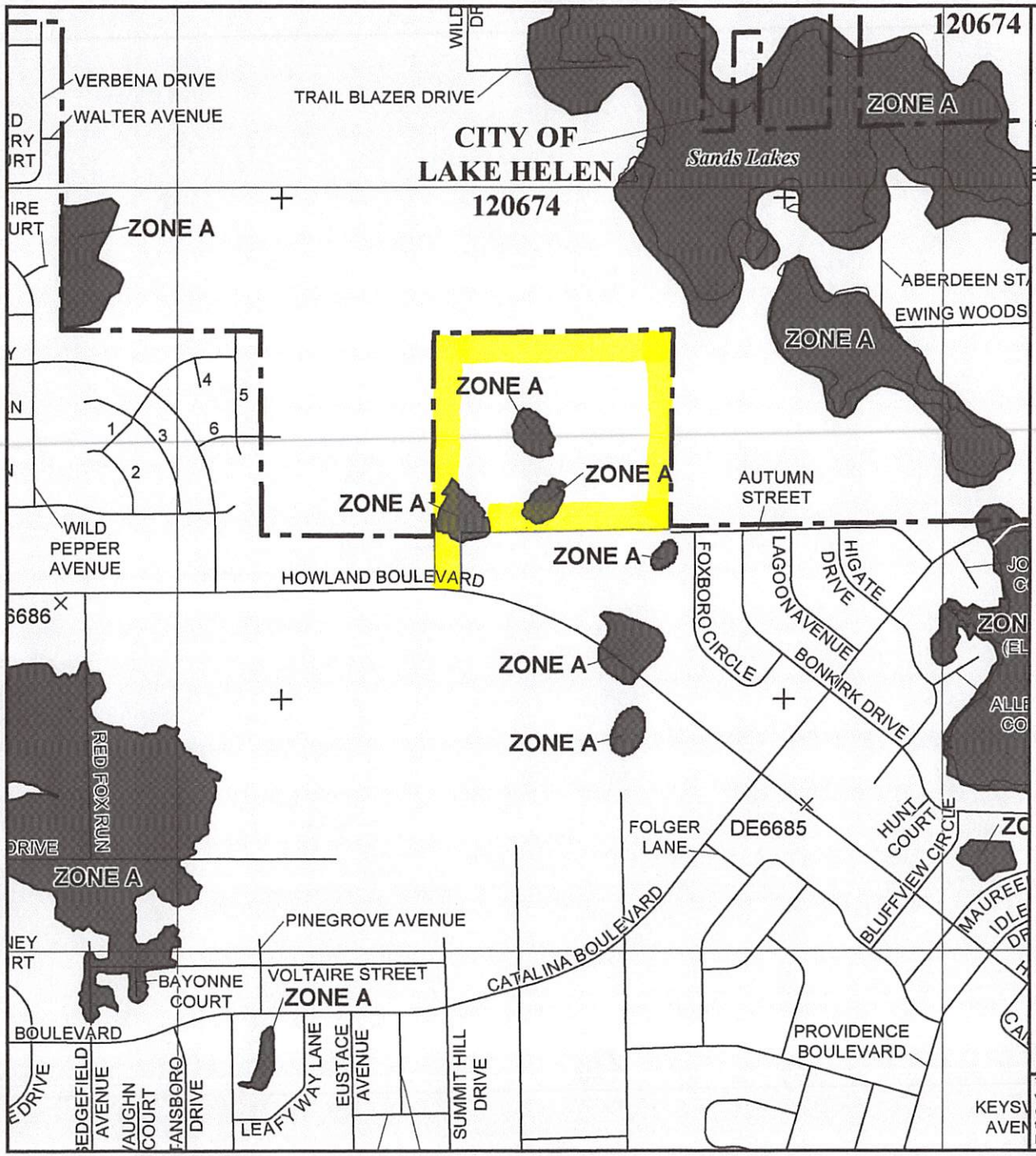
At the time of this investigation, the site was naturally and heavily wooded. The surrounding areas are either natural or residential land-uses.

FIELD INVESTIGATION

Test Borings

For the purpose of this investigation, a total of twelve (12) auger borings were performed throughout the site. Two test locations proposed in the northeast area of the property could not be accessed due to dense woods and vegetation. The test borings were extended to a depth of seven (7) feet below the existing ground surface. The locations of the test borings are shown on the attached Sheet 1. The results are presented on the individual boring logs included in Appendix A.

193 West New York Avenue • Lake Helen, FL 32744



MAP SCALE 1" = 1000'

500 0 1000 2000 FEET

METER

NFIP

NATIONAL FLOOD INSURANCE PROGRAM

PANEL 0630J

FIRM

FLOOD INSURANCE RATE MAP

VOLUSIA COUNTY, FLORIDA

AND INCORPORATED AREAS

PANEL 630 OF 930

(SEE MAP INDEX FOR FIRM PANEL LAYOUT)

CONTAINS:

COMMUNITY	NUMBER	PANEL	SUFFIX
DELAND, CITY OF	120307	0630	J
DELTONA, CITY OF	120677	0630	J
LAKE HELEN, CITY OF	120674	0630	J
VOLUSIA COUNTY	125155	0630	J

Notice to User: The **Map Number** shown below should be used when placing map orders; the **Community Number** shown above should be used on insurance applications for the subject community.

MAP NUMBER
12127C0630J
MAP REVISED
FEBRUARY 19, 2014

Federal Emergency Management Agency

This is an official copy of a portion of the above referenced flood map. It was extracted using F-MIT On-Line. This map does not reflect changes or amendments which may have been made subsequent to the date on the title block. For the latest product information about National Flood Insurance Program flood maps check the FEMA Flood Map Store at www.msc.fema.gov

KEY DATES UNDER CONTRACT

LOWERY CONSTRUCTION AND DEVELOPMENT, LLC PURCHASE FROM DENNIS J. CASEY, INDIVIDUALLY AND AS TRUSTEE
(8 acres – Senior Living)

Purchase Price: $1,440,000

1.	Effective Date	October 20, 2014
2.	Deposit Due from Buyer- $5,000 (see Contract §2.a)	Received
3.	Seller's deliveries due (see Contract §4.b)	November 19, 2014 (within 30 days of Effective Date)
4.	End of Inspection Period (see Contract §4.a) Buyer to obtain survey within Inspection Period (Contract §10)	May 31, 2015
5.	Additional Deposit ($20,000) due (see Contract §2.a)	June 2, 2015 (within 2 days of last day of Inspection Period)
6.	Deadline for Buyer to obtain Preliminary Site Plan (PSP) Approval (see Contract §6) **See Notes 1 and 2.**	July 28, 2015
7.	Closing Date (see Contract §8.a) **See Note 3.**	December 31, 2015

Notes:

1. On or before 90 days after date of PSP Approval, Buyer shall obtain a title insurance commitment with an effective date that is after the Effective Date and within 10 days of its issuance. Buyer shall deliver title objections not later than 15 days of receipt of title commitment; Seller shall have 30 days in which to remove exceptions. (Contract §9.a)

2. If Buyer is unable to obtain PSP Approval by July 28, 2015, Buyer may terminate Agreement and the Deposit and Nonrefundable Deposits shall be retained by Seller.

3. Buyer may extend Closing Date 30 days with $10,000 payment. Buyer may elect this option up to three times, for a total extension period of 90 days. (Contract §8.a)

KEY DATES UNDER CONTRACT

LOWERY CONSTRUCTION AND DEVELOPMENT, LLC PURCHASE FROM DENNIS J. CASEY, INDIVIDUALLY AND AS TRUSTEE
(12 acres – Family Garden Style)

Purchase Price: $1,440,000

1.	Effective Date	October 20, 2014
2.	Deposit Due from Buyer- $5,000 (see Contract §2.a)	Received
3.	Seller's deliveries due (see Contract §4.b)	November 19, 2014 (within 30 days of Effective Date)
4.	End of Inspection Period (see Contract §4.a) Buyer to obtain survey within Inspection Period (Contract §10)	May 31, 2015
5.	Additional Deposit ($20,000) due (see Contract §2.a)	June 2, 2015 (within 2 days of last day of Inspection Period)
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7.	Closing Date (see Contract §8.a) **See Note 3.**	December 31, 2015

Notes:

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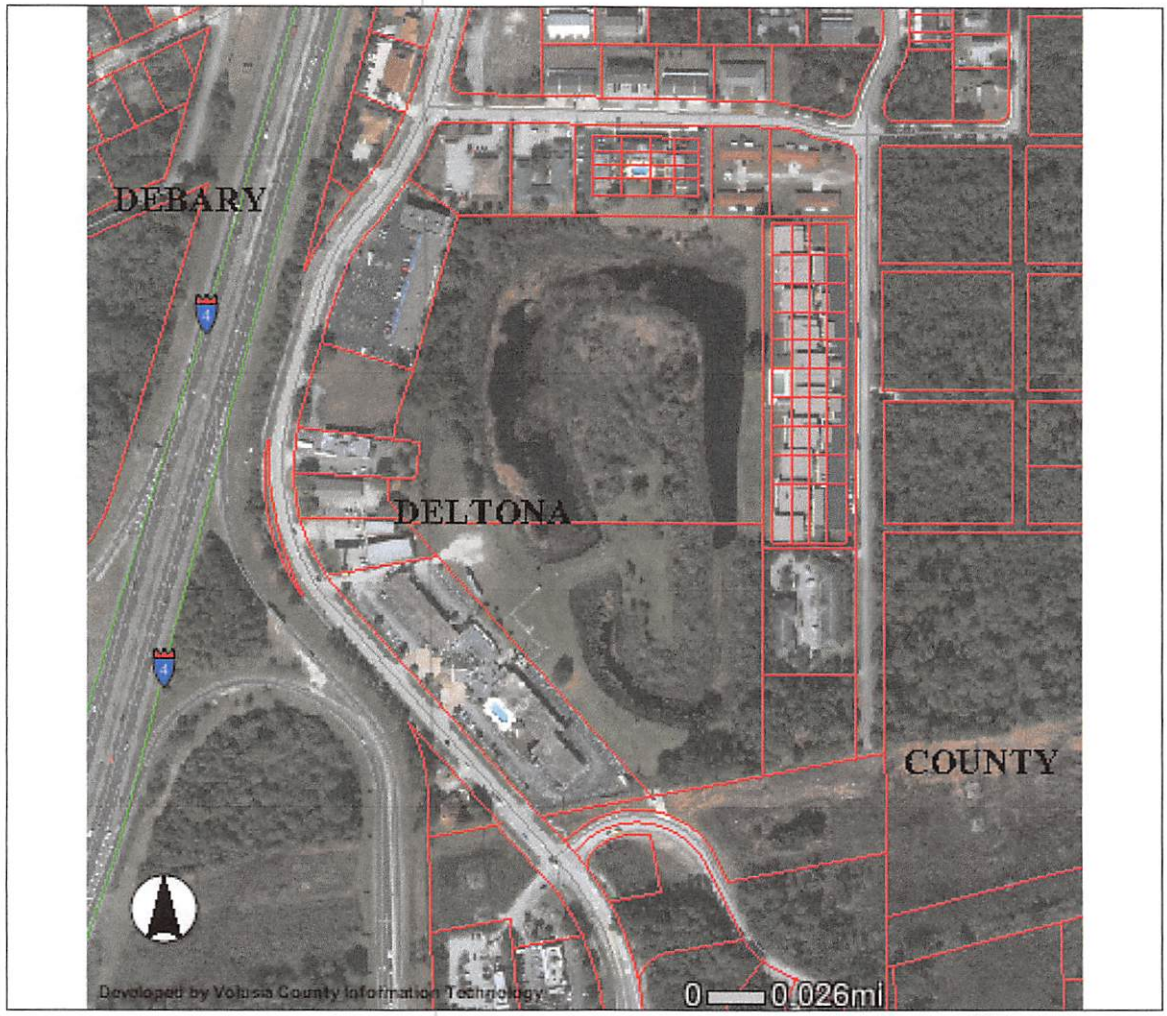
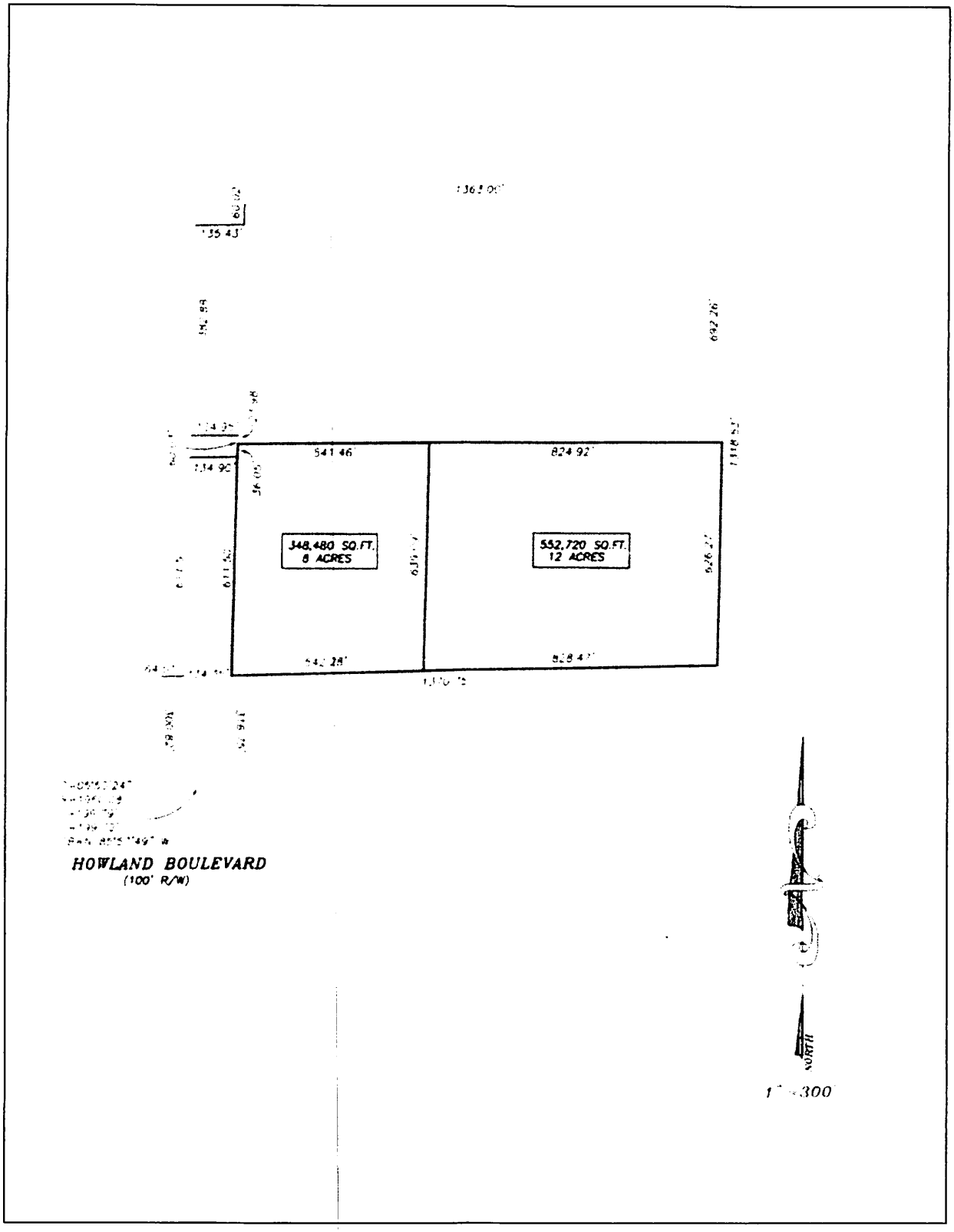
VACANT LAND COMP NO.1



VACANT LAND COMP NO.2
(SUBJECT CONTRACT PARCELS)



VACANT LAND COMP NO.3

VACANT LAND SALE NO.4

QUALIFICATIONS OF ROBERT D. POYNTER

ADDRESS: 1540 Grove Terrace
Winter Park, Florida 32789
407 629 1967 Fax 407 629 0420
Email – bob.poynter@gmail.com
Website: landmarkorlando.com

EMPLOYMENT:

President of Landmark Appraisal Services, Inc. Practicing appraiser in Florida and Georgia since 1991.with experience in residential, commercial, industrial and condemnation/litigation assignments.

EDUCATIONAL BACKGROUND

BS Indiana University School of Business, Bloomington, Indiana

LICENSES HELD

Licensed Real Estate Broker: Florida (BK 3007932), Georgia (B 10,607)

State Certified General Real Estate Appraiser: Florida (RZ 2372), Georgia (CG 3290)

PROFESSIONAL AFFILIATIONS

Appraisal Institute

PROFESSIONAL EDUCATION

Indiana University	Principles of Real Estate Real Estate Appraisal Real Estate Practices Lab
Atlanta Institute of Real Estate	Appraisal Law & Theory Appraisal Methods Appraisal Practices
Appraisal Institute	Course 420 Standards of Professional Practice A&B Course 510 Advanced Income Capitalization Course 520 Highest and Best Use / Market Analysis Course 530 Advanced Sales and Cost Approaches Course 550 Advanced Applications Course 710/720 Condemnation Appraising

QUALIFICATIONS OF ROBERT POYNTER
(Continued)

PROFESSIONAL EXPERIENCE:

Expert Witness: Qualified as an expert witness in Orange, Seminole, Lake, Marion and Osceola Counties in Florida; Fulton, Dekalb, Henry and Rockdale Counties in Georgia and Los Angeles County in California. Served as special magistrate in Orange County. Testimony has been given in condemnation, taxation, bankruptcy and domestic matters.

President & Senior Appraiser: Landmark Appraisal Services, Inc., Winter Park, FL

Senior Commercial Appraiser: Realvest Appraisal Services, Inc., Maitland, FL

Founding Commercial Appraiser: Landmark Appraisal Service, Atlanta, GA

Real Estate Broker, Developer & Builder: Atlanta, GA

EMINENT DOMAIN:

State of Florida Department of Transportation: Pre-qualified Consultant
Assignments in Orange, Seminole, Volusia and Marion Counties

State of Georgia Department of Transportation: Level Three Appraiser
Assignments in Fulton, Dekalb, Rockdale and Cherokee Counties

State of Florida Department of Environmental Protection:
Assignments in the Wekiva River Basin, St. Johns and Kissimmee River Basins

PUBLICATIONS:

"High Value Home Prices in selected Orlando Metro Sub-Markets" a semi-annual periodical "Landmark Tree Impact on Land Value" and "Winter Park Highway 17-92 Commercial Corridor Activity Analysis"

HAS APPRAISED:

Aviation related property	Mobile Home Parks	Right of Way Acquisitions
Residential property	Convenience Stores	Partial Interests
Multi-family property	Subdivisions	Net Leased Properties
Industrial Land	Wetlands	Special Purpose Properties
Industrial Buildings	Retail Buildings	Environmentally Sensitive
Office Buildings	Eminent Domain	Outdoor Advertising Signs
High Value homes	Ground leased properties	Radio & Cellular Towers
Nursing Homes	Assisted Living Facilities	Hotels

COMMUNITY ENDEAVORS

Boy Scouts of America
- Eagle Scout
- Troop Committee Member
- District Commissioner

Boys and Girls Club
- Founding member of the Rockdale County Boys Club.
- Boys Club President (Two Terms)

Youth Soccer
- Coach - 8 Years
- Search Committee to find permanent facility
- Trustee of Rockdale Youth Soccer Complex

Homebuilders Association
- Regional Board Member
- Chapter President

County Level Advisory and ad-hoc committees
- Tree Ordinance Committee
- Historic Preservation Committee
- Planning Board

Board of Realtors
- Ethics Committee
- Board Member
- Orlando Commercial Council

Appraisal Organizations
- Course Instructor
- Chapter President, Dekalb County Appraisers Association

STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

FLORIDA REAL ESTATE APPRAISAL BD
1940 N. MONROE ST.
TALLAHASSEE FL 32399-0783

850-487-1395

POYNTER, ROBERT D
1540 GROVE TERRACE
WINTER PARK FL 32789

Congratulations! With this license you become one of the nearly one million Floridians licensed by the Department of Business and Professional Regulation. Our professionals and businesses range from architects to yacht brokers, from boxers to barbeque restaurants, and they keep Florida's economy strong.

Every day we work to improve the way we do business in order to serve you better. For information about our services, please log onto **www.myfloridalicense.com**. There you can find more information about our divisions and the regulations that impact you, subscribe to department newsletters and learn more about the Department's initiatives.

Our mission at the Department is: License Efficiently, Regulate Fairly. We constantly strive to serve you better so that you can serve your customers. Thank you for doing business in Florida, and congratulations on your new license!

STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

RZ2372 ISSUED: 11/25/2014

CERTIFIED GENERAL APPRAISER
POYNTER, ROBERT D

IS CERTIFIED under the provisions of Ch. 475 FS.
Expiration date: NOV 30, 2016 L1411250002292

DETACH HERE

RICK SCOTT, GOVERNOR KEN LAWSON, SECRETARY

STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA REAL ESTATE APPRAISAL BD

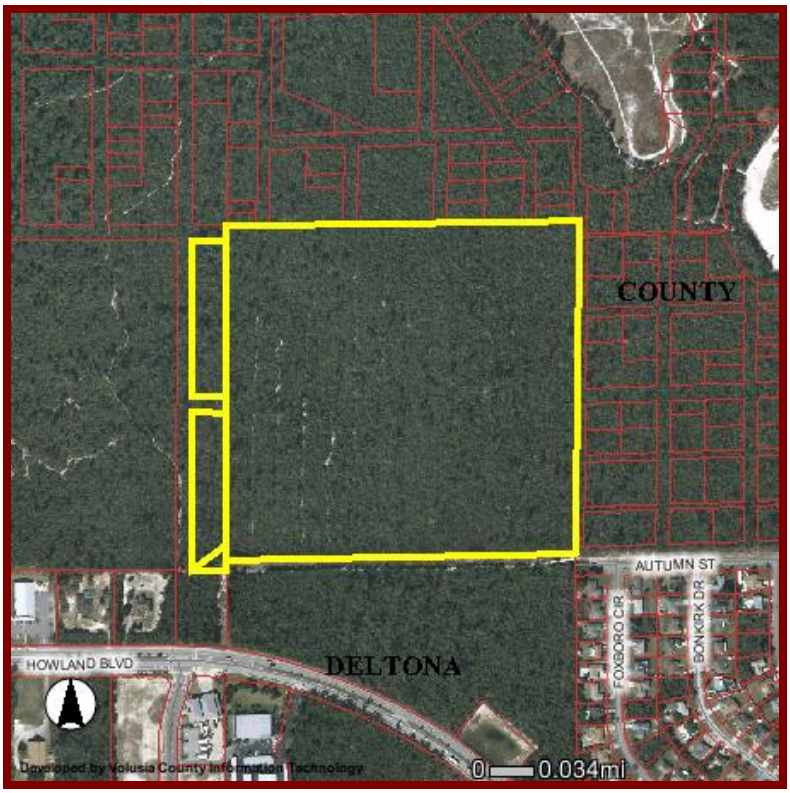
LICENSE NUMBER
RZ2372

The CERTIFIED GENERAL APPRAISER
Named below IS CERTIFIED
Under the provisions of Chapter 475 FS.
Expiration date: NOV 30, 2016

POYNTER, ROBERT D
1540 GROVE TERRACE
WINTER PARK FL 32789

ISSUED: 11/25/2014 DISPLAY AS REQUIRED BY LAW SEQ # L1411250002292

APPRAISAL REPORT – SUMMARY FORMAT



A 45.135± ACRE MULTIFAMILY SITE
NORTH OF HOWLAND BOULEVARD
AND WEST OF CATALINA BOULEVARD
DELTONA, FL 32725

PREPARED FOR

THE CITY OF DELTONA
C/O MS. GLADYS N. MERCED
LEGAL ASSISTANT
2345 PROVIDENCE BOULEVARD
DELTONA, FL 32725

AS OF

OCTOBER 8, 2015

HEFFINGTON & ASSOCIATES
911 BEVILLE ROAD, STE 8 / DAYTONA BEACH, FL 32119 / (386) 760-7601 / FAX (386) 760-5161

HEFFINGTON & ASSOCIATES
911 BEVILLE ROAD, STE. 8 / DAYTONA BEACH, FL 32119 / (386) 760-7601 / FAX (386) 760-5161

October 14, 2015

Ms. Gladys N. Merced
Legal Assistant
CITY OF DELTONA
2345 Providence Boulevard
Deltona, FL 32725

Dear Ms. Merced:

In accordance with your request, we hereby submit an ***Appraisal Report*** of the following property:

A 45.134± ACRE MULTIFAMILY SITE
NORTH OF HOWLAND BOULEVARD
AND WEST OF CATALINA BOULEVARD
DELTONA, FL 32725

The purpose of the appraisal is to estimate the *"As Is"* *Market Value* of a vacant commercial site. The property is appraised as a Fee Simple Estate, subject to typical mortgage loan encumbrances and utility easements. The intended use of the appraisal report is to assist the client in possible purchase negotiations. The intended user is ***CITY OF DELTONA***, c/o Ms. Gladys M. Merced.

