

RESOLUTION NO. 18 -

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FORT LAUDERDALE, FLORIDA, AUTHORIZING THE ISSUANCE AND SALE OF WATER AND SEWER REVENUE BONDS, SERIES 2018, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$200,000,000 FOR THE PURPOSE OF (i) PAYING A PORTION OF THE COST OF IMPROVEMENTS TO THE CITY'S WATER AND SEWER SYSTEM, INCLUDING, WITHOUT LIMITATION, REIMBURSEMENT TO THE CITY FOR COSTS OF SUCH IMPROVEMENTS ADVANCED BY THE CITY FROM ITS INTERNAL FUNDS, AND (ii) PAYING THE COST OF ISSUANCE OF THE SERIES 2018 BONDS; FIXING THE FORM AND DENOMINATIONS OF SAID SERIES 2018 BONDS AND PROVIDING FOR THE FIXING OF THE PRINCIPAL AMOUNTS, DATES, RATES OF INTEREST, MATURITY DATES AND REDEMPTION PROVISIONS OF SAID SERIES 2018 BONDS BY THE CITY MANAGER WITHIN THE PARAMETERS SET FORTH HEREIN; AUTHORIZING THE EXECUTION AND DIRECTING THE AUTHENTICATION AND DELIVERY OF SAID SERIES 2018 BONDS; AUTHORIZING THE PUBLIC SALE BY COMPETITIVE BID OF SUCH SERIES 2018 BONDS; APPROVING THE FORM OF OFFICIAL NOTICE OF BOND SALE; AUTHORIZING THE CITY MANAGER TO AWARD THE SERIES 2018 BONDS WITHIN THE PARAMETERS SET FORTH HEREIN; AUTHORIZING THE USE OF A PRELIMINARY OFFICIAL STATEMENT AND THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT WITH RESPECT TO SAID SERIES 2018 BONDS; APPROVING UNCERTIFICATED, BOOK-ENTRY ONLY REGISTRATION OF SAID SERIES 2018 BONDS WITH THE DEPOSITORY TRUST COMPANY; PROVIDING FOR THE APPLICATION OF THE PROCEEDS OF SAID SERIES 2018 BONDS; APPOINTING A PAYING AGENT AND BOND REGISTRAR FOR THE SERIES 2018 BONDS; APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF A PAYING AGENT AND BOND REGISTRAR AGREEMENT; COVENANTING TO PROVIDE CONTINUING DISCLOSURE IN CONNECTION WITH SUCH SERIES 2018 BONDS IN ACCORDANCE WITH RULE 15c2-12 AND AUTHORIZING THE EXECUTION AND DELIVERY OF A

CONTINUING DISCLOSURE COMMITMENT WITH RESPECT
THERE TO; AUTHORIZING OTHER REQUIRED ACTIONS;
AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on February 18, 2003, the City Commission (the "City Commission") of the City of Fort Lauderdale, Florida (the "City") adopted Resolution No. 03-29 (the "Bond Resolution"), providing for the issuance of its Water and Sewer Revenue Bonds, in one or more series; and

WHEREAS, the City has determined to issue its Water and Sewer Revenue Bonds, Series 2018, in the aggregate principal amount of not exceeding \$200,000,000 (the "Series 2018 Bonds"), in order to provide funds, together with other available moneys, to (i) pay a portion of the Cost of the Improvements described in Exhibit "A" hereto (the "Series 2018 Project"), including, without limitation, reimbursement to the City for costs of the Series 2018 Project advanced by the City from its internal funds, and (ii) pay the costs of issuance relating to the Series 2018 Bonds; and

WHEREAS, the Bond Resolution provides that certain details of the Series 2018 Bonds issued under the Bond Resolution and certain other matters relating to said Series 2018 Bonds shall be determined in a Series Resolution; and

WHEREAS, the City now desires to (i) provide for the issuance of the Series 2018 Bonds and the fixing of the terms, provisions and other matters relating to the Series 2018 Bonds within the parameters set forth herein, (ii) provide for the public sale by competitive bid of the Series 2018 Bonds and the form of the Official Notice of Bond Sale, (iii) authorize the use and distribution of a Preliminary Official Statement relating to the Series 2018 Bonds and the execution and delivery of an Official Statement (as such terms are defined herein), (iv) provide for the execution and delivery of a Paying Agent and Bond Registrar Agreement and a Continuing Disclosure Commitment, as described herein, and (v) the taking of such other actions as may be required in connection with the issuance and delivery of the Series 2018 Bonds;

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

SECTION 1. Authority for this Resolution. This resolution is adopted pursuant to the provisions of the Act and the Bond Resolution. This resolution constitutes a "Series Resolution" with respect to the Series 2018 Bonds, as contemplated by the Bond Resolution.

SECTION 2. Definitions. Capitalized terms used herein without definition shall have the meanings ascribed thereto in the Bond Resolution, unless otherwise provided or unless the context otherwise clearly requires. Any reference in this resolution to the Mayor shall mean either the Mayor or the Vice Mayor of the City. Any reference in this resolution to the City Manager shall mean either the City Manager or an Assistant City Manager designated by the City Manager. Any reference in this resolution to the City Clerk shall mean either the City Clerk or an Assistant City Clerk designated by the City Clerk. Any reference in this resolution to the Finance Director shall mean either the Director of Finance or the Deputy Director of Finance of the City. Any reference in this resolution to the City Attorney shall mean either the City Attorney of the City or an Assistant City Attorney designated by the City Attorney. For purposes of the Series 2018 Bonds, the terms "Bond Counsel" means Greenberg, Traurig, P.A.; "Disclosure Counsel" means the Law Offices of Steve E. Bullock, P.A.; and "Financial Advisor" means Hilltop Securities, Inc.

SECTION 3. Authorization of Series 2018 Bonds; Terms and Provisions applicable to Series 2018 Bonds.

There is hereby authorized a series of revenue bonds of the City designated "City of Fort Lauderdale, Florida Water and Sewer Revenue Bonds, Series 2018" to be issued under and pursuant to Section 209 of the Bond Resolution. The aggregate principal amount of the Series 2018 Bonds shall not exceed Two Hundred Million Dollars (\$200,000,000), with the exact aggregate principal amount of said Series 2018 Bonds to be determined by the City Manager prior to the awarding of the Series 2018 Bonds to the successful bidder. The Series 2018 Bonds shall be issued for the purpose of providing funds, together with other available moneys, to (i) pay a portion of the Cost of the Series 2018 Project, including, without limitation, reimbursement to the City for costs of the Series 2018 Project advanced by the City from its internal funds, and (ii) pay the cost of issuance relating to the Series 2018 Bonds.

SECTION 4. Sale and Award of Series 2018 Bonds; Terms; Redemption and form of Series 2018 Bonds.

(a) The City Manager is hereby authorized and directed to provide for the public sale of the Series 2018 Bonds by competitive bid in the manner provided in Section 218.385, Florida

Statutes, at an aggregate purchase price as approved by the City Manager of not less than ninety-eight percent (98%) of the original principal amount of the Series 2018 Bonds (including underwriter's discount, but not including original issue discount or original issue premium) and at a true interest cost rate ("TIC"), as approved by the City Manager, but not to exceed five percent (5.00%) (The "Maximum TIC"). Without limiting the generality of the foregoing, such public sale may be conducted by an internet bidding process through Bidcomp/Parity Competitive Bidding System or other similar website. The City Manager is hereby authorized to determine the most advantageous date and time of sale and to publish the Official Notice of Bond Sale, or a summary thereof, in one or more newspapers of general circulation or financial journals published within or without the State of Florida, as he shall deem appropriate, such publication to be not less than ten (10) days prior to the date of sale; and if all bids received are rejected, such Series 2018 Bonds may again be offered for sale. The Official Notice of Bond Sale shall be in substantially the form thereof attached hereto as Exhibit "B," and the Official Bid Form shall be in the form provided by Bidcomp/Parity Competitive Bidding or other internet bidding service, with such deletions, changes, revisions or modifications as may be approved by the City Manager, including, without limitation, such changes as may be required to provide for public sale by competitive bids through an internet bidding process. The City Manager is further authorized to award the Series 2018 Bonds to the bidder(s) naming the lowest TIC (but not in excess of the Maximum TIC) in the Official Bid Form and who otherwise meets and satisfies the terms and conditions of the Official Notice of Bond Sale.

(b) The Series 2018 Bonds are being issued under the provisions of Section 209 of the Bond Resolution. The Series 2018 Bonds are issuable only in fully registered form and shall be in substantially the form thereof provided for in Section 203 of the Bond Resolution, with such appropriate variations, omissions and insertions as may be required therein and approved by the City Manager, upon consultation with Bond Counsel, with the Mayor's and the City Manager's execution of the Series 2018 Bonds being conclusive evidence of the City Manager's and the City Commission's approval of such variations, omissions and insertions. The Series 2018 Bonds shall be issued in denominations of \$5,000 or any multiple thereof. The Series 2018 Bonds shall be dated such date as the City Manager shall determine, and shall bear interest from their dated date as set forth in the Bond Resolution. Interest on the Series 2018 Bonds shall be payable semiannually on March 1 and September 1 of each year, commencing on September 1, 2018. The Series 2018 Bonds shall be numbered consecutively from R-1 and upwards. The Series 2018 Bonds shall mature semiannually on March 1 and September 1, subject to prior redemption, in such years as shall be determined by the City Manager, provided that the final maturity date shall be not later than September 1, 2048. Subject to the foregoing, the aggregate principal amount, maturities, interest rates and other terms of the Series 2018 Bonds and the determination of the successful bidder(s) shall be as approved and determined by the City Manager and set forth in a certificate of the City Manager delivered on or prior to the

date of issuance of the Series 2018 Bonds (the "Details Certificate of the City Manager"). The execution and delivery of the Details Certificate of the City Manager shall be conclusive evidence of the City Manager's and the City Commission's approval of the final details and prices of the Series 2018 Bonds.

The Series 2018 Bonds shall be initially issued as uncertificated, book-entry only bonds through the book-entry only system maintained by The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2018 Bonds.

(c) Optional Redemption. The Series 2018 Bonds are subject to redemption prior to maturity at the option of the City, in whole or in part at any time at such times, and at the redemption prices, as approved and determined by the City Manager, as set forth in the Details Certificate of the City Manager; provided, however, that the first optional redemption date shall not be later than ten (10) years after the date of issuance of the Series 2018 Bonds and the redemption price of the Series 2018 Bonds shall not exceed one hundred percent (100%) of the principal amount of the Series 2018 Bonds to be redeemed. The execution and delivery of the Series 2018 Bonds by the Mayor and the City Manager shall be conclusive evidence of the City Manager's and the City Commission's approval of the optional redemption provisions relating to the Series 2018 Bonds.

(d) Mandatory Sinking Fund Redemption. The Series 2018 Bonds consisting of Term Bonds, if any, shall be subject to mandatory redemption prior to maturity to the extent of the Amortization Requirements therefor at the principal amount of such Series 2018 Bonds to be redeemed, plus accrued interest to the date fixed for redemption, but without premium, on each March 1 and September 1 for which there is an Amortization Requirement due on such Series 2018 Bonds. The Amortization Requirements for the Series 2018 Bonds consisting of Term Bonds shall be as approved and determined by the City Manager, as set forth in the Details Certificate of the City Manager. The execution and delivery of the Series 2018 Bonds by the Mayor and the City Manager shall be conclusive evidence of the City Manager's and the City Commission's approval of the mandatory sinking fund redemption provisions relating to the Series 2018 Bonds.

(e) Construction Subaccount and Cost of Issuance Subaccount. A special subaccount within the Construction Account is hereby created and designated "Series 2018 Water and Sewer Project Construction Subaccount" in which shall be deposited the amount specified in a certificate of the Finance Director delivered on the date of closing of the Series 2018 Bonds to pay the Costs of the Series 2018 Project that are to be paid from the proceeds of the Series 2018 Bonds, including, without limitation, reimbursement to the City for costs of the

Series 2018 Project advanced by the City from its internal funds. A second special subaccount within the Construction Account is hereby created and designated "Series 2018 Cost of Issuance Subaccount" in which shall be deposited the amount specified in a certificate of the Finance Director delivered on the date of closing of the Series 2018 Bonds to pay expenses relating to the issuance of the Series 2018 Bonds.

(f) Establishment of Reserve Account Requirement for Series 2018 Bonds. The Reserve Account Requirement for the Series 2018 Bonds (the "2018 Reserve Account Requirement") is hereby established for the Series 2018 Bonds in the amount of zero dollars (\$0.00). The Series 2018 Bonds shall not be secured by the Reserve Account or any subaccount therein.

SECTION 5. Authorization of Execution, Authentication and Delivery of Series 2018 Bonds. The Mayor and the City Manager are hereby authorized and directed to cause the Series 2018 Bonds to be signed with their manual or facsimile signatures and the City Clerk is hereby authorized and directed to attest to the execution of the Series 2018 Bonds by the Mayor and the City Manager with his manual or facsimile signature and is hereby directed and authorized to cause the official seal of the City or a facsimile thereof to be imprinted on each of the Series 2018 Bonds, and the Series 2018 Bonds shall thereupon be delivered to the Bond Registrar for authentication. The Bond Registrar is hereby authorized and directed to authenticate and deliver the Series 2018 Bonds at one time to or upon the order of the successful bidder(s) upon payment therefor.

SECTION 6. Preliminary Official Statement; Official Statement. The form, terms and provisions of the Official Statement relating to the Series 2018 Bonds shall be substantially as set forth in the Preliminary Official Statement relating to the Series 2018 Bonds in the form approved at this meeting and attached hereto as Exhibit "C." The use and distribution of the Preliminary Official Statement in connection with the sale of the Series 2018 Bonds is hereby approved. The Finance Director is hereby authorized and directed to execute and deliver to the successful bidder(s) in connection with the actual Preliminary Official Statement issued and distributed in connection with the sale of the Series 2018 Bonds a certificate deeming said Preliminary Official Statement "Final" for purposes of subsection (b)(1) of Securities and Exchange Commission Rule 15c2-12 (the "Rule"). The Mayor, the City Manager and the Finance Director are hereby authorized and directed to execute and deliver the Official Statement in the name and on behalf of the City, and thereupon to cause said Official Statement to be delivered to the successful bidder(s) within seven business days of the award of the Series 2018 Bonds, with such variations, omissions and insertions as may be approved by the Mayor, City Manager and Finance Director. Said Official Statement, including any such variations,

omissions and insertions as approved by the Mayor, City Manager and Finance Director and the information contained therein are hereby authorized to be used in connection with the sale of the Series 2018 Bonds to the public. Execution by the Mayor, City Manager and Finance Director of the Official Statement shall be deemed to be conclusive evidence of their approval and the City Commission's approval of any variations, omissions and insertions in the Official Statement.

SECTION 7. System of Uncertificated Registration. There is hereby established a system of registration with respect to the Series 2018 Bonds as permitted by Chapter 279, Florida Statutes, pursuant to which both certificated and uncertificated registered Series 2018 Bonds are issued. The system shall be as described in the Official Statement. The City reserves the right to amend, discontinue or reinstitute this system from time to time subject to the covenants with the beneficial owners of the Series 2018 Bonds.

Neither the City nor the Paying Agent (as specified in Section 10 hereof) shall be liable for the failure of the depository of the Series 2018 Bonds to perform its obligations as described in the Official Statement, nor for the failure of any participant in the system maintained by the depository to perform any obligation the participant may have or incur to a beneficial owner of any Series 2018 Bonds.

SECTION 8. Application of Bond Proceeds and other available Moneys. The proceeds of the Series 2018 Bonds shall be applied for the purposes described in Section 3 hereof and in a manner consistent with the Estimated Sources and Uses of Funds section of the Official Statement. The specific amounts to be deposited in the funds and accounts established by the Bond Resolution shall be set forth in a certificate to be delivered by the Finance Director simultaneously with the delivery of the Series 2018 Bonds.

Since the 2018 Reserve Account Requirement has been established at zero dollars (\$0.00), no proceeds of the Series 2018 Bonds or any other moneys of the City shall be deposited in or to the credit of the Reserve Account in connection with the issuance of the Series 2018 Bonds or at any other time while the Series 2018 Bonds remain outstanding.

SECTION 9. Interest Payment by Wire Transfer. If the DTC system of book-entry only registration for the Series 2018 Bonds is discontinued, any registered owner of at least \$1,000,000 in principal amount of the Series 2018 Bonds shall be entitled, upon giving appropriate notice, to receive periodic payments of interest on such registered owner's Series 2018 Bonds by wire transfer to a bank located within the continental United States.

SECTION 10. Appointment of Paying Agent and Bond Registrar.

(a) The City hereby designates and appoints Regions Bank as the initial paying agent for the Series 2018 Bonds (the "Paying Agent") and the initial Bond Registrar for the Series 2018 Bonds.

(b) The City hereby approves the execution and delivery of a Paying Agent and Bond Registrar Agreement with the Paying Agent in substantially the form thereof attached hereto as Exhibit "D," with such variations, omissions and insertions therein as may be approved by the City Manager, upon consultation with Bond Counsel. The Paying Agent and Bond Registrar Agreement shall be executed by the Mayor and attested by the City Clerk and the City Clerk shall also affix the official seal of the City thereto. The execution and delivery of the Paying Agent and Bond Registrar Agreement by the Mayor shall be deemed to be conclusive evidence of the City Manager's and the City Commission's approval of any variations, omissions and insertions to the form of the Paying Agent and Bond Registrar Agreement attached hereto as Exhibit "D."

SECTION 11. Continuing Disclosure. For the benefit of the holders and beneficial owners from time to time of the Series 2018 Bonds, the City agrees, in accordance with and as the only obligated person with respect to the Series 2018 Bonds under the Rule, to provide or cause to be provided such financial information and operating data, financial statements and notices, in such manner, as may be required for purposes of paragraph (b)(5) of the Rule. In order to describe and specify certain terms of the City's continuing disclosure agreement, including provisions for enforcement, amendment and termination, the Finance Director is hereby authorized and directed to sign and deliver, in the name and on behalf of the City, a Continuing Disclosure Commitment (the "Continuing Disclosure Commitment"), in substantially the form attached hereto as Exhibit "E," with such changes, insertions and omissions and such filling in of blanks therein as may be approved by the Finance Director. The execution of the Continuing Disclosure Commitment, for and on behalf of the City by the Finance Director, shall be deemed conclusive evidence of the Finance Director's and the City Commission's approval of the Continuing Disclosure Commitment. The agreement formed by this paragraph and the Continuing Disclosure Commitment shall be the City's continuing disclosure agreement for purposes of the Rule, and its performance shall be subject to the availability of funds to meet costs the City would be required to incur to perform it. Notwithstanding any other provisions of this Series Resolution or the Bond Resolution, any failure by the City to comply with any provisions of the Continuing Disclosure Commitment or this Section 11 shall not constitute a

default under the Bond Resolution and the remedies therefor shall be solely as provided in the Continuing Disclosure Commitment.

The Finance Director is further authorized and directed to establish, or cause to be established, procedures in order to ensure compliance by the City with the Continuing Disclosure Commitment, including the timely provision of information and notices. Prior to making any filing in accordance with such agreement, the Finance Director shall consult with the City Attorney, Bond Counsel and/or Disclosure Counsel, as the Finance Director deems appropriate. The Finance Director, acting in the name and on behalf of the City, shall be entitled to rely upon any legal advice provided by the City Attorney, Bond Counsel and/or Disclosure Counsel in determining whether a filing should be made.

The City Commission hereby authorizes and approves the appointment of Digital Assurance Certification, Inc. ("DAC"), as dissemination agent under the Continuing Disclosure Commitment, if the Finance Director determines it is in the best interests of the City to have DAC serve in such capacity, and the City Commission hereby further authorizes and approves the execution and delivery by the Finance Director, in consultation with the City Attorney, Bond Counsel and/or Disclosure Counsel, of any agreement necessary with respect to such appointment.

SECTION 12. General Authority. The members of the City Commission, the City Manager, the Finance Director, the City Attorney, the City Clerk and the officers, attorneys and other agents or employees of the City are hereby authorized to do all acts and things required of them by this resolution, the Bond Resolution, the Official Statement, the Official Notice of Bond Sale, the Paying Agent and Bond Registrar Agreement or the Continuing Disclosure Commitment or desirable or consistent with the requirements of this resolution, the Bond Resolution, the Official Statement, the Official Notice of Bond Sale, the Paying Agent and Bond Registrar Agreement or the Continuing Disclosure Commitment for the full, punctual and complete performance of all the terms, covenants and agreements contained herein or therein, and each member, employee, attorney and officer of the City Commission, the City Manager, the Finance Director, the City Attorney and the City Clerk is hereby authorized and directed to execute and deliver any and all papers and instruments and to do and to cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereunder.

SECTION 13. Headings for Convenience Only. The headings preceding the texts of the several sections and subsections hereof shall be solely for convenience of reference and shall not constitute a part of this resolution, nor shall they affect its meaning, construction or effect.

SECTION 14. Severability of 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, 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 or provisions and shall in no way affect the validity of any of the other provisions hereof.

SECTION 15. Effective Date. This resolution shall take effect immediately upon its adoption.

ADOPTED this the _____ day of _____, 2018.