It should be noted that "this appraisal assignment was not made, nor was the appraisal rendered, on the basis of a requested minimum valuation, specific valuation, or an amount which would result in the approval of a loan."

After careful investigation, it is our opinion the estimated "As Is" Market Value of the subject property as of October 8, 2015 was:

ESTIMATED "AS IS" MARKET VALUE

TWO MILLION THIRTY THOUSAND DOLLARS

($2,030,000)

The valuation analysis contained herein is intended to adhere to the Uniform Standards of Professional Appraisal Practice ("USPAP") adopted by the Appraisal Standards Board of the Appraisal Foundation. Furthermore, the appraisers have complied with the competency provision under the Uniform Standards of Professional Appraisal Practice.

We do not have the required expertise for determining the presence of, or absence of, hazardous substances, defined as all hazardous or toxic materials, wastes, pollutants or contaminants (including, but not limited to, asbestos, PCB, UFFI, petroleum products or other raw materials or chemicals) used in construction, or otherwise present on the property. We assume no responsibility for the studies or analyses which would be required to determine the presence or absence of such substances. We do not assume responsibility for loss as a result of the presence of such substances. The value estimate presented herein is based on the assumption that the subject property is not adversely affected by environmental contaminants.

Please be informed that a careful and personal inspection of the subject property was made. The supporting data and the analyses and conclusions upon which this value is based are contained within this appraisal report. Included in the report and addendum are pertinent exhibits.

The Appraisal Institute conducts a voluntary program of continuing education for its designated members. Designated members who meet the minimum standards of this program are awarded periodic educational certification. I am currently certified under this program.*

If you should have any questions concerning this report, please do not hesitate to contact our office.

Respectfully submitted,

HEFFINGTON & ASSOCIATES

*R. Todd Heffington, MAI
Cert. Gen. RZ2368

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ZONING DESCRIPTION
VOLUSIA COUNTY PROPERTY APPRAISERS INFORMATION
QUALIFICATIONS OF THE APPRAISER

CERTIFICATION

The undersigned do hereby certify that, except as otherwise noted in this appraisal report:

To the best of my knowledge and belief:

1. The statements of fact contained in this appraisal report, upon which the analyses, opinions, and conclusions expressed herein are based, are true and correct.
2. The reported analysis, opinions and conclusions are limited only by the assumptions and limiting conditions and are my personal, impartial, and unbiased professional analysis, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. I have no personal interest or bias with respect to the subject matter of this appraisal report nor the parties involved. My employment is not contingent on the amount reported.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. The reported analyses, opinions and conclusion were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Uniform Standards of Professional Appraisal Practice.
8. I have made a personal inspection and careful investigation of the property herein described.
9. Unless stated herein, no one provided significant real property appraisal assistance to the person signing this certification.
10. This appraisal report sets forth all of the limiting conditions (imposed by the terms of my assignment or by the undersigned) affecting the analyses, opinions, and conclusions contained in this report.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. I certify that, to the best of my knowledge and belief, the reported analyses, opinions, or conclusions were developed and this report has been prepared in conformity with the requirements of the State of Florida for state-certified appraisals (Florida Statutes, Chapter 475, Part II). The use of this report is subject to the requirements of the State of Florida related to review by the Florida Appraisal Board.
13. The Appraisal Institute conducts a program of continuing education for its designated members. Designated members who meet the minimum standards of this program are awarded periodic educational certification. I, R. Todd Heffington, MAI, am currently certified under this program.
14. Heffington & Associates has not performed services as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period preceding acceptance of this assignment.

R. Todd Heffington, MAI
Cert Gen RZ2368
x Did □ Did Not
Inspect Property

EXTRAORDINARY ASSUMPTIONS AND LIMITING CONDITIONS

1. The appraiser has not been supplied with a survey of the subject property. All size and dimensional information has been obtained from the last deed of conveyance and the Public Records of Volusia County. I reserve the right to amend this report should a survey be provided that significantly affects the size and/or value conclusions herein.

ASSUMPTIONS AND LIMITING CONDITIONS

1. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.

2. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.

3. Responsible ownership and competent property management are assumed unless otherwise stated in this report.

4. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.

5. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property. The appraisers are not experts in engineering or construction and are not licensed constructions contractors.

6. It is assumed that there are no hidden or unapparent conditions on the property, subsoil, or structures that render it more or less valuable but are not apparent. This appraiser can assume no responsibility for such conditions or for arranging for engineering studies that may be required to discover them.

7. It is assumed that there is full compliance with all federal, state and local environmental regulations and laws unless otherwise stated in this report.

8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.

9. It is assumed that all required licenses, certificates of occupancy, or other legislative or administrative authority from any local, state, or national governmental, or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.

10. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.

11. It is assumed that the utilization of the land and improvements is within the boundaries or property liens of the property described and that there is no encroachment or trespass unless otherwise stated in this report.

12. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumptions that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.

13. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with requirements of the Americans with Disabilities Act ("ADA") which became effective January 26, 1992. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.

14. Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.

15. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

16. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with proper written qualification and only in its entirety.

17. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.

18. The appraiser, by reason of this report, is not required to give testimony or attend court or any governmental hearing with reference to the property in question, unless arrangements have been previously made therefore.

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Effective Date of Appraisal:	October 8, 2015
Date of Report:	October 14, 2015
Property Location:	North of Howland Boulevard and west of Catalina Boulevard, at the west end of Autumn Street, Deltona, Florida
Estimated "As Is" Market Value:	$2,030,000
Site Size:	45.134± Acres
Improvements:	None
Zoning:	RM1, Residential Multi-Family, City of Deltona
Underlying Land Use Designation:	MDR, Medium Density Residential, City of Deltona
Highest and Best Use:	
As If Vacant:	Multi-family development
Parcel Numbers(s):	8105-14-01-0010, 8105-14-10-0010, 8105-14-10-0190, 8104-00-00-0360
Assessed Value (2014):	$308,250
Property Owner:	Dennis J. Casey
Flood Zone:	Zone "X" and Zone "A", per Map No. 12127C0630J, dated February 15, 2014

APPRAISAL REPORT – SUMMARY FORMAT

PURPOSE OF THE APPRAISAL

The *purpose* of the appraisal is to estimate the ***"As Is"*** Market Value of a vacant multi-family zoned site as of October 8, 2015. The property is appraised as a fee simple estate, subject to typical mortgage loan encumbrances and utility easements.

EFFECTIVE DATE OF VALUE AND DATE OF REPORT

The effective date of the appraisal is October 8, 2015. The Date of Report is October 14, 2015.

INTENDED USE AND INTENDED USER

The *intended use* of the appraisal report is to assist the client in possible purchase negotiations. The *intended user* of the appraisal is **The City of Deltona, c/o Ms. Gladys N. Merced**. This appraisal is intended for the sole use of the City of Deltona.

SCOPE OF WORK

The *scope* of this appraisal included a physical inspection of the subject property and surrounding neighborhood. Regional and neighborhood trends were also analyzed in order to determine any existing, or foreseeable external factors that might influence the value and use of the subject property. The Highest and Best Use of the property was also analyzed as a basic valuation premise after considering pertinent variables such as property characteristics, zoning, support facilities, economic and competitive units, and maximally productive use alternatives. Applicable zoning restrictions and comprehensive land use plans were also considered in this Highest and Best Use Analysis.

The Direct Sales Comparison Approach was the only approach processed in this report. The Income Approach and Cost Approach were not processed because they are not typically employed when appraising unimproved land.

Sales of comparable unimproved sites with multi-family development potential were researched, analyzed, and directly compared to the subject property. They are believed to lend a viable indication of the subject's estimated value. Comparable data has been personally confirmed by either the appraiser, or other appraisers believed to be reliable. The information and data presented herein has been summarized.

This ***Appraisal Report*** sets forth only a brief analysis of the subject property, comparable data, and analyses. This report is considered to be consistent with the needs of the client and the intended use stated in this report.

INTEREST VALUED

The subject property is appraised as a fee simple estate. As defined in the Dictionary of Real Estate Appraisal published by the American Institute of Real Estate Appraisers, a fee simple

estate is the *"Absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power, and taxation."*

IDENTIFICATION OF THE SUBJECT PROPERTY

The subject consists of four tax parcels containing approximately 45.134 acres, located north of Howland Boulevard and west of Catalina Drive in Deltona, Volusia County Florida.

LEGAL DESCRIPTION

Lengthy legal description; please refer to the legal description in the last deed of conveyance presented in the addendum of this report.

TAX ASSESSMENT AND ANALYSIS

The total assessment, taxable value, and gross taxes are summarized as follows:

Tax Parcel No.	Total Assessment	Taxable Value	Total Gross Taxes
8105-14-01-0010	$ 4,050	$ 4,050	$ 100.73
8105-14-10-0010	$ 4,050	$ 4,050	$ 100.73
8105-14-10-0190	$ 150	$ 150	$ 3.73
8104-00-00-0360	$300,000	$300,000	$7,461.45

Taxes for this area are based on a millage rate of 24.87150 for the year 2015. The real estate tax structure of this property is considered to be neither favorable nor non-favorable based on our analysis presented herein. It should be noted the Volusia County Property Appraiser's assessment has *not* been relied upon in valuing the subject property and the assessment is included herein for informational purposes only.

THREE YEAR SALES HISTORY

Based on a review of the public records, it does not appear as if the subject property has been involved in an arm's length transaction within the last three years. The subject property has a for sale sign posted along Howland Boulevard. The appraiser has not verified the asking price.

MARKET VALUE DEFINITION

Market Value is defined herein as:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the

consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

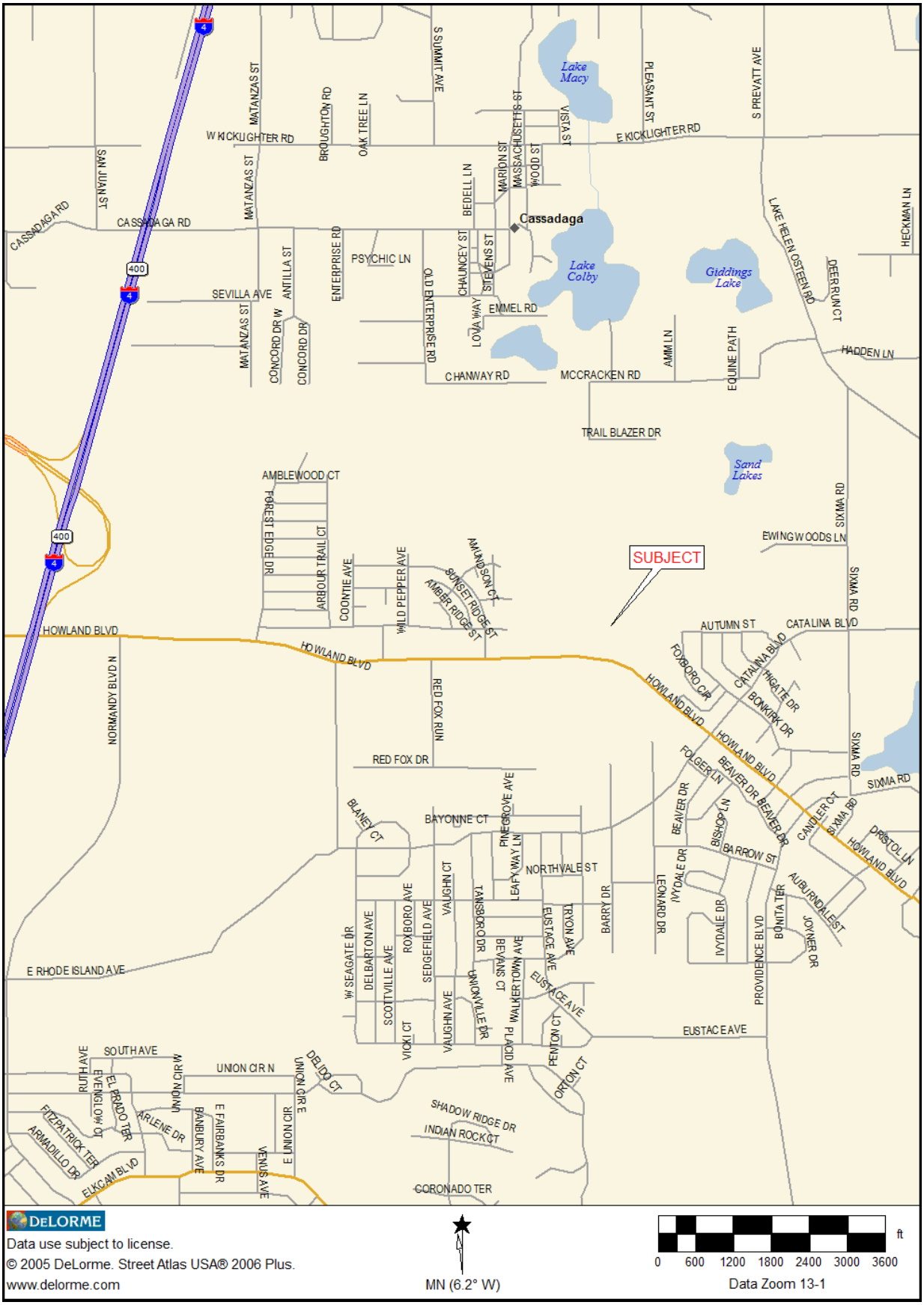
1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and each acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. Dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."[1]

LAND USE PLANNING, ZONING, CONCURRENCY

The property is zoned RM-1, Residential Multi-family, by the City of Deltona. This zoning classification is intended for single family, duplex and multifamily dwellings. The subject site's zoning conforms to the Future Land Use Plan which has designated this area for Residential Multi-family. According to the RM-1 zoning requirement, the maximum density is twelve units per acre. Please see a copy of the RM-1 Multifamily Residential Dwelling District regulations

[1] FDIC Interagency Appraisal and Evaluation Guidelines, December 2, 2010

AREA/MARKET AREA MAP



BRIEF AREA/MARKET AREA ANALYSIS

The subject property is located in Deltona, Volusia County, Florida. Deltona is part of West Volusia, which includes the cities of DeLand, DeBary, Deltona and Orange City. Deltona is the most populous city in Volusia County, and is also the most populous city between Jacksonville and Orlando, topping the 85,000 mark for the first time in 2010. The current population, as of 2013, is 86,290. This represents a 24.1 percent increase in population growth since the 2000 Census population of 69,543. The median age is 35.4 and the average household size is 2.78. The percentage of residents with college education is 13.2 percent.

Deltona began as a planned community in 1962, when well-known developers the Mackle Brothers bought 17,203 acres of land and built a community of single family homes. Although always planned to evolve into a city, the suburb remained unincorporated until 1995, when the City of Deltona was officially formed.

The City of Deltona covers an area of 42 square miles. There are a total of 35,148 platted single family lots of which approximately 28,024 lots or 80 percent are developed. Deltona is nearly 75 percent residential.

During the period 2000 - 2007, Deltona, DeBary and Orange City became rapidly growing bedroom communities for the Greater Orlando Area, which includes the Interstate 4 corridor in Orange and Seminole Counties. Deltona itself can be characterized as a bedroom community for the Orlando metropolitan area to the south and west.

Demographic Data for Deltona and Volusia County as Compared to the State of Florida

	Deltona	Volusia Co.	State of Florida
Population, 2013	86,290	500,800	19,600,311
Housing units, 2013	34,089	254,221	9,047,612
Home ownership rate, 2009 - 2013	80.0%	72.0%	67.l%
Housing units in multi-unit structures, percent 2009-2013	3.3%	21.9%	30.1%
Median value of owner-occupied housing units, 2009-2013	$122,400	$142,800	$160,200
Households, 2009 - 2013	28,291	195,907	7,158,980
Persons per household	3.01	2.47	2.61
Per Capita Income (2013 dollars)	$19,893	$23,973	$26,236
Median Household Income, 2009 - 2013	$47,049	$42,457	$46,956
Persons below poverty level, 2009 - 2013	14.3%	16.8%	16.3%

Source: U.S. Census Bureau, State and County QuickFacts., last revised February 5, 2015

There is very little industry within the city limits and a very small percentage of the city's land area is zoned for commercial use. Presently, there is very little industrial development within the city limits. Most of the commercially zoned areas of the city are limited to main intersections surrounded by dense residential development or isolated stretches of road extending for one or two blocks and surrounded by dense residential development.

Most of the existing development at these commercial intersections consist of supermarket-anchored shopping centers, both with and without a second major tenant. Strip centers and free standing retail sales and services and office uses are generally found along the isolated stretches of road which are commercially zoned. Neighboring Orange City on the west side of

Interstate 4 is where most of the residents of Deltona currently go for its numerous shopping centers, big box retailers, restaurants, and major retailers such as Wal-mart, Target, Home Depot and Lowe's.

The reason Deltona has few restaurants and other businesses is that Deltona's demographics do not attract the kind of chain restaurants and stores that residents want. Companies look for not just a large population (Deltona is Volusia County's largest populated city), but one that doesn't empty out of the bedroom community each day for work. Of more than 30,000 workers, about 26,759 leave Deltona each day for their jobs, according to a report released in early 2014 about the Deltona Activity Center by Boyette Strategic Advisors. Using Census data, the report found just 1,340 workers are employed inside the city and another 2,696 people commute into Deltona for work.

This lack of commercial development within Deltona may change with the creation of the new Activity Center corridor surrounding the Interstate 4/State Road 472 interchange in the northwest portion of the city. The Activity Center extends along the east side of Interstate 4, both sides of Normandy Boulevard and the south side of Howland Boulevard. The 800± undeveloped acres at this activity center can accommodate 400 homes; 400,000 square feet of office space; 650,000 square feet of industrial space or 40,000 square feet of retail space or any combination of those elements.

This 800-acre activity center sits in the midst of four cities, including Deltona to the east, Orange City to the west, Lake Helen to the northeast; and DeLand to the north. All four cities and Volusia County have agreed to share responsibility for running utilities to the activity center, which is envisioned to be a major hub of commercial activity. In addition to getting infrastructure to the area of the activity center, another key element was completed to allow access to the interchange from Deltona. A stretch of Howland Boulevard was completed to provide a direct easterly approach and exit from the I-4/S.R. 472 interchange. The Activity Center area remains among the last largely undeveloped Interstate 4 interchanges north of Orlando.

The construction of an Epic Theater, a $6 million economic development project, was completed in December 2011 along the Normandy Boulevard frontage portion of the activity center. This is a 12-screen, 51,000 square foot, 2,434-seat theater. This project is the first of the three-phase Deltona Village, a 130± acre planned retail and business development. More recently, a new RaceTrac gas station and convenience store was completed along the Howland Boulevard frontage portion of the site.

In September of 2014, the City Commission approved the rezoning of 148 acres northeast of the I-4/S.R. 472 interchange. The landowner, Trafalgar Holdings LLC, sought a change from agricultural and industrial land uses to a planned development that allows a mix of commercial and residential options. One of the allowable uses, on a 31-acre parcel is a hospital up to 10 stories tall. The rezoning allows for medical uses ranging from doctors' offices to imaging and surgery centers, as well as a hospital. Other uses allowed under the new zoning include adult family care, assisted living, auto sales, convenience stores, restaurants, and retail sales and services.

Just east of the new RaceTrac site within Deltona Village, a Dunkin Donuts-Subway strip center was completed in early 2014 along Howland Boulevard not far from the Activity Center.

And a half-mile further east, Dollar General opened a new store on the north side of Howland Boulevard across from Howland Crossings, a commercial development with streets and a fire station, but currently no other buildings. The City of Deltona purchased the 19-acre Howland Crossings site in 2009 from a developer for a fire station and future public safety building. To date, none of the commercial pad-ready building sites have been sold or developed. Further east and along the north side of Howland Boulevard, a 17.96 acre site has been approved for a 114,200 square foot shopping center with individual outparcels.

Another new development in the city is a recently completed, $11 million, 20,000 square foot outpatient center for Florida Hospital Fish Memorial. This project is situated at the intersection of Saxon and Sterling Silver Boulevards and is called Florida Hospital Deltona Health Park. The health park provides primary care services, pediatric care and imaging services. The long overdue medical facility fills an unmet need for healthcare in Deltona and will fill a gap in health services in Southwest Volusia County.

A 44,000 square foot Wal-Mart Neighborhood Center with a 14,000 square foot retail center was recently completed at the intersection of Saxon and Sterling Silver Boulevards, opposite the hospital site. The 14,000 square foot retail strip center is divided into 7 units ranging in size from 1,400 to 3,200 square feet.

Our outlook for the City of Deltona remains cautiously optimistic. The northwest area of the city around the Interstate 4/State Road 472 interchange Activity Center is the next area of commercial development for the city, followed by the Howland Boulevard corridor stretching from the Activity Center southeast to State Road 415. Construction of a new sewage treatment plant off the east side of State Road 415 at 11th Avenue, opposite Howland Boulevard, was recently completed. With the new plant and water and sewer lines recently installed along State Road 415, our outlook for southeast Deltona is favorable within the next five to ten years.

However, our overall outlook for retail commercial properties within Deltona is not very positive. Despite having one of the lowest percentages of commercially zoned land and developed commercial properties versus residential land and properties in the county, Deltona has a comparatively high vacancy rate for retail properties. A drive along most of the city's main arteries revealed vacancies in almost every retail strip center and community shopping center in the city, including well-located supermarket anchored centers.

In summary, the subject property is located in a homogeneous area of compatible residential properties with very little commercial development. The area has experienced little, if any, growth over the past decade. It is our opinion the subject's local neighborhood will basically remain in the same stage of non-development (commercially) into the foreseeable future.

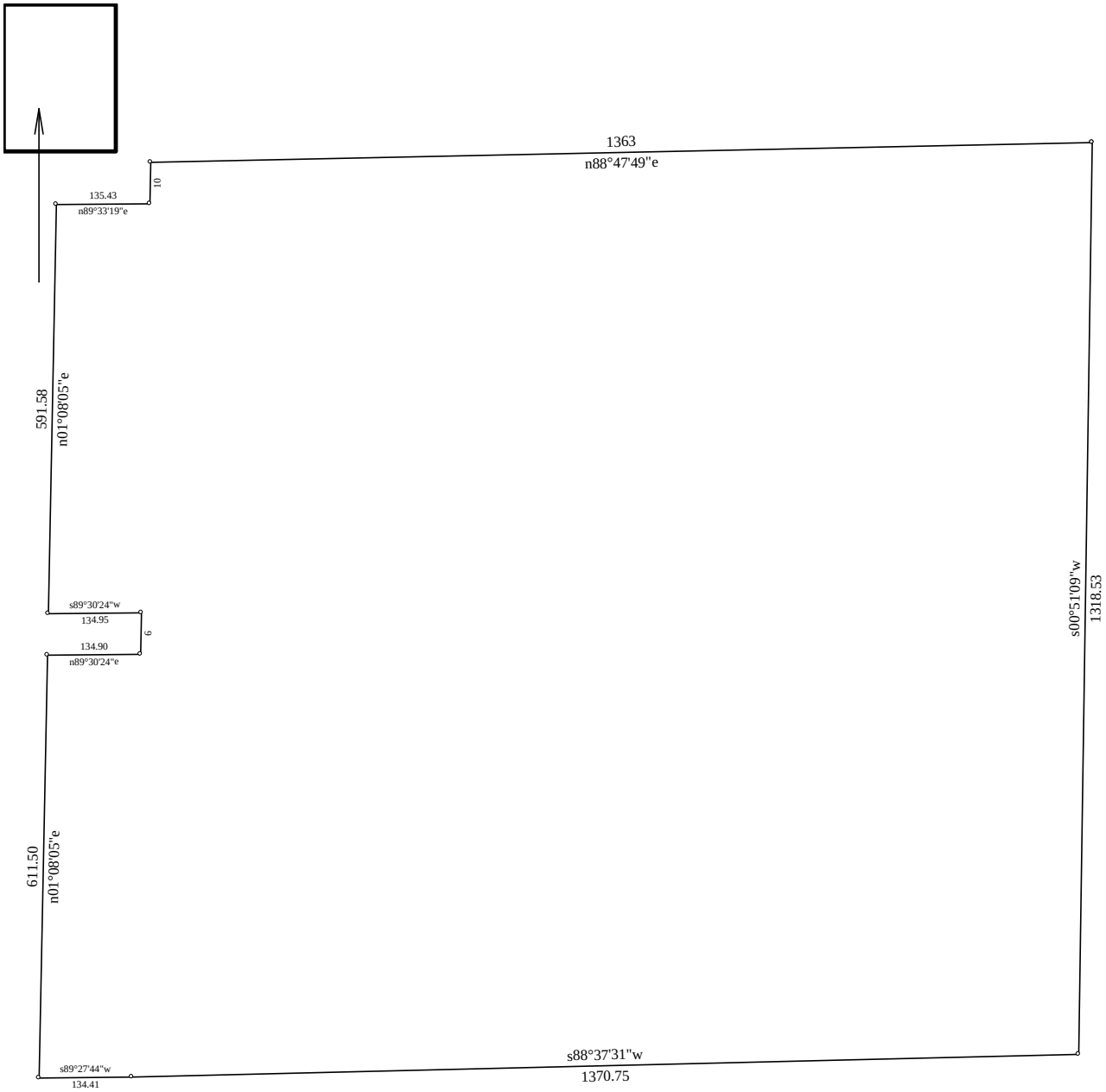
ESTIMATED EXPOSURE TIME

The Dictionary of Real Estate Appraisal, 3rd Edition, defines *Exposure* on page 126 as: The time a property remains on the market, or the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market. Exposure time is always considered to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. Exposure time is different for various types of real estate and value ranges and under various market conditions.

The market for multifamily land has been limited over the past several years. However, it does appear to be increasing in desirable areas. There is little data from which to obtain a reasonable exposure time. I have researched a few sales and contracts. The days on market range from a few months to over four years. I am also aware of numerous listings that have been on the market for several years as well.

The available information is insufficient to accurately estimate an exposure time for the subject. The properties analyzed that have sold are all in superior locations when compared to the subject and some are fully entitled. Based on this information, the subject's location, and the number of listings around Volusia County, it is reasonable to conclude that the subject could take up to 24 months or longer to sell at the appraised value. This opinion considers the subject being placed on the market with concentrated marketing effort by a knowledgeable and competent professional, at or near the appraised value.

SITE SKETCH



Title:	Date: 08-09-2007
Scale: 1 inch = 200 feet	File: CASEY MULTI-FAMILY SITE DELTONA 2015.des

Tract 1: 45.134 Acres: 1966046 Sq Feet: Closure = s16.3619e 0.01 Feet: Precision >1/999999: Perimeter = 5915 Feet

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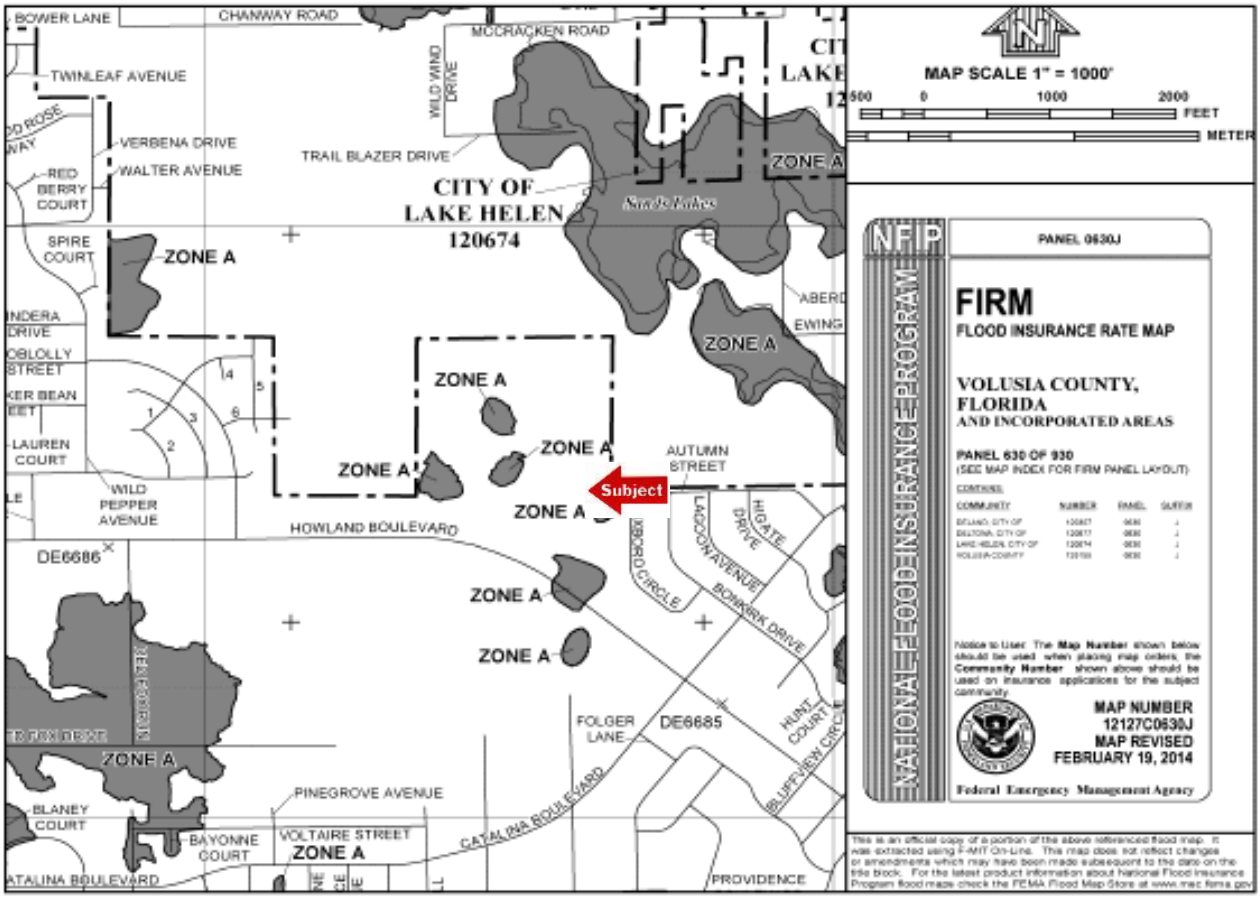
FLOOD ZONE MAP



TOPOGRAPHICAL MAP

DESCRIPTION OF THE SUBJECT PROPERTY

Location and Description

The subject consists of four tax parcel numbers. It is located north of Howland Boulevard and west of Catalina Boulevard, at the west end of Autumn Street, in Deltona, Volusia County, Florida. Based on a survey provided by the client for a previous appraisal, the overall site contains a total of **45.134± acres**. Based on the survey provided, the site has a width of approximately 1,505.26 feet, with a depth of approximately 1,318.53 feet on its east boundary line. The western boundary line appears to be of similar depth to the eastern line, but is irregular due to excluded road rights-of-way.

Access

The subject site currently has no physical access without crossing other ownerships. However, the subject owner also owns an abutting parcel that fronts Howland Boulevard, and could provide adequate access.

In addition, the subject sits at the end of Autumn Street, an open residential street, and, Kentucky Avenue, an unopened, platted roadway. Autumn Street only touches the subject property at a corner point, but, Kentucky Avenue, abuts and runs parallel to Autumn Street and could be easily opened for secondary or emergency access to the site. Based on previous appraisal completed in 2007, conversations with Mr. Tom Burbank, City Planner at the time, this access would be sufficient if developed as single family or multi-family residential. However, due to its residential nature, the overall size of the subject parcel, and its potential density, it is unlikely that this road would be accepted as a primary access to the subject parcel if developed as a multi-family site, and the described potential access from Howland Boulevard would likely be required.

Topography/Soil Characteristics

The site's topography has extreme elevation changes. Based on the topographical survey provided by the client, the parcel has elevation changes of approximately 53 feet. Without a fronting roadway, it is difficult to tell where the elevation would be in comparison to its access roadway, or if internal roadways would be able to use the existing lay of the land.

Based on our physical inspection, as well as referring to a topographical map, it appears the site will require a substantial amount of site work before development can take place. The subject site's topography is similar to surrounding properties. The site appears to be on a sandy ridge and no wetlands were noted.

At the time of our inspection, there were no apparent unfavorable soil conditions found which might adversely affect the subject site. In the event soil tests or other sources should indicate detrimental soil conditions, we reserve the right to modify the value conclusions accordingly. In addition, no apparent adverse easements or encroachments were noted on the subject site and are assumed not to exist.

Street Improvements

As previously discussed, access to the subject site would have to come from Howland Boulevard through a common ownership. Howland Boulevard is a four lane, median divided right of way.

Secondary access would be from the western terminus of Autumn Street, which is a two lane, asphalt paved, residential roadway. However, this access does not run into the subject property, and it is likely that the abutting Kentucky Avenue would have to be used to gain access to the site.

Utilities and Services

Municipal water and sewage disposal is provided by the City of Deltona and are located along Howland Boulevard. Electricity and telephone service are provided by publicly regulated companies. Police and fire protection are provided by the City of Deltona. Trash and garbage pick-up is contracted by a private company. These services and utilities are considered commensurate with surrounding municipalities.

Zoning

The property is zoned RM-1, Residential Multi-Family, by the City of Deltona. This zoning classification is intended for single family, duplex and multifamily dwellings. The subject site's zoning conforms to the Future Land Use Plan which has designated this area for Residential Multi-Family. According to the RM-1 zoning requirement, the maximum density is twelve units per acre. Please see a copy of the RM-1 zoning classification as depicted by the City of Deltona, presented in the addendum to this report.

Easements and Restrictions

Based on the survey provided by the City of Deltona for a previous appraisal, the site is encumbered by a Florida Power Corporation overhead power line easement along its southern property line. The easement does not limit the access or development of the site with roadways or landscaping.

No other significant easements or restrictions of record were noted.

HIGHEST AND BEST USE ANALYSIS

The Highest and Best Use of the subject property will be analyzed both in terms of its existing use as improved and as if it were vacant and ready to be put to use.

Highest and Best Use can be defined as: "The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability."[1]

A site is valued as though vacant in terms of its Highest and Best Use which may be defined as: "The use of a property based on the assumption that a parcel of land is vacant or can be made vacant through demolition of any improvements" [2]

The following narration highlights the process utilized in formulating a conclusion of appropriate Highest and Best Use.

1. Legally Permissible: Legal permissibility considers the effect of private restrictions, zoning ordinances, building codes, historic district controls, land use regulations or any additional governing authority.

2. Physically Possible: The test for physical possibility considers those uses from among legally permissible uses which could satisfactorily be accommodated on the subject property.

3. Financially Feasible: Is there economic or financial logic in pursuing any of the legally permissible and physically possible uses which remain?

4. Maximally Productive: Of the legally permissible, physically possible and financially feasible uses, which produces the highest land value or economic return to the land.

The foregoing process applies specifically to the Highest and Best Use of land. "It is to be recognized that in cases where a site has existing improvements on it, the Highest and Best Use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its Highest and Best Use exceeds the total value of the property in its existing use."[3]

Site As If Vacant

The Highest and Best Use of the subject property considers the physical characteristics of the land such as size, location, access to major transportation routes, availability of utilities and

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[1] The Dictionary of Real Estate Appraisal, Second Edition, Appraisal Institute, (Chicago, IL, 1993), Page 149.

[2] Ibid., Page 149.

[3] Real Estate Appraisal Terminology, Revised Edition, Byrl N. Boyce, Ballinger Publishing Company, (Cambridge, MA, 1981), Page 127.

current trends in the market. In addition, consideration must be given to the existing zoning, potential for rezoning, surrounding development, and demand for real property in the present real estate market.

The category of legally permissible uses is the initial consideration in the analysis of Highest and Best use for the subject property as if vacant. This category of legally permissible uses should include an analysis of public development regulations including current and possible future changes in zoning regulations and procedures as well as private constraints including deed restrictions, liens, easements, leases, or known encumbrances on the title of the property.

The property is zoned RM-1, Residential Multi-family, by the City of Deltona. This zoning classification is intended for single family, duplex and multifamily dwellings. The subject site's zoning conforms to the Future Land Use Plan which has designated this area for Residential Multi-family. According to the RM-1 zoning requirement, the maximum density is 12 units per acre. The subject site, being approximately 45 acres in size, exceeds the minimum site size, width and depth requirements as depicted by zoning. There are no pending zoning changes anticipated in the near future.

Physically, the site is sufficient in size for any of the uses permitted by zoning. Considering its size, a residential subdivision or apartment complex would be physically possible. However, its significant elevation changes could become a challenge and increase development costs significantly. As previously discussed, access to the site would likely have to be created through an abutting site under common ownership, and would be adequate for development. Without this access, access would be limited, and the site's development potential could also be limited. Municipal utilities are located nearby.

The appraisers have interviewed several developers to determine a realistic density for the subject property. The general consensus is that, after the requirements for drainage, parking, green area, landscaping, buffering, etc., environmental issues, etc., have been met, it is very rare to be able to develop a site to its maximum allowable density. The appraisers have analyzed sales and listings to estimate a realistic density. The most similar is Listing No. 1, located in the City of Deltona. This listing was previously approved for a density of approximately 8 units per useable acre. Sale No. 1 had an allowable density of 12 units per acre, an actual density of 5.66 units per acre, and a density of 8.4 units per upland acre. Sale No. 2 achieved a density of approximately 56 percent of its zoned density. Sale No. 3 achieved approximately 80 percent of its zoned density. Listing No. 1 contained 45 acres, of which 20 were useable. It has an anticipated density of 8.10 units per upland acre. A 10.2 acre site in Palm Coast, has a zoning that allows 12 units per acre, and was permitted for 9.4 units per acre. With this in mind, and considering the subject's elevation changes, it is reasonable to expect that the subject site would not be able to obtain a density of 12 units per acre. Based on the available information, it is reasonable to believe that the subject could obtain a density of nine units per acre or approximately 406 dwelling units, after meeting all development requirements.

In considering the feasible uses for the subject property, surrounding uses must be considered. The site is located in a predominately residential area abutting commercial properties that front Howland Boulevard. There is a very limited amount of land zoned for multi-family uses in Deltona, and a need for this type of development has been expressed in

the community. However, demand for multi-family land has been limited, unless in areas specifically needing this type of housing. Based on conversations with local brokers, demand for multi-family projects that are not proximate to a college/university or the interstate, or are not conducive to low income housing, is still lagging. Most current sales and activity has occurred in areas proximate to these types of features. The subject is in the northern portion of Deltona, further from the Orlando Market, is not in a prime location for low income housing, and is not proximate to any colleges or large financial centers. With this in mind, it is not considered to be in a prime location at this time. However, considering the increase in recent sales/contracts, it appears that demand for this type of property may be on the rise.

The most appropriate use of the subject site would be one that could take advantage of this site's location as well as its multi-family zoning. Support facilities such as utilities, roads, and a strong local resident base are in place.

Based on an analysis of the site and neighborhood, the appraisers believe the highest and best use of the subject site, as if vacant, would be for some type of mixed use residential or multi-family development, providing that access is obtained through the abutting parcel under common ownership.

THE APPRAISAL PROCESS

There are normally three approaches to value available for use in the estimation of Market Value. The three widely recognized approaches include the Cost Approach, the Income Approach, and the Direct Sales Comparison (Market Data) Approach.

While cost does not create value, cost may be an effective measure of value in given circumstances. This is the basis for the Cost Approach to value estimation. In the Cost Approach, an attempt is made to estimate the cost of constructing the improvements. From this figure is subtracted an estimate of all elements of accrued depreciation. To this is added the contribution of the site improvements together with the value of the site. This total represents the indicated Market Value of the subject by the Cost Approach.

The Income Approach involves converting anticipated benefits (dollar income or amenities) to be derived from the ownership of property into a value estimate. The Income Approach is widely applied in appraising income producing properties. Anticipated future income and/or reversions are discounted to a present worth figure through the capitalization process.

The Direct Sales Comparison Approach is a direct measure of market behavior. Its concept employs using the subject property as a standard and adjusting comparable sales to indicate the price at which the comparables would have sold, had they possessed all salient characteristics of the subject property.

These three approaches to value result in preliminary indications of value which may be somewhat at variance with each other. When this is the case, the relative significance, applicability and defensibility of the indications of value derived from each approach are weighed. This analysis leads to the selection of a final value estimate that, in the appraiser's professional judgment, best reflects the attitudes, responses, and behavior of the typically informed, rational purchaser in the market in question.

As discussed in the Scope of Work, in this case, only the Direct Sales Comparison Approach was processed.

DIRECT SALES COMPARISON APPROACH

The Direct Sales Comparison (Market Data) Approach is typically the only approach utilized when determining value of a vacant commercial site. It employs the Principle of Substitution, in that a knowledgeable buyer will not pay more for a particular property than what it would cost to purchase a duplicate property with equal utility.

The Market Data Approach requires careful selection of sale properties to ensure they are relatively similar to the subject. No two properties are exactly alike. The factors of comparison between the subject and the sales must be considered in arriving at an indication of value for the subject.

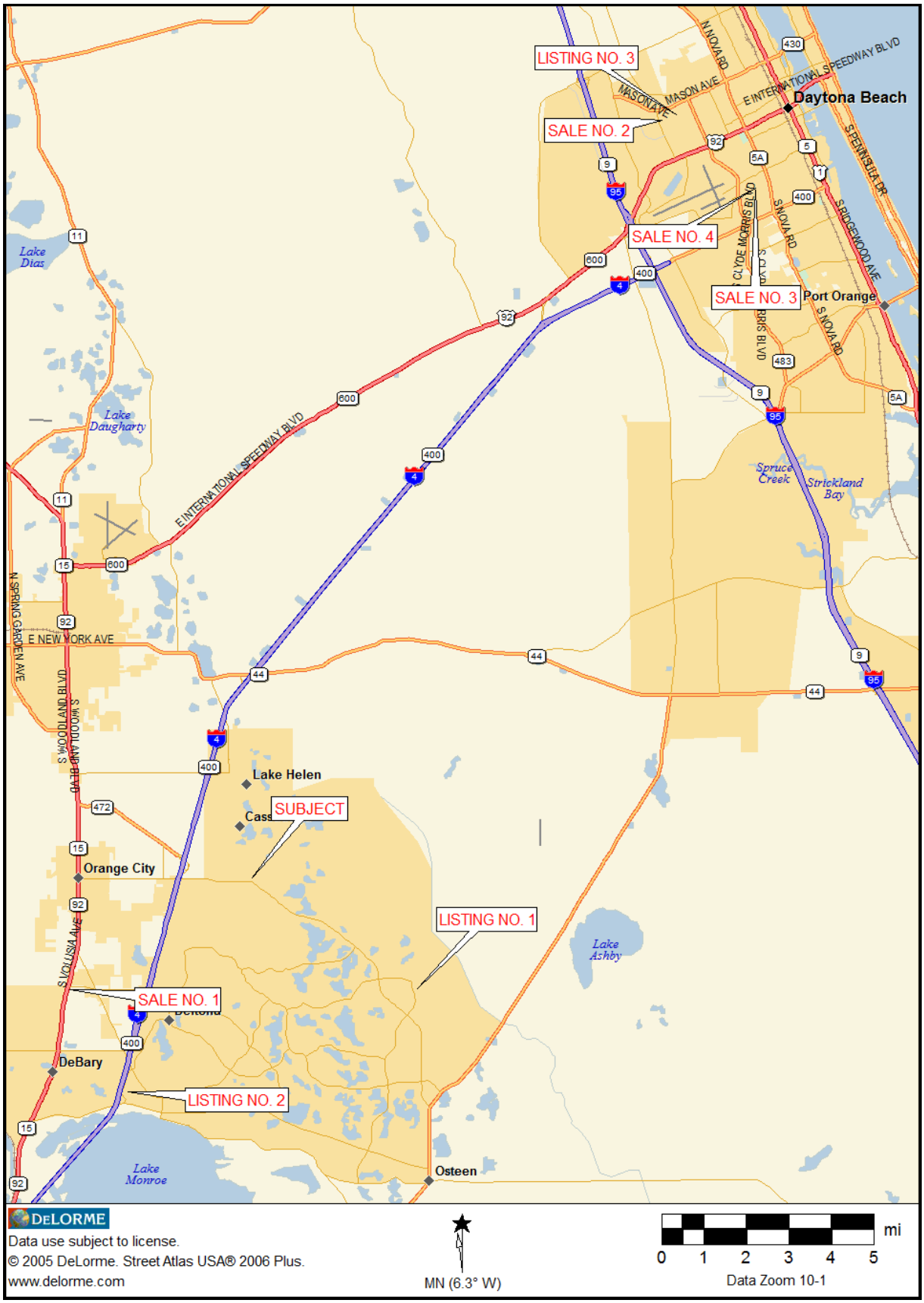
A diligent search for sales of properties with similar characteristics was researched. These transactions were then verified and comparable characteristics identified. While a number of sales were analyzed, those described in the following chart reflect the most recent sales deemed the most comparable to the subject. The sales represent transactions which are considered to be reasonably comparable properties and whose sales represent valid indications of market activity and demand for these types of property.