Mayor
JOHN P. "JACK" SEILER

ATTEST:

City Clerk
JEFFREY A. MODARELLI

EXHIBIT “A”

SERIES 2018 PROJECT

The Series 2018 Project consists of the capital improvements to the City’s Water and Sewer System described in Table 5-4 of the Series 2018 Water and Sewer Revenue Bonds Feasibility Report (the “Report”) prepared by CH2M Hill, Inc., Hazen and Sawyer, P.C. and Stantec, Inc. (or any replacement table of capital improvements for such Table 5-4 included in the Report). The capital improvements comprising the Series 2018 Project have been identified as critical projects within the City’s FY2018 – FY2022 Community Investment Plan (the “Community Investment Plan”), the City’s 2017 Comprehensive Utilities Strategic Master Plan (the “CUSMP”) and the Florida Department of Environmental Protection Consent Order dated September 29, 2017.

In its discretion, the City may add as part of the Series 2018 Project one or more different projects that are included in the Community Investment Plan, the CUSMP or the FDEP Consent Order in substitution for one or more of the projects described in Table 5-4 of the Report or altogether remove a project listed in Table 5-4 of the Report as part of the Series 2018 Project without substituting another project therefor, provided that any project added to the Series 2018 Project is eligible to be financed under the Bond Resolution with proceeds of tax-exempt bonds.

EXHIBIT “B”

OFFICIAL NOTICE OF BOND SALE

OFFICIAL NOTICE OF BOND SALE
\$200,000,000*
CITY OF FORT LAUDERDALE, FLORIDA
WATER AND SEWER REVENUE
BONDS, SERIES 2018

NOTICE IS HEREBY GIVEN that electronic bids will be received via Parity[®]/BiDCOMP Competitive Bidding System in the manner, on the date and up to the time specified below:

BID DATE: February 6, 2018*

TIME: 11:00 a.m. Eastern Standard Time*

ELECTRONIC BIDS: Must be submitted only through Parity[®]/BiDCOMP Competitive Bidding System (“*PARITY*”) as described below. No other form of bid or provider of electronic bidding services will be accepted.

GENERAL

Bids will be considered by the City of Fort Lauderdale, Florida (the “City”) for the purchase of all, but not less than all, of its \$200,000,000* City of Fort Lauderdale, Florida Water and Sewer Revenue Bonds, Series 2018 (the “Series 2018 Bonds”). Bids must be submitted electronically via *PARITY*[®] in accordance with this Official Notice of Bond Sale, until 11:00 a.m., Eastern Standard Time, on the Bid Date; no bid will be accepted after such time on the Bid Date. Such bids will be opened in public, at the office of the Director of Finance of the City, in accordance with applicable legal requirements.

The Series 2018 Bonds are more particularly described in the Preliminary Official Statement dated January __, 2018 relating to the Series 2018 Bonds (the “Preliminary Official Statement”), available at www.munios.com. This Official Notice of Bond Sale contains certain information for quick reference only. It is not, and is not intended to be, a summary of the Series 2018 Bonds. Each bidder is required to read the entire Preliminary Official Statement to obtain information essential to making an informed investment decision. Capitalized terms used but not defined herein shall have the meaning assigned to such terms in the Preliminary Official Statement.

Prior to accepting bids, the City reserves the right to change the principal amount of the Series 2018 Bonds being offered and the terms of the Series 2018 Bonds, to postpone the sale to a later date or time or cancel the sale. Notice of a change or cancellation will be announced via *The Bond Buyer* news service at the internet website address www.tm3.com, not later than 12:00 noon, Eastern Standard Time, on the day preceding the bid opening or as soon as practicable prior to the sale. Such notice will specify the revised principal amount or terms, if

* Preliminary, subject to change.

any, and any later date or time selected for the sale, which may be postponed or cancelled in the same manner. If the sale is postponed and a later date or time for the sale is not included in the notice of postponement, a later public sale may be held at the hour, in the manner, and on such date as communicated upon at least twenty-four (24) hours' notice via *The Bond Buyer* news service at the internet website address www.tm3.com. The City reserves the right, after the bids are opened, to adjust the principal amount of the Series 2018 Bonds, as further described herein. See "ADJUSTMENT OF AMOUNTS AND MATURITIES" herein.

To the extent any instructions or directions set forth in *PARITY*[®] conflict with this Official Notice of Bond Sale, the terms of this Official Notice of Bond Sale shall control. For further information about *PARITY*[®] and to subscribe in advance of the bid, potential bidders may contact *PARITY*[®] at (212) 849-5021.

Disclaimer

Each prospective electronic bidder must be a subscriber to *PARITY*[®]. Each qualified prospective electronic bidder shall be solely responsible to make necessary arrangements to view the bid form on *PARITY*[®] and to access *PARITY*[®] for the purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Bond Sale. Neither the City nor *PARITY*[®] shall have any duty or obligation to provide or assure access to *PARITY*[®] to any prospective bidder, and neither the City nor *PARITY*[®] shall be responsible for a bidder's failure to register 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 2018 Bonds. The City is not bound by any advice or determination of *PARITY*[®] to the effect that any particular bid complies with the terms of this Official Notice of Bond Sale and, in particular, the bid specifications hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via *PARITY*[®] are the sole responsibility of such bidders and the City shall not be responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying or withdrawing a bid for the Series 2018 Bonds, the prospective bidder should immediately telephone *PARITY*[®] at 212-849-5021, notify the City's Financial Advisor, Hilltop Securities, Inc., by facsimile at 407-426-7835 and notify the City's Director of Finance, Kirk W. Buffington, by facsimile at 954-828-5168. The City shall have no responsibility for technological or transmission errors that any bidder may experience in transmitting a bid. The use of *PARITY*[®] shall be at the bidder's risk and expense, and the City shall have no liability with respect thereto.

THE SERIES 2018 BONDS - GENERAL

The Series 2018 Bonds shall be issued only as fully registered bonds without coupons in the denominations of \$5,000 or any integral multiple thereof, shall be dated their date of delivery, and shall bear interest as set forth in this Official Notice of Bond Sale and in the Preliminary Official Statement, payable semi-annually on March 1 and September 1 of each year until paid, commencing on September 1, 2018.

The Series 2018 Bonds will be initially issued by means of a book-entry system with no physical distribution of bond certificates made to the public. One bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York (“DTC”) and immobilized in its custody. The book-entry system will evidence ownership interests in the Series 2018 Bonds in the principal amount of \$5,000 or any integral multiple thereof, with transfers of ownership interests effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. The successful bidder, as a condition to delivery of the Series 2018 Bonds, shall be required to deposit the certificates with DTC, registered in the name of Cede & Co., its nominee. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Series 2018 Bonds by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The City will not be responsible or liable for such transfers of payments or for maintaining, supervising, or reviewing the records maintained by DTC, its participants or persons acting through such participants.

Principal of the Series 2018 Bonds will be payable upon presentation and surrender thereof at the designated corporate office of the Paying Agent on the dates, in the years and amounts established in accordance with the award of the Series 2018 Bonds. Interest on the Series 2018 Bonds is payable on the dates shown in the Summary Table set forth herein (the “Summary Table”). The Paying Agent will mail interest payments on the Series 2018 Bonds on each interest payment date to the registered owners of the Series 2018 Bonds, as described in the Bond Resolution (as defined herein). So long as DTC or its nominee is the registered owner of the Series 2018 Bonds, payments of principal and interest on the Series 2018 Bonds will be made to DTC or its nominee.

In the event that (a) DTC determines not to continue to act as securities depository for the Series 2018 Bonds or (b) the City determines that it should not continue the book-entry system of evidence and transfer of ownership of the Series 2018 Bonds, the City will discontinue the book-entry system with DTC. If the City fails to identify another qualified securities depository to replace DTC, the City will deliver replacement Series 2018 Bonds in the form of fully registered certificates.

Paying Agent and Bond Registrar

Regions Bank is acting as Paying Agent and Bond Registrar for the Series 2018 Bonds.

Security

The Series 2018 Bonds will be secured by a lien on and pledge of the Net Revenues of the City’s Water and Sewer System, as described in the Preliminary Official Statement.

Authority for and Purpose of the Series 2018 Bonds

The Series 2018 Bonds are being issued pursuant to and under the authority of Chapter 166, Part II, Florida Statutes, and other applicable provisions of law, and Resolution No. 03-29 adopted by the City Commission of the City on February 18, 2003, as supplemented by Resolution No. 18-__ adopted by the City Commission of the City on January 23, 2018

(collectively, the “Bond Resolution”), for the purpose of providing funds, together with other legally available moneys, to (i) pay a portion of the cost of improvements to the City’s Water and Sewer System (the “Series 2018 Project”), including, without limitation, reimbursement to the City for costs of the Series 2018 Project advanced by the City from its internal funds and (ii) pay the costs of issuance of the Series 2018 Bonds.

BIDDER’S SPECIAL OPTION-TERM BONDS

Bidders on the Series 2018 Bonds have the option of specifying that the principal amount of Series 2018 Bonds in any two or more consecutive maturity dates, as provided in the Summary Table, may, in lieu of maturing on each such maturity date, be considered as a single maturity of Series 2018 Bonds (the “Term Bonds”) scheduled to mature in the latest of such maturity dates, and be subject to mandatory sinking fund redemption by lot at par in the manner described in the Preliminary Official Statement on each of the maturity dates, and in the principal amounts as given in the maturity schedule provided in the Summary Table, as the same may be modified by the City. Bidders may specify up to ____ (__) such Term Bonds.

REDEMPTION PROVISIONS

Optional Redemption

The Series 2018 Bonds maturing on or prior to September 1, ____ are not subject to redemption prior to maturity. The Series 2018 Bonds maturing on or after March 1, ____ are subject to redemption at the option of the City prior to their respective dates of maturity on and after September 1, ____, in whole or in part at any time, in any order of maturity selected by the City and by lot within a maturity, at a redemption price equal to 100% of the principal amount of the Series 2018 Bonds to be redeemed, together with accrued interest to the date fixed for redemption.

Mandatory Redemption

Any Term Bonds specified pursuant to “Bidders’ Special Option - Term Bonds” shall also be redeemable by operation of the amortization requirements to be deposited in the Principal and Interest Account established under the Bond Resolution, by lot at par in the amounts and in the years specified in the maturity schedule for the Series 2018 Bonds.

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Summary Table

If numerical or date references contained in the body of the Official Notice of Bond Sale conflict with the Summary Table, the body of the Official Notice of Bond Sale shall control. Consult the body of the Official Notice of Bond Sale for a detailed explanation of the items contained in the Summary Table, including interpretation of such items and methodologies used to determine such items. Prospective purchasers of the Series 2018 Bonds must read the entire Official Notice of Bond Sale and the entire Preliminary Official Statement.

Terms of the Series 2018 Bonds

Dated Date:	Date of Delivery
Anticipated Delivery Date:	February 20, 2018*
Interest Payment Dates:	March 1 and September 1, commencing September 1, 2018
Principal Payment Dates:	March 1 and September 1, commencing September 1, 2037

<u>Maturity Date</u>	<u>Principal Amount*</u>
09/01/2037**	
03/01/2038**	
09/01/2038**	
03/01/2039**	
09/01/2039**	
03/01/2040**	
09/01/2040**	
03/01/2041**	
09/01/2041**	
03/01/2042**	
09/01/2042**	
03/01/2043**	
09/01/2043**	
03/01/2044**	
09/01/2044**	
03/01/2045**	
09/01/2045**	
03/01/2046**	
09/01/2046**	
03/01/2047**	
09/01/2047**	
03/01/2048**	
09/01/2048**	

Interest Calculation:	360-day year consisting of twelve 30-day months
Ratings:	Moody's “ ” (underlying) and S&P “ ” (underlying)

* Preliminary, subject to change. Amounts may be increased or decreased by the City after submission of bids as described herein under “ADJUSTMENT OF AMOUNTS AND MATURITIES.”

** May be combined into up to ____ term bonds. See “BIDDERS’ SPECIAL OPTION-TERM BONDS” herein.

Bidding Parameters

Principal Amount	\$200,000,000*
Sale Date:	February 6, 2018*
Bidding Method:	PARITY [®]
All or none vs. Maturity-by-Maturity:	All-or-none
Bid Award Method:	Lowest true interest cost, but not exceeding 5.00%
Bid Confirmation:	Fax signed Official Confirmation of Bid Form
Bid Award:	As soon as practicable on day of sale
Good Faith Deposit:	\$2,000,000*, wire transfer or cashier's or certified check required by 11:00 a.m. the day after the bid
Coupon Multiples:	1/8 or 1/20 of 1%
Maximum/Minimum Coupon:	No more than 300 basis points between minimum and maximum coupons.
Optional Redemption:	Yes, at par on or after September 1, ____
Term Bonds:	At bidder's option. See "Bidder's Special Option-Term Bonds" herein.
Maximum Re-offering Price:	Maturity – ____%; Aggregate – ____%
Minimum Re-offering Price:	Maturity – ____%; Aggregate – ____%
Ascending Coupon Requirement:	None
Insurance	None

Adjustment Parameters

Principal Increases:	Maturity	Unlimited
Principal Reductions:	Maturity	Unlimited

* Preliminary, subject to change.

ADJUSTMENT OF AMOUNTS AND MATURITIES

The aggregate principal amount of each maturity of Series 2018 Bonds is subject to adjustment by the City after the receipt and opening of the bids for their purchase. Changes to be made after the opening of the bids will be communicated to the successful bidder directly prior to 10:00 a.m., Eastern Standard Time on the date following the sale date.

The City may cancel the sale of the Series 2018 Bonds or adjust the principal amounts of the maturities. The City may increase or decrease the principal amount of any maturity of the Series 2018 Bonds as shown in the Summary Table provided that the aggregate principal amount of Series 2018 Bonds issued does not exceed \$200,000,000. The City will consult with the successful bidder before adjusting the amount of any maturity of the Series 2018 Bonds; however, the City reserves the sole right to make adjustments, within the limits described above, or cancel the sale of all of the Series 2018 Bonds.

Adjustment to the maturities of the Series 2018 Bonds within the limits described above does not relieve the purchaser from its obligation to purchase all of the Series 2018 Bonds offered by the City.

Each bid must specify the initial reoffering prices to the public of each maturity of Series 2018 Bonds. Adjustments may be made by the City to the principal amounts based on the reoffering prices shown on *PARITY*®. In determining whether there will be any revision to the principal amount of the maturities of the Series 2018 Bonds subsequent to the bid opening and award, the City expects that changes may be made that are necessary to increase or decrease the principal amount of the Series 2018 Bonds to meet the City's funding objectives, all subject to the limitations set forth above.

In the event that the principal amount of any maturity of the Series 2018 Bonds is revised after the award, the interest rate and reoffering price for each maturity and the Underwriter's Discount on the Series 2018 Bonds as submitted by the successful bidder shall be held constant. The "Underwriter's Discount" shall be defined as the difference between the purchase price of the Series 2018 Bonds submitted by the bidder and the price at which the Series 2018 Bonds will be issued to the public, calculated from information provided by the bidder, divided by the par amount of the Series 2018 Bonds bid.

RATINGS

Moody's Investors Service, Inc. and S&P Global Ratings, a division of S&P Global Inc., have assigned ratings of " " and " " respectively, to the Series 2018 Bonds. The Series 2018 Bonds will not be insured by a municipal bond insurance policy.

OFFICIAL STATEMENT

The Preliminary Official Statement, copies of which may be obtained as described below, is in a form "deemed final" by the City for purposes of clause (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12") but is subject to revision, amendment and completion in a final Official Statement in accordance with Rule 15c2-12. Upon the sale of the Series 2018 Bonds, the City will prepare a final Official Statement dated the date of the sale in substantially the same form as the Preliminary Official Statement (the "Final Official Statement"). Up to 200 copies of the Final Official Statement will be provided, at the City's expense, on a timely basis in such quantities as may be necessary for the successful bidder's regulatory compliance. The successful bidder will be furnished, without cost, the opinion of the Law Offices of Steve E. Bullock, P.A., Disclosure Counsel to the City ("Disclosure Counsel"), to the effect that, based solely on the participation of Disclosure Counsel in the preparation of the Final Official Statement and the examination of certain information by Disclosure Counsel, as described in such opinion, and excluding any financial, statistical or demographic data and information contained in the Final Official Statement, nothing has come to the attention of Disclosure Counsel which would lead Disclosure Counsel to believe that the Final Official Statement contains an untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading in any material respect.

ELECTRONIC BIDDING PROCEDURES

Only electronic bids submitted via *PARITY*® will be accepted. No other provider of electronic bidding services will be accepted. No bid delivered in person or by facsimile directly

to the City will be accepted. Bidders are permitted to submit bids for the Series 2018 Bonds during the bidding time period, provided they are eligible to bid as described under “GENERAL” above.

Each electronic bid submitted via *PARITY*[®] shall be deemed an irrevocable offer in response to this Official Notice of Bond Sale and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the City. All bids remain firm until an award is made. The successful bidder must confirm the details of such bid by a signed Official Confirmation of Bid Form, the form of which is attached hereto as Exhibit A, delivered by fax to Hilltop Securities, Inc., Financial Advisor to the City at (407) 426-7835 no later than one hour after being notified by the City of being the winning bidder, the original of which must be received by the Financial Advisor to the City on the following business day at 450 South Orange Avenue, Suite 460, Orlando, Florida 32801. Failure to deliver the Official Confirmation of Bid Form does not relieve the bidder of the obligation to purchase the Series 2018 Bonds.

Each bid will be deemed a representation on the part of the submitting bidder that it has an established industry reputation for underwriting new issuances of municipal bonds.

FORM OF BID

Bidders must bid to purchase all maturities of the Series 2018 Bonds. Each bid must specify (1) an annual rate of interest for each maturity, (2) the reoffering price or yield for each maturity and (3) a dollar purchase price for the entire issue of the Series 2018 Bonds. No more than one (1) bid from any bidder will be considered.

A bidder must specify the rate or rates of interest per annum (with no more than one rate of interest per maturity), which the Series 2018 Bonds are to bear, to be expressed in multiples of 1/8 or 1/20 of 1%. Any number of interest rates may be named, but the Series 2018 Bonds of each maturity must bear interest at the same single rate for all bonds of that maturity. Ascending coupon rates are not required.

Each bid for the Series 2018 Bonds must meet the minimum and maximum coupon criteria and minimum and maximum reoffering price criteria shown in the Summary Table on a maturity and aggregate basis.

[Each bidder] [The winning bidder] must specify, [as part of its bid,] [with its submission of the Official Confirmation of Bid Form] the prices or yields at which a substantial amount (i.e., at least 10%) of the Series 2018 Bonds of each maturity will be offered and sold to the public. Reoffering prices presented as a part of the bids will not be used in computing the bidder’s true interest cost. As promptly as reasonably possible after bids are received, the City will notify the successful bidder that it is the apparent winner.

AWARD OF BID

The City expects to award the Series 2018 Bonds to the winning bidder as soon as practicable after the bids are opened on the sale date. Bids may not be withdrawn prior to the award. Unless all bids are rejected, the Series 2018 Bonds will be awarded by the City on the sale date to the bidder whose bid complies with this Official Notice of Bond Sale and results in

the lowest true interest cost (“TIC”) to the City, but not exceeding the Maximum TIC permitted by the Bond Resolution. The lowest TIC will be determined by doubling the semi-annual interest rate, compounded semi-annually, necessary to discount the debt service payments from the payment dates to the dated date of the Series 2018 Bonds and to the aggregate purchase price of the Series 2018 Bonds. If two or more responsible bidders offer to purchase the Series 2018 Bonds at the same lowest TIC, the City will award the Series 2018 Bonds to one of such bidders by lot. Only the final bid submitted by any bidder through *PARITY*® will be considered. The right reserved to the City shall be final and binding upon all bidders with respect to the form and adequacy of any proposal received and as to its conformity to the terms of this Official Notice of Bond Sale.

RIGHT OF REJECTION

The City reserves the right, in its discretion, to reject any and all bids and to waive irregularity or informality in any bid.

DELIVERY AND PAYMENT

It is anticipated that the Series 2018 Bonds in definitive form will be available for delivery on or about the delivery date shown in the Summary Table in New York City at DTC, or such other date and place to be mutually agreed upon by the successful bidder and the City against payment of the purchase price therefor, to be delivered in Federal Reserve funds without cost to the City. The City intends to conduct the closing by telephone.

GOOD FAITH DEPOSIT

If the City selects a winning bid, then the successful bidder is required to submit a “Good Faith Deposit” (the “Deposit”) to the City in the form of a cashier’s or certified check or a wire transfer in the amount of \$2,000,000*. Such Deposit must be submitted to the City no later than 11:00 a.m. Eastern Standard Time on the next business day following the award. If the Deposit is not received by that time, the City reserves the right to withdraw the award to the successful bidder and award the Series 2018 Bonds to the bidder providing the next lowest TIC, but not exceeding the Maximum TIC, subject to the provision of the Deposit as provided herein, or to solicit new bids for the purchase of the Series 2018 Bonds. The Deposit of the successful bidder will be collected and the proceeds thereof retained by the City to be applied in partial payment for the Series 2018 Bonds. No interest will be allowed or paid upon the amount of the Deposit, but in the event the successful bidder shall fail to comply with the terms of the bid, the Deposit will be retained as liquidated damages, without waiving the City’s other rights at law or in equity.

CLOSING DOCUMENTS

The City will furnish to the successful bidder, upon delivery of the Series 2018 Bonds, the following closing documents in a form satisfactory to Greenberg Traurig, P.A., Bond Counsel: (1) signature and no-litigation certificate; (2) tax compliance certificate; (3) certificate regarding information in the Official Statement; (4) continuing disclosure certificate; and (5) seller’s receipt as to payment. A copy of the transcript of the proceedings authorizing the Series 2018 Bonds will be delivered to the successful bidder of the Series 2018 Bonds upon

request. Copies of the form of such closing papers and certificates may be obtained from the City.