The comparable sales used are displayed on the following map and summarized on the chart following this discussion. These sales are believed to represent valid indications of market activity and demand for this type of property within the area. Characteristics such as time, location, size, zoning, and financing are noted, analyzed, and compared to the subject site. When necessary, adjustments are made to reflect differing characteristics, and a value opinion of the subject site is determined after correlating the adjusted values. The research process revealed an absence of sufficient market data from which to extract specific mathematical adjustments for all of these factors. In all fairness, it is believed that minor adjustments for differing factors is appropriate for my appraisal purposes, and the adjustments applied are based on my knowledge and professional observation of the local market. Any other differences not addressed in this section of the report are considered negligible and no adjustments were made.

For the valuation of the subject, the appraiser has analyzed sales and listings of sites with multi-family development potential in the Volusia/Flagler County Area, and compared them to the subject. The comparable sales and listings used are considered the best available for comparison to the subject.

The unit of comparison will be the price per potential unit which is considered the most appropriate unit of value for this type of property.

COMPARABLE LAND SALES MAP



COMPARABLE LAND SALES CHART

DESCRIPTION	SUBJECT	SALE NO. 1	SALE NO. 2	SALE NO. 3	SALE NO. 4	LISTING. NO. 1	LISTING NO. 2	LISTING NO. 3
O.R. BOOK/PAGE	**N/A**	**6806/0302**	**6893/1526**	**$22.31**	**CURRENT CONTRACT**	**CURRENT LISTING**	**CURRENT LISTING**	**CURRENT LISTING**
TAX ID#	**8104-00-00-0360+**	**8022-20-00-0070**	**5214-00-00-0076**	**5340-05-19-0030**	**5340-05-19-0032**	**8124-00-00-0010**	**8036-00-00-0102+**	**5214-00-00-0077**
SALE PRICE	**N/A**	**$1,500,000**	**$2,361,000**	**$1,700,000**	**$2,925,000**	**$972,000**	**$2,200,000**	**$1,650,000**
PRICE/POTENTIAL UNIT	**N/A**	**$17,857**	**$9,838**	**$11,806**	**$8,357**	**$6,000**	**$9,362**	**$9,706**
PROPERTY RIGHTS	FEE SIMPLE	FEE SIMPLE 0%	FEE SIMPLE 0%	FEE SIMPLE 0%	FEE SIMPLE 0%	FEE SIMPLE 0%	FEE SIMPLE 0%	FEE SIMPLE 0%
FINANCING	N/A	NORMAL 0%	NORMAL 0%	NORMAL 0%	NORMAL 0%	N/A 0%	BANK OWNED 0%	N/A 0%
CONDITIONS OF SALE	N/A	NORMAL 0%	NORMAL 0%	NORMAL 0%	NORMAL 0%	N/A 0%	N/A 0%	N/A 0%
SALE DATE	N/A	01/13 0%	07/13 0%	09/14 0%	CURRENT CONTRACT 0%	CURRENT LISTING -10%	CURRENT LISTING -10%	CURRENT LISTING -10%
ADJUSTED PRICE/UNIT	**N/A**	**$17,857**	**$9,838**	**$11,806**	**$8,357**	**$5,400**	**$8,426**	**$8,735**
LOCATION/ACCESS COMPARISON	HOWLAND BLVD. DELTONA	SAXON BLVD, DEBARY, FL -10%	DUNN AVENUE DAYTONA BEACH -10%	SHADY PLACE DAYTONA BEACH -10%	FOREST GLEN BLVD. DAYTONA BEACH -10%	COURTLAND BLVD. DELTONA 10%	DELTONA BLVD. DELTONA -10%	JIMMY ANN DR. DAYTONA BEACH -10%
SIZE (USEABLE ACRE) COMPARISON	45.134	10.00 0%	12.80 0%	9.09 0%	17.58 0%	10.00 0%	19.75 0%	14.12 0%
POTENTIAL UNITS COMPARISON	361	84 -20%	240 -10%	144 -15%	350 0%	162 -15%	235 -10%	170 -15%
SHAPE COMPARISON	RECTANGULAR	IRREGULAR 0%	RECTANGULAR 0%	RECTANGULAR 0%	IRREGULAR 0%	IRREGULAR 0%	IRREGULAR 0%	IRREGULAR 0%
TOPOGRAPHY COMPARISON	SIGNIFICANT ELEVATION CHANGES	AVERAGE -10%	MITIGATION REQUIREMENTS 0%	AVERAGE -10%	AVERAGE -10%	MINOR ELEVATION CONCERNS -5%	AVERAGE/MINOR WETLAND -5%	AVERAGE/MINOR WETLAND -5%
UTILITIES COMPARISON	ALL AVAILABLE	ALL AVAILABLE 0%	ALL AVAILABLE 0%	ALL AVAILABLE 0%	ALL AVAILABLE 0%	ALL AVAILABLE 0%	ALL AVAILABLE 0%	ALL AVAILABLE 0%
ZONING/DENSITY COMPARISON	RM-1, 12 UNITS/ACRE, DELTONA	PUD, DEBARY 0%	R-2B, DAYTONA BEACH 0%	MFR-20, DAYTONA BEACH 0%	MFR-20, DAYTONA BEACH 0%	RPUD, DELTONA 0%	RM-1, 12 UNITS/ACRE, DELTONA 0%	MULTIFAMILY, DAYTONA BEACH 0%
ENTITLEMENTS COMPARISON	NONE	FULLY ENTITLED/TAX CREDITS -25%	FULLY ENTITLED -20%	SHOVEL READY -20%	PARTIALLY ENTITLED -10%	NONE 0%	NONE/RETENTION IN PLACE -10%	ENGINEERING -5%
OTHER COMPARISON	PRIMARY ACCESS MUST BE CREATED SECOND ACCESS MUST BE IMPROVED	NONE -5%	NONE -5%	NONE -5%	NONE -5%	NONE -5%	NONE -5%	NONE -5%
ADJUSTED PRICE/UNIT	**SUBJECT**	$5,357	$5,411	$4,722	$5,432	$4,590	$5,055	$5,241

Discussion and Analysis of The Comparable Sales

The appraisers have analyzed four sales and three listings of multi-family sites in the Volusia County Area, for comparison to the subject. The sales have varying degrees of potential densities and entitlements. The comparable sales indicate a range in values of $8,357 to $17,857 per potential dwelling unit prior to adjustments. The listings indicate asking prices $6,000 to $9,706 per potential unit prior to adjustments.

Sale No. 1 is the transfer of a 14.84 acre parcel situated on Saxon Boulevard in DeBary. This property sold for $17,857 per approved unit.

This sale was situated along Saxon Boulevard, proximate to the major Orange City/Deltona shopping hub, restaurants, grocery stores, and the hospital. Its location is considered superior to the subject and a negative adjustment was applied.

This property was much smaller than the subject, with a potential density of less than one quarter that of the subject. For this reason, it was given a negative adjustment based on the premise that the larger a property, the less it's per unit value and vice versa.

The subject's topography has significant elevations changes, which could have a significant impact on its development and/or development costs. This sale had a wooded topography that did not have the subject's elevation concerns. For this reason, it was considered superior to the subject and a negative adjustment was applied.

This property sold fully entitled and ready to be developed. Based on the available sales and conversations with local brokers, entitled properties are selling for significantly higher than those with no entitlements. In addition, this parcel was able to receive tax credits which is very beneficial to developers who are able to get their sites qualified. For these reasons, this sale is considered superior to the subject and a negative adjustment was applied.

The subject will have to develop access through an abutting parcel, as well as develop a secondary access. This sale had direct access. For this reason, it was considered superior to the subject and a negative adjustment was applied.

All other factors of comparison were considered similar and no other adjustments were considered necessary. This sale reflects an adjusted value for the subject of $5,357 per potential dwelling unit.

Sale No. 2 is the transfer of a multi-family parcel located on Dunn Avenue in Daytona Beach. This property sold for $9,838 per permitted unit. This property was given adjustments for its superior location, smaller size/number of units, entitlements, and superior access.

This property is located proximate to the Volusia Mall, The Halifax Hospital, grocery stores, etc. Its location is considered to be superior to the subject and a negative adjustment was applied.

As with Sale No. 1 this property was much smaller than the subject and was given a negative adjustment based on the premise that the larger a property, the less its per unit value and vice

versa.

As with Sale No. 1, this property sold fully entitled and a negative adjustment was applied.

As with Sale No. 1, this sale had direct access and a negative adjustment was applied.

All other factors of comparison were considered similar and no other adjustments were considered necessary. This sale reflects an adjusted value for the subject of $5,411 per potential dwelling unit.

Sale No. 3 is the transfer of a multi-family parcel located along Shady Place in Daytona Beach. This property sold for $11,806 per permitted unit. This property was given adjustments for its superior location, smaller size/number of units, superior topography, full entitlements, and superior access.

This property is located on Shady Place in Daytona Beach. This location is proximate to Embry Riddle University and Daytona State College, and is ideal for student housing. Its location is considered to be superior to the subject and a negative adjustment was applied.

As with Sale Nos. 1 and 2, this property was much smaller than the subject and was given a negative adjustment based on the premise that the larger a property, the less its per unit value and vice versa.

As with Sale No. 1, this sale had a wooded topography that did not have the subject's elevation concerns. For this reason, it was considered superior to the subject and a negative adjustment was applied.

As with Sale Nos. 1 and 2, this property sold fully entitled and a negative adjustment was applied.

As with Sale Nos. 1 and 2, this sale had direct access and a negative adjustment was applied.

All other factors of comparison were considered similar and no other adjustments were considered necessary. This sale reflects an adjusted value for the subject of $4,722 per potential dwelling unit.

Sale No. 4 is the sale of a parcel proximate to Sale No. 2. This sale was given adjustments for its superior location, superior topography, superior entitlements and superior access.

As with Sale No. 3, this property is located proximate to two universities and is considered to have a superior location. For this reason, a negative adjustment was applied. It also had similar topography and similar access as Sale No. 3, and the same adjustments were applied.

This site had partial entitlements and was given a negative adjustment for this factor.

All other factors of comparison were considered similar and no other adjustments were considered necessary. This sale reflects an adjusted value for the subject of $5,432 per potential dwelling unit.

Listing No. 1 is the current listing of a similarly size multi-family site in Deltona. Listings help to define the current market conditions, and demonstrate the market competition.
Listing No. 1 is the current listing of a 45 acre site with approximately 20 acres of useable uplands. The site was previously approved for 162 units, but has no current entitlements.

This listing was given adjustments for its being only a listing and not a closed sale, its inferior location, its smaller number of units, its superior topography and superior access. After adjustments, this listing indicates a value for the subject of $4,590 per potential unit.

Listing No. 2 is the current listing of a parcel proximate to the Interstate interchange in Deltona. This listing is for an untitled property that has onsite retention. It was given adjustments for its superior location, smaller number of potential units, superior topography, its existing retention, and its superior access. After adjustments, this listing indicates a value for the subject of $5,055 per potential dwelling unit.

Listing No. 3 is the current listing of a multifamily parcel in Daytona Beach, proximate to Sale No. 2. This listing was given adjustments for its superior location, smaller size, superior topography, superior entitlements, and superior access. After adjustments, this listing indicates a value for the subject of $5,241 per potential dwelling unit.

Conclusion

The comparable sales used herein reflect an adjusted range in values of $4,722 to $5,432 per unit. The comparable listings indicate adjusted values for the subject of $4,590 to $5,241 per potential unit.

After analyzing the comparable sales presented herein, no one comparable was considered the best indicator for the subject property. However, Listing Nos. 1 and 2, being in Deltona, should be given consideration. Therefore, based on this analysis, a value of **$5,000 per potential dwelling unit** was derived. Therefore, we have the following calculations:

406 Potential Dwelling Units @ $5,000 Per Dwelling Unit = $2,030,000

VALUE INDICATED BY THE DIRECT SALES COMPARISON APPROACH

TWO MILLION THIRTY THOUSAND DOLLARS

($2,030,000)

RECONCILIATION ANALYSIS & FINAL VALUE ESTIMATE

The reconciliation analysis is the process of correlating and integrating related factors contained within this report in order to form a cohesive and logical conclusion of the value of the subject property. An orderly connection of the independent elements previously introduced within this report is a prerequisite for a satisfactory reconciliation. A reevaluation of the specific data, procedures, and techniques utilized in estimating each separate value conclusion must be scrutinized. Each approach to value will be examined to ascertain its relevancy, adequacy, and reliability.

During the reconciliation process "*the appraiser weighs the relative significance, applicability, and defensibility of the indicator of value derived from each approach, and places most weight and reliance on the one which, in his professional judgment, best approximates the value being sought in the appraisal*."[4]

In this case, the Direct Sales Comparison Approach is the most applicable approach when valuing the subject property. It is a direct measure of market behavior. The appraiser used sales and listings considered reasonably similar to the subject, and which were considered to offer a good indication of value for the subject property.

Thus, it is my opinion the Market Value of the unencumbered fee simple interest of the subject property, as of October 8, 2015 was:

VALUE INDICATED BY THE DIRECT SALES COMPARISON APPROACH

TWO MILLION THIRTY THOUSAND DOLLARS

($2,030,000)

[4] Real Estate Appraisal Terminology, Birl N. Boyce, Bellinger Publishing Company, Cambridge, MA, 1975, Page 112.

A D D E N D U M

APPRAISAL ENGAGEMENT AUTHORIZATION
SUBJECT PHOTOGRAPHS
SURVEY
LAST DEED OF CONVEYANCE/LEGAL DESCRIPTIONS
ZONING MAPS
ZONING DESCRIPTION
VOLUSIA COUNTY PROPERTY APPRAISERS INFORMATION
QUALIFICATIONS OF THE APPRAISER

Todd Heffington

From: Gladys Merced <GMerced@deltonafl.gov>
Sent: Monday, September 21, 2015 1:32 PM
To: Todd Heffington
Subject: RE: Casey property - Fee Quotes

Importance: High

Thank you Mr. Heffington.

After going over your quote with the City Attorney, I have gotten her approval for you to proceed with the appraisals.

Thanks and have a great day.

Gladys N. Merced, Legal Assistant
City Attorney's Office
(386) 878-8100 ext. 8873
(386) 878-8871 (fax)

From: Todd Heffington [mailto:TODD@HEFFINGTONANDASSOCIATES.COM]
Sent: Friday, September 18, 2015 10:40 AM
To: Gladys Merced
Subject: RE: Casey property - Fee Quotes

Thank You Gladys,

Our anticipation would be two appraisals. One consisting of parcels ending in 0360, 0010, 0010 and 0190. These parcels are zoned multifamily. The second appraisal would be of the parcel ending in 0035. That is zoned commercial. We would have to assume that access is available to the larger parcel through the commercial parcel, or from Autumn Street.

Our fee quote is as follows:

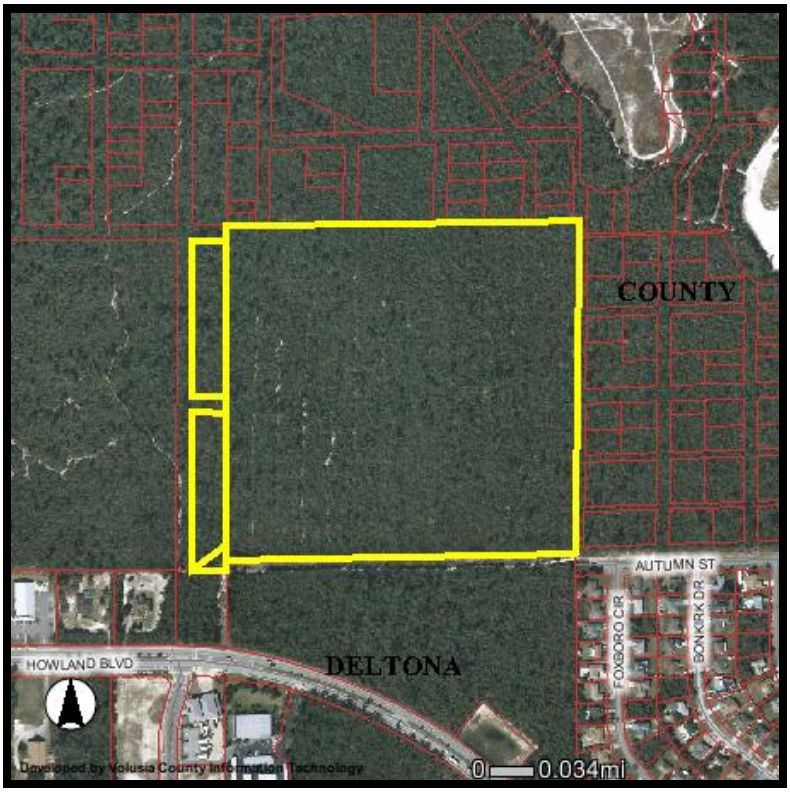
The larger multi-family parcel - $2,100 for a Summary Report
The Smaller Commercial Parcel – $1,400 for a Summary Report

We would request 3 to 4 weeks to complete both.

If you have any questions, please feel free to contact me.

Thank you. Have a great weekend.

SUBJECT PHOTOGRAPHS



AERIAL VIEW OF SUBJECT PROPERTY

VIEW OF SUBEJCT PROPERTY FROM SOUTHWEST CORNER
CAMERA FACING NORTHEASTERLY

SUBJECT PHOTOGRAPHS

VIEW OF SUBJECTS SOUTHERN PROPERTY LINE
CAMERA FACING EASTERLY FROM SOUTH WEST CORNER

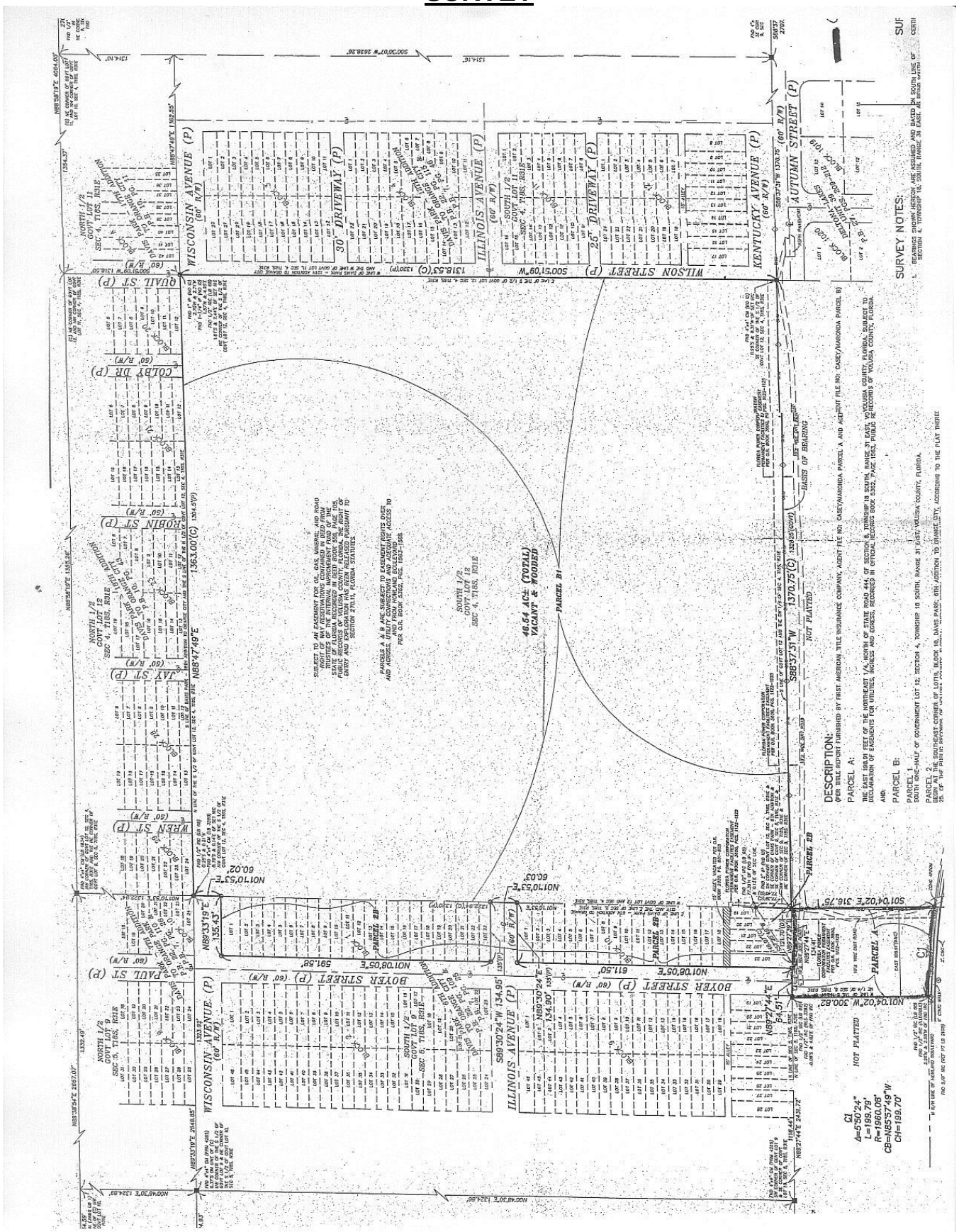
VIEW OF SUBJECT PROPERTY FROM CENTER OF SOUTHERN PROPERTY LINE
CAMERA FACING NORTHEASTERLY

SUBJECT PHOTOGRAPHS

VIEW OF SUBJECT PROPERTY FROM CENTER OF SOUTHERN PROPERTY LINE
CAMERA FACING NORTHWESTERLY

VIEW OF ACCESS INTO PROPERTY FROM HOWLAND BLVD.