ESTABLISHMENT OF ISSUE PRICE (10% or Hold-the Offering-Price Rule May Apply if Competitive Sale Requirements are Not Satisfied)

(a) The winning bidder shall assist the City in establishing the issue price of the Series 2018 Bonds and shall execute and deliver to the City upon issuance of the Series 2018 Bonds ("Closing") an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Series 2018 Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit C, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and Bond Counsel. All actions to be taken by the City under this Notice of Sale to establish the issue price of the Series 2018 Bonds may be taken on behalf of the City by the City's Financial Advisor, Hilltop Securities, Inc., and any notice or report to be provided to the City may be provided to the City's Financial Advisor.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Series 2018 Bonds) will apply to the initial sale of the Series 2018 Bonds (the "competitive sale requirements") because:

- (1) the City shall disseminate this Official Notice of Bond Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Series 2018 Bonds to the bidder who submits a firm offer to purchase the Series 2018 Bonds at the highest price (or lowest interest cost), as set forth in this Official Notice of Bond Sale.

Any bid submitted pursuant to this Official Notice of Bond Sale shall be considered a firm offer for the purchase of the Series 2018 Bonds, as specified in the bid.

(c) In the event that the competitive sale requirements are not satisfied, the City shall so advise the winning bidder. The City may determine to treat (i) the first price at which 10% of a maturity of the Series 2018 Bonds (the "10% test") is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Series 2018 Bonds as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis. The winning bidder shall advise the City if any maturity of the Series 2018 Bonds satisfies the 10% test as of the date and time of the award of the Series 2018 Bonds. The City shall promptly advise the winning bidder, at or before the

time of award of the Series 2018 Bonds, which maturities of the Series 2018 Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that the City determines to apply the hold-the-offering-price rule to any maturity of the Series 2018 Bonds. Bidders should prepare their bids on the assumption that some or all of the maturities of the Series 2018 Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Series 2018 Bonds.

(d) By submitting a bid, the winning bidder shall (i) confirm that it and all other underwriters that are participating in the winning bidder's bid have offered or will offer the Series 2018 Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of itself and all other underwriters participating in the winning bidder's bid for the purchase of the Series 2018 Bonds, that the underwriters will neither offer nor sell unsold Series 2018 Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Series 2018 Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the City when the underwriters have sold 10% of that maturity of the Series 2018 Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(e) If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the Series 2018 Bonds, the winning bidder agrees to promptly report to the City the prices at which the unsold Series 2018 Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Series 2018 Bonds of that maturity or until all Series 2018 Bonds of that maturity have been sold.

(f) The City acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter that is participating in the winning bidder's bid to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2018 Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Series 2018 Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding

the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Series 2018 Bonds.

(g) By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Series 2018 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Series 2018 Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Series 2018 Bonds of that maturity or all Series 2018 Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Series 2018 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Series 2018 Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2018 Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Series 2018 Bonds of that maturity or all Series 2018 Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

(h) Sales of any Series 2018 Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Official Notice of Bond Sale. Further, for purposes of this Official Notice of Bond Sale:

- (i) "public" means any person other than an underwriter or a related party,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2018 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2018 Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2018 Bonds to the public),
- (iii) a purchaser of any of the Series 2018 Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including

direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

- (iv) "sale date" means the date that the Series 2018 Bonds are awarded by the City to the winning bidder.

DISCLOSURE OBLIGATIONS OF THE PURCHASER

Section 218.38(1)(b)(2), Florida Statutes, requires that the successful bidder file a statement with the City containing information with respect to any fee, bonus or gratuity paid, in connection with the Series 2018 Bonds, by any underwriter or financial consultant to any person not regularly employed or engaged by such underwriter or consultant. Receipt of such statement is a condition precedent to the delivery of the Series 2018 Bonds to such successful bidder. The successful bidder must (1) **complete the Truth-in-Bonding Statement (the form of which is attached hereto as Exhibit B) and submit such form to the City, by facsimile transmission at (954) 828-5168 at the time it is determined that the bid is the winning bid, stating the amount of the total interest to be paid over the life of the Series 2018 Bonds**, and (2) indicate whether such successful bidder has paid any finder's fee to any person in connection with the sale of the Series 2018 Bonds in accordance with Section 218.386, Florida Statutes.

LEGAL OPINION

The successful bidder will be furnished, without cost, with the approving opinion of Bond Counsel to the effect that, based on existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Series 2018 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 under the Internal Revenue Code of 1986, as amended, and (ii) the Series 2018 Bonds and the interest thereon are not subject to taxation under the laws of the State of Florida, except estate taxes and taxes imposed by Chapter 220, Florida Statutes, as amended, on interest, income or profits on debt obligations owned by corporations as defined therein.

CUSIP NUMBERS

It is anticipated that CUSIP identification numbers will be printed on the Series 2018 Bonds, but neither the failure to print such number on any Series 2018 Bond nor any error with respect thereto shall constitute cause for failure or refusal by the successful bidder to accept delivery of and pay for the Series 2018 Bonds in accordance with its agreement to purchase the Series 2018 Bonds. Bond Counsel will not review or express any opinion as to the correctness of such CUSIP numbers. The policies of the CUSIP Service Bureau will govern the assignment of specific numbers to the Series 2018 Bonds. All expenses in relation to the printing of CUSIP

numbers on the Series 2018 Bonds shall be paid for by the City; provided, however, that the CUSIP Service Bureau application and charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the successful bidder.

MINORITY AND WOMEN BUSINESS ENTERPRISES

It is the policy of the City to provide minority business enterprises (“MBE”) and women business enterprises (“WBE”) an equal opportunity to participate in the performance of City contracts. The City has placed a high priority on increasing the amount of MBE and WBE participation in City contracts. Bidders are requested to assist the City in implementing its policy by providing equal opportunities for MBE and WBE underwriting firms to participate in their bidding syndicates.

BLUE SKY

The City has not undertaken to register the Series 2018 Bonds under the securities laws of any state, nor investigated the eligibility of any institution or person to purchase or participate in the underwriting of the Series 2018 Bonds under any applicable legal investment, insurance, banking or other laws. By submitting a bid for the Series 2018 Bonds, the successful bidder represents that the sale of the Series 2018 Bonds in states other than Florida will be made only under exemptions from registration or, wherever necessary, the successful bidder will register the Series 2018 Bonds in accordance with the securities laws of the state in which the Series 2018 Bonds are offered or sold. The City agrees to cooperate with the successful bidder, at the successful bidder’s written request and expense, in registering the Series 2018 Bonds or obtaining an exemption from registration in any state where such action is necessary; provided, however, that the City shall not be required to consent to suit or to service of process in any jurisdiction.

CONTINUING DISCLOSURE

The City will covenant for the benefit of holders of the Series 2018 Bonds to provide certain financial information and operating data relating to the City not later than 243 days following the end of each fiscal year (the “Annual Report”), and to provide, or cause to be provided, notices of the occurrence of certain enumerated events. The Annual Report and notices of material events will be filed by the City with the Municipal Securities Rulemaking Board. The specific nature of the information to be contained in the Annual Report and the notices of material events are set forth in the Continuing Disclosure Commitment which is reproduced in its entirety in APPENDIX G attached to the Preliminary Official Statement. The covenants mentioned herein have been undertaken by the City in order to assist the successful bidder in complying with clause (b)(5) of Rule 15c2-12.

In order to implement the Continuing Disclosure Commitment and facilitate compliance with the continuing disclosure requirements of Rule 15c2-12, the City has entered into a disclosure dissemination agent arrangement for the benefit of the holders of bonds issued by the City, including, without limitation, the Series 2018 Bonds, with Digital Assurance Certification, L.L.C. (“DAC”), under which the City has designated DAC as its Disclosure Dissemination Agent.

COPIES OF DOCUMENTS

Copies of the Preliminary Official Statement and this Official Notice of Bond Sale, and further information which may be desired, may be obtained from the Director of Finance, City of Fort Lauderdale, Florida, 100 N. Andrews Avenue, Fort Lauderdale, Florida 33301, telephone 954-828-5144, or from Hilltop Securities, Inc., 450 South Orange Avenue, Suite 460 Orlando, Florida 32801, telephone 407-426-9611, Financial Advisors to the City.

CITY OF FORT LAUDERDALE, FLORIDA

/s/ John P. "Jack" Seiler

Mayor

/s/ Kirk W. Buffington

Director of Finance

EXHIBIT A

OFFICIAL CONFIRMATION OF BID FORM

\$200,000,000*

**City of Fort Lauderdale, Florida
Water and Sewer Revenue Bonds, Series 2018**

The undersigned hereby offer to purchase all of the City of Fort Lauderdale, Florida Water and Sewer Revenue Bonds, Series 2018 (the "Series 2018 Bonds"), to be dated as of the date of delivery (expected to be February 20, 2018), described in the attached Official Notice of Bond Sale and the Preliminary Official Statement referred to therein, which by reference is made part of this bid, and will pay for all but not less than all of said Series 2018 Bonds, at the time of delivery, in immediately available Federal Reserve Funds _____ Dollars

(\$ _____), bearing interest at the following rates per annum:

<u>Maturity Date</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Price or Yield</u>
09/01/2037**			
03/01/2038**			
09/01/2038**			
03/01/2039**			
09/01/2039**			
03/01/2040**			
09/01/2040**			
03/01/2041**			
09/01/2041**			
03/01/2042**			
09/01/2042**			
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03/01/2045**			
09/01/2045**			
03/01/2046**			
09/01/2046**			
03/01/2047**			
09/01/2047**			
03/01/2048**			
09/01/2048**			

* Preliminary, subject to change. Amounts may be increased or decreased after submission of bids as described in the attached Official Notice of Bond Sale under "ADJUSTMENT OF AMOUNTS AND MATURITIES."

** May be combined into up to _____ term bonds. See "BIDDER'S SPECIAL OPTION-TERM BONDS" in the attached Official Notice of Bond Sale.

Any two or more consecutive maturities of the Series 2018 Bonds maturing on or after September 1, 2037 bearing interest at the same rate may be combined into up to ____ term bonds with mandatory sinking fund installments equal to the amounts specified in the Official Notice of Bond Sale for the years combined to form a term bond.

The principal installments for the Series 2018 Bonds indicated on the previous page shall be applied for the mandatory retirement of Term Bonds maturing in the years and amounts and bearing interest as follows:

\$____ Term Bonds maturing on [March/September] 1, ____ at __% per annum to yield __% per annum, subject to mandatory redemption on March 1 and September 1 of the following years and in the following principal amounts:

<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------

* Final Maturity.

\$____ Term Bonds maturing on [March/September] 1, ____ at __% per annum to yield __% per annum, subject to mandatory redemption on March 1 and September 1 of the following years and in the following principal amounts:

<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------

* Final Maturity.

\$____ Term Bonds maturing on [March/September] 1, ____ at __% per annum to yield __% per annum, subject to mandatory redemption on March 1 and September 1 of the following years and in the following principal amounts:

<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------

* Final Maturity.

\$_____ Term Bonds maturing on [March/September] 1, _____ at ____% per annum to yield ____% per annum, subject to mandatory redemption on March 1 and September 1 of the following years and in the following principal amounts:

Year

Principal Amount

* Final Maturity.

\$_____ Term Bonds maturing on [March/September] 1, _____ at ____% per annum to yield ____% per annum, subject to mandatory redemption on March 1 and September 1 of the following years and in the following principal amounts:

Year

Principal Amount

* Final Maturity.

GOOD FAITH DEPOSIT

In accordance with the attached Official Notice of Bond Sale, we are the authorized issuer of a cashier's or certified check or a wire transfer in the amount of _____ and 00/100 Dollars (\$_____) with respect to this bid as described in the attached Official Notice of Bond Sale.

MISCELLANEOUS

This proposal is not subject to any conditions not expressly stated herein or in the attached Official Notice of Bond Sale. Receipt and review of the Preliminary Official Statement relating to the Series 2018 Bonds is hereby acknowledged. The names of the underwriters or member of the account or joint bidding account, if any, who are associated for the purpose of this Proposal are listed either below or on a separate sheet attached hereto.

TRUTH IN BONDING STATEMENT

Prior to an award, the successful bidder must complete, sign and deliver with this Official Confirmation of Bid Form the Truth in Bonding Statement which is attached to the Official Notice of Bond Sale as Exhibit B. The City reserves the right to assist the bidder in correcting any inconsistencies or inaccuracies set forth in such Truth in Bonding Statement.

The City may waive any inconsistencies or inaccuracies relating to such Statement and any such waived inconsistencies or inaccuracies shall not adversely affect the bid.

Senior Manager: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Authorized Signature: _____

Printed Name: _____

Telephone Number: _____

Facsimile Number: _____

Email: _____

EXHIBIT B

TRUTH-IN-BONDING STATEMENT

For purpose of Section 218.385(2) and (3), Florida Statutes, we submit the following truth-in-bonding statement with respect to the Series 2018 Bonds: The City of Fort Lauderdale, Florida (the "City") is proposing to issue \$_____ of its Water and Sewer Revenue Bonds, Series 2018 (the "Series 2018 Bonds") for the purpose of (i) paying the costs of certain improvements to the City's Water and Sewer System, including, without limitation, reimbursement to the City for costs of such improvements advanced by the City from its internal funds and (ii) paying the costs of issuing the Series 2018 Bonds. This debt or obligation is expected to be repaid over a period of approximately ____ years. At an average interest rate of _____%, total interest paid over the life of the Series 2018 Bonds will be \$_____.

The source of repayment or security for the Series 2018 Bonds is a pledge of Net Revenues of the Water and Sewer System of the City. Such pledge will result in approximately \$_____ of Net Revenues not being available annually to finance the other services of the City's Water and Sewer System for each year for ____ years.

The computations above are submitted for informational purposes and are not a part of this bid.

Furthermore, pursuant to Section 218.386, Florida Statutes, the names, addresses and estimated amounts of compensation of any person who has entered into an understanding with the managing underwriter or, to the managing underwriter's knowledge, the City, or both, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the City and the managing underwriter or who exercises or attempts to exercise any influence to effect a transaction in the purchase of the Series 2018 Bonds, are set forth below in the space provided. If no information is provided below, the City shall presume no such compensation was paid.

[none]

Capitalized terms used but not defined herein shall have the meaning given to such terms in the Preliminary Official Statement dated January ____, 2018 relating to the Series 2018 Bonds.

By: _____

Title: _____

EXHIBIT C

ISSUE PRICE CERTIFICATE

\$200,000,000*

**City Of Fort Lauderdale, Florida
Water and Sewer Revenue Bonds, Series 2018**

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] [“([SHORT NAME OF UNDERWRITER])”] [(the “Representative”)] [, on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the “Underwriting Group”)] hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Series 2018 Bonds”).

[Alternative 1-Competitive Sale Rule applies—1. ***Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the reasonably expected initial offering prices of the Series 2018 Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Series 2018 Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Series 2018 Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Series 2018 Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Series 2018 Bonds.

1. ***Sale of the Bonds.*** [Alternative 2 – All Maturities Use General Rule: As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.][Alternative 3 – Select Maturities Use General Rule: ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.]

2. ***[Initial Offering Price of the [Bonds]][Hold-the-Offering-Price Maturities]***].

(a) [Alternative 4 – All Maturities Use Hold-the-Offering-Price Rule: [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Bonds to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.] [Alternative 3 – Select Maturities Use Hold-the-Offering-Price Rule: [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.]

* Preliminary, subject to change.

(b) **[Alternative 4 – All Maturities use Hold-the-Offering-Price Rule:** As set forth in the Notice of Sale and bid award, [SHORT NAME OF UNDERWRITER][the members of the Underwriting Group] [has][have] agreed in writing that, (i) for each Maturity of the Bonds, [it][they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period. **[Alternative 3 - Select Maturities Use Hold-the-Offering-Price Rule:** As set forth in the Notice of Sale and bid award, [SHORT NAME OF UNDERWRITER][the members of the Underwriting Group] [has][have] agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it][they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. **Total Issue Price.** The total of the issue prices of all the Maturities is \$_____.

2. **Defined Terms.**

[(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”]

[(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”]

[(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which the [SHORT NAME OF UNDERWRITER][the Underwriters] [has][have] sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

(a) *Issuer* means the City of Fort Lauderdale, Florida.

(b) *Maturity* means the Series 2018 Bonds with the same credit and payment terms. The Series 2018 Bonds with different maturity dates, are treated as separate Maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of the Series 2018 Bonds generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) The Sale Date of the Series 2018 Bonds is February __, 2018.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2018 Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2018 Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2018 Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER/REPRESENTATIVE]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Arbitrage and Tax Certificate and with respect to compliance with the federal income tax rules affecting the Series 2018 Bonds, and by Greenberg Traurig, P.A. as bond counsel, in connection with rendering its opinion that the interest on the Series 2018 Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Series 2018 Bonds.

[UNDERWRITER/REPRESENTATIVE]

By: _____
Name:

Dated: February __, 2018

SCHEDULE A
[EXPECTED
OFFERING PRICES]

[SALE PRICES]

(Attached)

SCHEDULE B
[COPY OF UNDERWRITER'S BID]
(Attached)

[USE IF COMPETITIVE SALE RULE APPLIES]

\$200,000,000*
CITY OF FORT LAUDERDALE, FLORIDA
WATER AND SEWER REVENUE
BONDS, SERIES 2018

**CERTIFICATE OF
MUNICIPAL ADVISOR**

The undersigned, on behalf of Hilltop Securities, Inc. (the “Municipal Advisor”), as the municipal advisor to City of Fort Lauderdale, Florida (the “Issuer”) in connection with the issuance of the above-captioned obligations (the “Series 2018 Bonds”), has assisted the Issuer in soliciting and receiving bids from potential underwriters in connection with the sale of the Series 2018 Bonds in a competitive bidding process in which bids were requested for the purchase of the Series 2018 Bonds at specified written terms, and hereby certifies as set forth below with respect to the bidding process and award of the Series 2018 Bonds.

(a) The Series 2018 Bonds were offered for sale at specified written terms more particularly described in the Official Notice of Bond Sale, which was distributed to potential bidders, a copy of which is attached to this certificate as Attachment 1.

(b) The Official Notice of Bond Sale was disseminated electronically through Parity/BiDCOMP Competitive Bidding System and a summary of the Official Notice of Bond Sale was published in The Bond Buyer® newspaper on January __, 2018. These methods of distribution of the Official Notice of Bond Sale are regularly used for purposes of disseminating notices of sale of new issuances of municipal bonds, and notices disseminated in such manner are widely available to potential bidders.

(c) To the knowledge of the Municipal Advisor, all bidders were offered an equal opportunity to bid to purchase the Series 2018 Bonds so that, for example, if the bidding process afforded any opportunity for bidders to review other bids before providing a bid, no bidder was given an opportunity to review other bids that was not equally given to all other bidders (that is, no exclusive “last-look”).

(d) The Issuer received bids from at least three bidders who represented that they have established industry reputations for underwriting new issuances of municipal bonds. Based upon the Municipal Advisor’s knowledge and experience in acting as the municipal advisor for other municipal issues, the Municipal Advisor believes those representations to be accurate. Copies of the bids received for the Series 2018 Bonds are attached to this certificate as Attachment 2.

(e) The winning bidder for the Series 2018 Bonds was [NAME OF UNDERWRITER] (the “Underwriter”), whose bid was determined to be the best conforming bid in accordance with the terms set forth in the Official Notice of Bond Sale, as shown in the bid comparison attached as Attachment 3 to this certificate. The Issuer awarded the Series 2018 Bonds to the Underwriter.

* Preliminary, subject to change.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Municipal Advisor's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Arbitrage and Tax Certificate and with respect to compliance with the federal income tax rules affecting the Series 2018 Bonds, and by Greenberg Traurig, P.A. in connection with rendering its opinion that the interest on the Series 2018 Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Series 2018 Bonds.. No other persons may rely on the representations set forth in this certificate without the prior written consent of the Municipal Advisor.

HILLTOP SECURITIES, INC.

By: _____
Ed Stull
Managing Director

Dated: February __, 2018

ATTACHMENT 1

OFFICIAL NOTICE OF BOND SALE

(Attached)

ATTACHMENT 2

BIDS RECEIVED

(Attached)

ATTACHMENT 3

BID COMPARISON

(Attached)

EXHIBIT “C”
PRELIMINARY OFFICIAL STATEMENT

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2018

NEW ISSUE - Book-Entry Only

Ratings: Moody's: "____"
S&P: "____"
(See "RATINGS" herein)

In the opinion of Greenberg Traurig, P.A., Bond Counsel, under existing statutes, regulations, rulings and court decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2018 Bonds is excludable from gross income for federal income tax purposes. Further, interest on the Series 2018 Bonds is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals. Bond Counsel is also of the opinion that the Series 2018 Bonds and the income thereon are not subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in Chapter 220, Florida Statutes. For a more complete description of such opinions of Bond Counsel, see "TAX MATTERS" herein.



\$179,605,000*
CITY OF FORT LAUDERDALE, FLORIDA
Water and Sewer Revenue Bonds
Series 2018

Dated: Date of Delivery

**Due: March 1 and September 1,
as shown on inside cover page**

The City of Fort Lauderdale, Florida Water and Sewer Revenue Bonds, Series 2018 (the "Series 2018 Bonds") will be issued by the City of Fort Lauderdale, Florida (the "City") as fully registered bonds, without coupons, in denominations of \$5,000 and integral multiples thereof and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2018 Bonds. Purchasers will not receive certificates representing their ownership interests in the Series 2018 Bonds purchased. See "DESCRIPTION OF THE SERIES 2018 BONDS - Book-Entry Only System" herein. Interest on the Series 2018 Bonds will accrue from their date of delivery and will be payable on September 1, 2018 and semiannually on each March 1 and September 1 thereafter. Regions Bank, Jacksonville, Florida, will serve as the initial Bond Registrar and Paying Agent (the "Paying Agent") for the Series 2018 Bonds. While the Series 2018 Bonds are registered through the DTC book-entry only system, principal of and interest on the Series 2018 Bonds will be payable by the Paying Agent to DTC.

The Series 2018 Bonds are being issued for the purpose of providing funds, together with other legally available funds of the City, to (i) finance a portion of the Costs of improving and upgrading the City's Water and Sewer System (the "Water and Sewer System"), including, to the extent permissible, reimbursement to the City for amounts previously paid for such Costs; and (ii) pay the costs of issuing the Series 2018 Bonds. See "INTRODUCTION" and "PURPOSE OF THE ISSUE" herein.

The Series 2018 Bonds are payable from and secured by a lien on and pledge of the Net Revenues derived from the City's ownership or operation of the Water and Sewer System and certain other moneys held under the Resolution (as defined herein), on a parity with the City's Outstanding Water and Sewer Revenue Refunding Bonds, Series 2012, Water and Sewer Revenue Refunding Bonds, Series 2014, Water

and Sewer Revenue and Revenue Refunding Bonds, Series 2016, and any other Bonds or Alternative Parity Debt hereafter issued; **provided, however, that no deposit to the Reserve Account shall be made in connection with the issuance of the Series 2018 Bonds and the Series 2018 Bonds shall not be secured by, or entitled to any benefit from, any amounts that may be held in the Reserve Account for the benefit of Bonds hereafter issued under the Bond Resolution (as such terms are defined herein).** Upon issuance of the Series 2018 Bonds, no amounts will be held in the Reserve Account for the benefit of Bonds Outstanding under the Bond Resolution. See “SECURITY AND SOURCES OF PAYMENT” herein.

The Series 2018 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described herein. See “DESCRIPTION OF THE SERIES 2018 BONDS - Redemption Provisions” herein.

THE CITY IS OBLIGATED TO PAY THE PRINCIPAL OF AND INTEREST ON THE SERIES 2018 BONDS SOLELY FROM THE NET REVENUES AND CERTAIN OTHER MONEYS, AS DESCRIBED IN THE RESOLUTION. THE SERIES 2018 BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY, BROWARD COUNTY, FLORIDA, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. THE FAITH AND CREDIT OF THE CITY, BROWARD COUNTY, FLORIDA, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF IS NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2018 BONDS. THE ISSUANCE OF THE SERIES 2018 BONDS SHALL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE CITY, BROWARD COUNTY, FLORIDA, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY TAXES WHATEVER THEREFOR, OR TO MAKE ANY APPROPRIATION FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2018 BONDS, EXCEPT AS PROVIDED IN THE RESOLUTION.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement, including the Appendices, to obtain information essential to the making of an informed investment decision.

The Series 2018 Bonds are offered when, as and if issued by the City, subject to the approval of their legality by Greenberg Traurig, P.A., Fort Lauderdale, Florida, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the City by Cynthia A. Everett, Esquire, City Attorney. Certain legal matters relating to disclosure will be passed upon for the City by the Law Offices of Steve E. Bullock, P.A., Miramar, Florida, Disclosure Counsel. Hilltop Securities, Inc., Orlando, Florida, is acting as Financial Advisor to the City. It is expected that settlement on the Series 2018 Bonds will occur through the facilities of DTC in New York, New York on or about _____, 2018.

**BIDS FOR THE SERIES 2018 BONDS WILL BE RECEIVED USING
THE PARITY BIDDING SYSTEM, THROUGH THE TM3 NEWS SERVICE,
AS SPECIFIED IN THE OFFICIAL NOTICE OF BOND SALE.**

DAC Bond

Dated: _____, 2018

* Preliminary, subject to change.

Red herring: This Preliminary Official Statement and the information contained herein are subject to amendment and completion without notice. The Series 2018 Bonds may not be sold and offers to buy may not be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall 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 2018 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

\$179,605,000*
CITY OF FORT LAUDERDALE, FLORIDA
Water and Sewer Revenue Bonds
Series 2018

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES,
PRICES OR YIELDS AND INITIAL CUSIP NUMBERS*†**

\$ Series 2018 Serial Bonds

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>Initial CUSIP No.</u>	<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>Initial CUSIP No.</u>
9/1/18	\$	%		347658____	3/1/34**	\$	%		347658____
3/1/19				347658____	9/1/34**				347658____
9/1/19				347658____	3/1/35**				347658____
3/1/20				347658____	9/1/35**				347658____
9/1/20				347658____	3/1/36**				347658____
3/1/21				347658____	9/1/36**				347658____
9/1/21				347658____	3/1/37**				347658____
3/1/22				347658____	9/1/37**				347658____
9/1/22				347658____	3/1/38**				347658____
3/1/23				347658____	9/1/38**				347658____
9/1/23				347658____	3/1/39**				347658____
3/1/24				347658____	9/1/39**				347658____
9/1/24				347658____	3/1/40**				347658____
3/1/25				347658____	9/1/40**				347658____
9/1/25				347658____	3/1/41**				347658____
3/1/26				347658____	9/1/41**				347658____
9/1/26				347658____	3/1/42**				347658____
3/1/27**				347658____	9/1/42**				347658____
9/1/27**				347658____	3/1/43**				347658____
3/1/28**				347658____	9/1/43**				347658____
9/1/28**				347658____	3/1/44**				347658____
3/1/29**				347658____	9/1/44**				347658____
9/1/29**				347658____	3/1/45**				347658____
3/1/30**				347658____	9/1/45**				347658____
9/1/30**				347658____	3/1/46**				347658____
3/1/31**				347658____	9/1/46**				347658____
9/1/31**				347658____	3/1/47**				347658____
3/1/32**				347658____	9/1/47**				347658____
9/1/32**				347658____	3/1/48**				347658____
3/1/33**				347658____	9/1/48**				347658____
9/1/33**				347658____					

\$ _____ Series 2018 Term Bonds

\$ _____ % Series 2018 Term Bond Due _____ 1, 20____ – Price: _____ / Yield: _____ %
Initial CUSIP Number: 347658 _____

-
- * Preliminary, subject to change. Principal amounts may be adjusted after submission of bids. See “ADJUSTMENT OF AMOUNTS AND MATURITIES” in the Official Notice of Bond Sale.
 - ** May be designated as Term Bonds. See “BIDDER’S SPECIAL OPTION – TERM BONDS” in the Official Notice of Bond Sale.
 - † Neither the City nor the Underwriters is responsible for the use of CUSIP Numbers, nor is a representation made as to their correctness. The CUSIP Numbers are included solely for the convenience of the readers of this Official Statement.

CITY OF FORT LAUDERDALE, FLORIDA

OFFICIALS

John P. “Jack” Seiler, Mayor
Bruce G. Roberts, Vice Mayor, Commissioner, District I
Dean J. Trantalis, Commissioner, District II
Robert L. McKinzie, Commissioner, District III
Romney Rogers, Commissioner, District IV

ADMINISTRATION

Lee R. Feldman, ICMA-CM, City Manager
Cynthia A. Everett, Esquire, City Attorney
John C. Herbst, CPA, CGFO, CGMA, City Auditor
Jeffrey A. Modarelli, City Clerk
Kirk W. Buffington, CPFIM, CPPO, C.P.M., MBA, Director of Finance
Linda A. Logan-Short, CGFO, CPM, Chief Financial Officer/Deputy Director of Finance
Paul A. Berg, Director, Public Works Department
Laura L. Garcia, CGFO, Controller

CONSULTANTS

BOND COUNSEL

Greenberg Traurig, P.A.
Fort Lauderdale, Florida

DISCLOSURE COUNSEL

Law Offices of Steve E. Bullock, P.A.
Miramar, Florida

FINANCIAL ADVISOR

Hilltop Securities, Inc.
Orlando, Florida

FEASIBILITY CONSULTANTS

CH2M HILL, Inc.
Fort Lauderdale, Florida

Hazen and Sawyer, P.C.
Hollywood, Florida

Stantec, Inc.
St. Augustine, Florida

INDEPENDENT AUDITOR

Crowe Horwath LLP
Fort Lauderdale, Florida

No dealer, broker, salesman or other person has been authorized by the City or the Underwriters to make any representations, other than those contained in this Official Statement in connection with the offering contained herein, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2018 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information contained in this Official Statement has been obtained from public documents, records and other sources considered to be reliable and, while not guaranteed as to completeness or accuracy, is believed to be correct. Any statements in this Official Statement involving estimates, assumptions and opinions, whether or not so expressly stated, are intended as such and are not to be construed as representations of fact, and the Underwriters and the City expressly make no representation that such estimates, assumptions and opinions will be realized or fulfilled. Any information, estimates, assumptions and matters of opinion contained in this Official Statement are subject to change without notice, as neither the delivery of this Official Statement, nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in the affairs of the City or with respect to the City or the Water and Sewer System since the date hereof.

The Underwriters have provided the following sentence for inclusion in this Official Statement. *The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.*

The order and placement of materials in this Official Statement, including the Appendices, are not to be deemed a determination of relevance, materiality or importance, and this Official Statement, including the Appendices, must be considered in its entirety. The captions and headings in this Official Statement are for convenience only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provisions or sections in this Official Statement. The offering of the Series 2018 Bonds is made only by means of this entire Official Statement.

References to website addresses presented in this Official Statement 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.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements generally are identifiable by the terminology used, such as "plan," "expect," "estimate," "project," "forecast," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The City does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

THE SERIES 2018 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, NOR HAS THE RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE EXEMPTION OF THE SERIES 2018 BONDS FROM REGISTRATION OR QUALIFICATION IN CERTAIN STATES CANNOT BE REGARDED AS

A RECOMMENDATION THEREOF. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE CITY AND THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR GOVERNMENTAL ENTITY OR AGENCY WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED OR RECOMMENDED THE SERIES 2018 BONDS FOR SALE. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2018 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET, AND SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE SERIES 2018 BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE OF THIS OFFICIAL STATEMENT, AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME, AFTER THE INITIAL OFFERING TO THE PUBLIC, BY THE UNDERWRITERS.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM (“ORIGINAL BOUND FORMAT”) OR IN ELECTRONIC FORMAT ON THE WEBSITE: WWW.MUNIOS.COM. THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR IF IT IS PRINTED IN FULL DIRECTLY FROM SUCH WEBSITE.

THIS OFFICIAL STATEMENT SHALL NOT CONSTITUTE A CONTRACT BETWEEN THE CITY OR THE UNDERWRITERS AND ANY ONE OR MORE HOLDERS OF THE SERIES 2018 BONDS.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE CITY FOR PURPOSES OF RULE 15C2-12 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN FINANCIAL INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15C2-12(B)(1).

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OFFICIAL STATEMENT
relating to

\$179,605,000*
CITY OF FORT LAUDERDALE, FLORIDA
Water and Sewer Revenue Bonds
Series 2018

INTRODUCTION

The purpose of this Official Statement, including the cover page and all appendices, is to furnish certain information relating to the City of Fort Lauderdale, Florida (the “City”), its combined water and sewer system (the “Water and Sewer System”) and the sale of its \$179,605,000* in aggregate principal amount of Water and Sewer Revenue Bonds, Series 2018 (the “Series 2018 Bonds”). The Series 2018 Bonds are being issued pursuant to the Constitution and laws of the State of Florida, including particularly Chapter 166, Florida Statutes, as amended, and the Charter of the City (collectively, the “Act”), Resolution No. 03-29 adopted by the City Commission of the City (the “City Commission”) on February 18, 2003 (the “Bond Resolution”), as supplemented by Resolution No. 18-_____, adopted by the City Commission on _____, 2018 (the “Series Resolution” and, together with the Bond Resolution, the “Resolution”). The Series 2018 Bonds, the Series 2012 Bonds, the Series 2014 Bonds, the Series 2016 Bonds (each as hereinafter defined) and any Additional Bonds issued under the provisions of the Bond Resolution are hereinafter referred to collectively as the “Bonds.” For a description of certain terms and conditions of the Series 2018 Bonds, and the complete provisions of the Resolution, see “APPENDIX D - The Resolution.”

The Series 2018 Bonds will be issued in book-entry only form and purchasers of the Series 2018 Bonds will not receive certificates representing their interest in the Series 2018 Bonds purchased. The Series 2018 Bonds will contain such other terms and provisions, including provisions regarding redemption, as described in “DESCRIPTION OF THE SERIES 2018 BONDS” herein.

The Series 2018 Bonds are secured by a pledge of and lien on the Net Revenues derived from the City’s ownership and operation of the Water and Sewer System and from certain other moneys held under the Resolution. The City is obligated to pay the principal of and interest on the Series 2018 Bonds solely from the Net Revenues and certain other moneys held under the Resolution. The Series 2018 Bonds do not constitute an indebtedness of the City, Broward County, Florida, the State of Florida or any political subdivision thereof within the meaning of any constitutional or statutory provision or limitation. The faith and credit of the City, Broward County, Florida, the State of Florida or any political subdivision thereof is not pledged to pay the Series 2018 Bonds. The issuance of the Series 2018 Bonds does not directly or contingently obligate the City, Broward County, Florida, the State of Florida or any political subdivision thereof to levy or pledge any taxes whatever therefor or to make any appropriation for their payment, except for the City’s obligation to pay the Series 2018 Bonds from the Net Revenues and certain other moneys held under the Resolution. See “SECURITY AND SOURCES OF PAYMENT” herein.

* Preliminary, subject to change.

Payment of the principal of and interest on the Series 2018 Bonds from the Net Revenues and other moneys held under the Resolution is secured on a parity with the City's Outstanding (i) Water and Sewer Revenue Refunding Bonds, Series 2012 (the "Series 2012 Bonds"); (ii) Water and Sewer Revenue Refunding Bonds, Series 2014 (the "Series 2014 Bonds"); (iii) Water and Sewer Revenue and Revenue Refunding Bonds, Series 2016 (the "Series 2016 Bonds" and, collectively with the Series 2012 Bonds and the Series 2014 Bonds, the "Outstanding Bonds") and any other Bonds or Alternative Parity Debt hereafter issued; **provided, however, that no deposit to the Reserve Account shall be made in connection with the issuance of the Series 2018 Bonds and the Series 2018 Bonds shall not be secured by, or entitled to any benefit from, any amounts that may be held in the Reserve Account for the benefit of Bonds hereafter issued under the Bond Resolution.** Upon issuance of the Series 2018 Bonds, no amounts will be held in the Reserve Account under the Bond Resolution for the benefit of the Series 2018 Bonds or the Outstanding Bonds. See "SECURITY AND SOURCES OF PAYMENT - Reserve Account" herein.

The Series 2012 Bonds, the Series 2014 Bonds and the Series 2016 Bonds were originally issued in the aggregate principal amount of \$64,585,000, \$121,520,000 and \$158,930,000, respectively, primarily for the purpose of financing or refinancing certain Costs of improving and upgrading the Water and Sewer System. The Series 2012 Bonds, the Series 2014 Bonds and the Series 2016 Bonds, upon issuance of the Series 2018, will be Outstanding in the aggregate principal amount of \$53,500,000, \$121,520,000 and \$148,235,000, respectively.

This introduction is intended to serve as a brief description of this Official Statement and is expressly qualified by reference to this Official Statement as a whole. A full review should be made of this entire Official Statement, as well as the documents and reports summarized or described herein. The description of the Series 2018 Bonds, the documents authorizing and securing the same, including, without limitation, the Resolution, and the information from various reports contained herein are not comprehensive or definitive. All references herein to such documents and reports are qualified by the entire, actual content of such documents and reports. Copies of such documents and reports may be obtained from the City by contacting the City's Director of Finance, 100 North Andrews Avenue, Fort Lauderdale, Florida 33301, Telephone number: (954) 828-5167, Facsimile number: (954) 828-5168, Email address: finance@fortlauderdale.gov.

Capitalized terms used but not defined in this Official Statement shall have the meaning ascribed to such terms in the Resolution. See "APPENDIX D - The Resolution."

PURPOSE OF THE ISSUE

The Series 2018 Bonds are being issued for the purpose of providing funds, together with other available funds of the City, to (i) finance a portion of the Costs of certain improvements and upgrades to the Water and Sewer System (the "Series 2018 Project"), including, to the extent permissible under the Code, reimbursement to the City for any amounts previously advanced by the City to pay costs of the Series 2018 Project, as more fully described under the caption "CAPITAL IMPROVEMENT PROGRAM - Series 2018 Project" herein; and (iii) pay the costs of issuing the Series 2010 Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The portion of the proceeds of the Series 2018 Bonds to be used to pay certain Costs of the Series 2018 Project will be deposited into the Series 2018 Water and Sewer Project Construction Subaccount (the "Construction Subaccount") within the Construction Account established under the Bond Resolution. Until withdrawn to pay Costs of the Series 2018 Project in accordance with the Resolution, the proceeds of the Series 2018 Bonds deposited into the Construction Subaccount will be held in trust and subject to the lien and pledge of the Resolution created for the benefit of the Holders of the Series 2018 Bonds.

DESCRIPTION OF THE SERIES 2018 BONDS

General

The Series 2018 Bonds shall be dated the date of their delivery and shall bear interest at the rates and mature on the dates and in the amounts set forth on the inside cover page of this Official Statement. Interest on the Series 2018 Bonds is payable semiannually on March 1 and September 1 of each year, commencing September 1, 2018. Interest on the Series 2018 Bonds shall be calculated on the basis of a 360 day year consisting of twelve 30-day months. Regions Bank, Jacksonville, Florida, will serve as the initial Paying Agent (the "Paying Agent") and Bond Registrar (the "Bond Registrar") for the Series 2018 Bonds.

The Series 2018 Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof, and when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the Series 2018 Bonds will be made in book-entry only form, without certificates. So long as the Series 2018 Bonds shall be in book-entry only form, the principal of and interest on the Series 2018 Bonds will be payable to Cede & Co., as registered owner thereof, and will be distributed by DTC and the Participants to the Beneficial Owners (as such terms are defined herein). See "DESCRIPTION OF THE SERIES 2018 BONDS - Book-Entry Only System" herein.

Redemption Provisions

Optional Redemption. The Series 2018 Bonds maturing on or prior to September 1, 2026 are not subject to redemption prior to maturity. The Series 2018 Bonds maturing on or after March 1, 2027 are subject to redemption at the option of the City prior to their respective dates of maturity on or after September 1, 2026, in whole or in part at any time, in any order of maturity selected by the City and by lot within a maturity, at a redemption price equal to one hundred percent (100%) of the principal amount of the Series 2018 Bonds to be redeemed, together with accrued interest from the most recent interest payment date to the date fixed for redemption.

Mandatory Sinking Fund Redemption. The Series 2018 Bonds maturing on _____ 1, 20____ are subject to mandatory sinking fund redemption in part prior to maturity by lot through the application of Amortization Requirements, at a redemption price equal to one hundred percent (100%) of the principal amount thereof, plus accrued interest to the redemption date, on March 1 and September 1 in the following amounts and year specified:

<u>Due</u>	<u>Amortization Requirement</u>
*	\$

* Final Maturity.

Mailing of Notice of Redemption. At least thirty (30), but not more than sixty (60), days before the date set for redemption of any Series 2018 Bonds, either in whole or in part, a notice of such redemption, signed by the Finance Director, shall be (a) filed with the Bond Registrar and (b) mailed, first

class mail, postage prepaid, to all registered owners of Series 2018 Bonds to be redeemed at their addresses as they appear on the registration books maintained by the Bond Registrar, but failure to mail any such notice shall not affect the validity of the proceedings for such redemption. Each such notice shall specify the redemption date, the redemption price and the place or places where amounts due upon such redemption will be payable and, if less than all of the Series 2018 Bonds are to be redeemed, the numbers or other distinguishing marks of such Series 2018 Bonds to be redeemed in part only, and the respective portions thereof to be redeemed. Such notice shall further state that on the redemption date there shall become due and payable upon each of the Series 2018 Bonds to be redeemed the redemption price or the specified portions thereof, in the case of Series 2018 Bonds to be redeemed in part only, together with interest accrued to the redemption date, and that from and after such date interest shall cease to accrue and be payable on such Series 2018 Bonds or portions thereof so redeemed.

In the case of an optional redemption of the Series 2018 Bonds, any notice of redemption may state that (i) it is conditioned upon the deposit of moneys with the Paying Agent or an escrow agent, no later than the redemption date, in an amount equal to the amount necessary to effect the redemption; or (ii) the City retains the right to rescind such notice of redemption on or prior to the scheduled redemption date (in either case, a "Conditional Redemption"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described herein. Any notice of Conditional Redemption shall be captioned "Conditional Notice of Redemption." Any Conditional Redemption may be rescinded at any time prior to the redemption date if the Finance Director delivers a written direction to the Paying Agent directing the Paying Agent to rescind the redemption notice. The Paying Agent shall give prompt notice of such rescission to the affected Bondholders. Any Series 2018 Bonds subject to Conditional Redemption where redemption has been rescinded shall remain Outstanding, and neither the rescission nor the failure by the City to make such funds available shall constitute an Event of Default. The Paying Agent shall give immediate notice to the securities information repositories and the affected Bondholders that the redemption did not occur and that the Series 2018 Bonds called for redemption and not so paid remain Outstanding.