SURVEY


WISCONSIN AVENUE (P)
ILLINOIS AVENUE (P)
KENTUCKY AVENUE (P)
AUTUMN STREET (P)
WILSON STREET (P)
25' DRIVEWAY (P)
30' DRIVEWAY (P)
QUAIL ST (P)
COLBY DR (P)
ROBIN ST (P)
JAY ST (P)
WREN ST (P)
PAUL ST (P)
BOYER STREET (P)
SUBJECT TO AN EASEMENT FOR OIL, GAS, MINERAL AND ROAD RIGHT OF WAY RESERVATIONS CONTAINED IN DEED FROM STATE OF FLORIDA RECORDED IN ROAD DEED BOOK 1, PAGE 195, PUBLIC RECORDS OF VOLUSIA COUNTY, FLORIDA. THE RIGHT OF ENTRY AND EXPLORATION HAS BEEN RELINQUISHED PURSUANT TO SECTION 270.11, FLORIDA STATUTES.
PARCELS A & B ARE SUBJECT TO EASEMENT RIGHTS OVER AND ACROSS, UNDERLYING AND ADJACENT ACCESS TO RIVER PER O.R. BOOK 3362, PGS. 1563-1565
46.64 AC± (TOTAL) VACANT & WOODED
PARCEL B1
PARCEL 2B
PARCEL A
C1
Δ=5°50'24"
L=199.79'
R=1960.08'
CB=N85°57'49"W
CH=199.70'
NOT PLATTED
BASIS OF BEARING
DESCRIPTION:
(PER TITLE REPORT FURNISHED BY FIRST AMERICAN TITLE INSURANCE COMPANY, AGENT FILE NO: CASEY/AMIRONDA PARCEL A AND ADJACENT FILE NO: CASEY/AMIRONDA PARCEL B)
PARCEL A:
THE EAST 100.00 FEET OF THE NORTHEAST 1/4, NORTH OF STATE ROAD #44, OF SECTION 8, TOWNSHIP 18 SOUTH, RANGE 31 EAST, VOLUSIA COUNTY, FLORIDA, SUBJECT TO RIGHT OF WAY OF EXISTING RIVER, TOGETHER WITH ALL RIGHTS AND EASEMENTS, RECORDED IN OFFICIAL RECORDS BOOK 3362, PAGE 1563, PUBLIC RECORDS OF VOLUSIA COUNTY, FLORIDA.
AND
PARCEL B:
PARCEL 1
SOUTH ONE-HALF OF GOVERNMENT LOT 12, SECTION 4, TOWNSHIP 18 SOUTH, RANGE 31 EAST, VOLUSIA COUNTY, FLORIDA.
PARCEL 2
BEGIN AT THE SOUTHEAST CORNER OF LOT 19, BLOCK 19, DAVIS PARK, 6TH ADDITION TO ORANGE CITY, ACCORDING TO THE PLAT THEREOF
SURVEY NOTES:
1. BEARINGS SHOWN HEREON ARE ASSUMED AND BASED ON SOUTH LINE OF SECTION 5 TOWNSHIP 18, SOUTH, RANGE 31 EAST, AS BASED ON PLATS

LAST DEED OF CONVEYANCE/LEGAL DESCRIPTION

04/15/2004 12:06 PM
Doc stamps .70
(Transfer Amt $ 10)
Instrument# 2004-089218
Book: 5297
Page: 3133

Prepared By and Return To:
Steven R. Bechtel
Mateer & Harbert, P.A.
225 E. Robinson St., Suite 600
Post Office Box 2854
Orlando, Florida 32802

Parcel Identification No.:

space above this line for processing data

space above this line for processing data

WARRANTY DEED

DENNIS J. CASEY, TRUSTEE (the "Grantor"), whose address is 360 E. Trotters Drive, Maitland, Florida 32751, in consideration of the sum of $10.00 and other good and valuable consideration received from DENNIS J. CASEY, a married man (the "Grantee"), whose address is 360 E. Trotters Drive, Maitland, Florida 32751, hereby on this 7th day of April, 2004, grants, bargains, sells, aliens and conveys to the Grantee the real property in Volusia County, Florida, described as:

Attached Exhibit "A"

TOGETHER with all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining.

TO HAVE AND TO HOLD the same in fee simple forever.

Grantor hereby covenants that the property is free of all encumbrances, that lawful seisin of and good right to convey that property are vested in Grantor, and that Grantor hereby fully warrants the title to said land and will defend the same against the lawful claims of all persons whomsoever, except for current year's taxes and easements, covenants and restrictions of record, but this reference shall not reimpose the same.

Witnessed on this 7th day of April, 2004:

Steven R Bechtel
Name: Steven R Bechtel

Dennis J Casey Tr
DENNIS J. CASEY, TRUSTEE

Cynthia D Plante
Name Cynthia D. Plante

STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 7th day of April, 2004, by Dennis J. Casey who is personally known to me ~~or who has produced~~ _____ (type of identification) as identification.

Cynthia D Plante
Name: Cynthia D. Plante
(Notary Public)
(AFFIX NOTARY SEAL)
My Commission Expires:

OFFICIAL NOTARY SEAL
CYNTHIA D PLANTE
NOTARY PUBLIC STATE OF FLORIDA
COMMISSION NO. DD050110
MY COMMISSION EXP. SEPT 2,2005

H:\Bechtel S\Casey, Dennis J\Misc [redacted]pod - Deltona property doc

EXHIBIT "A"

Legal Description

Parcel 1

South One-Half of government Lot 12, Section 4, Township 18 South, Range 31 East, Volusia County, Florida.

Parcel 2

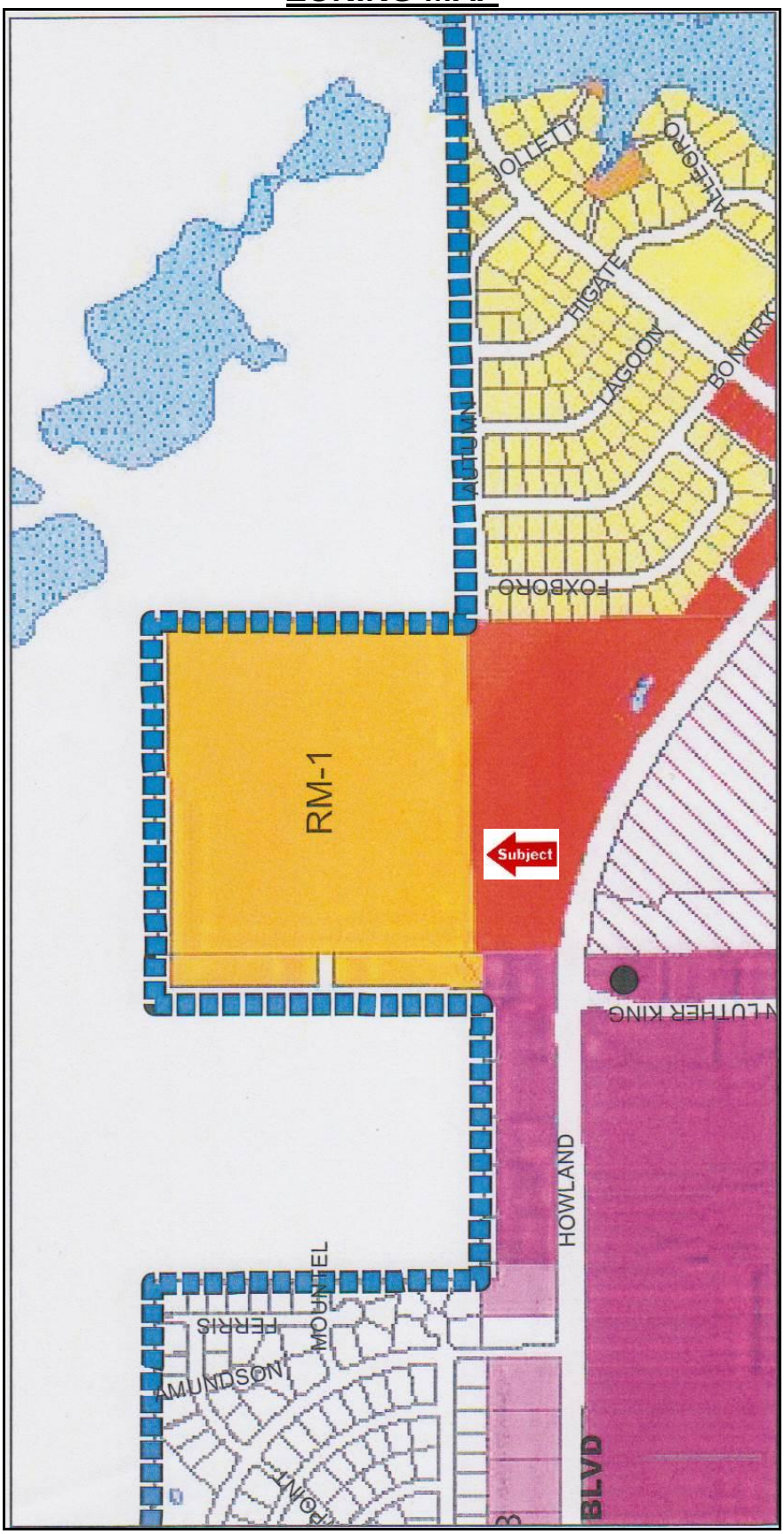
Begin at the Southeast corner of Lot 19, Block 10, DAVIS PARK, 6TH ADDITION TO ORANGE CITY, ACCORDING TO THE Plat thereof as recorded in Map Book 7, Page 25, of the Public Records of Volusia County, Florida; thence North along the East line of said Lot 19, a distance of 77.45 feet; thence Southwest in a straight line to a point on the South line of said Block 10, a distance of 121.70 feet West of the point of beginning; thence East along the South line of said Block 10, a distance of 121.70 feet to the POINT OF BEGINNING.

Lots 1 to 23, inclusive, in Block 1 of DAVIS PARK SIXTH ADDITION TO ORANGE CITY, according to the plat thereof, as recorded in Map Book 7, Page 25, of the Public Records of Volusia County, Florida.

And

Lots 1 to 23, inclusive, in Block 10, and vacated street lying South of Lot 18, Block 10 of DAVIS PARK SIXTH ADDITION TO ORANGE CITY, according to the Plat thereof, as recorded in Map Book 7, Page 25, of the Public Records of Volusia County, Florida, less and except: Begin at the Southeast corner of Lot 19, Block 10, DAVIS PARK SIXTH ADDITION TO ORANGE CITY, according to the Plat thereof, as recorded in Map Book 7, Page 25, of the Public Records of Volusia County, thence North along the East line of said Lot 19, a distance of 77.45 feet; thence Southwest in a straight line to a point on the South line of said Block 10, a distance of 121.70 feet west of the POINT OF BEGINNING; thence East along the South line of said Block 10, a distance of 121.70 feet to the POINT OF BEGINNING.

ZONING MAP


RM-1
Subject
FOXBORO
ACORN
JOLIETT
HIGATE
LAGOON
BONKIRK
HOWLAND
MOUNTEL
FERRIS
AMUNDSON
BLVD

ZONING DESCRIPTION

Sec. 110-310. - RM-1, Multiple Family Residential Dwelling District.

(a) *Purpose and intent.* The purpose of this zoning district is to allow single-family detached patio homes, duplex dwellings, and multiple-family dwellings consistent with the development standards and density requirements of the Medium Density Residential Future Land Use Category.

(b) *Permitted uses.* Within the RM-1, Multiple Family Residential Dwelling District, no building, structure, land, or water shall be used except for one or more of the following uses and their customary, incidental, and subordinate accessory uses.

1. Single-family patio homes.
2. Single-family townhomes and townhome condominiums.
3. Two-family (duplex) dwellings.
4. Multiple-family dwellings, including cooperative apartments and condominiums.
5. Accessory buildings and uses customarily incident to the above uses when located on the same lot as the principal use, and not involving the conduct of a business (other than the customarily incidental business of onsite management and maintenance of apartment buildings).
6. Essential utility services.
7. Publicly owned or regulated public water supply wells of less than eight inches in diameter in accordance with the potable water wellfield protection requirements of chapter 98, article V, Code of Ordinances, City of Deltona, as it may be amended from time to time.
8. Communication towers up to 70 feet high in accordance with the requirements of chapter 82, Code of Ordinances, City of Deltona, as it may be amended from time to time.
9. Home occupation offices.

(c) *Conditional uses.* The following land uses and their customary subordinate and incidental accessory uses are permitted as conditional uses subject to the public hearing and staff review requirements established for conditional uses in this chapter.

Adult family-care home (refer to section 110-817(l)).

Assisted living facility (refer to section 110-817(l)).

Community residential home.

Group home facility (refer to section 110-817(l)).

Nursing home and nursing home facility (refer to section 110-817(l)).

Publicly owned park and recreational facilities and recreational areas. In the platted Deltona Lakes Subdivisions, such facilities are permitted on a site designated as "Park" on the Deltona Lakes Master Development Plan, and passive parks and recreational facilities may be placed on designated drainage tracts.

Schools, public or private, including colleges and universities, junior or community colleges, high schools, junior high or middle schools, elementary schools, kindergarten schools, day care centers, correspondence and vocational schools, schools for adult education, and libraries. Schools are permitted in the platted Deltona Lakes Subdivisions only when they are located on a site designated as "school" on the Deltona Lakes Master Development Plan.

Public markets.

Public uses not otherwise listed under permitted uses or conditional uses.

Publicly owned or regulated water supply wells of eight inches in diameter or greater.

Communication towers over 70 feet high, in accordance with chapter 82, Code of Ordinances, as it may amended

from time to time.

(d) *Density.*

1. No development shall be permitted to exceed the maximum density limits established for the development site by the Future Land Use Map Category established in the Deltona Comprehensive Plan, as it may be amended from time to time. No development shall approved with less than the minimum density established for the property by the Future Land Use Map Category in the Deltona Comprehensive Plan, as it may be amended from time to time.
2. Maximum density: 12 dwelling units/acre.
3. Minimum density: Six dwelling units/acre.

(e) *Dimensional requirements.*

RM-1, Multiple Family Residential Dwelling	Single-Family Patio Homes	Single-Family Attached Townhouse
Minimum lot size		
Area (sq. ft.)	3,500	1,600
Area if on-site sewage disposal systems are used (acre per unit)	1	1
Area if community or public water and sewer service are available, but not including community septic tanks (sq. ft.)	20,000	20,000
Width (ft.)		
Interior Lot	50	20
End lot	- - - -	26
Corner lot	70	38
Depth (ft.)	- - - -	90
Minimum yard size		
Front yard(ft.)	25	25
Rear yard (ft.)	25	25
Side yard (ft.):		
Abutting any lot[1]	15	15
Abutting any street	15	15

Waterfront yard	40	40
Abutting golf course	40	40
Yard between interior[2]	0	0
Maximum building height (ft.)	45	45
Maximum lot coverage *(with principal and accessory buildings)*(%)	40	40
Minimum floor area (sq. ft.)[3]	1,400	1,400
Minimum building separation (ft.)		
Between fronts or rears of principal buildings	- - - -	50
Between any other combination of principal building arrangements	- - - -	25
Minimum building setback from streets and drives (ft.)	- - - -	
From any interior street drive or off-street parking area[4]	- - - -	10
Maximum building length and width (ft.)	- - - -	200
Building Development Standards[5]		
Minimum dwelling units in a building	- - - -	2
Maximum dwelling units in a building	- - - -	8
Minimum distance between buildings (ft.)	- - - -	30

[1] 15 feet, or ten percent of the width of the lot at the front property line, whichever is greater. Side yard for multifamily shall be a minimum of width of fifteen, or one-half the height of the building, whichever is greater.

[2] Patio homes are required to have an interior open air courtyard, atrium, or patio.

[3] Minimum floor area exclusive of terraces, attached roofed-over porches, carports, patios, attached garages, and utility rooms. 600 square feet net living area—One bedroom apartments; 750 square feet net living area—two bedroom apartments; 800 square feet net living area three or more bedroom apartments.

(4) This requirement shall not diminish the minimum front, side and rear yard requirements for townhouse developments.
(5) The exterior facades of all townhouse units shall be varied in material and design so that no more than two abutting units will have the same architectural appearance and front yard setback and depth. Varied front yard setbacks shall not be less than two feet offset from adjoining units as measured at the principal foundation line of each unit, and no setback distance shall be less than the required minimum.

(f) *Off-street parking and loading requirements.* Off-street parking and loading areas meeting the requirements of sections 110-828 and 110-811 shall be constructed.

(g) *Types of signs permitted.* Signs shall be permitted in accordance with chapter 102, Code of Ordinances of the City of Deltona.

(Ord. No. 06-2003, § 1, 11-3-03; Ord. No. 07-2010, § 7, 6-21-2010; Ord. No. 19-2011, § 1(Exh. A), 11-7-2011; Ord. No. 06-2013, § 1(Exh. A), 6-17-2013)

QUALIFICATIONS OF THE APPRAISER

R. TODD HEFFINGTON, MAI
911 BEVILLE ROAD, STE. 8
DAYTONA BEACH, FL 32119
TODD@HEFFINGTONANDASSOCIATES.COM

BUSINESS AND PROFESSIONAL AFFILIATIONS:

Member, Appraisal Institute
State Certified General Real Estate Appraiser - State of Florida, License 2368
Florida Real Estate Salesman, License SL 0589200
Member DeLand-West Volusia Board of Realtors

EDUCATION:

B.S. Degree Real Estate, University of Florida, 1992
Master Of The Arts Degree in Real Estate, University of Florida, 1994
Numerous continuing education courses and seminars

APPRAISAL EXPERIENCE:

Clayton, Roper, and Marshall, May 1993 through August 1993
Heffington & Associates, September 1, 1993 to Present

Completed appraisals on Single Family Residences, Vacant Residential Land, Agricultural Land, Producing Agricultural Properties, Vacant Commercial Properties, Apartment Developments, Industrial Properties, Golf Courses, and Office Buildings

COURT QUALIFICATIONS

Qualified as expert witness for Real Estate Valuation
Provided testimony in court hearings for condemnation, deficiency judgments, etc.

PARTIAL LIST OF CLIENTS:

SunTrust Bank of Volusia County
Wachovia Bank
Sunshine State Community Bank
Main Street Community Bank
TD Bank
BB&T
Gateway Bank
Florida Capital Bank
Floridian Bank
Farm Credit
Friends Bank
Florida Community Bank

City of Port Orange
City of DeLand
City of Daytona Beach
City of South Daytona
County of Volusia
Florida Department of Transportation
School Board of Volusia County
City of Deltona

APPRAISAL REPORT

A VACANT COMMERCIAL SITE

2982 HOWLAND BOULEVARD
DELTONA, FL 32725

PREPARED FOR

THE CITY OF DELTONA
C/O MS. GLADYS N. MERCED
LEGAL ASSISTANT
2345 PROVIDENCE BOULEVARD
DELTONA, FL 32725

AS OF

SEPTEMBER 25, 2015

HEFFINGTON & ASSOCIATES
911 BEVILLE ROAD, STE. 8 / DAYTONA BEACH, FL 32119 / (386) 760-7601 / FAX (386) 760-5161

HEFFINGTON & ASSOCIATES
911 BEVILLE ROAD, STE. 8 / DAYTONA BEACH, FL 32119 / (386) 760-7601 / FAX (386) 760-5161

October 15, 2015

Ms. Gladys N. Merced
Legal Assistant
CITY OF DELTONA
2345 Providence Boulevard
Deltona, FL 32725

Dear Ms. Merced:

In accordance with your request, we hereby submit an ***Appraisal Report*** of the following property:

A VACANT COMMERCIAL SITE
2982 HOWLAND BOULEVARD
DELTONA, FL 32725

The purpose of the appraisal is to estimate the *"As Is"* Market Value of a vacant commercial site. The property is appraised as a Fee Simple Estate, subject to typical mortgage loan encumbrances and utility easements. The intended use of the appraisal report is to assist the client in possible purchase negotiations. The intended user is ***THE CITY OF DELTONA,*** c/o Ms. Gladys N. Merced.

It should be noted that "this appraisal assignment was not made, nor was the appraisal rendered, on the basis of a requested minimum valuation, specific valuation, or an amount which would result in the approval of a loan."

After careful investigation, it is our opinion the estimated "As Is" Market Value of the subject property as of September 25, 2015 was:

ESTIMATED "AS IS" MARKET VALUE

TWO HUNDRED SEVENTY THOUSAND DOLLARS

($270,000)

The valuation analysis contained herein is intended to adhere to the Uniform Standards of Professional Appraisal Practice ("USPAP") adopted by the Appraisal Standards Board of the Appraisal Foundation. Furthermore, the appraisers have complied with the competency provision under the Uniform Standards of Professional Appraisal Practice.

We do not have the required expertise for determining the presence of, or absence of, hazardous substances, defined as all hazardous or toxic materials, wastes, pollutants or contaminants (including, but not limited to, asbestos, PCB, UFFI, petroleum products or other raw materials or chemicals) used in construction, or otherwise present on the property. We assume no responsibility for the studies or analyses which would be required to determine the presence or absence of such substances. We do not assume responsibility for loss as a result of the presence of such substances. The value estimate presented herein is based on the assumption that the subject property is not adversely affected by environmental contaminants.

Please be informed that Martin J. Concannon made a careful and personal inspection of the subject property. The supporting data and the analyses and conclusions upon which this value is based are contained within this appraisal report. Included in the report and addendum are pertinent exhibits.

The Appraisal Institute conducts a voluntary program of continuing education for its designated members. Designated members who meet the minimum standards of this program are awarded periodic educational certification. I am currently certified under this program.*

If you should have any questions concerning this report, please do not hesitate to contact our office.

Respectfully submitted,

HEFFINGTON AND ASSOCIATES

Raymond H. Heffington

*Raymond H. Heffington, MAI
Cert Gen RZ 100

Martin J. Concannon

Martin J. Concannon
Cert Gen RZ 907

RHH:MC/jd
encl:

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INTRODUCTION

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ADDENDUM

ENGAGEMENT LETTER
VOLUSIA COUNTY PROPERTY APPRAISER'S INFORMATION SHEETS
ZONING REGULATIONS
ZONING MAP
QUALIFICATIONS OF THE APPRAISERS

CERTIFICATION

The undersigned do hereby certify that, except as otherwise noted in this appraisal report:

1. To the best of my knowledge and belief, the statements of fact contained in this appraisal report, upon which the analyses, opinions, and conclusions expressed herein are based, are true and correct.
2. The reported analysis, opinions and conclusions are limited only by the assumptions and limiting conditions and are my personal, impartial, and unbiased professional analysis, opinions, and conclusions.
3. I have no present or prospective interest in the subject property, or the parties involved, that is the subject of this appraisal report.
4. I have no personal interest or bias with respect to the subject matter of this appraisal report nor the parties involved. My employment is not contingent on the amount reported.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. The reported analyses, opinions and conclusion were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Uniform Standards of Professional Appraisal Practice.
8. I have made a thorough inspection and careful investigation of the property herein described.
9. Martin J. Concannon, Cert Gen RZ 907, provided professional assistance in the data collection, writing and preparation of this appraisal report. The analysis and value conclusions were a joint effort.
10. This appraisal report sets forth all of the limiting conditions (imposed by the terms of my assignment or by the undersigned) affecting the analyses, opinions, and conclusions contained in this report.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. That, as of the date of this report, the undersigned has completed the requirements of the continuing education of the Appraisal Institute and is currently certified as a General Real Estate Appraiser by the State of Florida.
13. I certify that, to the best of my knowledge and belief, the reported analyses, opinions, or conclusions were developed and this report has been prepared in conformity with the requirements of the State of Florida for state-certified appraisals (Florida Statutes, Chapter 475, Part II). The use of this report is subject to the requirements of the State of Florida related to review by the Florida Appraisal Board.
14. The Appraisal Institute conducts a voluntary program of continuing education for its designated members. Designated members who meet the minimum standards of this program are awarded periodic educational certification. I, Raymond H. Heffington, MAI, am currently certified under this program.
15. I [~~Have/~~Have Not] performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Martin J. Concannon
Cert Gen RZ 907
☑ Did ☐ Did Not
Inspect Property

Raymond H. Heffington, MAI
Cert Gen RZ 100
☑ Did ☐ Did Not
Inspect Property

EXTRAORDINARY ASSUMPTIONS AND LIMITING CONDITIONS

1. None

ASSUMPTIONS AND LIMITING CONDITIONS

1. This appraisal is intended to comply with the Scope of Work requirements enacted July 1, 2006 by the Uniform Standards of Professional Appraisal Practice.

2. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.

3. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.

4. Responsible ownership and competent property management are assumed unless otherwise stated in this report.

5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.

6. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property. The appraisers are not experts in engineering or construction and are not licensed constructions contractors.

7. It is assumed that there are no hidden or unapparent conditions on the property, subsoil, or structures that render it more or less valuable but are not apparent. This appraiser can assume no responsibility for such conditions or for arranging for engineering studies that may be required to discover them.

8. It is assumed that there is full compliance with all federal, state and local environmental regulations and laws unless otherwise stated in this report.

9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.

10. It is assumed that all required licenses, certificates of occupancy, or other legislative or administrative authority from any local, state, or national governmental, or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.

11. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.

12. It is assumed that the utilization of the land and improvements is within the boundaries or property liens of the property described and that there is no encroachment or trespass unless otherwise stated in this report.

13. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumptions that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.

14. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with requirements of the Americans with Disabilities Act ("ADA") which became effective January 26, 1992. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.

15. Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.

16. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

17. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with proper written qualification and only in its entirety.

18. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.

19. The appraiser, by reason of this report, is not required to give testimony or attend court or any governmental hearing with reference to the property in question, unless arrangements have been previously made therefore.

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Effective Date of Appraisal:	September 25, 2015
Date of Report:	October 15, 2015
Property Location:	North side of Howland Boulevard, just east of Catalina Boulevard, Deltona, Volusia County, FL
Property Address:	2982 Howland Boulevard, Deltona, FL 32725
Estimated "As Is" Market Value:	$270,000
Site Size:	200'± x 300'±; 60,548± square feet; 1.39± Acres
Improvements:	None
Zoning:	C-2, General Commercial, by The City of Deltona
Underlying Land Use Designation:	Commercial
Highest and Best Use:	
As If Vacant:	Retail, professional office, etc. and access to adjoining residential property at the rear of the site
Parcel Numbers(s):	8108-00-00-0035
Assessed Value (2014):	$127,151
Property Owner:	Dennis J. Casey, Trustee
Flood Zone:	Zone "X", per Map No. 12127C0630J, dated February 15, 2014

SUBJECT PHOTOGRAPHS

VIEW OF SUBJECT SITE FROM HOWLAND BOULEVARD

VIEW OF HOWLAND BOULEVARD
LOOKING WEST FROM SUBJECT SITE

SUMMARY APPRAISAL REPORT

PURPOSE OF THE APPRAISAL

The *purpose* of the appraisal is to estimate the ***"As Is"*** Market Value of a vacant commercial site as of September 25, 2015. The property is appraised as a fee simple estate, subject to typical mortgage loan encumbrances and utility easements.

EFFECTIVE DATE OF APPRAISAL/DATE OF REPORT

The *effective date* of this report is September 25, 2015. The *date* of this report is October 15, 2015.

INTENDED USE OF THE REPORT

The *intended use* of the appraisal report is to assist the client in possible purchase negotiations. The *intended user* of the appraisal is **The City of Deltona, c/o Ms. Gladys N. Merced**. This appraisal is intended for the sole use of The City of Deltona.

SCOPE OF THE APPRAISAL

The *scope* of this appraisal included a physical inspection of the subject property and surrounding neighborhood. Regional and neighborhood trends were also analyzed in order to determine any existing, or foreseeable external factors that might influence the value and use of the subject property. The Highest and Best Use of the property was also analyzed as a basic valuation premise after considering pertinent variables such as property characteristics, zoning, support facilities, economic and competitive units, and maximally productive use alternatives. Applicable zoning restrictions and comprehensive land use plans were also considered in this Highest and Best Use Analysis.

The Direct Sales Comparison Approach was the only approach processed in this report. The Income Approach and Cost Approach were not processed because they are not typically employed when appraising unimproved land suitable for commercial development.

Sales of comparable unimproved commercial sites were researched, analyzed, and directly compared to the subject property. They are believed to lend a viable indication of the subject's estimated value. Comparable data has been personally confirmed by either the appraiser, or other appraisers believed to be reliable. The information and data presented herein has been summarized.

PROPERTY INTEREST APPRAISED

The subject property is appraised as a Fee Simple Estate. As defined in the Dictionary of Real Estate Appraisal published by the American Institute of Real Estate Appraisers, a Fee Simple Estate is the *"Absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power, and taxation."*

IDENTIFICATION OF THE SUBJECT PROPERTY

The subject property consists of a vacant parcel of land located on the north side of Howland Boulevard just east of Catalina Boulevard in Deltona, Volusia County, Florida. The site contains a total of **60,548± square feet** or **1.39± Acres**.

LEGAL DESCRIPTION

Lengthy legal description; please refer to a copy of the legal description presented in the addendum of this report.

TAX ASSESSMENT AND ANALYSIS

The total assessment, taxable value, and gross taxes are summarized as follows:

Tax Parcel No.	Total Assessment	Taxable Value	Total Gross Taxes
8108-00-00-0035	$127,151	$127,151	$3,162.44

Taxes for this area are based on a millage rate of 24.87150 for the year 2014. The real estate tax structure of this property is considered to be neither favorable nor non-favorable based on our analysis presented herein. It should be noted the Volusia County Property Appraiser's assessment has *not* been relied upon in valuing the subject property and the assessment is included herein for informational purposes only.

THREE YEAR SALES HISTORY

Based on a review of the public records, it does not appear as if the subject property has been involved in an arm's length transaction within the last three years. The subject property does not appear to be listed for sale at this time.

MARKET VALUE DEFINITION

Market Value is defined as follows:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;

2. Both parties are well informed or well advised and each acting in what they consider their own best interests;

3. A reasonable time is allowed for exposure in the open market;

4. Payment is made in terms of cash in U.S. Dollars or in terms of financial arrangements comparable thereto; and

5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."[1]

MARKET VALUE, as defined by the Supreme Court of Florida, Walter vs. Schuler, Florida 176 So. 2d81, May 21, 1965, No. 34039. "Fair Market Value" may be established by classic formula that, "it is the amount a purchaser willing but not obliged to buy, would pay to one willing but not obliged to sell."

[1] Code of Federal Regulations (12): Parts 225, 34, 323, 1608, 564 and 722; dated August 9, 1990.

LAND USE PLANNING, ZONING, CONCURRENCY

The subject site is zoned C-2, General Commercial District, by The City of Deltona, which is consistent with the future land use designation of Commercial. The intent of the C-2 zoning classification is to encourage the development of intensive commercial areas providing a wide range of goods and services, and located adjoining at least one major collector or arterial road. Permitted uses within the C-1 district include a variety of light retail uses, professional offices, restaurants, and personal services. Dimensional criteria is briefly summarized as follows:

Minimum Lot Area:	15,000 S. F.
Minimum Lot Width:	100
Maximum Lot Coverage:	35%
Minimum Front Setback:	35'
Minimum Rear Setback:	10'
Minimum Side Setback abutting any lot:	10'
Maximum building height:	75 feet

There are no known pending public developments or regulations likely to have an affect on the zoning of the subject property. Based on an analysis of various parcels in this area, concurrency is not a limiting factor with respect to new development in this market area at this time. A copy of the C-2 Zoning Ordinance is presented in the addendum of this report.

MARKET AREA MAP

BRIEF AREA/MARKET AREA DISCUSSION

The subject property is located in Deltona, Volusia County, Florida. Deltona is part of West Volusia, which includes the cities of DeLand, DeBary, Deltona and Orange City. Deltona is the most populous city in Volusia County, and is also the most populous city between Jacksonville and Orlando, topping the 85,000 mark for the first time in 2010. The population as of 2013 was 86,290. This represents a 24.1 percent increase in population growth since the 2000 Census population of 69,543. The median age is 35.4 and the average household size is 2.78. The percentage of residents with college education is 13.2 percent.

Deltona began as a planned community in 1962, when well-known developers the Mackle Brothers bought 17,203 acres of land and built a community of single family homes. Although always planned to evolve into a city, the suburb remained unincorporated until 1995, when the City of Deltona was officially formed.

The City of Deltona covers an area of 42 square miles. There are a total of 35,148 platted single family lots, of which approximately 28,024 lots, or 80 percent, are developed. Deltona is nearly 75 percent residential.

During the period 2000 - 2007, Deltona, DeBary and Orange City became rapidly growing bedroom communities for the Greater Orlando Area, which includes the Interstate 4 corridor in Orange and Seminole Counties. Deltona itself can be characterized as a bedroom community for the Orlando metropolitan area to the south and west.

Demographic Data for Deltona and Volusia County as Compared to the State of Florida

	Deltona	Volusia Co.	State of Florida
Population, 2013	86,290	500,800	19,600,311
Housing units, 2013	34,089	254,221	9,047,612
Home ownership rate, 2009 - 2013	80.0%	72.0%	67.l%
Housing units in multi-unit structures, percent 2009-2013	3.3%	21.9%	30.1%
Median value of owner-occupied housing units, 2009-2013	$122,400	$142,800	$160,200
Households, 2009 - 2013	28,291	195,907	7,158,980
Persons per household	3.01	2.47	2.61
Per Capita Income (2013 dollars)	$19,893	$23,973	$26,236
Median Household Income, 2009 - 2013	$47,049	$42,457	$46,956
Persons below poverty level, 2009 - 2013	14.3%	16.8%	16.3%

Source: U.S. Census Bureau, State and County QuickFacts., last revised February 5, 2015

There is very little industry within the city limits and a very small percentage of the city's land area is zoned for commercial use. Presently, there is very little industrial development within the city limits. Most of the commercially zoned areas of the city are limited to main intersections surrounded by dense residential development or isolated stretches of road extending for one or two blocks and surrounded by dense residential development.

Most of the existing development at these commercial intersections consist of supermarket-anchored shopping centers, both with and without a second major tenant. Strip centers and free standing retail sales and services and office uses are generally found along the isolated stretches of road which are commercially zoned. Neighboring Orange City on the west side of Interstate 4 is where most of the residents of Deltona currently go for its numerous shopping centers, big box retailers, restaurants, and major retailers such as Wal-mart, Target, Home Depot and Lowe's.

The reason Deltona has few restaurants and other businesses is that Deltona's demographics do not attract the kind of chain restaurants and stores that residents want. Companies look for not just a large population (Deltona is Volusia County's largest populated city), but one that doesn't empty out of the bedroom community each day for work. Of more than 30,000 workers, about 26,759 leave Deltona each day for their jobs, according to a report released in early 2014 about the Deltona Activity Center by Boyette Strategic Advisors. Using Census data, the report found just 1,340 workers are employed inside the city and another 2,696 people commute into Deltona for work.

This lack of commercial development within Deltona may change with the creation of the new Activity Center corridor surrounding the Interstate 4/State Road 472 interchange in the northwest portion of the city. The Activity Center extends along the east side of Interstate 4, both sides of Normandy Boulevard and the south side of Howland Boulevard. The 800± undeveloped acres at this activity center can accommodate 400 homes; 400,000 square feet of office space; 650,000 square feet of industrial space or 40,000 square feet of retail space or any combination of those elements.

This 800-acre activity center sits in the midst of four cities, including Deltona to the east, Orange City to the west, Lake Helen to the northeast; and DeLand to the north. All four cities and Volusia County have agreed to share responsibility for running utilities to the activity center, which is envisioned to be a major hub of commercial activity. In addition to getting infrastructure to the area of the activity center, another key element was completed to allow access to the interchange from Deltona. A stretch of Howland Boulevard was completed to provide a direct easterly approach and exit from the I-4/S.R. 472 interchange. The Activity Center area remains among the last largely undeveloped Interstate 4 interchanges north of Orlando.

The construction of an Epic Theater, a $6 million economic development project, was completed in December 2011 along the Normandy Boulevard frontage portion of the activity center. This is a 12-screen, 51,000 square foot, 2,434-seat theater. This project is the first of the three-phase Deltona Village, a 130± acre planned retail and business development. More recently, a new RaceTrac gas station and convenience store was completed along the Howland Boulevard frontage portion of the site.

In September of 2014, the City Commission approved the rezoning of 148 acres northeast of the I-4/S.R. 472 interchange. The landowner, Trafalgar Holdings LLC, sought a change from agricultural and industrial land uses to a planned development that allows a mix of commercial and residential options. One of the allowable uses, on a 31-acre parcel is a hospital up to 10 stories tall. The rezoning allows for medical uses ranging from doctors' offices to imaging and surgery centers, as well as a hospital. Other uses allowed under the new zoning include adult family care, assisted living, auto sales, convenience stores, restaurants, and retail sales and services.

Just east of the new RaceTrac site within Deltona Village, a Dunkin Donuts-Subway strip center was completed in early 2014 along Howland Boulevard not far from the Activity Center. And a half-mile further east, Dollar General opened a new store on the north side of Howland Boulevard across from Howland Crossings, a commercial development with streets and a fire station, but currently no other buildings. The City of Deltona purchased the 19-acre Howland Crossings site in 2009 from a developer for a fire station and future public safety building. To date, none of the commercial pad-ready building sites have been sold or developed. Further east and along the north side of Howland Boulevard, a 17.96 acre site has been approved for a 114,200 square foot shopping center with individual outparcels.

Another new development in the city is a recently completed, $11 million, 20,000 square foot outpatient center for Florida Hospital Fish Memorial. This project is situated at the intersection of Saxon and Sterling Silver Boulevards and is called Florida Hospital Deltona Health Park. The health park provides primary care services, pediatric care and imaging services. The long overdue medical facility fills an unmet need for healthcare in Deltona and will fill a gap in health services in Southwest Volusia County.

A 44,000 square foot Wal-Mart Neighborhood Center with a 14,000 square foot retail center was recently completed at the intersection of Saxon and Sterling Silver Boulevards, opposite the hospital site. The 14,000 square foot retail strip center is divided into 7 units ranging in size from 1,400 to 3,200 square feet.

Our outlook for the City of Deltona remains cautiously optimistic. The northwest area of the city around the Interstate 4/State Road 472 interchange Activity Center is the next area of commercial development for the city, followed by the Howland Boulevard corridor stretching from the Activity Center southeast to State Road 415. Construction of a new sewage treatment plant off the east side of State Road 415 at 11th Avenue, opposite Howland Boulevard, was recently completed. With the new plant and water and sewer lines recently installed along State Road 415, our outlook for southeast Deltona is favorable within the next five to ten years.

However, our overall outlook for retail commercial properties within Deltona is not very positive. Despite having one of the lowest percentages of commercially zoned land and developed commercial properties versus residential land and properties in the county, Deltona has a comparatively high vacancy rate for retail properties. A drive along most of the city's main arteries revealed vacancies in almost every retail strip center and community shopping center in the city, including well-located supermarket anchored centers.

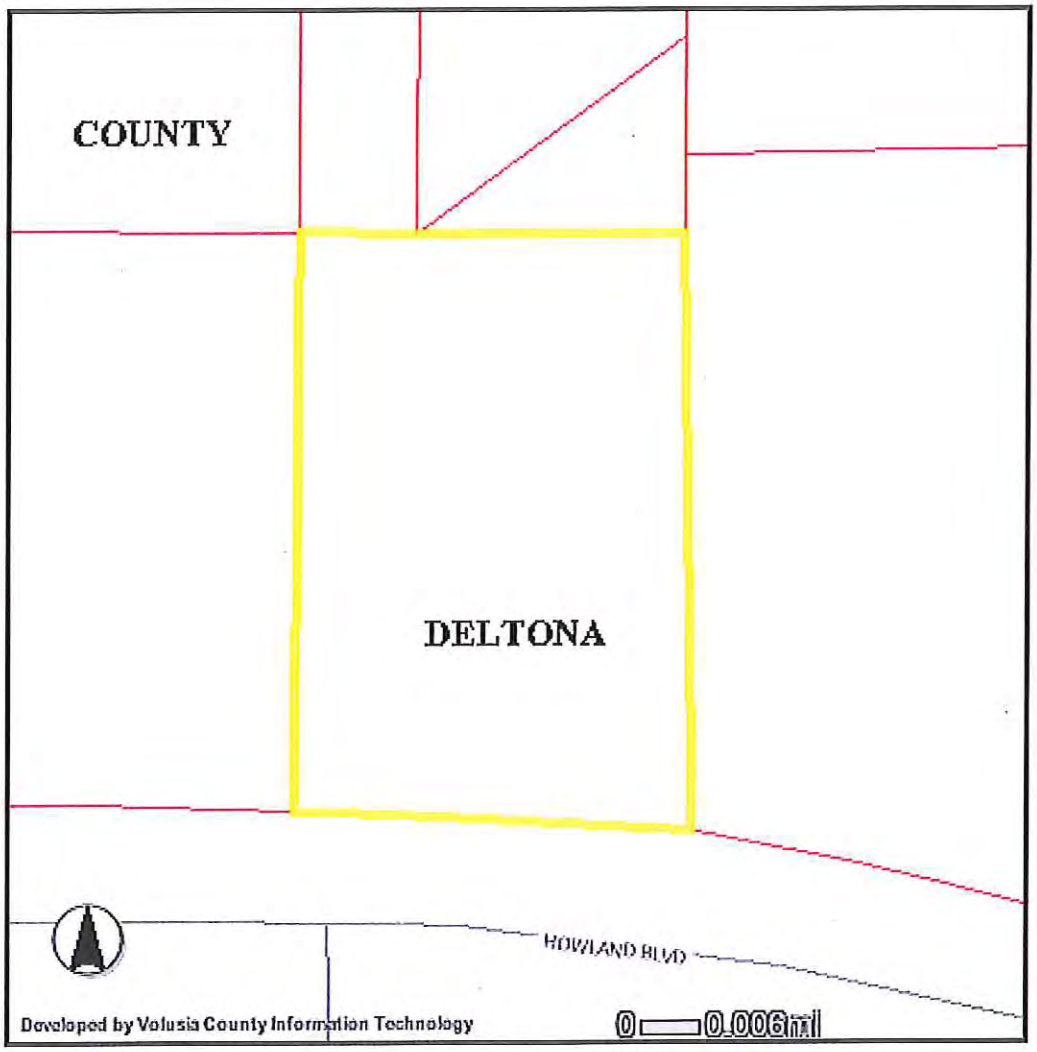
In summary, the subject property is located in a homogeneous area of compatible residential properties with very little commercial development. The area has experienced little, if any, growth over the past decade. It is our opinion the subject's local neighborhood will basically remain in the same stage of non-development (commercially) into the foreseeable future.

ESTIMATED EXPOSURE TIME

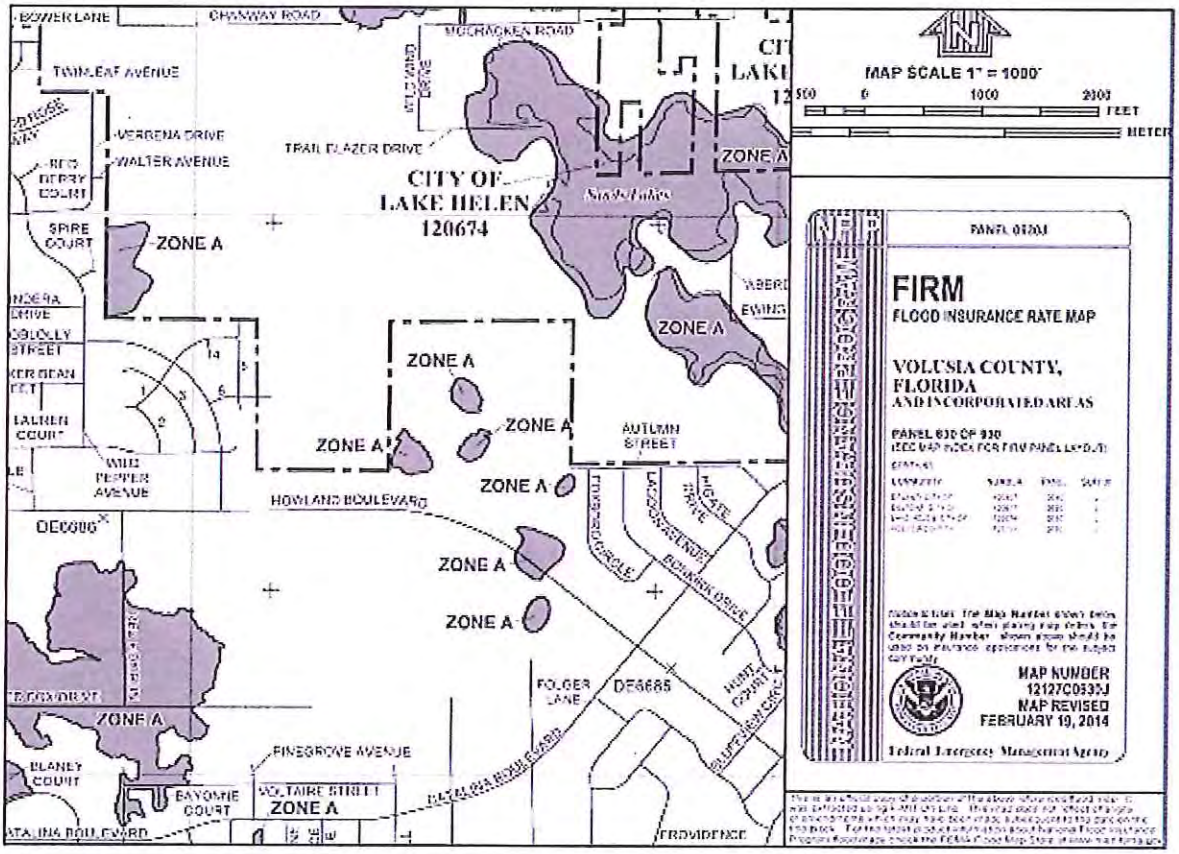
The Dictionary of Real Estate Appraisal, 3rd Edition, defines *Exposure* on page 126 as: The time a property remains on the market, or the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market. Exposure time is always considered to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. Exposure time is different for various types of real estate and value ranges and under various market conditions.

The Daytona Beach Multiple Listing Service Statistics Report indicated that from September 25, 2014 thru September 25, 2015 (one year), the average days on market for vacant land was 426 days and the list/sell ratio was 88.0 percent. Therefore, based on the available information, we feel that with effective marketing and exposure, it may be possible for the subject property to transfer within 12 to 18 months at the appraised value. This opinion also considers the subject being placed on the market with concentrated marketing effort by a knowledgeable and competent professional.

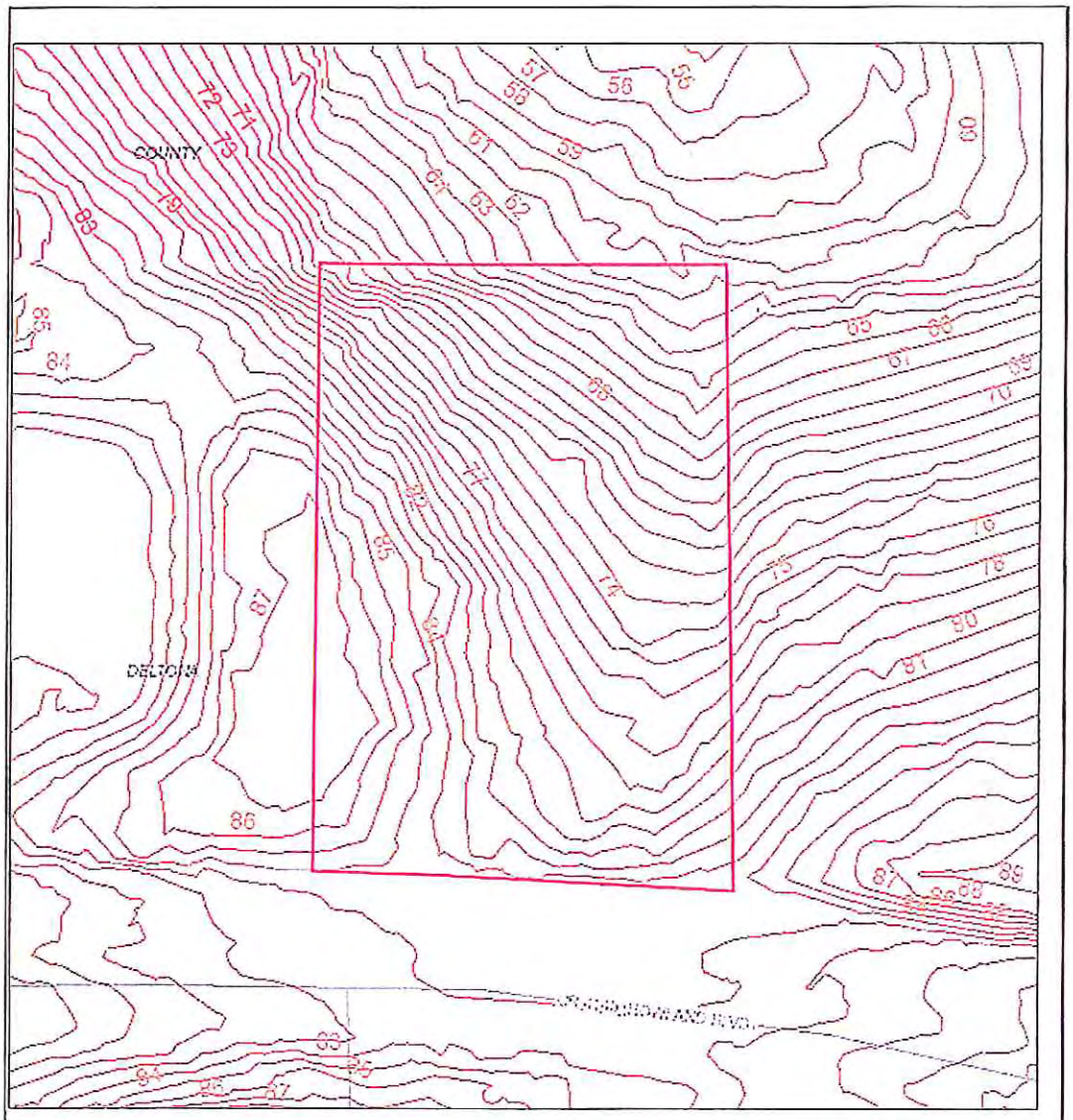
PROPERTY APPRAISER'S PLAT

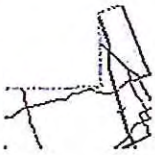


FLOOD MAP


MAP SCALE 1" = 1000'
500 0 1000 2000
FEET
METER
FIRM
FLOOD INSURANCE RATE MAP
VOLUSIA COUNTY, FLORIDA
AND INCORPORATED AREAS
MAP NUMBER
12127C0535J
MAP REVISED
FEBRUARY 19, 2014
Federal Emergency Management Agency
CITY OF LAKE HELEN
120674
ZONE A
BOWER LANE
CHAMWAY ROAD
MCCRACKEN ROAD
TWINLEAF AVENUE
VERBENA DRIVE
WALTER AVENUE
TRAIL BLAZER DRIVE
SPIRE COURT
WILD PEPPER AVENUE
HOWLAND BOULEVARD
AUTUMN STREET
FOLGER LANE
DE6685
DE6686
FINEGROVE AVENUE
VOLTAIRE STREET
BAYONNE COURT
BLANEY COURT
PROVIDENCE
BELMONT DRIVE
BLUFF BEND CIRCLE
HUNT COURT

TOPOGRAPHICAL MAP





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SOURCE: PARCEL DATA, VOLUSIA COUNTY PROPERTY APPRAISER

SITE DESCRIPTION

PROPERTY TYPE

Vacant Commercial Land

Location, Size and Shape

The subject site is located at the intersection of Howland Boulevard and Dr. Martin Luther King Boulevard on the north side of Howland Boulevard just west of Catalina Boulevard and approximately one mile west of the I-4/472 Interchange. The site contains a total of **60,548± square feet,** or **1.39± acres.** The site has 204± feet of frontage on Howland Boulevard and a depth of 300± feet. Dr. Martin Luther King Boulevard terminates at Howland Boulevard on its south side.

Topography/Soil Characteristics

Based on topographical maps and a physical inspection of the subject site, the site is more or less at the grade of Howland Boulevard in its southwest corner then starts to drop downward at a rather rapid rate towards its northeast corner. The subject site's elevation ranges from 87 feet above mean sea level in its southwest corner to 61 feet above mean sea level in its northeast corner. For visual orientation please refer to the topographical map presented on the previous page. The subject site's topographical features will inhibit development. The subject site is heavily wooded with pine trees and native flora. There does not appear to be any environmentally sensitive wetlands on the subject site.

We do not have the required expertise for determining the presence of, or absence of, hazardous substances, defined as all hazardous or toxic materials, wastes, pollutants or contaminants (including, but not limited to, asbestos, PCB, UFFI, petroleum products or other raw materials or chemicals) used in construction, or otherwise present on the property. We assume no responsibility for the studies or analyses which would be required to determine the presence or absence of such substances. We do not assume responsibility for loss as a result of the presence of such substances. The value estimate presented herein is based on the assumption that the subject property is not adversely affected by environmental contaminants. An environmental audit is recommended.

Street Improvements

Primary vehicular access onto the subject site is from the west bound lane of Howland Boulevard, a four lane, publicly maintained right-of-way with concrete curbing, sidewalks, and center island esplanades. The intersection of Howland Boulevard and Dr. Martin Luther King Boulevard is controlled by a traffic light.

Utilities and Services

Municipal water and sewer is at the site. Electricity, telephone and cable services are provided by publicly regulated companies. Fire protection is provided by the City of Deltona. Law enforcement services are provided by Volusia County. These services and utilities are considered to be commensurate with surrounding municipalities. Trash and garbage pick-up is contracted by a private company.

Easements and Restrictions

The appraisers are unaware of any easements or restrictions of record that might adversely affect the subject property. An up-to-date survey and title search is recommended.

HIGHEST AND BEST USE ANALYSIS

The Highest and Best Use of the subject property will be analyzed both in terms of its existing use as improved and as if it were vacant and ready to be put to use.

Highest and Best Use can be defined as: *"The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability."*[2]

A site is valued as though vacant in terms of its Highest and Best Use which may be defined as: *"The use of a property based on the assumption that a parcel of land is vacant or can be made vacant through demolition of any improvements."*[3]

The following narration highlights the process utilized in formulating a conclusion of appropriate Highest and Best Use.

1. Legally Permissible: Legal permissibility considers the effect of private restrictions, zoning ordinances, building codes, historic district controls, land use regulations or any additional governing authority.

2. Physically Possible: The test for physical possibility considers those uses from among legally permissible uses which could satisfactorily be accommodated on the subject property.

3. Financially Feasible: Is there economic or financial logic in pursuing any of the legally permissible and physically possible uses which remain?

4. Maximally Productive: Of the legally permissible, physically possible and financially feasible uses, which produces the highest land value or economic return to the land.

The foregoing process applies specifically to the Highest and Best Use of land. *"It is to be recognized that in cases where a site has existing improvements on it, the Highest and Best Use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its Highest and Best Use exceeds the total value of the property in its existing use."*[4]

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[2] The Dictionary of Real Estate Appraisal, Second Addition, Appraisal Institute, (Chicago, IL, 1993), Page 149.

[3] Ibid., Page 149.

[4] Real Estate Appraisal Terminology, Revised Edition, Byrl N. Boyce, Ballinger Publishing Company, (Cambridge, MA, 1981), Page 127.

As Though Vacant

The category of legally permissible uses is the initial consideration in the analysis of Highest and Best Use for the subject property as if vacant. This category of legally permissible uses should include an analysis of public development regulations including current and possible future changes in zoning regulations and procedures, as well as private constraints including deed restrictions, liens, easements, leases or known encumbrances on the title of the property.

Legally, this site can be improved with a myriad of uses that include, but is not limited to, retail, restaurant, professional services, automotive, etc. There are no pending public developments or regulations that are likely to have an effect on the future zoning of the subject property.

Physically, the shape and size of the subject site renders it large enough to accommodate several of the uses legally permitted. The site's severe topography features will inhibit development. The soil conditions do not appear to limit its ability to be developed with a variety of the uses allowed. All municipal support facilities and services are available to the subject site.

The *feasible and maximally productive* use of the overall site would be one that could take advantage of its zoning classification and its physical attributes while remaining harmonious with surrounding improvements and development trends. The subject site is located on a heavily traveled road at a signalized intersection. Nearby uses on Howland Boulevard are mostly retail and professional in nature. Considering its frontage on a well traveled neighborhood collector route at a signalized intersection and in proximity to professional buildings, retail development, and a large surrounding residential base, a professional office/business service and/or retail development would be the highest and best use. In light of these facts and observations, the appraisers believe the Highest and Best Use of this site, as if vacant, is for professional office or mixed office and retail development consistent with zoning and the design guidelines established for this area as demand warrants.

DIRECT SALES COMPARISON APPROACH

The most readily accepted approach for estimating the value of the subject site as though vacant and unimproved is through the application of the Direct Sales Comparison (Market Data) Approach. It employs the Principle of Substitution, in that a knowledgeable buyer will not pay more for a particular property than what it would cost to purchase a duplicate property with equal utility.

The Market Data Approach requires a careful selection of sale properties to ensure they are relatively similar to the subject. No two properties are exactly alike. The factors of comparison between the subject and the sales must be considered in arriving at an indication of value for the subject.

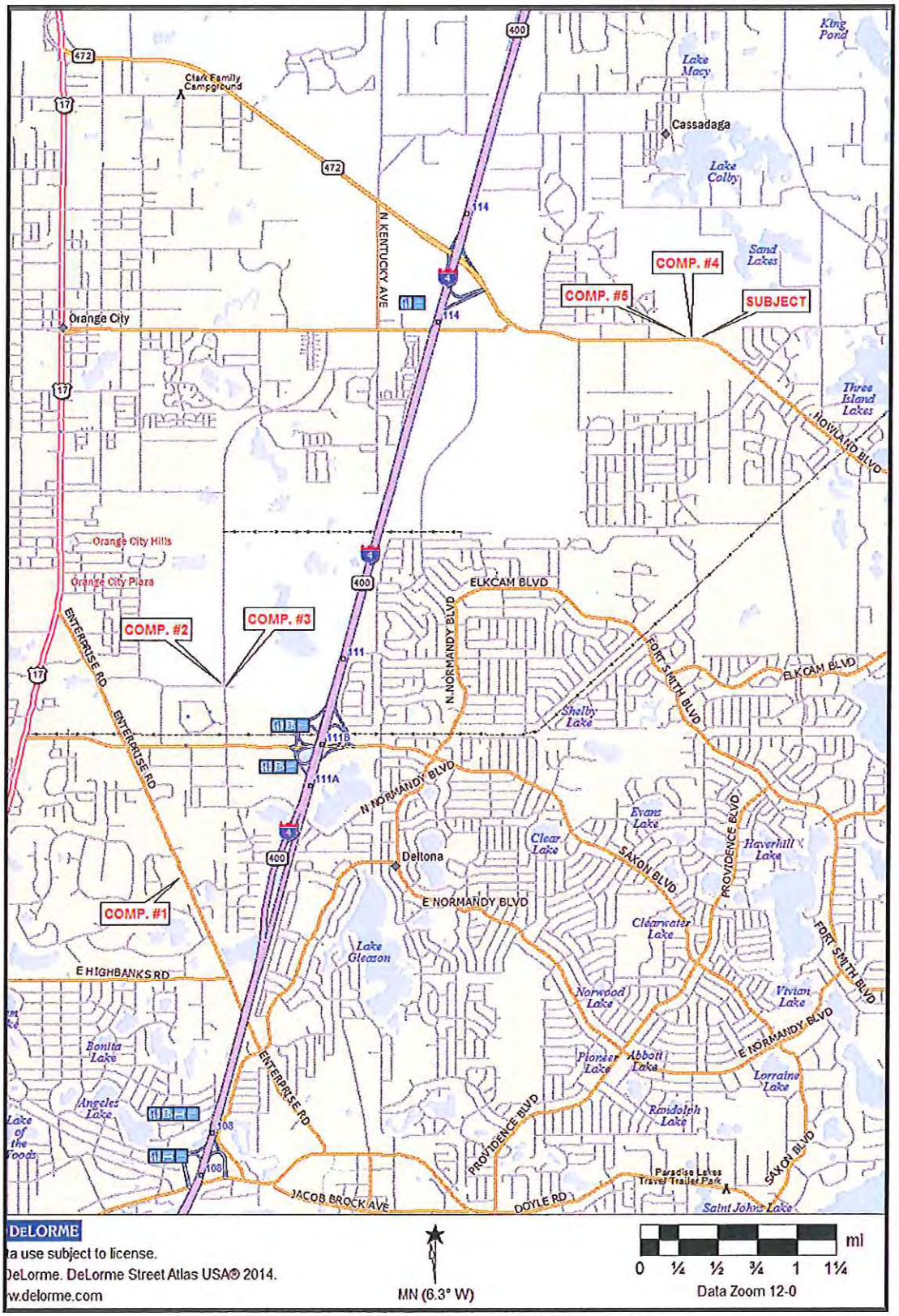
As previously determined, the Highest and Best Use of the subject site is considered to be for retail, restaurant and professional office development. In this case, the **price per square foot of land area** will be the unit of comparison given the most emphasis, as it is most germane to the participants of the commercial land market. The sales utilized are considered to be reasonably comparable property transactions and represent valid indications of market activity and demand for this type of property in this locale. Our research revealed a limited amount of data from which to estimate the subject's value. The comparables that we were able to locate are considered the best available. A chart summarizing each sale, a location map and a comparable grid sheet analysis depicting adjustments to each comparable for its differences with the subject are presented on the following pages.

COMPARABLE LAND SALES CHART

Sale # O.R.Bk./Page Sale Date	Grantor Grantee	Location	Zoning	Size Acres Sq. Ft.	Sale Price	Sale P. Per Sq. Ft.
Subject N/A N/A	Dennis J. Casey, Tr. N/A	2982 Howland B. Deltona	C-2	1.39 Acres 60,548 SF	N/A	N/A
#1 7103/4986 03/15	MGA Prop., LLC Lake Mary PPP	2890 Wellness Ave. Orange City	CG-2.	1.19 Acres 48,827 SF*	$300,000	$6.14
#2 6944/3386 12/13	Redus Fl. Commer. Kennedy Space Cntr.	Harley Strickland B. Orange City	MX-2	2.43 Acres 105,800 SF	$900,000	$8.51
#3 6899/4257 08/13	ExxonMobile Found. Oaks R102 II, LLC	Veterans Mem. Py. Orange City	MX-2	1.49 Acres 64,904 SF	$400,000	$6.16
#4 Current Listing	V-1, Titusville, LLC N/A	3120 Howland Bvd Deltona	C-1	1.37 Acres 59,677 SF	$399,000	$6.69
#5 Current Listing	V-1 Titusville, LLC N/A	3026 Howland Blvd Deltona	C-1	1.37 Acres 59,677 SF	$399,900	$6.70

* Site size does not include on-site storm water retention area that services the subject and adjoining sites.

COMPARABLE LAND SALES MAP



COMPARABLE LAND SALES/LISTINGS ADJUSTMENT GRID

	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3	COMPARABLE NO. 4	COMPARABLE NO. 5
SALES INFORMATION						
PROPERTY ADDRESS	HOWLAND BLVD., DELTONA	2890 WELLNESS AVE., O. C.	HARLEY STRICKLAND BLVD. ORANGE CITY	VETERANS MEM. PKWY. ORANGE CITY	3120 HOWLAND BLVD. DELTONA	3026 HOWLAND BLVD. DELTONA
GRANTOR	DENNIS J. CASEY, TR.	MGA PROPERTIES, LLC	REDUS FL. COMMERCIAL	EXXONMOBILE FOUNDATION	V-1, TITUSVILLE,LLC	V-1, TITUSVILLE,LLC
GRANTEE	N/A	LAKE MARY PROPERTIES	KENNEDY SPACE CENTER	OAKS R102II, LLC	N/A	N/A
OR BK/PG	N/A	7103/4986	6944/3386	6899/4257	CURRENT LISTING	CURRENT LISTING
SALE PRICE	N/A	$300,000	$900,000	$400,000	$399,000	$399,900
PRICE/SF	**$0.00**	**$6.14**	**$8.51**	**$6.16**	**$6.69**	**$6.70**
PRIMARY ADJUSTMENTS						
PROPERTY RIGHTS	FEE SIMPLE	FEE SIMPLE	FEE SIMPLE	FEE SIMPLE	FEE SIMPLE	FEE SIMPLE
ADJUSTMENT	N/A	N/A	N/A	N/A	N/A	N/A
ADJUSTMENT PRICE/SF	$0.00	$6.14	$8.51	$6.16	$6.69	$6.70
FINANCING	NORMAL	NORMAL	NORMAL	NORMAL	NORMAL	NORMAL
ADJUSTMENT	N/A	N/A	N/A	N/A	N/A	N/A
ADJUSTMENT PRICE/SF	$0.00	$6.14	$8.51	$6.16	$6.69	$6.70
CONDITIONS OF SALE	NORMAL	NORMAL	BANK SALE	NORMAL	NORMAL	NORMAL
ADJUSTMENT	N/A	N/A	10%	N/A	N/A	N/A
ADJUSTMENT PRICE/SF	$0.00	$6.14	$9.36	$6.16	$6.69	$6.70
SALE DATE	N/A	03/15	12/13	08/13	CURRENT LISTING	CURRENT LISTING
ADJUSTMENT	0%	0%	10%	10%	-20%	-20%
ADJUSTED PRICE/SF	**$0.00**	**$6.14**	**$10.29**	**$6.78**	**$5.35**	**$5.36**
OTHER ADJUSTMENTS						
LOCATION	AVERAGE	AVERAGE	EXCELLENT	EXCELLENT	AVERAGE	AVERAGE
ADJUSTMENT	0%	0%	-25%	-25%	0%	0%
ACCESS	GOOD	GOOD	AVG.+	GOOD	AVERAGE	AVERAGE
ADJUSTMENT	0%	0%	5%	0%	10%	10%
SIZE (S. F.)	60,548	48,827	105,800	64,904	59,677	59,677
ADJUSTMENT	0%	-5%	10%	0%	0%	0%
SHAPE	RECTANGULAR	RECTANGULAR	RECTANGULAR	RECTANGULAR	RECTANGULAR	RECTANGULAR
ADJUSTMENT	0%	0%	0%	0%	0%	0%
TOPOGRAPHY	SEVERE DOWNSLOPE/WOODED	LEVEL/CLEARED	LEVEL/CLEARED	LEVEL/CLEARED	LEVEL/WOODED	LEVEL/WOODED
ADJUSTMENT	0%	-30%	-30%	-30%	-15%	-15%
UTILITIES	ALL UTILITIES	ALL UTILITIES	ALL UTILITIES	ALL UTILITIES	ALL UTILITIES	ALL UTILITIES
ADJUSTMENT	0%	0%	0%	0%	0%	0%
ZONING	C-2, DELTONA	CG-2, ORANGE CITY	MX-2. ORANGE CITY	MX-2, ORANGE CITY	C-2, DELTONA	C-2, DELTONA
ADJUSTMENT	0%	0%	0%	0%	0%	0%
OTHER	N/A	RETENTION IN PLACE	N/A	N/A	N/A	N/A
ADJUSTMENT	0%	-10%	0%	0%	0%	0%
FINAL ADJUSTED PRICE	**$0.00**	**$3.38**	**$6.18**	**$3.05**	**$5.08**	**$5.09**

ADJUSTED MEAN	**$4.56**

ANALYSIS OF SALES DATA

The comparables presented in this report represent three sales and two current listings of vacant commercial sites located in southwest Volusia County. Comparable Nos. 1, 2 and 3 are located in Orange City and Comparable Nos. 4 and 5 are located on Howland Boulevard in close proximity to the subject. Percentage adjustments to the comparable sales have been made to reflect the differing characteristics. These adjustments are not supported by an exact quantitative analysis, but were based on what we believe would be the market's perception of the inferior, or superior qualities of the comparables as they relate to the subject.

Comparable No. 1 was adjusted downward for its smaller size, superior topography and on-site storm water retention. Comparable No. 2 was adjusted downward for its superior location and topography. Upward adjustments were made for its larger size and inferior access. Comparable No. 3 was adjusted downward for its superior location and topography. Comparable Nos 4 and 5 are listings and were adjusted downward for sale price negotiations and their superior topography. An upward adjust was made to these two listings for inferior accessability.

Based on our observations, commercial land values have reached their bottom; and, hopefully in the next year or two, we will start to see an increase in commercial land sales and values. There has been very little demand for vacant commercial land over the last several years. Financing for this type of property is almost non-existent unless the site is going to be developed for owner occupancy. There are numerous vacant commercial parcels for sale along Howland Boulevard that have been on the market for extended periods of time.

Before adjustments, the comparable sales/listings indicated a range of value from $6.14 to $8.51 per square foot of land area. After adjustments, the market indicators reflected a range in value from $3.38 to $6.18 per square foot of land area, with an adjusted mean of $4.56 per square foot of land area.

After a careful analysis of the above transactions, a unit value of **$4.50 per square foot** was concluded for the subject land. The estimated unit of value has been applied to the subject site as follows:

60,548± Square Feet @ $4.50 Per Square Foot = $272,466

R/T = $270,000

VALUE INDICATED BY THE DIRECT SALES COMPARISON APPROACH

TWO HUNDRED SEVENTY THOUSAND DOLLARS

($270,000)

RECONCILIATION

As discussed in the Appraisal Process, the Direct Sales Comparison was the only approach to value utilized in this report. The Cost Approach and Income Approach are typically not employed when appraising vacant commercial land. In this case, the Direct Sales Comparison Approach indicated the estimated value shown below, which is considered to be well supported by the comparable sales and analysis presented herein. Therefore, based on the above information and the pertinent data in file, it is our opinion the subject site has an estimated value, **"As Is"**, as of September 25, 2015 of:

ESTIMATED VALUE OF THE SUBJECT SITE "AS IS"

TWO HUNDRED SEVENTY THOUSAND DOLLARS

($270,000)

ESTIMATED MARKETING TIME

The Dictionary of Real Estate Appraisal, 3rd Edition, defines *Exposure* on page 126 as: The time a property remains on the market, or the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market. Exposure time is always considered to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. Exposure time is different for various types of real estate and value ranges and under various market conditions.