In the event that only part of the principal sum of any Series 2018 Bond shall be called for redemption or prepaid, payment of the amount to be redeemed or prepaid shall be made only upon surrender of such Series 2018 Bond to the Bond Registrar. Upon surrender of such Series 2018 Bond, the Bond Registrar shall execute and deliver to the registered owner thereof, at the designated office of the Bond Registrar, new duly executed Series 2018 Bonds, of authorized principal sums equal in aggregate principal amount to, and of the same maturity and interest rate as, the unredeemed portion of the Series 2018 Bond surrendered.

Effect of Redemption. On the date so designated for redemption, notice having been mailed and filed in the manner and under the conditions described in the Resolution, the Series 2018 Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Series 2018 Bonds on such redemption date and, moneys for payment of the redemption price being held in separate accounts by the Bond Registrar or by a separate financial institution designated as escrow agent in trust for the Holders of the Series 2018 Bonds to be redeemed, interest on the Series 2018 Bonds so called for redemption shall cease to accrue, such Series 2018 Bonds shall cease to be entitled to any lien, benefit or security under the Resolution and the Holders or registered owners of the Series 2018 Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof and accrued interest thereon.

As long as a book-entry system is used for determining beneficial ownership of Series 2018 Bonds, notice of redemption will be sent to DTC. DTC will be responsible for notifying the DTC Participants, which will in turn be responsible for notifying the Beneficial Owners. Any failure of DTC to notify any

DTC Participant, or of any DTC Participant to notify the Beneficial Owner of any such notice, will not affect the validity of the redemption of the Series 2018 Bonds.

Book-Entry Only System

DTC will act as securities depository for the Series 2018 Bonds. The Series 2018 Bonds will be issued as fully-registered securities registered in the name of Cede & Co., as DTC's partnership nominee, or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2018 Bond certificate will be issued for each maturity of the Series 2018 Bonds, each in the aggregate principal amount of such maturity, as set forth on the inside cover page of this Official Statement, and will be deposited with DTC.

DTC, the world's largest 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 over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over one hundred (100) countries that its 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, thereby eliminating 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" and, together with Direct Participants, "DTC Participants"). DTC has a S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, rating of AA+. The DTC rules applicable to the DTC Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2018 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2018 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2018 Bond ("Beneficial Owner") is in turn to be recorded on the DTC Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the DTC Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2018 Bonds are to be accomplished by entries made on the books of DTC Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2018 Bonds, except in the event that use of the book-entry system for the Series 2018 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2018 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 Series 2018 Bonds with DTC and their registration in the name of Cede & Co., or such other DTC nominee, will not effect any change in

beneficial ownership of the Series 2018 Bonds. DTC has no knowledge of the actual Beneficial Owners of the Series 2018 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2018 Bonds are credited, which may or may not be the Beneficial Owners. The DTC 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 DTC 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 2018 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2018 Bonds, such as redemptions, defaults and proposed amendments to the documents securing the Series 2018 Bonds. For example, Beneficial Owners of the Series 2018 Bonds may wish to ascertain that the nominee holding the Series 2018 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 Bond Registrar and request that copies of notices are provided directly to them.

Redemption notices shall be sent by the Bond Registrar to DTC. If less than all of the Series 2018 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2018 Bonds unless authorized by a Direct Participant in accordance with DTC's 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 the Series 2018 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2018 Bonds will be made to Cede & Co., or to 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 payable date in accordance with their respective holdings shown on DTC's records. Payments by DTC 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, nor its nominee, 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 and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of DTC Participants.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the City only to DTC.

DTC may discontinue providing its services as securities depository with respect to the Series 2018 Bonds at any time by giving reasonable notice to the City. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates representing the Series 2018 Bonds are required to be printed and delivered. The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates representing

the Series 2018 Bonds will be printed and delivered. See “DESCRIPTION OF THE SERIES 2018 BONDS - Discontinuance of Securities Depository” herein.

SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE SOLE REGISTERED OWNER OF THE SERIES 2018 BONDS, THE CITY AND THE PAYING AGENT SHALL TREAT CEDE & CO. AS THE ONLY OWNER OF THE SERIES 2018 BONDS FOR ALL PURPOSES UNDER THE RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF AND INTEREST ON THE SERIES 2018 BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE CITY AND THE PAYING AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THE RESOLUTION. THE CITY AND THE PAYING AGENT HAVE NO RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (B) THE PAYMENT BY ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2018 BONDS; (C) THE DELIVERY OR TIMELINESS OF DELIVERY BY ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO BONDHOLDERS; OR (D) OTHER ACTION TAKEN BY DTC OR CEDE & CO., AS THE REGISTERED OWNER OF THE SERIES 2018 BONDS.

Discontinuance of Securities Depository

DTC may resign as Securities Depository for the Series 2018 Bonds by giving notice to the City and discharging its responsibilities under applicable law. If DTC is incapable of discharging its duties or is no longer qualified to perform book-entry services, the City shall identify another qualified securities depository to replace DTC. If the City is unable to identify another qualified securities depository, the City will authenticate and deliver replacement Series 2018 Bonds in the form of fully registered certificates. The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor Securities Depository). In that event, the City will authenticate and deliver replacement Series 2018 Bonds in the form of fully registered certificates. If no qualified Securities Depository is the registered owner of the Series 2018 Bonds, the Beneficial Owners will be paid by the Paying Agent, by check for the interest thereon, mailed to the person registered on the Record Date as owner of the Series 2018 Bonds and upon presentation at the office of the Paying Agent for principal of the Series 2018 Bonds.

In the event that such book-entry only system is discontinued, the following provisions will apply: payments of interest on the Series 2018 Bonds shall be made by the Paying Agent on each Interest Payment Date to the person appearing as the registered owner thereof on the bond registration books maintained by the Bond Registrar, as of the close of business on the fifteenth (15th) day of the calendar month preceding the applicable Interest Payment Date (or, if interest on the Series 2018 Bonds is in default, a Special Record Date established pursuant to the Resolution), by check mailed to such registered owner at his address as it appears on such registration books or, at the prior written request and expense of an owner of \$1,000,000 in aggregate principal amount of Series 2018 Bonds, by bank wire transfer to a domestic bank account; principal of the Series 2018 Bonds is payable upon presentation of the Series 2018 Bonds to the Paying Agent; and the Series 2018 Bonds may be transferred or exchanged by the Bond Registrar upon the payment of any transfer tax, fee or other governmental charges required to be paid with respect to such transfer or exchange and in accordance with the provisions of the Resolution.

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC’S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE CITY BELIEVES TO

BE RELIABLE, BUT THE CITY AND THE UNDERWRITERS TAKE NO RESPONSIBILITY FOR THE ACCURACY OF SUCH INFORMATION.

SECURITY AND SOURCES OF PAYMENT

General

The Series 2018 Bonds are limited obligations of the City, payable solely from and secured by a lien upon and pledge of all Net Revenues of the Water and Sewer System and certain other moneys held under the Resolution. “**Net Revenues**” are defined in the Bond Resolution as being, for any particular period, the excess of the Revenues for such period over the Current Expenses for such period.

“**Revenues**” are defined in the Bond Resolution as all moneys received by the City from its ownership or operation (either by the City or on its behalf) of the Water and Sewer System, including the income derived by the City from the sale of water produced, treated or distributed by the Water and Sewer System, or from the collection, transmission, treatment or disposal of sewage by the Water and Sewer System, plus any proceeds of use and occupancy insurance on the Water and Sewer System or any part thereof and income from certain investments made under the Bond Resolution. Revenues do not include grants, contributions or donations, investment income from investment of moneys in the Construction Account and the Impact Fee Account established under the Bond Resolution, proceeds of insurance (except use and occupancy insurance) and condemnation awards, moneys held in any Arbitrage Rebate Account created pursuant to the Bond Resolution, proceeds of sales of property constituting a part of the Water and Sewer System, Special Assessments, the proceeds of Bonds or other Utility Debt and Impact Fees.

“**Current Expenses**” are defined in the Bond Resolution as the City’s reasonable and necessary current expenses to maintain, repair and operate the Water and Sewer System. These include, without limiting the generality of the foregoing, all ordinary and usual expenses of maintenance and repair, which may include expenses not annually recurring, all City administrative expenses, expenses relating to the operation of all or a part of the Water and Sewer System by another on behalf of the City and any reasonable payments to pension or retirement funds properly chargeable to the Water and Sewer System, insurance premiums, engineering expenses relating to maintenance, repair and operation of the Water and Sewer System, fees and expenses of the Bond Registrar, legal and accounting expenses, any fees, taxes, fines or penalties lawfully imposed on the Water and Sewer System or its income or operations and reserves for such taxes, annual premiums for bond insurance, interest rate insurance or insurance assuring availability of the amounts required to be on deposit in the Reserve Account, annual fees for Credit Facilities or Liquidity Facilities and any other expenses required to be paid by the City under the Bond Resolution or by law, including any amounts required to fund any Arbitrage Rebate Account created pursuant to the Bond Resolution. Current expenses do not include any reserves for extraordinary maintenance or repair, or any allowance for depreciation, or any expenses associated with grant-funded expenditures, or any deposits or transfers to the credit of the Sinking Fund Account, the Reserve Account, the Rate Stabilization Account, the Subordinated Indebtedness Account, the Renewal, Replacement and Improvement Account, the General Reserve Account, the Impact Fee Account or the Special Assessment Account. In addition, for purposes of the calculations required by the Bond Resolution relating to the issuance of Additional Bonds and relating to the Rate Covenant, Current Expenses will not include any payments in lieu of taxes or any indirect administrative charges paid to the credit of the City’s General Fund.

The City is obligated to pay the principal of and the interest on the Series 2018 Bonds solely from the Net Revenues and certain other moneys held under the Resolution. The Series 2018 Bonds shall not be deemed to constitute a debt of the City, Broward County, Florida, the State of Florida or any political subdivision thereof or a pledge of the faith and credit of the City, Broward County, Florida, the State of

Florida or any political subdivision thereof, but such Bonds shall be payable solely from the Net Revenues and certain other moneys held in the funds and accounts under the Resolution. The Series 2018 Bonds shall not directly or indirectly or contingently obligate the City, Broward County, Florida, the State of Florida or any political subdivision thereof to levy or to pledge any form of taxation whatever therefor, nor shall any Series 2018 Bonds constitute a charge, lien or encumbrance, legal or equitable, upon any property of the City, Broward County, Florida, the State of Florida or any political subdivision thereof.

Rate Covenant

The City has covenanted in the Bond Resolution that it will fix, charge and collect reasonable rates and charges for the use of the services and facilities furnished by the Water and Sewer System and that it will adjust such rates and charges from time to time by increasing or decreasing the same or any selected categories of rates and charges as often as it shall appear necessary so that the Net Revenues received in each Fiscal Year (excluding from the computation of Current Expenses for any Fiscal Year any amounts received from any source other than Revenues which are applied to pay Current Expenses in such Fiscal Year) will equal at least one hundred twenty-five percent (125%) of the Principal and Interest Requirements for such Fiscal Year, on all Bonds then Outstanding plus one hundred percent (100%) of all amounts required to be deposited to the Reserve Account, the Renewal, Replacement and Improvement Account, the Subordinated Indebtedness Account, and the Rate Stabilization Account for such Fiscal Year; provided, however, that if either Impact Fees or Special Assessments are legally available for application with respect to any series of Additional Bonds under the Bond Resolution and the City elects to include the receipts from such Impact Fees or Special Assessments for purposes of calculating its compliance with the rate covenant contained in the Bond Resolution, then, in addition to the foregoing, the City further covenants that the Net Revenues received in each Fiscal Year, together with the Impact Fees and/or the Special Assessments, as applicable, will be sufficient to provide an amount in such Fiscal Year at least equal to one hundred thirty percent (130%) of the Principal and Interest Requirements for such Fiscal Year on account of the Bonds then Outstanding. So long as the City is in compliance with the foregoing rate covenant, the City may from time to time revise the rates for water and sewer service by the Water and Sewer System.

If in any Fiscal Year the Net Revenues are less than the amount required to meet the rate covenant contained in the Bond Resolution, within thirty (30) days after the December 31 immediately succeeding such Fiscal Year, the City is required to employ a Rate Consultant to review and analyze the financial status of the Water and Sewer System, to inspect the Water and Sewer System, and to submit, within sixty (60) days thereafter, a written report to the City recommending revisions of the Water and Sewer System's rates, fees and charges, and its methods of operation that will result in producing the required amount in the following Fiscal Year. Promptly upon its receipt of such recommendations, the City must transmit copies thereof to the City Manager and the City Finance Director and must revise its rates, fees and charges or alter its methods of operation, and take any other action to conform with such recommendations.

If the City fails to comply with the recommendations of the Rate Consultant, the registered owners of not less than ten percent (10%) in Outstanding principal amount of Bonds then Outstanding under the Bond Resolution may institute and prosecute an action or proceeding in any court (or before any board or commission having jurisdiction) to compel the City to comply with the recommendations and the requirements of the Rate Consultant. So long as the issuer of a Credit Facility shall not be in default in its payment obligations under its Credit Facility, such issuer shall be deemed to be the holder of all Bonds so insured for purposes of compelling the City to comply with the recommendations and requirements of the Rate Consultant.

If the City complies with all recommendations of the Rate Consultant in respect to its rates, fees, charges and methods of operation, the failure of Net Revenues to meet the rate covenant will not constitute

an Event of Default so long as the Revenues, together with available moneys in the funds and accounts created under the Bond Resolution, other than the Arbitrage Rebate Account, are sufficient to pay the Current Expenses in cash and to pay the Principal and Interest Requirements on all Outstanding Bonds and other Utility Debt of the City for such Fiscal Year.

Flow of Funds

The Bond Resolution establishes the Construction Account and the Enterprise Fund. The Enterprise Fund consists of the Revenue Account, the Renewal, Replacement and Improvement Account, the General Reserve Account, the Sinking Fund Account (and within the Sinking Fund Account, the Bond Service Subaccount and the Redemption Subaccount), the Reserve Account, the Subordinated Indebtedness Account, the Rate Stabilization Account, the Impact Fee Account and the Special Assessment Account.

The City will deposit all Revenues collected from the operations of the Water and Sewer System into the Revenue Account of the Enterprise Fund. Not later than the twentieth (20th) day of each month, the City will withdraw the balance of the Revenue Account (except for an amount equal to two month's Current Expenses under the Annual Budget, which amount shall be held for the payment of Current Expenses) and deposit the funds withdrawn in the following order:

- (a) To the Bond Service Subaccount of the Sinking Fund Account, one-sixth (1/6) of the amount of interest payable on the Bonds of each Series on the next Interest Payment Date, plus one-twelfth (1/12) (or, if principal is payable semiannually, one-sixth (1/6)) of the next maturing installment of principal on all Serial Bonds then Outstanding, such amounts to be adjusted in each month intervening between the date of delivery of the Bonds and the next succeeding Interest Payment Date or principal payment date to add to the required deposit an additional amount which, when multiplied by the number of deposits to the credit of the Bond Service Subaccount required to be made during such period will equal the amount needed (in addition to any amounts received as accrued interest or capitalized interest from the proceeds of such Bonds) to pay principal and interest on such Bonds when such payments are due on the next Interest Payment Date or principal payment date;
- (b) To the Redemption Subaccount of the Sinking Fund Account, an amount equal to one-twelfth (1/12), or, if any Bonds are required to be retired semiannually in satisfaction of the Amortization Requirements therefor, one-sixth (1/6), of the principal amount of Term Bonds of each Series required to be retired, in satisfaction of the Amortization Requirements, if any, for such Fiscal Year;
- (c) To the Reserve Account, such amount, if any, of any balance remaining after making the deposits under clauses (a) and (b) above (or the entire balance if less than the required amount) as may be required to make the amount deposited to the credit of the Reserve Account in such month equal to the Reserve Account Deposit Requirement for such month;
- (d) To the Rate Stabilization Account, such amounts determined from time to time by the City Commission to be credited to such account;
- (e) To the Subordinated Indebtedness Account, an amount, if any, of any balance remaining after making the deposits under clauses (a), (b), (c) and (d) above (or the entire balance if less than the required amount) equal to the sum of one-twelfth (1/12) of the principal of, redemption premium, if any, and interest coming due on any Subordinated Indebtedness during the next succeeding twelve month period and the amount, if any, required to be deposited in any

special reserve subaccount established within the Subordinated Indebtedness Account pursuant to the Bond Resolution;

(f) To the Renewal, Replacement and Improvement Account, such amount, if any, of any balance remaining after making the deposits under clauses (a), (b), (c), (d) and (e) above (or the entire balance if less than the required amount) as may be required to make the amount deposited in such month to the credit of the Renewal, Replacement and Improvement Account equal to one-twelfth (1/12) of the difference between any lesser amount on deposit therein and the Renewal, Replacement and Improvement Account Requirement for such Fiscal Year; and

(g) To the General Reserve Account, the balance, if any, remaining after making the above deposits.

Reserve Account

The Bond Resolution establishes the Reserve Account within the Enterprise Fund. The Reserve Account is held for the benefit of all Bonds Outstanding except that: (i) the Series Resolution for a particular Series of Bonds may provide that such Series of Bonds is not to be secured by the Reserve Account and, in such event, such Series of Bonds will not be secured by the Reserve Account and the moneys held for the credit of the Reserve Account will not be applied for the benefit of such Series of Bonds, and (ii) the Series Resolution for one or more particular Series of Bonds may establish a separate subaccount within the Reserve Account for such particular Series of Bonds and, in such event, such Series of Bonds shall be secured only by the moneys held for the credit of such subaccount and by no other amounts held for the credit of the Reserve Account, and the Bonds Outstanding of any other Series will have no claim whatsoever on the moneys held for the credit of such separate subaccount in the Reserve Account.

The Bond Resolution provides for the establishment of the Reserve Account Requirement. The Reserve Account Requirement is to be an amount equal to the lesser of (i) the Maximum Principal and Interest Requirements for all Outstanding Bonds; (ii) one hundred twenty-five percent (125%) of the average annual Principal and Interest Requirements for all Outstanding Bonds; and (iii) ten percent (10%) of the original proceeds (within the meaning of the Code) of all Series of Bonds Outstanding. However, the Series Resolution provides that no deposit to the Reserve Account shall be made in connection with the issuance of the Series 2018 Bonds. In addition, no separate subaccount in the Reserve Account has been created solely for the benefit of the Series 2018 Bonds. **As a result, the Series 2018 Bonds shall not be secured by any separate subaccount in the Reserve Account nor entitled to any benefit from amounts that may be held in the Reserve Account for the benefit of Bonds hereafter issued under the Bond Resolution.** The series resolutions authorizing issuance of the Series 2012 Bonds, the Series 2014 Bonds and the Series 2016 Bonds, respectively, also provided that no deposit to the Reserve Account was to be made in connection with the issuance of such Series of Bonds and that no separate subaccount in the Reserve Account was to be created solely for the benefit of such Series of Bonds. Therefore, upon issuance of the Series 2018 Bonds no amounts will be held in the Reserve Account for the benefit of the Series 2018 Bonds or the Outstanding Bonds.

Additional Bonds

Additional Bonds of the City may be issued under and secured by the Bond Resolution, on a parity with the pledge of Net Revenues and certain other moneys held under the Resolution for the benefit of the Series 2018 Bonds, the Outstanding Bonds and any other Bonds and Alternative Parity Debt hereafter issued under the Bond Resolution, and superior in lien to any Subordinated Indebtedness, subject to the

conditions described below, from time to time, to pay all or any part of the cost of constructing or acquiring any Improvements.

Before any Additional Bonds shall be issued under the provisions of the Bond Resolution the City Commission shall adopt a Series Resolution authorizing the issuance of such Additional Bonds, fixing the amount and the details thereof (including the Reserve Account Requirement therefor) and describing in brief and general terms the Improvements to be constructed or acquired. In addition, before such Additional Bonds shall be delivered, there shall be filed with the City, among other things, the following:

(a) a certificate of the Finance Director, an Accountant or the Rate Consultant demonstrating that the percentage derived by dividing the Net Revenues for any period of twelve (12) consecutive months selected by the City out of the twenty-four (24) months preceding the delivery of such certificate, by the Maximum Principal and Interest Requirements, including the Principal and Interest Requirements with respect to the Additional Bonds then to be delivered, for any future Fiscal Year is not less than one hundred twenty-five percent (125%) (the period during which Net Revenues are determined for purposes of this paragraph being referred to hereinafter as the "Measurement Period"); provided, however, that if either Impact Fees or Special Assessments are legally available for application with respect to such Additional Bonds pursuant to the terms of the Bond Resolution and the City elects to include the receipts from such Impact Fees or Special Assessments for the purpose of satisfying the Additional Bonds test contained in the Bond Resolution, then, in addition to the foregoing, the certificate shall also demonstrate that the percentage derived by dividing the Net Revenues (taking into consideration the Impact Fees and/or the Special Assessments, as applicable) for the Measurement Period, by the Maximum Principal and Interest Requirements, including the Principal and Interest Requirements with respect to the Additional Bonds then to be delivered, for any future Fiscal Year shall not be less than one hundred thirty percent (130%);

(b) an opinion of the City Attorney that the issuance of such Additional Bonds has been duly authorized and that all conditions precedent to the delivery of such Additional Bonds have been fulfilled; and

(c) a certificate of the Finance Director to the effect that no event of default, as defined in the Bond Resolution, and no event which with the passage of time, the giving of notice or both would become an event of default has occurred within the twelve (12) consecutive calendar months prior to the date of such certificate and is continuing, or, if any such event or event of default has occurred and is continuing, that the issuance of such Series of Additional Bonds will cure the same.