The Daytona Beach Multiple Listing Service Statistics Report indicated that from September 25, 2014 thru September 25, 2015 (one year), the average days on market for vacant land was 426 days and the list/sell ratio was 88.0 percent. Therefore, based on the available information, we feel that with effective marketing and exposure, it may be possible for the subject property to transfer within 12 to 18 months at the appraised value. This opinion also considers the subject being placed on the market with concentrated marketing effort by a knowledgeable and competent professional.

ADDENDUM

Todd Heffington

From: Gladys Merced <GMerced@deltonafl.gov>
Sent: Monday, September 21, 2015 1:32 PM
To: Todd Heffington
Subject: RE: Casey property - Fee Quotes

Importance: High

Thank you Mr. Heffington.

After going over your quote with the City Attorney, I have gotten her approval for you to proceed with the appraisals.

Thanks and have a great day.

Gladys N. Merced, Legal Assistant
City Attorney's Office
(386) 878-8100 ext. 8873
(386) 878-8871 (fax)

From: Todd Heffington [mailto:TODD@HEFFINGTONANDASSOCIATES.COM]
Sent: Friday, September 18, 2015 10:40 AM
To: Gladys Merced
Subject: RE: Casey property - Fee Quotes

Thank You Gladys,

Our anticipation would be two appraisals. One consisting of parcels ending in 0360, 0010, 0010 and 0190. These parcels are zoned multifamily. The second appraisal would be of the parcel ending in 0035. That is zoned commercial. We would have to assume that access is available to the larger parcel through the commercial parcel, or from Autumn Street.

Our fee quote is as follows:

The larger multi-family parcel - $2,100 for a Summary Report
The Smaller Commercial Parcel – $1,400 for a Summary Report

We would request 3 to 4 weeks to complete both.

If you have any questions, please feel free to contact me.

Thank you. Have a great weekend.

Volusia County FLORIDA

Volusia County Property Appraiser

Morgan B. Gilreath Jr.
M.A., A.S.A., C.F.A.

Notice of Proposed Taxes | Estimate of Taxes

Parcel Information: 8108-00-00-0035 **2015 Preliminary Tax Roll** **Last Updated: 09-13-2015**

Owner Name and Address

Alternate Key	2574518	**Parcel Status**	Active Parcel (Real Estate)
Short Parcel ID	8108-00-00-0035	**Mill Group**	016 Deltona
Full Parcel ID	08-18-31-00-00-0035	**2014 Final Mill Rate**	24.87150
Created Date	20 DEC 1981		
Property Class	10 Vacant Commercial		
Ownership Type		**Ownership Percent**	100
Owner Name	CASEY DENNIS J TRUSTEE		
Owner Name/Address 1			
Owner Address 2	443 BELOIT AVE		
Owner Address 3	WINTER PARK FL		
Owner Zip Code	32789		
Situs Address	2982 HOWLAND BLVD DELTONA 32725		

Legal Description

8 18 31 E 198.91 FT OF NE 1/4 N OF S/R 444 PER OR 3917 PGS 2200-2201

Sales History

Book	Page	Sale Date	Sale Instrument	Qualified Unqualified	Improved	Sale Price
3917	2200	04/1994	Warranty Deed	Multi parcel sale	No	100,000
3797	2208	12/1992	Warranty Deed	Multi parcel sale	No	631,400
3189	1653	08/1988	Warranty Deed	Multi parcel sale	No	600,000

History of Values

Year	Land	Bldg(s)	Misc. Impr.	Just Value	School Assessed	Non-School Assessed	School Exemption	School Taxable	Non-School Exemption	Non-School Taxable
2014	127,151	0	0	127,151	127,151	58,610	0	127,151	0	58,610
2013	127,151	0	0	127,151	127,151	53,282	0	127,151	0	53,282

Display Value History

Land Data

Code	Land Use Type	Frontage	Depth	No. Units	Unit Type	Rate	Depth	Loc	Shp	Phy	Just Value
1000	VACANT COMMERCIAL	0.0	0.0	60548.00	SQUARE_FEET	2.10	100	100	100	100	127,151

Neighborhood C8394 HOWLAND COMMERCIAL

Total Land Classified 0
Total Land Just 127,151

Parcel Notes (Click button below to display Parcel Notes)

Display Notes

Planning and Building

Permit Number	Permit Amount	Date Issued	Date Complete	Construction Description	Occupancy Number	Occupancy Bldg

Display Permits

Total Values

Land Value	127,151	**New Construction Value**	0
Building Value	0	**City Econ Dev/Historic**	0
Miscellaneous	0		
Just Value	127,151	**Previous Just Value**	127,151

School Assessed	127,151	**Previous School Assessed**	127,151
Non-School Assessed	64,471	**Previous Non-School Assessed**	58,610
Exemption Value	0	**Previous Exemption Value**	0
Additional Exemption Value	0	**Previous Additional Exemption Value**	0
School Taxable	127,151	**Previous School Taxable**	127,151
Non-School Taxable	64,471	**Previous Non-School Taxable**	58,610

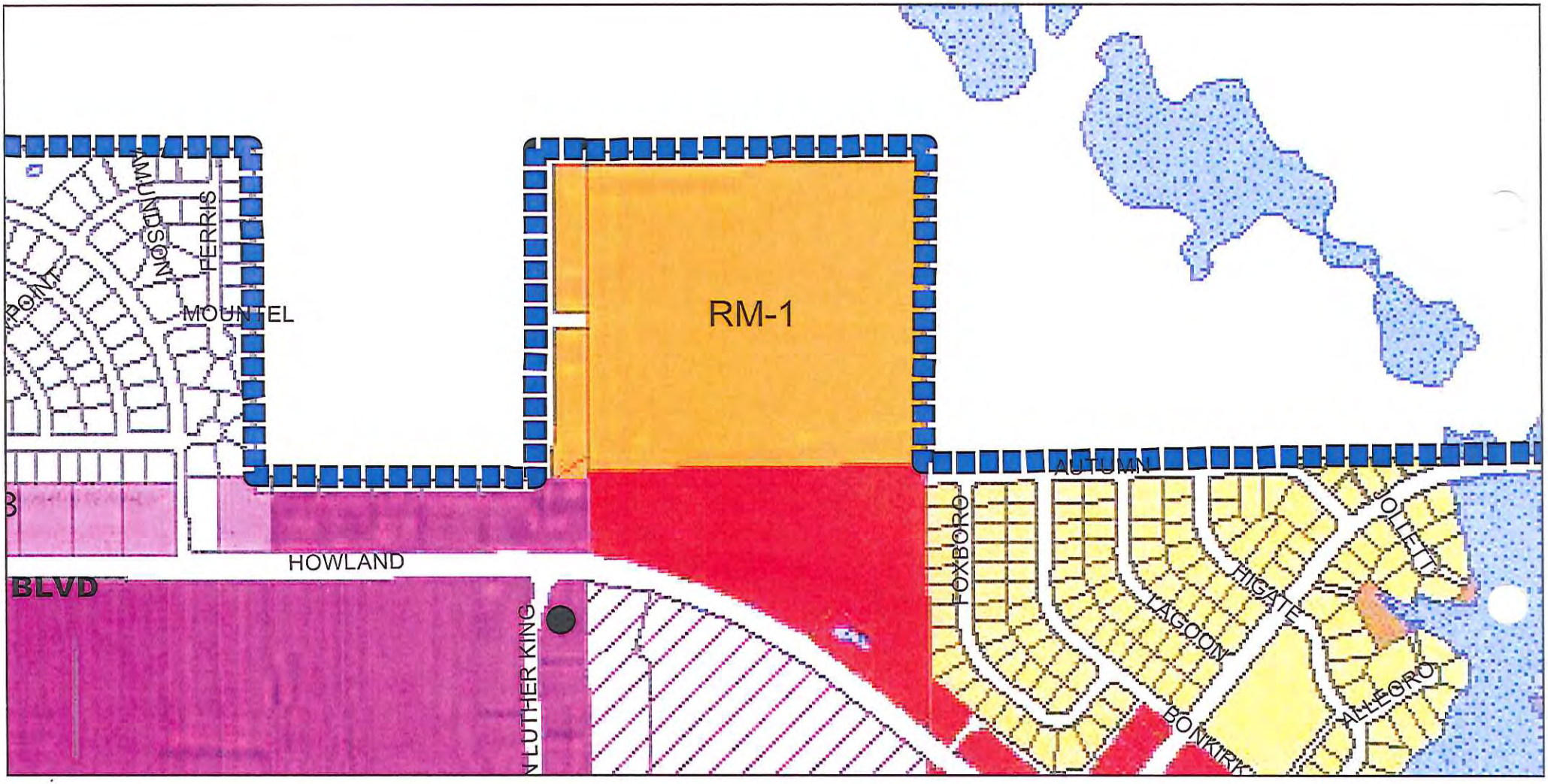
MapIT | PALMS | Map Kiosk

MapIT: Your basic parcel record search including lot dimensions.

PALMS: Basic parcel record searches with enhanced features.

Map Kiosk: More advanced tools for custom searches on several layers including parcels.

Click Here for Tax Bill Info


RM-1
MOUNTEL
FERRIS
HOWLAND
BLVD
N LUTHER KING
AUTUMN
FOXBORO
LAGOON
HIGATE
OLLETT
BONKIRK
ALLEGRO

(h) Types of signs permitted. Signs are permitted in accordance with the city's sign code Chapter 102, Code of Ordinances, as it may be amended from time to time.

(i) General provisions, exceptions and prohibitions. See article VIII.

Sec. 110-316. C-2, General Commercial.

(a) Purpose and intent. The purpose and intent of the C-2 General Commercial classification is to encourage the development of intensive commercial areas providing a wide range of goods and services, and located adjoining at least one major collector or arterial road. The C-2 classification is intended to be applied to strip retail areas and may be applied to Interstate Highway interchange areas and other intersections that are characterized by high traffic volumes appropriate for highway-oriented commercial development and shopping centers. This district is not intended to be applied within established residential areas, except when those areas are either in transition, blighted, or designated in the Commercial future land use category on the adopted Future Land Use Map. This zoning district shall only be applied to areas designated in the Commercial future land use category on the adopted Deltona Comprehensive Plan Future Land Use Map.

(b) Permitted uses. In the C-2 General Commercial zoning district, no premises shall be used except for one of the following uses and their customary accessory uses and structures:

Art, dance, modeling and music schools.

Automobile driving schools.

Automobile rental agencies.

Automobile sales, new and used.

Automobile service station, Types A and C.

Barber and beauty shops.

Bars and liquor stores.

Boat, mobile home and recreational vehicle sales and service establishments.

Bowling alleys.

Catering services.

Communication towers up to 70 feet high, in accordance with Chapter 82, Code of Ordinances, as it may be amended from time to time.

Cultural art centers.

Dental laboratories.

Employment agencies.

Essential utility services.

Exempt excavations (refer to Section 110-817(o)) and/or those which comply with the Land Development Code of the City of Deltona, Chapter 75, Code of Ordinances, as it may be amended from time to time and/or final plan review procedures of this Chapter.

Exempt landfills (refer to section 110-817(p)).

Financial institutions.

Fire stations.

Funeral homes.

Game rooms or arcades for pool, billiards, pinball machines, jukeboxes or other coin-operated amusements.

General offices.

Government-sponsored civic centers.

Home occupations (refer to section 110-807).

Household moving center.

Laundry and dry cleaning establishments.

Libraries.

Moped/Motorcycle sales and services

Museums.

Nightclubs.

Outdoor musical event.

Pawnshops.

Pest exterminators.

Private clubs.

Public schools.

Publicly owned parks and recreational areas.

Publicly owned or regulated water supply wells of less that eight inches in diameter in accordance with the potable water wellfield protection requirements of, the Land Development Code Chapter 98, article V, Code of Ordinances, as it may be amended from time to time.

Recycling collection center.

Restaurants, Types A and B.

Retail plant nursery.

Retail sales and services.

Retail specialty shops.

Stamp redemption centers.

Tailors.

Taxicab stands.

Theaters.

Travel agencies.

Veterinary clinics.

(c) *Conditional uses.* Additional regulations/requirements governing permitted conditional uses are located in sections 110-817 and 110-1102 of this chapter.

Adult family-care home (refer to section 110-817(l))

Assisted living facility (refer to section 110-817(l))

Communication towers greater than 70 feet high, in accordance with Chapter 82, Code of Ordinances, as it may be amended from time to time.

Bicycle motocross tracks.

Boardinghouse (refer to section 110-817(l))

Bus stations.

Car washes.

Community residential home

Day care centers (refer to section 110-817(f)).

Excavations only for stormwater retention ponds for which a permit is required by this chapter.

Group home facility (refer to section 110-817(l)).

Nursing home and nursing home facility (refer to section 110-817(l)).

Outdoor entertainment and recreational uses and structures.

Professional or trade schools related to permitted uses (refer to section (110-817(b)).

Public markets.

Public uses not listed as a permitted principal use.

Public utility uses and structures (refer to section 110-817(a)).

Publicly or privately owned municipal or public water supply wells of eight inches diameter or greater.

Schools, parochial or private (refer to section 110-817(d)).

Tattoo parlors.

Only one single-family dwelling for the owner or manager of an existing permitted principal use.

(d) Dimensional requirements.

C-2, *General Commercial*	
Minimum lot size	
Area (sq. ft.)	15,000
Width (ft.)[1]	100
Minimum yard size	
Front yard (ft.)	35
Rear yard (ft.)[2]	10
Side yard (ft.)[2]	10
Waterfront yard(ft)	25
Maximum building height (ft.)	75
Maximum lot coverage (%) *(with principal and accessory buildings)*	35
Maximum floor area ratio (F.A.R.)	0.50

[1]Except 150 feet shall be required along all abutting street frontages for land uses with drive through service or windows, and all three types of automobile service stations. [2]Unless abutting any residentially zoned property, then 35 feet.

(e) *Off-street parking and loading requirements.* Off-street parking and loading areas meeting the requirements of section 110-828 shall be constructed.

(f) *Landscape buffer requirements.* Landscaped buffer areas meeting the requirements of section 110-808.00 shall be constructed.

(g) *Final site plan requirements.* Final Site Plan approval meeting the requirements of the Land Development Code, Chapter 75, Code of Ordinances, as it may be amended from time to time, is required.

(h) *Types of signs permitted.* Signs are permitted in accordance with the requirements of the city's sign code Chapter 102, Code of Ordinances, as it may be amended from time to time.

Sec. 110-317. C-3, Heavy Commercial classification.

(a) *Purpose and intent.* The purpose and intent of the C-3 Heavy Commercial classification is to provide areas for commercial uses and structures that are not generally compatible with B-4 uses and structures.

(b) *Permitted principal uses and structures.* In the C-3 Heavy Commercial classification, no premises shall be used except for the following uses and their customary accessory uses or structures:

Art, dance, modeling and music schools.

Auction parlors.

Automobile body shops.

Automobile driving schools.

Automobile rental agencies.

Automobile sales, new and used.

Automobile service stations, Types A, B and C.

Bars and liquor stores.

Beauty and barber shops.

Boat, truck, motorcycle, trailer, bicycle and mobile home storage, sales, service and rental for off-site use (new and used).

Bowling alleys.

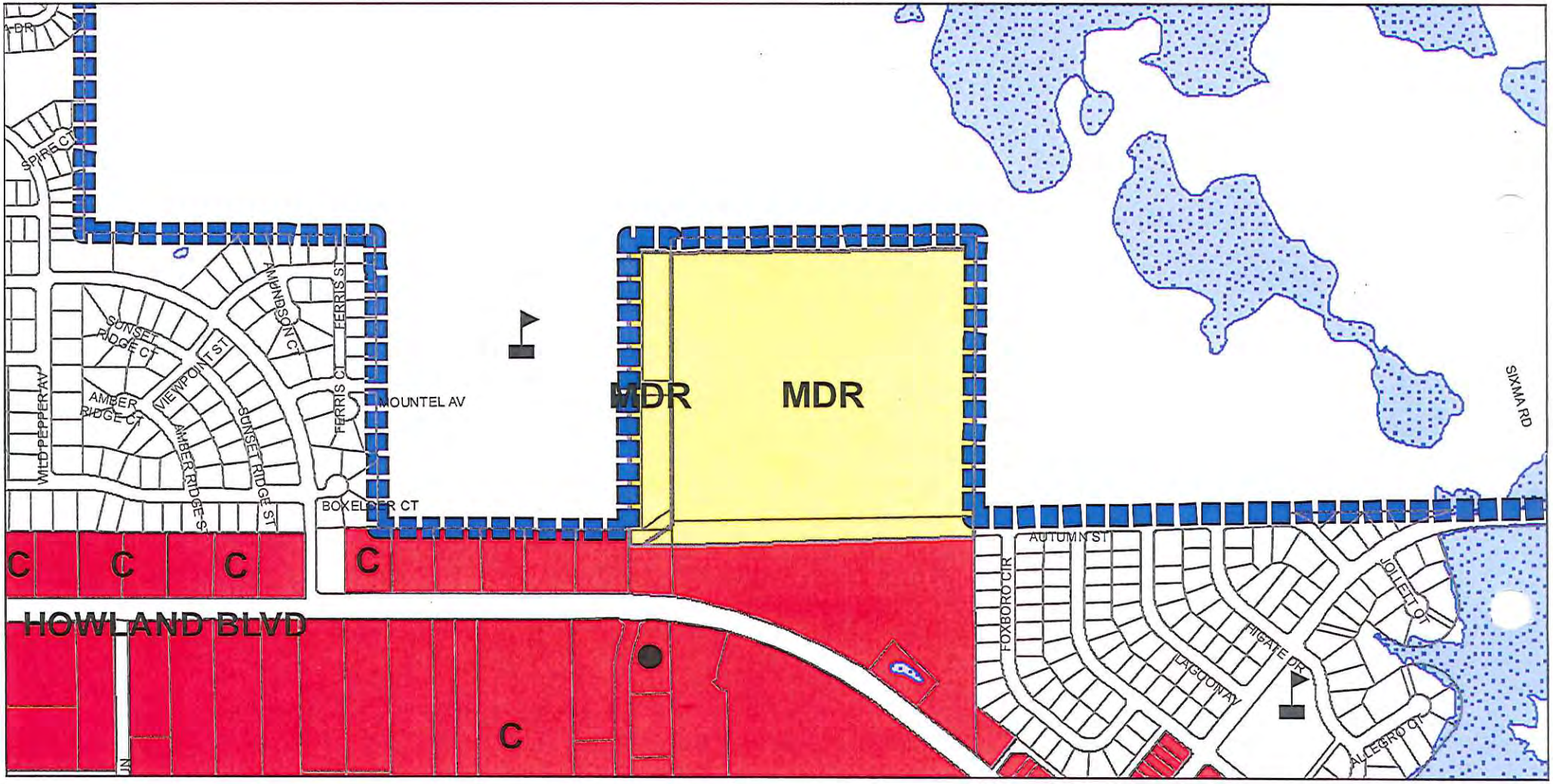
Building material sales and storage.

Car washes.

Catering services.

Communication towers up to 70 feet high, in accordance with the requirements of Chapter 82, Code of Ordinances, as it may be amended from time to time.

Contractor's shop, storage and equipment yard.


SPIRE CT
WILD PEPPER AV
SUNSET RIDGE CT
AMBER RIDGE CT
VIEWPOINT ST
AMBER RIDGE S
SUNSET RIDGE ST
AMBINDSON CT
FERRIS ST
FERRIS CT
MOUNTEL AV
BOXELDER CT
MDR
MDR
C
C
C
C
C
HOWLAND BLVD
AUTUMN ST
FOXBORO CIR
LAGOON AV
FIGATE PR
JOLIET CT
ALLEGRO CT
SIXMA RD

QUALIFICATIONS OF THE APPRAISER

MARTIN J. CONCANNON
INDIAN RIVER APPRAISAL SERVICES, INC.
1114 N. PENINSULA AVE.
NEW SMYRNA BEACH, FL 32169
E MAIL: marty@heffingtonandassociates.com

MEMBERSHIP:

Active Florida Real Estate Salesman, License #0130821-4626
Cert Gen RZ 907 - State of Florida, 1991

EDUCATION:

Graduated from the University of Florida with Bachelor of Science Degree,
Real Estate and Urban Land Studies, 1975

American Institute of Real Estate Appraisers
Course 8-2: Residential Valuation
Course 1A: Principals, Methods and Techniques of Real Estate Appraising
Course 1B: Capitalization, Theory and Techniques of Appraising

EXPERIENCE:

Associated with Heffington and Associates since 1983

Security First Federal Savings and Loan, January 1976 to April, 1983,
Staff Appraiser

Completed appraisals on residentials, apartments, bed and breakfast inn's, professional offices, small and large retail properties, condominiums, warehouses and land acquisition and development properties.

COURT QUALIFICATIONS:

Qualified as expert witness for Real Estate Valuation
Provided testimony in court hearings for dissolution of marriage, deficiency judgments, etc.

PARTIAL LIST OF CLIENTS:

SunTrust Bank of Volusia County
Floridian Bank
Mainstreet Community Bank
BB&T
Gateway Bank
Fifth/Third Bank
East Coast Community Bank
Federal Deposit Insurance Corporation
Florida Department of Transportation
County of Volusia, Florida

QUALIFICATIONS OF THE APPRAISER

RAYMOND H. HEFFINGTON, MAI
911 BEVILLE RD., STE. 8
DAYTONA BEACH, FL 32119-1726
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BUSINESS AND PROFESSIONAL AFFILIATIONS:

MAI Member, American Institute of Real Estate Appraisers
Registered Real Estate Broker - State of Florida, 1974
Cert Gen RZ100 - State of Florida, 1990
Member Daytona Beach Area Assoc. of Realtors
Member DeLand-West Volusia Board of Realtors
Member New Smyrna Beach Area Assoc. of Realtors
Member National Board of Realtors

Heffington & Associates, January 1, 1982 to Present
Heffington-Heyman Appraisal Services, Partner, April 1, 1978 to December 31, 1981
Security First Federal Savings and Loan Association
  Vice President, Appraisal Supervisor, 1973-1978
Florida Department of Transportation, DeLand, Florida
  Appraiser II, 1972-1973

EDUCATION:

B.S. Degree Animal Science and Agricultural Economics, University of Kentucky, 1966

American Institute of Real Estate Appraisers Courses
  Course 1A: Basic Appraisal Principles, Methods and Techniques
  Course 1B: Capitalization Theory and Techniques
  Course II: Urban Properties
  Course VI: Investment Analysis
  Standards of Professional Practice, Parts A & B, 1992
  Numerous continuing courses and seminars

Society of Real Estate Appraisers Courses
  Course 101: Appraisal Principles and Practices

COURT QUALIFICATIONS:

Qualified as expert witness for Real Estate Valuation

APPRAISAL EXPERIENCE:

Single Family Residences
Multifamily Apartments
Commercial Buildings
Medical Offices
Right-of-Way Acquisitions
Shopping Centers
Acreage
Industrial Land & Buildings
Project Development
Counseling

PARTIAL LIST OF CLIENTS:

Florida Department of Transportation
Volusia County
Small Business Administration
BB&T Bank
Mainstreet Community Bank
Floridian Bank
City of Daytona Beach
City of DeLand
Local Lending Institutions