In determining whether to execute and deliver the certificate mentioned in clause (a) of this Section, the following adjustments to Net Revenues may be made:

(1) If the City, prior to the issuance of the proposed Additional Bonds, shall have increased the rates, fees, rentals or other charges for the services of the Water and Sewer System, the Net Revenues for the Measurement Period shall be adjusted to show the Net Revenues which would have been derived from the Water and Sewer System in such Measurement Period as if such increased rates, fees, rentals or other charges for the services of the Water and Sewer System had been in effect during all of such Measurement Period.

(2) If the City shall have acquired or has contracted to acquire any privately or publicly owned existing water system or sewer system, then the Net Revenues derived from the Water and Sewer System during the Measurement Period shall be increased by addition to the Net Revenues

for the Measurement Period of the net revenues which would have been derived from said existing water system or sewer system as if such existing water system or sewer system had been a part of the Water and Sewer System during the Measurement Period. For the purposes of this paragraph, the net revenues derived from said existing water system or sewer system during the Measurement Period shall be adjusted by deducting the cost of operation and maintenance of said existing water system or sewer system from the gross revenues of said existing water system or sewer system in the same manner provided in the Bond Resolution for the determination of Net Revenues.

(3) If the City, in connection with the issuance of Additional Bonds, shall enter into a contract (with a duration not less than the final maturity of such Additional Bonds) with any public or private entity whereby the City agrees to furnish services in connection with any water system or sewer system, then the Net Revenues of the Water and Sewer System during the Measurement Period shall be increased by the least amount which said public or private entity shall guarantee to pay in any one year for the furnishing of said services by the City, after deducting therefrom the proportion of operating expenses and repair, renewal and replacement cost attributable in such year to such services. Such payments shall be deemed to be Net Revenues of the Water and Sewer System and pledged for the Bonds in the same manner as other Net Revenues of the Water and Sewer System.

(4) If the City covenants to levy Special Assessments or Impact Fees against improved property to be benefitted by the Improvements (which levy will be done in accordance with State law), the cost of which shall be paid from the proceeds of the proposed Additional Bonds, and if such Special Assessments or Impact Fees are legally available for application with respect to such Additional Bonds, as permitted under the terms of the Bond Resolution, then the Net Revenues during the Measurement Period shall be increased by an amount equal to one hundred percent (100%) of the amount which the Consulting Engineer estimates will be received in each year from the levy of said Impact Fees or said Special Assessments (without taking into account the possibility of prepayment of Special Assessments), within three (3) years of the date of the sale of such Additional Bonds, said amount to be the total received from the installment payments on the Special Assessments or Impact Fees, as the case may be, plus, in the case of Special Assessments, any interest paid on the unpaid portion of the Special Assessments. The estimate of the Consulting Engineer shall be based upon the preliminary assessment roll filed with the City prior to the construction of such Improvements.

The Series 2018 Bonds are being issued as Additional Bonds under Section 209 of the Bond Resolution.

Refunding Bonds

Under the provisions of the Bond Resolution, Refunding Bonds may be issued to refund some or all of the Series 2018 Bonds or other Bonds issued under the Bond Resolution, including the Outstanding Bonds, that are subject to redemption. Any such Refunding Bonds issued to refund Additional Bonds or Alternative Parity Debt shall be secured by the Net Revenues and certain other moneys held under the Resolution, on a parity with the Series 2018 Bonds, the Outstanding Bonds and any other Bonds or Alternative Parity Debt hereafter issued and Outstanding under the Bond Resolution, without meeting the requirements described above in clauses (a) and (c) under the heading "SECURITY AND SOURCES OF PAYMENT - Additional Bonds," so long as the issuance of the Refunding Bonds will result in a decrease in the total Principal and Interest Requirements for all Bonds Outstanding.

Other Obligations Secured by Net Revenues

Other than the Series 2018 Bonds, the only other obligations issued under the Bond Resolution are the Outstanding Bonds. The Outstanding Bonds were each issued to refinance Bonds and other obligations previously issued as part of the City's multi-year comprehensive capital improvement program to modernize and improve the Water and Sewer System (the "CIP"). In addition to the Series 2018 Bonds, other Bonds may be issued by the City to finance the improvements to the Water and Sewer System recommended by the City's independent engineers and consultants in the CIP, but the City currently does not have any specific plans as to the issuance of its next Series of Bonds.

In addition to the issuance of Bonds, in connection with the implementation of the CIP, the City has borrowed funds from the State of Florida revolving loan program (the "SRF"). Although not currently contemplated, the City may obtain additional SRF loans for the CIP in the future. Such SRF loans have not been incurred by the City, and are not expected to be incurred by the City in the future, as Additional Bonds or Alternative Parity Debt. As a result, such SRF loans are currently, and if obtained in the future are expected to be, payable from and secured by Net Revenues on a basis that is junior and subordinate to the pledge of and lien on Net Revenues in favor of the Series 2018 Bonds, the Outstanding Bonds and any other Bonds or Alternative Parity Debt issued under the Bond Resolution.

Modifications or Supplements to Bond Resolution

Except as set forth in the third (3rd) succeeding paragraph below, no supplemental resolution may be adopted by the City Commission for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions of the Bond Resolution or of any resolution supplemental thereto without the consent in writing of the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding; provided, however, that no such supplemental resolution shall permit (i) an extension of the maturity of the principal of or the interest on any Bond, (ii) a reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon, (iii) the creation of a lien upon or a pledge of Revenues other than the lien and pledge created by the Bond Resolution, (iv) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (v) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental resolution without, in each case, the consent of the Holders of all the Bonds Outstanding.

For purposes of providing the written consent of the Holders of any Series of Bonds to any supplemental resolution modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions of the Bond Resolution or of any resolution supplemental thereto, the consent of the Holders of any Series of Additional Bonds shall be deemed given if the underwriters or initial purchasers for resale consent in writing to such supplemental resolution and the nature of the amendment effected by such supplemental resolution is disclosed in the official statement or other offering document pursuant to which such Series of Additional Bonds is offered and sold to the public.

In addition, for purposes of providing the written consent of the Holders of any Series of Bonds to any supplemental resolution modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions of the Bond Resolution or of any resolution supplemental thereto, to the extent any Series of Bonds is secured by a Credit Facility that satisfies the requirements set forth in the Bond Resolution, the consent of the Credit Facility Issuer for such Series of Bonds shall constitute the consent of the Holders of such Bonds.

Notwithstanding the foregoing, the City Commission may adopt such supplemental resolutions as shall not be inconsistent with the terms and provisions of the Bond Resolution:

(a) to cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in the Bond Resolution or in any supplemental resolution;

(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 other conditions, limitations and restrictions thereafter to be observed;

(d) to add to the covenants and agreements of the City in the Bond Resolution other covenants and agreements thereafter to be observed by the City or to surrender any right or power reserved to or conferred upon the City in the Bond Resolution;

(e) to permit the issuance of Bonds in coupon form, subject to the delivery of the opinion of Bond Counsel required by the Bond Resolution;

(f) to permit the City to issue Bonds the interest on which is not exempt from federal income taxation;

(g) to qualify the Bonds or any of them for registration under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended;

(h) to qualify the Bond Resolution as an “indenture” under the Trust Indenture Act of 1939, as amended;

(i) to create additional Sinking Fund Accounts for a Series of Bonds permitted by the Bond Resolution;

(j) to permit Bonds to be issued in denominations smaller than \$5,000; or

(k) to comply with requirements of entities providing Credit Facilities, Reserve Account Insurance Policies and Reserve Account Letters of Credit.

See “APPENDIX D - The Resolution” for certain other provisions applicable in connection with a proposed modification, amendment or supplement to the Bond Resolution.

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ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds in connection with the issuance of the Series 2018 Bonds:

Sources of Funds

Par Amount of Series 2018 Bonds	\$
Net Original Issue Discount / Premium	_____
Total Estimated Sources of Funds	\$ <u> </u>

Uses of Funds

Deposit to Construction Subaccount ⁽¹⁾	\$
Deposit to Cost of Issuance Subaccount ⁽²⁾	
Underwriters' Discount	_____
Total Estimated Uses of Funds	\$ <u> </u>

(1) See "PURPOSE OF THE ISSUE" herein.

(2) To pay certain costs of issuance of the Series 2018 Bonds, including, without limitation, printing costs and fees of bond counsel, disclosure counsel, the financial advisor, the rating agencies, and the Feasibility Consultants (as such term is hereinafter defined).

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DEBT SERVICE SCHEDULE*

Maturity	Series 2018 Bonds				Outstanding Bonds		Total Debt Service on Outstanding Bonds and Series 2018 Bonds	Total Annual Debt Service on Outstanding Bonds and Series 2018 Bonds
	Principal	Interest	Series 2018 Bonds Debt Service	Series 2018 Bonds Annual Debt Service	Outstanding Bonds Debt Service	Outstanding Bonds Annual Debt Service		
3/1/18	\$ —	\$ —	\$ —	\$ —	\$ 12,064,491	\$ —	\$ 12,064,491	\$ —
9/1/18					11,965,116	24,029,606		
3/1/19					12,059,741	—		
9/1/19					11,973,491	24,033,231		
3/1/20					12,065,741	—		
9/1/20					11,971,991	24,037,731		
3/1/21					10,861,741	—		
9/1/21					13,168,291	24,030,031		
3/1/22					12,029,241	—		
9/1/22					12,000,991	24,030,231		
3/1/23					12,037,716	—		
9/1/23					11,995,966	24,033,681		
3/1/24					12,023,966	—		
9/1/24					12,007,316	24,031,281		
3/1/25					12,026,691	—		
9/1/25					12,001,391	24,028,081		
3/1/26					12,022,091	—		
9/1/26					12,013,016	24,035,106		
3/1/27					12,028,766	—		
9/1/27					11,998,941	24,027,706		
3/1/28					12,035,941	—		
9/1/28					11,991,616	24,027,556		
3/1/29					12,024,516	—		
9/1/29					12,000,034	24,024,550		
3/1/30					12,032,922	—		
9/1/30					11,997,284	24,030,206		
3/1/31					12,034,122	—		
9/1/31					11,997,259	24,031,381		
3/1/32					12,062,722	—		
9/1/32					11,967,781	24,030,503		
3/1/33					12,071,263	—		
9/1/33					11,960,063	24,031,325		

<u>Series 2018 Bonds</u>					<u>Outstanding Bonds</u>		Total Debt Service on Outstanding Bonds and Series 2018 Bonds	Total Annual Debt Service on Outstanding Bonds and Series 2018 Bonds
<u>Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Series 2018 Bonds Debt Service</u>	<u>Series 2018 Bonds Annual Debt Service</u>	<u>Outstanding Bonds Debt Service</u>	<u>Outstanding Bonds Annual Debt Service</u>		
3/1/34	\$	\$	\$	\$	\$ 12,072,441	\$ —	\$	\$ —
9/1/34					11,955,447	24,027,888		
3/1/35					12,076,953	—		
9/1/35					11,953,459	24,030,413		
3/1/36					6,848,366	—		
9/1/36					6,733,678	13,582,044		
3/1/37					2,249,075	—		
9/1/37					2,217,275	4,466,350		
3/1/38					2,245,475	—		
9/1/38					2,217,775	4,463,250		
3/1/39					—	—		
9/1/39					—	—		
3/1/40					—	—		
9/1/40					—	—		
3/1/41					—	—		
9/1/41					—	—		
3/1/42					—	—		
9/1/42					—	—		
3/1/43					—	—		
9/1/43					—	—		
3/1/44					—	—		
9/1/44					—	—		
3/1/45					—	—		
9/1/45					—	—		
3/1/46					—	—		
9/1/46					—	—		
3/1/47					—	—		
9/1/47					—	—		
3/1/48					—	—		
9/1/48					—	—		
TOTAL	\$	\$	\$	\$	<u>\$455,065,152</u>	<u>\$455,065,152</u>	\$	\$

* Totals may not add due to rounding.

THE CITY

The City, located in the heart of a robust, diversified growth region on the southeast coast of Florida, contains approximately thirty-six (36) square miles and has an estimated population of approximately 179,063, as of April 1, 2017. The City was incorporated in 1911 and operates pursuant to a City Charter. The government consists of a five (5) member City Commission elected by district, including a mayor elected at large. All elections are on a nonpartisan basis. The City Commission appoints a city manager. The current City Manager is Lee R. Feldman, who was appointed to serve as City Manager on June 7, 2011.

The City provides a full range of municipal services, including police and fire protection, streets, planning and zoning, parks and recreation, water, sewer, sanitation, economic development and public information services. Tourism is one of the City's major economic forces, with manufacturing, industrial and commercial business and corporate and regional offices serving to diversify the City's economic base. For more information about the City, see "APPENDIX A - General Information regarding the City of Fort Lauderdale, Florida and Broward County, Florida."

WATER AND SEWER SYSTEM

The following is intended to provide only a summary description of the Water and Sewer System. For a more detailed description of the Water and Sewer System, see the City of Fort Lauderdale, Florida Series 2018 Water and Sewer Revenue Bonds Feasibility Report (the "Feasibility Report") prepared by CH2M HILL, Inc., Hazen and Sawyer, P.C. and Stantec, Inc., collectively serving as the City's engineering and feasibility consultants in connection with the issuance of the Series 2018 Bonds (collectively, the "Feasibility Consultants"). The Feasibility Report was prepared to address issues and provide information relevant to the Water and Sewer System and the issuance of the Series 2018 Bonds for the Fiscal Years ended September 30, 2013 through September 30, 2017 (the "Historical Period") and for the Fiscal Years ending September 30, 2018 through September 30, 2022 (the "Forecast Period"). The Feasibility Report is included in this Official Statement as Appendix B.

General

The Water and Sewer System constitutes a large and complicated infrastructure of pipes and treatment facilities for both the production and distribution of potable water and the collection and disposal of sewer waste. It also includes water meters, raw water wells, well pumps, valves, and wastewater pump stations. The City has more than 1,400 miles of water mains, sewer force-mains and gravity sewer lines throughout the 43 square miles of the Water and Sewer System service area.

History

The Water System. Approximately one year after the City's incorporation in 1911, the City's water system (the "Water System") began operations, serving less than 100 people. The original Water System was replaced with a larger well, pumping station and treatment plant in 1919. In 1926 construction of the Dixie Water Treatment Plant (now known as the Walter E. Peele-Dixie Water Treatment Plant) (the "Peele-Dixie WTP") began and such facility was enlarged in 1939 to a capacity of 14 million gallons per day ("mgd"). The number of customer accounts served by the Water System nearly doubled between 1935 and 1945 and again by 1950, growing from 2,365 in 1935 to 5,721 in 1945, and to 11,577 by 1950. In 1950 the City purchased the Fiveash Water Treatment Plant (the "Fiveash WTP") and increased its capacity from 8 mgd to 16 mgd in 1958. By the early 1970s, the capacity of the Peele-Dixie WTP was increased to 20 mgd, and the Fiveash WTP to 40 mgd. Together these water treatment plants provided service to

approximately 35,700 customers. The Fiveash WTP was expanded by an additional 24 mgd of design capacity in the early 1980s as the Water System neared capacity.

In 1953 the City began providing water service to other nearby communities when the City entered into a contract with the Town of Lauderdale-by-the-Sea. Prior to 2008, Lauderdale-by-the-Sea owned the water lines within its boundaries and the City maintained those lines and otherwise provided retail water service to the residents of that community. In 2008, the City purchased the water lines it previously leased from Lauderdale-by-the-Sea. The City continues to provide retail water service to the residents of the Town of Lauderdale-by-the-Sea.

Other entities also purchase water from the City under similar arrangements, including the Village of Sea Ranch Lakes and parts of unincorporated Broward County. Together, the Town of Lauderdale-by-the-Sea and the Village of Sea Ranch Lakes comprise less than four percent (4.0%) of the total population served by the Water System. The number of retail customers the City serves in unincorporated Broward County comprises less than six percent (6.0%) of the total population served by the Water System.

Several other entities purchase water from the City on a wholesale or bulk user basis through a master meter. These entities include the cities of Oakland Park and Wilton Manors and, as to a portion thereof, the City of Tamarac, the Town of Davie and Broward County's Port Everglades. The agreements for water supply between these entities and the City all have 30-year terms, except for the agreement with the City of Wilton Manors, which has a 25-year term. Such contracts collectively represent approximately 16.3% of the City's total water consumption.

Set forth below is a listing of such contracts, their current expiration dates and the percentage of total consumption of the Water System represented by each contract. The City's contract with the Town of Davie expired in 2017 and a new contract is being negotiated. Service is currently provided to the Town of Davie under the terms of the expired contract. The City expects the contract to be renewed once negotiations have been completed and also expects to enter into a new long-term arrangement with each of the entities set forth below when the current wholesale or bulk user contracts expire.

Wholesale Water User Contracts

<u>Large User</u>	<u>Effective Dates of Agreement</u>	<u>% of Total Water System Consumption⁽¹⁾</u>
Town of Davie	1987 - 2017	0.27%
City of Oakland Park	1994 - 2024	8.15
Broward County's Port Everglades ⁽²⁾	2002 - 2032	3.19
Broward County	1994 - 2024	0.04
City of Tamarac	1994 - 2024	0.42
City of Wilton Manors	2005 - 2030	<u>4.26</u>
TOTAL		<u>16.33%</u>

Source: The Feasibility Report. See "APPENDIX B - City of Fort Lauderdale, Florida Series 2018 Water and Sewer Revenue Bonds Feasibility Report," including, in particular, Section 2.1.1 in the Feasibility Report.

Footnotes for the immediately preceding table are provided on the next page.

- (1) Total metered consumption in Fiscal Year 2016 amounted to approximately 12.279 billion gallons.
- (2) Since 2004, the City has provided retail water service to some tenants at Broward County's Port Everglades but continues also to provide wholesale water service at Port Everglades.

The Sewer System. Prior to construction of the G. T. Lohmeyer Wastewater Treatment Plant (the "Lohmeyer WWTP") in the 1970s, the Sewer System of the City (the "Sewer System") was comprised of numerous small sewer treatment facilities housed at various locations around the City. The construction of the Sewer System began in 1927 but, due to the impacts of a hurricane and local economic downturn, was not completed until 1937. In the 1940s and 1950s, the population of the City grew more rapidly than the Sewer System. As a result, new developments were often served by septic systems. By the late 1950s, the City had begun to expand the Sewer System to serve all areas of the City. Most new developments subsequent to 1950 were required to install sanitary sewers as well.

Expansion of the wastewater collection system was limited until 1957, when the City began expanding the Sewer System into unserved areas, beginning from the beach area and extending west. However, expansion of the gravity wastewater system slowed considerably in the late 1970s and 1980s, as available capital funds were used to consolidate and upgrade the wastewater treatment plants of the Sewer System. Currently, almost all of the City's residents are connected, or have access, to the Sewer System.

Construction of the Lohmeyer WWTP began in the mid-1970s. The Lohmeyer WWTP was designed to serve the entire City, as well as the City of Oakland Park, the City of Wilton Manors, Broward County's Port Everglades, portions of the Town of Davie and portions of the City of Tamarac. The City has negotiated contractual agreements with each of these large regional Sewer System users. All of these contracts were amended in 2001 and are now scheduled to expire in 2021. The City plans to enter into new contracts with each of the large regional Sewer System users prior to expiration of the existing contracts. To date, none of the large regional users of the Sewer System have indicated any intention to seek alternative sources of wastewater treatment.

After constructing the Lohmeyer WWTP, the City closed all of the smaller wastewater treatment facilities that had previously been used to operate the Sewer System. The Lohmeyer WWTP has a permitted capacity of 56.6 mgd, based on a maximum 3-month average daily flow.

Organizational Structure

Organization and Management. Operation of the Water System and the Sewer System is the responsibility of the City's Public Works Department (the "Public Works Department"). In addition, the Public Works Department manages operation of the City's stormwater drainage system and solid waste collection system. The Public Works Department currently employs approximately 464 full-time equivalent staff and is composed of four (4) divisions: Administrative/Strategic Support, Utilities, Sustainability and Engineering.

The Utilities Division is responsible for operation of the Water and Sewer System. The two subdivisions within the Utilities Division are: (i) Distribution and Collection (which operates and maintains the potable water distribution facilities and sewer collection and pumping facilities); and (ii) Treatment (which operates the Peele-Dixie WTP, the Fiveash WTP, the Lohmeyer WWTP, the associated wellfields, and the environmental lab).

The Sustainability Division operates the solid waste and recycling activities, fleet services, stormwater, environmental and regulatory affairs and sustainability and climate resilience, including implementation of the City's Sustainability Action Plan (which articulates the City specific "green" goals, strategies and performance indicators, reflects how sustainability will be integrated into all levels of City

decision-making and establishes a system of accountability). The division serves as an internal business consultant to other City departments to integrate sustainable practices and climate resiliency into their daily operations.

The Engineering Division provides for engineering design, construction and project management of capital community investment and public right-of-way projects. The division ensures that projects are in compliance with approved plans, specifications and applicable building codes and meet high standards of quality, delivery time and cost. The division provides engineering and project management services for water, sewer, and stormwater capital improvement projects and includes the engineering and project management subdivisions. The Director's office, constituting the Administrative/Strategic Support Division, is responsible for financial services and utilities support activities, including budget, utilities finance, human resources and payroll, grant management, and operation and management of the City's 24-hour customer service center.

The Director of the Public Works Department is Paul A. Berg. Mr. Berg has been the Director of the Public Works Department since October 2015. Prior to becoming the Director, Mr. Berg served as Acting Director for approximately one year and as Deputy Director (prior to serving as Acting Director) for approximately 1.5 years. Mr. Berg has over forty (40) years of experience serving in local government and has extensive experience serving in a senior management capacity within the public sector. Prior to serving as a Deputy Director for the Public Works Department, Mr. Berg served in capacities where he was responsible for personnel administration, collective bargaining, budgeting, fleet management, public works, library management, and several major construction projects. He has also served two cities as City Manager, one in Florida and one in Illinois. As City Manager, Mr. Berg had extensive experience with strategic planning, downtown revitalization, neighborhood redevelopment, priority based budgeting, privatization of municipal services and community development. Mr. Berg has a Bachelor of Arts in Political Science from Augustana College, a Master of Arts in Public Affairs from the University of Iowa and is a Credentialed Manager by the International City County Management Association.

Each of the divisions of the Public Works Department is supervised by a Deputy or Assistant Public Works Director, one of which (Engineering) is currently vacant.

The Deputy Director of the Public Works Department in charge of the Strategic Support Division is Colonel (R) Alan M. Dodd, P.E. Colonel (R) Dodd has served as the Deputy Director since December 2016 and in the Public Works Department since November 2015. Prior to joining the City, he served 28 years in the United States Army, where he held numerous positions as staff engineer and leading engineering organizations to support national security objectives worldwide. His last position before retiring in 2015 was Commander and District Engineer, Jacksonville District, U.S. Army Corps of Engineers. There he led one of the largest civil works districts in the U.S. Army Corps of Engineers, with geographic responsibility for Florida, Puerto Rico, and the Caribbean basin. His responsibilities included management of 900 civilian employees and the execution of a \$700 million annual program focused on water resources planning, ecosystem restoration, environmental cleanup, construction, navigation and dredging, beach renourishment, hurricane storm damage reduction, and flood protection.

The Assistant Director in charge of the Utilities Division is Talal Abi-Karam, P.E. Mr. Abi-Karam has been an Assistant Director since October 2015 and has been in the Public Works Department since 2012. He has over thirty-five (35) years of professional experience serving utilities and engineering departments for municipalities within South Florida. In addition to being a licensed Professional Engineer, he has achieved high levels of certification in many fields. He has provided engineering, design, construction management, and utility management services nationally and internationally for a variety of

industries, including providing expertise for entities on water/wastewater plants, pipelines, pump stations and stormwater facilities.

The Assistant Public Works Director in charge of the Sustainability Division is Dr. Nancy J. Gassman. Dr. Gassman received her Ph.D. from the University of Miami researching a variety of issues impacting coastal ecosystems. She started her 22 years of public service with Broward County, Florida, working on integrated water resources planning. She transitioned to directing the county's environmental monitoring program, including fostering construction of a LEED-certified environmental chemistry laboratory. Her main focus from 2009-2013 was supporting the development and implementation of Broward County's Climate Change Action Plan and managing the County's Energy and Sustainability Program. She has been a major contributor to developing technical tools for the Southeast Florida Regional Climate Change Compact, including the Unified Sea Level Rise Projection for Southeast Florida. Dr. Gassman joined the City in January 2014.

Training Programs and Certifications. The City has an active training program for its field crews and operations and maintenance staff, including monthly safety meetings and quarterly courses on various safety related subjects. The Florida Administrative Code requires all distribution and collection field crew leaders to be certified by the State of Florida as a condition of their employment. All of such employees, as well as all of the operators of the Water System, the Sewer System and the City's stormwater drainage system, are licensed and certified by the State of Florida. The City also requires that vacancies be filled by licensed operators or by individuals who agree to train to be licensed operators.

The Utilities Division's Environmental Laboratory provides daily sampling and testing services for the Water and Sewer System. The Environmental Laboratory is certified by the Florida Department of Health, Bureau of Public Health Laboratory and by the Florida Department of Environmental Protection ("FDEP") for collecting environmental water samples and conducting water quality analyses. Additionally, the Utilities Division's Environmental Laboratory is accredited through the National Environmental Laboratory Accreditation Certification and the International Organization for Standardization (ISO 17025).

Government Regulations

The Water System and the Sewer System are subject to federal, state, regional and local regulation. Federal regulatory jurisdiction is vested in the United States Environmental Protection Agency (the "EPA"). The Water System must comply with the Federal Safe Drinking Water Act. However, the EPA has delegated the primary responsibility for enforcement of drinking water standards to the State of Florida Department of Health. The Sewer System must comply with the Federal Water Pollution Control Act and the 1977 Clean Water Act Amendments. The EPA has retained jurisdiction over the enforcement of the federal laws.

The State, acting through FDEP, has its own system of operational permits which govern the Water System and the Sewer System. On a regional level, the South Florida Water Management District ("SFWMD") controls groundwater withdrawals through consumptive use permits, which stipulate the maximum annual and daily withdrawals. The current consumptive use permit for the Water System is valid through September 11, 2028. Locally, the Broward County Department of Natural Resource Protection has its own licensing system for wastewater plants and a monitoring and enforcement process and the Broward County Department of Health has jurisdiction over the treatment of potable water.

Service Area Population Projections

A comprehensive study of the Water and Sewer System in 2000 resulted in the creation of the Master Plan for improvements, upgrades and maintenance (the “2000 Master Plan”). See “CAPITAL IMPROVEMENT PROGRAM” herein. Among other projections, the 2000 Master Plan projected a moderate increase in water demand of 0.66% annually through 2020, based on the moderate population growth expected in the Water System service area. The City updates the 2000 Master Plan periodically. In 2007 updates were prepared for the Water System (the “2007 Water Master Plan Update”) and for the Sewer System (the “2007 Wastewater Master Plan Update” and, collectively with the 2007 Water Master Plan Update, the “2007 Master Plan Update”). Projections for population growth in the service area of the Water and Sewer System were updated in the 2007 Master Plan Update. In 2017 the City further updated the projections and recommendations for improvements to the Water and Sewer System in its Comprehensive Utility Strategic Master Plan (the “2017 Master Plan”), including projections for population growth in the service area of the Water and Sewer System. A copy of the 2017 Master Plan may be obtained from the City by contacting the City’s Director of Finance, 100 North Andrews Avenue, Fort Lauderdale, Florida 33301, Telephone number: (954) 828-5167, Facsimile number: (954) 828-5168, Email address: finance@fortlauderdale.gov or may be accessed at the following website address:

<http://www.fortlauderdale.gov/departments/public-works/engineering/master-plans>

Population growth projections were reduced in the 2007 Master Plan Update and in the 2017 Master Plan, based on more recent population estimates for the Fort Lauderdale area provided by national, State and local government agencies. The City has noted the reduction in current population estimates and projections for the region of South Florida which includes the City, the corresponding reductions in population projections that may be expected for the service area of the Water System and the Sewer System and the associated potential decrease in demand for service from the Water and Sewer System. See “WATER AND SEWER SYSTEM - The Water System - Water Treatment Facilities” and “- The Sewer System - Wastewater Treatment Facility” herein. Forecasts of Revenues presented in this Official Statement also have been made acknowledging reduced rates of population growth that may occur in the future, as reflected in the 2017 Master Plan. For a more detailed description of the population forecast utilized for the Water and Sewer System demand forecast and Revenue projections presented in this Official Statement, see “APPENDIX B - City of Fort Lauderdale, Florida Series 2018 Water and Sewer Revenue Bonds Feasibility Report,” including, in particular, Section 2.3 in the Feasibility Report.

Set forth below are the population estimates for calendar year 2015 and the population forecasts for calendar years 2020 through 2035, as contained in the 2017 Master Plan for the Water System service area.

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**Water System Service Area
Population Forecast**

<u>Location</u>	<u>2015</u>	<u>2020</u>	<u>2025</u>	<u>2030</u>	<u>2035</u>
Fort Lauderdale and unincorporated Broward County	175,359	180,968	196,171	205,691	209,294
All Other Locations Within Water System Service Area	<u>53,187</u>	<u>54,521</u>	<u>55,587</u>	<u>57,377</u>	<u>57,902</u>
Total	<u>228,546</u>	<u>235,489</u>	<u>251,758</u>	<u>263,068</u>	<u>267,196</u>

Source: The Feasibility Report. See “APPENDIX B - City of Fort Lauderdale, Florida Series 2018 Water and Sewer Revenue Bonds Feasibility Report,” including, in particular, Section 2.3 in the Feasibility Report.

Set forth below are the population estimates for calendar year 2015 and the population forecasts for calendar years 2020 through 2035, as contained in the 2017 Master Plan for the Sewer System service area.

**Sewer System Service Area
Population Forecast**

<u>Location</u>	<u>2015</u>	<u>2020</u>	<u>2025</u>	<u>2030</u>	<u>2035</u>
Fort Lauderdale and unincorporated Broward County	140,717	145,429	160,108	168,078	171,240
All Other Locations Within Sewer System Service Area	<u>39,116</u>	<u>40,269</u>	<u>40,733</u>	<u>42,240</u>	<u>42,646</u>
Total	<u>179,833</u>	<u>185,698</u>	<u>200,841</u>	<u>210,318</u>	<u>213,886</u>

Source: The Feasibility Report. See “APPENDIX B - City of Fort Lauderdale, Florida Series 2018 Water and Sewer Revenue Bonds Feasibility Report,” including, in particular, Section 2.3 in the Feasibility Report.

The population estimates contained above for the Water and Sewer System are for permanent residents in the respective service areas. Gross per capita water use calculations for the Water and Sewer System, consistent with previous City water forecasting, account for the City’s tourist and other non-permanent resident population, which are estimated by City planning documents as 5% and 6% of the total population, respectively.

The Water System

Service Area and Customer Base. The City provides water across several governmental jurisdictions in central Broward County. In some areas, the City owns and maintains the water distribution system. In others areas, the City sells bulk water for redistribution by another agency or entity. The Water System consists of groundwater withdrawal, treatment, transmission, storage and distribution facilities and includes two water treatment plants (the Peele-Dixie WTP and the Fiveash WTP) with associated wellfields,

a distribution system consisting of approximately 782 miles of pipe, and water storage and pumping facilities.

The City provides retail water service to most of the area within its corporate limits. Several areas north, east and west of Fort Lauderdale Executive Airport and approximately one-half of the Rock Island area that was annexed by the City in 2005 receive water service from Broward County. The City also provides direct retail water service to the Town of Lauderdale-by-the-Sea, the Village of Sea Ranch Lakes, some tenants in Port Everglades and parts of unincorporated Broward County. In addition, the City provides water on a wholesale basis to the cities of Oakland Park and Wilton Manors, and to portions of the City of Tamarac, the Town of Davie, unincorporated Broward County and Broward County's Port Everglades. The Water System service area encompasses a total area of approximately 43 square miles and is the largest potable water distribution system in Broward County. The Water System serves an estimated population of over 225,000, which represents approximately 12% of the total population of Broward County, including both retail and wholesale customers.

Water Production and Demands. Residential units and commercial activities account for most of the demand of the Water System. Commercial activities are estimated to account for approximately twenty-five percent of metered water usage, while master metered customers account for approximately sixteen percent of all metered water usage. No large, heavy manufacturing facilities are located in the Water System service area.

Set forth below is the historical Annual Average Daily Flow ("AADF") pumping data from the City's water treatment plants and wellfields, along with the population estimates from 2009 to 2015.

Historical Finished and Raw Water Demand

Calendar Year	Water System Population	AADF Finished Water Pumped		AADF Raw Water Pumped	
		Pumping Rate (mgd)	Per Capita (gallons per person per day)	Pumping Rate (mgd)	Per Capita (gallons per person per day)
2009	224,145	43.6	195	44.6	199
2010	220,500	40.6	184	41.9	199
2011	222,109	40.3	181	41.4	186
2012	223,718	38.3	171	39.6	177
2013	235,328	37.7	167	39.2	174
2014	226,937	37.5	165	39.3	173
2015*	228,546	41.4	181	42.5	186
2009 to 2015 Average		39.9	178	41.2	184

Source: The Feasibility Report. See "APPENDIX B - City of Fort Lauderdale, Florida Series 2018 Water and Sewer Revenue Bonds Feasibility Report," including, in particular, Section 3.2 in the Feasibility Report.

* The finished water per capita for 2015 was estimated based on the average of the 2009 to 2013 per capita data.

The information provided in the table above represents the overall water consumption rate within the Water System service area, including residential, commercial, industrial and wholesale customers. The City has established a finished water per capita goal of 170 gallons per person per day by 2028. Set forth below is the overall water demand forecast for the Water System service area from calendar year 2020 through 2035. Amounts for calendar year 2015 are also included. Forecasts are presented for the Biscayne Aquifer raw water and finished water demands on an AADF basis. Additionally, the maximum day water demand is based on the historical maximum day to annual average day ratio of 1.27. The 2017 Master Plan used a conservative peaking factor of 1.3 for projected maximum day demand calculations.

Projected Finished and Raw Water Demand⁽¹⁾

Calendar Year	Water System Population	Overall Raw Water Per Capita (gpcd) ⁽²⁾	Overall Finished Water Per Capita (gpcd) ⁽²⁾	Biscayne Aquifer Raw Water Demand AADF (mgd)	AADF Finished Water Demand (mgd)	Maximum Day Finished Water Demand (mgd)
2015	228,546	186	181	42.5	41.4	53.8
2020	235,489	181	177	42.6	41.7	54.2
2025	251,758	178	172	44.8	43.3	56.3
2030	263,068	176	170	46.3	44.7	58.1
2035	267,196	176	170	47.0	45.4	58.1

Source: The Feasibility Report. See “APPENDIX B - City of Fort Lauderdale, Florida Series 2018 Water and Sewer Revenue Bonds Feasibility Report,” including, in particular, Section 3.2 in the Feasibility Report.

- (1) The finished water demand is assumed to be 170 gallons per person per day in the year 2028 and thereafter, based on the City’s goal for such demand and provisions for water conservation set forth in the City’s Water Use Permit. See “WATER AND SEWER SYSTEM - Water System - Conservation” and “- Regulatory Impacts” herein.
- (2) “gpcd” = gallons per capita per day.

The Fiveash WTP design capacity is permitted at 70 mgd. The 2017 Master Plan indicated that, based on the age of the plant, the plant has a reduced capacity of 55 mgd. The reduced capacity results from an inefficient plant configuration which significantly increases finished water turbidity and decreases color removal when treatment levels exceed 55 mgd. The CIP includes projects to restore the 70 mgd capacity of the Fiveash WTP. See “CAPITAL IMPROVEMENT PROGRAM - Water System Improvements” herein. However, at the reduced capacity of 55 mgd, together with the 12 mgd treatment capacity of the Peele-Dixie WTP, the Water System will have enough treatment capacity for the forecasted water demand through calendar year 2035.

Conservation. The City has promoted water conservation for more than 25 years and water conservation continues to be a major element of the City’s water supply strategy. The City has established several conservation initiatives to help facilitate reaching its goal of reducing finished water demand to 170 gallons per person per day by the year 2028. The City’s current water conservation program promotes ongoing water conservation by adopting 14 separate comprehensive plans and initiatives, several in partnership with the County and other organizations, to advance conservation ideas and activities. In addition, the City actively promotes conservation by (i) requiring landscaping in single-family zoning that needs little watering, (ii) continuing to increase potable water fees, (iii) offering information and conducting

education programs on the implementation of water conservation measures, and (iv) advising all large water users of the benefits of implementing water conservation measures. The City currently uses an increasing block rate structure, where customers that consume more water pay more for each additional unit consumed. The City also encourages all customers of the Water System to use Florida-friendly, drought-resistant vegetation, and consistently informs wholesale customers about water conservation methods and opportunities.

The 2017 Master Plan also includes recommendations to further increase the City's efforts to promote water conservation. For a more detailed discussion of the conservation measures adopted by the City and additional programs and initiatives recommended in the 2017 Master Plan, see "APPENDIX B - City of Fort Lauderdale, Florida Series 2018 Water and Sewer Revenue Bonds Feasibility Report," including, in particular, Section 3.8 in the Feasibility Report.

Water Supply. The City currently obtains all of its raw water supply from two wellfields: the Dixie Wellfield and the Prospect Wellfield. Both wellfields draw water from the Biscayne Aquifer, a layer of highly permeable limestone and sand which extends from the surface to a depth of approximately 200 feet. The existing wells of the Water System are cased to a depth ranging from 75 feet to 133 feet. Water withdrawn from the Dixie Wellfield is treated at the Peele-Dixie WTP and the Prospect Wellfield supplies raw water for treatment at the Fiveash WTP. Both wellfields are permitted by the SFWMD under Consumptive Use Permit No. 06-00123-W, issued September 11, 2008 and expiring September 11, 2028.

The permit specifies that the City's annual water withdrawal shall not exceed 22,334 million gallons ("MG"), with the maximum monthly withdrawal not to exceed 2,157.6 MG. In addition, the permit stipulates limitations to annual withdrawals from specific sources, limiting withdrawals from the Biscayne Aquifer to 19,181 MG annually (52.55 mgd), with a maximum monthly withdrawal of 1,857 MG. Biscayne Aquifer withdrawals are limited to 5,475 MG per year (15.00 mgd) from the Dixie Wellfield and 15,853 MG per year (43.43 mgd) from the Prospect Wellfield. Such amounts constitute the maximum limits per wellfield, with the total Biscayne Aquifer withdrawals not to exceed the previously specified maximum of 19,181 MG (not the sum of the individual wellfield maximum withdrawals of 21,328 MG). The remaining water supply will be withdrawn from the Floridan Aquifer, which is a lower quality, more brackish source of water supply, or from some other alternative source determined by the City when the need arises.

The permit provides for withdrawals from the Floridan Aquifer via 2 existing and 14 proposed withdrawal facilities, and from the Biscayne Aquifer via 64 existing (37 of which constitute currently active wells) and 2 proposed withdrawal facilities. Biscayne Aquifer withdrawals from the Dixie Wellfield will be treated at the Peele-Dixie WTP by nanofiltration. If made in the future, Floridan Aquifer withdrawals from the Dixie Wellfield will be treated at the Peele-Dixie WTP by reverse osmosis. See "WATER AND SEWER SYSTEM - The Water System - Water Treatment Facilities" herein. Biscayne Aquifer water withdrawn from the Prospect Wellfield will continue to be treated at the Fiveash WTP by lime-softening.

The Dixie Wellfield, consists of 25 wells, most of which were constructed between 1926 and 1952. Of the 25 wells that have been constructed on the Dixie Wellfield, only 8 are active production wells. The City completed upgrades to the Dixie Wellfield in 2009. The upgrades did not increase the capacity of the wellfield but allowed the older wells to be taken out of service. As part of the Peele-Dixie WTP nanofiltration facility construction program, 8 new wells were constructed. Construction of a new nanofiltration facility was completed in 2008. The existing Peele-Dixie WTP was phased out of service and all of the existing older wells at the Dixie Wellfield were plugged and abandoned in 2010. With the replacement wells, the capacity of the Dixie Wellfield is now approximately 20 mgd. However, the City's consumptive use permit from the SFWMD limits withdrawals from the Dixie Wellfield to 15 mgd on a maximum daily basis from the Biscayne Aquifer. The Dixie Wellfield is expected to provide the raw water

for the proposed 6 mgd reverse osmosis treatment facility from the Floridan Aquifer. See “WATER AND SEWER SYSTEM - The Water System - Water Treatment Facilities” herein.

The Prospect Wellfield contains 29 wells located west of Fort Lauderdale Executive Airport. All of the wells in the Prospect Wellfield are currently in operation and such wells collectively have a pumping capacity of 87 mgd. However, the maximum daily allocation allowed under the SFWMD consumptive use permit is only 43.43 mgd on a maximum daily basis from the Biscayne Aquifer. The City has drilled 5 new wells at the Prospect Wellfield to replace 6 wells that the City abandoned. The 5 new wells have a capacity of 15.1 mgd, which is an increase in capacity from the 6 wells that were abandoned.

In addition to the Prospect Wellfield, another 24 wells are located on Fort Lauderdale Executive Airport property adjacent to the Prospect Wellfield (hereinafter referred to as the “Executive Airport Wellfield”). The wells located at the Executive Airport Wellfield are currently not in operation. In the early 1980s, volatile organic compounds (“VOCs”) were detected in some of the production wells located at the Executive Airport Wellfield. To protect the quality of its water supply, the City abandoned such wells and constructed additional wells. The City avoided migration of the VOCs west to the uncontaminated production wells in the Prospect Wellfield by injecting raw water from the uncontaminated wells into the three westernmost wells located on Fort Lauderdale Executive Airport property. Such raw water injections maintained a hydraulic barrier between the contaminant plume and the production wells in the Prospect Wellfield. As a result of the construction of the new wells at the Prospect Wellfield, the last well used to create the hydraulic barrier was shut down in October 2008. The City has an on-going program for monitoring the production wells of the Prospect Wellfield for the presence of VOCs. No increase in the presence of VOCs has been detected and VOC contamination is no longer considered a current threat to the production wells in the Prospect Wellfield.

The active wells of the Water System are aging. As a result, the 2017 Master Plan recommended an extensive well replacement and well rehabilitation program to maintain the integrity of the existing infrastructure. The CIP provides for partial funding of the recommended program to a level sufficient to maintain raw water pumping capacity. In addition, the Series 2018 Project includes approximately \$700,000 of well rehabilitation projects. The 2017 Master Plan recommended \$7.2 million to be invested in well replacement and rehabilitation during the next 5 years. See “CAPITAL IMPROVEMENT PROGRAM - Water System Improvements” herein.

Both the Dixie Wellfield and the Prospect Wellfield are located near salinity control structures. Withdrawals allowed under the current SFWMD consumptive use permit require freshwater mounds between the wellfields and the salt water fronts. In the past, groundwater models of the Dixie Wellfield have indicated potential problems maintaining this freshwater mound during extreme dry conditions. As a result, new wells constructed at the Dixie Wellfield are located to minimize the impacts of saltwater intrusion. The City’s salt water intrusion monitoring program is part of Broward County’s monitoring network that provides regional information, but only a limited amount of information that is specific to individual sites. A network of new salt water monitoring wells has been installed around the Dixie Wellfield. The monitoring wells are tested monthly, with the results being sent to the SFWMD. These wells, to date, have shown no indication of saltwater intrusion.

The 2017 Master Plan recommended continued monitoring of salinity along with development of a variable density model in the short term. The City continues to monitor its wells for saltwater intrusion but has not included funding in the CIP for the 2017 Master Plan recommended model development. Long-term recommendations include the installation of additional saline monitoring wells by calendar year 2026. Since the existing monitoring wells have not shown any evidence of a significant increase in salt water intrusion, the City does not have any current plans for such installations. For more detailed

information on the risk to the Water System of saltwater intrusion, as well as sea level rise and climate change, see “APPENDIX B - City of Fort Lauderdale, Florida Series 2018 Water and Sewer Revenue Bonds Feasibility Report,” including, in particular, Section 3.3.3 through Section 3.3.5 in the Feasibility Report.

As a result of, among other factors, (i) reductions in population projections for the region in which the Water System service area is located, and (ii) reduced water use in response to conservation measures, the City anticipates that it will be able to meet its water supply demands utilizing the Biscayne Aquifer as its sole source of raw water through at least calendar year 2035. To meet future demands in excess of the Biscayne Aquifer withdrawal limits, the City currently expects to use the Dixie Wellfield to access the Floridan Aquifer. In addition, to meet future demands, the City is studying the feasibility of several alternative water sources and offset projects, including additional Floridan Aquifer use, stormwater capture projects, reuse, and other alternative water supply projects. See “WATER AND SEWER SYSTEM - The Water System - Regulatory Impact” herein.

Water Treatment Facilities. The City operates two water treatment facilities: the Peele-Dixie WTP and the Fiveash WTP.

Peele-Dixie WTP. In 2008, the new nanofiltration facility was completed and placed into service at the Peele-Dixie WTP and the plant’s existing lime-softening equipment was removed from service. Implementation of the nanofiltration system also included the installation of a deep injection well for concentrate disposal and two 4-MG finished water storage tanks. The capacity of the Peele-Dixie WTP is currently 12 mgd with all membrane units of the nanofiltration system in service. For a diagram that illustrates the treatment process utilized by the Peele-Dixie WTP see “APPENDIX B - City of Fort Lauderdale, Florida Series 2018 Water and Sewer Revenue Bonds Feasibility Report,” including, in particular, Section 3.4.1 in the Feasibility Report.

The City has studied the addition of 6 mgd of finished water reverse osmosis treatment capacity at the Peele-Dixie WTP. This additional capacity would draw raw water from the Floridan Aquifer and would be used during peak demand periods, usually during the dry season. The City has drilled two Floridan Aquifer test wells in the Dixie Wellfield and constructed a section of raw water main from the new wellfield to the Peele-Dixie WTP. If the reverse osmosis system is constructed, the total installed potable water production capacity at the Peele-Dixie WTP site would increase from 12 to 18 mgd.

Wellfield modeling, facility planning and a basis of design report have been completed for the proposed reverse osmosis facility. However, future investment in the withdrawal, transmission, and treatment of raw water from the Floridan Aquifer has been deferred until water demands dictate the need for the investment. Such need is currently projected to be beyond calendar year 2035. Also see, “WATER AND SEWER SYSTEM - The Water System - Regulatory Impact - General” herein.

The Peele-Dixie WTP finished water meets all current regulatory requirements. Most of the equipment and mechanical items at the Peele-Dixie WTP will not require any improvement or upgrade during the Forecast Period, as the Peele-Dixie WTP was constructed in 2008. In addition, most of the equipment is contained indoors where it is protected from atmospheric conditions. However, see “APPENDIX B - City of Fort Lauderdale, Florida Series 2018 Water and Sewer Revenue Bonds Feasibility Report,” including, in particular, Section 3.4.4 in the Feasibility Report for a discussion of changes in the treatment process of the Peele-Dixie WTP to provide improvements in water quality.

Fiveash WTP. The Fiveash WTP is the primary water treatment facility for the Water System. It has a designed capacity of 70 mgd with all units operating. However, hydraulic restrictions

limit its actual capacity to 55 mgd. Actual treated flow averaged approximately 32 mgd in Fiscal Year 2016 with a maximum day flow of 42 mgd. The treatment of raw water at the Fiveash WTP consists of aeration followed by lime and polymer addition in a hydrotreater. The Fiveash WTP has two 12.5 mgd hydrotreaters, and two 22.5 mgd hydrotreaters that provide coagulation, flocculation, and clarification in one unit. After softening, the water is filtered, chlorinated, and fluoridated. Lime sludge is pumped directly to the Prospect Wellfield storage lagoon for disposal. For a diagram that illustrates the treatment process utilized by the Fiveash WTP see “APPENDIX B - City of Fort Lauderdale, Florida Series 2018 Water and Sewer Revenue Bonds Feasibility Report,” including, in particular, Section 3.4.2 in the Feasibility Report. A \$33 million disinfection and reliability improvement project is scheduled for bid during calendar year 2018 and is among the improvements that comprise the Series 2018 Project. See “CAPITAL IMPROVEMENT PROGRAM - Water System Improvements” herein.

Much of the equipment and mechanical items for the lime softening system are at the end of their useful life. The Series 2018 Project includes approximately \$58 million in improvements to upgrade the Fiveash WTP. See “CAPITAL IMPROVEMENT PROGRAM - Water System Improvements” herein.

The Fiveash WTP produces safe, reliable potable water but it has finished water quality issues. Plant process control issues affect the finished water quality and stability. The disinfection residual control is difficult to maintain because the plant process flow does not follow a single, uniform path. As a result, the finished water is slightly colored, which leads to numerous water quality complaints. Process improvements will need to be implemented to provide more aesthetically pleasing finished water to residents and visitors. Such improvements are included in the CIP and are among the improvements that comprise the Series 2018 Project. See “CAPITAL IMPROVEMENT PROGRAM - Water System Improvements” herein.

Water Transmission, Distribution and Storage. The City’s water transmission and distribution system consists of approximately 782 miles of water mains within the direct service area of the Water System, an elevated tank at Northwest 2nd Avenue, a ground level tank at Poinciana Park, and ground level storage tanks at the Fiveash WTP and the Peele-Dixie WTP. High-service pumps at the Fiveash WTP and the Peele-Dixie WTP also supply the transmission and distribution system, and maintain system pressures. The system also includes approximately (i) 18,308 water valves, (ii) 6,168 fire hydrants and (iii) 57,000 water meters.

The transmission lines included in the Water System consist of lined and unlined cast and ductile iron pipe ranging in size from 10 to 54 inches in diameter. The main transmission line from the Fiveash WTP was installed in 1986 and is the predominant supply of water to the downtown area and other areas north, south and east of the Fiveash WTP. The primary transmission mains from the Peele-Dixie WTP were constructed in 2007 to serve the nanofiltration system that was installed in 2008. However, most of the transmission mains from the Peele-Dixie WTP are unlined cast iron pipelines that were constructed in the 1920s and 1930s. The 2000 Master Plan indicated that the water transmission pipelines emanating from the Peele-Dixie WTP were nearing the end of their useful lives. The City completed a project in 1999 to replace a portion of the main transmission lines along US 441 between Broward Boulevard and Davie Road and replaces older water transmission pipelines as part of its on-going renewal and replacement program. The CIP includes \$47.7 million in funding for water main improvements and replacements, the vast majority of which are included among the improvements that comprise the Series 2018 Project. See “CAPITAL IMPROVEMENT PROGRAM - Water System Improvements” herein.

Approximately seventeen (17) years ago the City instituted an improvement program for the Water System that targeted the removal of lead service lines. The program did not result in the removal of all lead

service lines. However, lead service lines continue to be removed as they are discovered. The City does not know how many lead service lines remain among the pipes of the Water System. The City conducts routine testing of its potable water. The levels of lead and copper detected in the water of the Water System are so low that the existing regulatory framework has the City on a reduced monitoring schedule. Pursuant to such schedule, the City is only required to test fifty percent (50%) of its sample sites every three (3) years.

The City has a total of 29.9 MG of storage in the Water System, as described below.

Water Storage Capacity

<u>Location</u>	<u>Capacity (MG)</u>
Fiveash WTP*	
Clearwell	1.9
Tank 1	5.0
Tank 3	5.0
Tank 4	7.0
Peel-Dixie WTP	
Clearwell	0.026
Tank 1	4.0
Tank 2	4.0
Poinciana Park Tank	2.0
Northwest 2 nd Avenue Tank	<u>1.0</u>
Total Storage Tank Capacity	<u><u>29.9</u></u>

Source: The Feasibility Report. See “APPENDIX B - City of Fort Lauderdale, Florida Series 2018 Water and Sewer Revenue Bonds Feasibility Report,” including, in particular, Section 3.5 in the Feasibility Report.

* As part of the City’s multi-year *WaterWorks* 2011 capital improvement program, tank 2 (a 4 MG tank that was in poor condition) was taken out of service with additional water storage capacity being added at the-Peele Dixie WTP.

Florida Administrative Code (“FAC”) Section 62-555.320(19) established a minimum water storage requirement for water systems of 25 percent of maximum day use plus maximum fire flow volume with all tanks in service. Based on a 5,000 gallons per minute fire flow over a 4 hour duration, the year 2035 required storage volume for the Water System is 15.6 MG. Hence, current storage capacity of the Water System is in compliance with FAC 62-555.320(19).

The Fiveash WTP and the Peele-Dixie WTP have a combined high-service pumping capacity of 155 mgd. The peak hour demand is estimated at 2.2 times the annual average day flow. Year 2035 peak hour demand is forecasted to be 100 mgd. Hence, the City has adequate high-service pumping capacity through the year 2035.

The Peele-Dixie WTP finished water storage tanks and the Poinciana Park storage tank are less than 10 years old and currently have no major renewal and replacement needs. The Fiveash WTP finished water storage tanks and the 2nd Avenue storage tank require regular inspections and renewal and replacement to prolong their service life and maintain the appropriate level of service to the customers of the Water System. Finished water storage tank renewal and replacement includes tank cleaning, patching, repairing, and re-coating. FDEP requires tank inspections every 5 years as well.

The 2017 Master Plan noted certain issues and recommended several repairs and improvements relating to the water storage tanks of the Water System. Such issues and recommendations included the following:

- The Fiveash WTP storage tanks require immediate piping modifications to allow more efficient flow and improved disinfection control and monitoring.
- The Poinciana Park storage tank has a pump cavitation issue that restricts tank drawdown, resulting in a reduced usable tank capacity.
- The 2nd Avenue storage tank does not currently meet the storage capacity criteria of 4 hours storage at peak flow. To address the issue prior to repair or replacement of the tank, the 2017 Master Plan recommends that the City operate this tank in such a manner as to ensure that the tank adequately supplies the later portion of the peak hour demand window. The 2017 Master Plan also notes that expanding the capacity of the 2nd Avenue storage tank would likely have to be at a different location, due to successful public opposition to expansion at the current location.
- The 2nd Avenue storage tank is scheduled for maintenance and repainting. The last repair and repainting was performed in 1991.

The projects, repairs and upgrades required to address the issues and implement the recommendations described above are included as a part of the Series 2018 Project, except for the maintenance and repainting of the 2nd Avenue storage tank, which is scheduled to occur during the first quarter of calendar year 2018 as part of the City's ongoing renewal and replacement program.

The City has an ongoing project to upgrade and rehabilitate the water distribution system. The completed *WaterWorks* 2011 Program replaced more than 42 miles of small water mains. The CIP includes \$44 million in funding to renew and replace water distribution lines and has identified \$58.3 million in unfunded water piping improvement projects. Of such unfunded projects, approximately \$16.7 million in improvements are included as part of the Series 2018 Project. See "CAPITAL IMPROVEMENT PROGRAM - Water System Improvements" herein.

The current CIP continues the practice of replacing aging water mains. In addition, the City has been following a pattern of examining the Water System for leaks every 3 to 5 years, which has helped to manage unaccounted for water. The amount of unaccounted for water of the Water System has fluctuated in recent years, ranging from between approximately 11.0% in Fiscal Year 2013 to approximately 13.1% in Fiscal Year 2016. Total unaccounted for water through August of 2017 has been estimated to be approximately 7.5%.

The International Water Association and the American Water Works Association (the "AWWA") use the term "non-revenue water" to describe the volume of water lost through leakage, meter inaccuracies, flushing and other authorized usage. Non-revenue water represents finished water that is not billed to water system customers and is also sometimes referred to as unaccounted for water.

In 2013, the AWWA assembled validated water audit data from twenty-six (26) utilities across the United States of America and Canada that ranged in size from 850 to over 500,000 water service connections. These water audit data were averaged to develop the percentages of finished water produced and billed on an AADF basis. Such water audit data revealed that 80.0% of finished water was billed to customers, with approximately 14.6% constituting real, unaccounted for water losses, approximately 2.8% constituting apparent lost water and approximately 2.6% constituting lost water from authorized uses, like flushing of water lines, fire hydrant testing, fire fighting, and internal utility uses (such as wash downs of lift stations for maintenance purposes). Real water losses are the result of leakage in the distribution system piping and apparent water losses are the result of faulty meters that understate actual water use, data collection errors and theft.

The non-revenue water in the 2013 AWWA Water Audit data averaged approximately twenty percent (20%). Hence, non-revenue water for the Water System ranging as high as approximately 13.1% during the Historical Period is significantly less than the national average. The non-revenue water of the Water System is also within the range of water unaccountability experienced by similar water systems in South Florida. In addition, the City believes that real water losses are probably less than ten percent (10%) of the finished water produced by the Water System. The City's goal is to not allow total non-revenue water loss to exceed ten percent (10%).

One of the factors determined to have contributed to the higher than desired unaccounted for water loss during the Historical Period is the number of pipe breaks occurring in recent years. The percentage of pipe breaks increased from a low of 4.7% per 100 miles of piping in Fiscal Year 2012 to 12.5% per 100 miles of piping in Fiscal Year 2014 and 12.2% per 100 miles of piping in Fiscal Year 2015. The age of the piping of the Water System is estimated to be approximately: (i) 24% between 0 to 20 years old, (ii) 16% between 21 to 40 years old, (iii) 16% between 41 to 60 years old, and (iv) 15% more than 60 years old, with 29% being of unknown age. The expected useful life of water piping is approximately 75 to 100 years.

Approximately \$17 million of improvements in the Series 2018 Project constitute water piping upgrades that were previously identified as unfunded projects in the CIP. Additionally, approximately \$28 million of improvements in the Series 2018 Project are expected to be for water main replacements. As the City continues its program of replacing older water mains, the percentage of water main breaks in the Water System should eventually decrease, which should produce a decrease in the real unaccounted for water loss of the Water System. However, as noted in the Feasibility Report, given the age of the water mains of the Water System, the City should expect an increase in the water main break rate in the coming years.

For detailed information as to the age, by diameter size, of the water mains in the Water System and the history of pipe breaks per mile and per 100 miles of piping during the Historical Period, see "APPENDIX B - City of Fort Lauderdale, Florida Series 2018 Water and Sewer Revenue Bonds Feasibility Report," including, in particular, Section 3.5.1 and Section 3.5.2 in the Feasibility Report.

Regulatory Impacts. With the increasing urbanization of South Florida and the recognition of accelerating negative impacts upon the natural environment, State (through the SFWMD) and federal (through the U.S. Army Corps of Engineers) authorities have implemented several major regulatory and construction programs. Such programs are designed to balance the demands on regional water supplies and restore and protect the Everglades National Park ecosystem. These programs have affected the conditions the City has been required to meet, one of the more important of which was the limit in the City's consumptive use permit on allowable withdrawals from the Biscayne Aquifer, producing a need to develop alternative water supply and treatment strategies.

Alternative Water Supply and Treatment Measures. The City has addressed concerns relating to water supply and quality by (i) installing enhancements to the existing water treatment system at the Fiveash WTP; (ii) replacing the conventional lime-softening treatment system at the Peele-Dixie WTP with a state-of-the-art nanofiltration, membrane system (the “Membrane Treatment”); (iii) pursuing multiple avenues of alternative water supply, including reclaimed water offsets, regional water supply solutions that would capture stormwater in a regional reservoir for aquifer recharge (as more specifically described below); and (iv) developing alternative sources of potable water supplies, such as brackish water from the Floridan Aquifer. The City has completed two Floridan Aquifer test wells for the Dixie Wellfield. Wellfield modeling, facility planning and a basis of design study and report to construct a 6 mgd reverse osmosis treatment facility were completed in 2010. Construction of the Floridan Aquifer wells and treatment facilities at the Dixie Wellfield and Peele-Dixie WTP were scheduled for completion in Fiscal Year 2014. However, because of reductions in population projections in the Water System service area and the success of water conservation measures, investment in facilities related to the withdrawal, transmission and treatment of raw water from the Floridan Aquifer has been deferred until a more certain indication of when demand will require such investment has been established. See “WATER AND SEWER SYSTEM - Service Area Population Projections” herein. Currently, facilities to meet additional demand by treating raw water from the Floridan Aquifer are not projected to be needed until at least after calendar year 2035.

The City has also addressed concerns relating to water quality by implementing Membrane Treatment for water withdrawn from the Biscayne Aquifer at the Peele-Dixie WTP. Membrane Treatment produces a higher quality of finished water and is less sensitive to raw water quality than the lime-softening treatment technology previously used at the Peele-Dixie WTP. As an added benefit, Membrane Treatment systems can readily be designed to meet the increasingly stringent requirements of the Safe Drinking Water Act. By including Membrane Treatment at one of its water treatment plants, the City is also able to extend the useful economic life of its existing investment in lime-softening technology. A shortcoming of Membrane Treatment is that as much as fifteen percent (15%) of the raw water is wasted as concentrate from the process, thus increasing raw water demands and further stressing the limits of the City’s consumptive use permit. However, the very high quality water from the Membrane Treatment process can be proportionally blended with the water produced from the lime-softening process to produce potable water that can meet the current and anticipated requirements of the Safe Drinking Water Act.

While the City previously planned to replace the Fiveash WTP treatment process with a Membrane Treatment system, concerns relating to the availability of Biscayne Aquifer water supplies led the City to decide to retain the current lime-softening process. See “WATER AND SEWER SYSTEM - The Water System - Water Supply” herein. The City has used, and expects to continue to use, a portion of the funds that were to be applied to convert to the Membrane Treatment process to extend the life of the existing facility and to construct enhancements that will improve the removal of color from finished water at the Fiveash WTP. See “CAPITAL IMPROVEMENT PROGRAM” herein.

As an additional possible means of addressing concerns relating to the future availability and quality of sources of raw water, the City has met with other South Florida utilities to discuss the possibility of collaborative, sub-regional, multi-jurisdictional solutions designed to produce more cost-effective and environmentally sound methods of obtaining water supplies. A potential project has been identified as the C-51 Reservoir Project. Under this option, stormwater that currently causes environmental concerns in the Lake Worth Lagoon and certain estuarine environments would be captured and stored in the C-51 Reservoir for subsequent re-introduction into the regional water supply system. This water would be available for Biscayne Aquifer transfer and potentially available to recharge those portions of the Biscayne Aquifer that benefit multiple utilities in South Florida, including the Water System. Studies have indicated that the project has the potential to be economically advantageous to public water supply utilities compared with other alternative water supply options. The City plans to continue its involvement in the

investigation of this project as one of the measures it may determine to implement to address future water supply concerns.

Consent Orders. During the last three (3) years the City has received seven (7) consent orders from the Florida Department of Health - Broward County relating to the Water System. The consent orders were for technical violations requiring corrective actions that could be taken without the implementation of major repairs to the Water System. Examples of the violations include: (i) the use of an improper seal at a wellhead, (ii) improper public notification of a failure to comply with Water System regulatory requirements, (iii) inadvertent discharge of filter backwash water to a storage tank, and (iv) use of an unapproved chemical for cleaning. All the necessary actions were taken by the City to re-establish full compliance. Civil penalties and administrative fines for the consent orders totaled \$19,500. Such fines and penalties have been paid.

For a more detailed discussion of regulatory matters impacting the Water System, see “APPENDIX B - Series 2018 Water and Sewer Revenue Bonds Feasibility Report,” including, in particular, Section 3.7 in the Feasibility Report.

The Sewer System

The Sewer System operated by the City consists of wastewater collection and transmission to the Lohmeyer WWTP, treatment and disposal of treated wastewater and disposal of residuals from the wastewater treatment process.

Service Area and Customer Base. Wastewater service areas in Broward County have been developed through regional planning studies conducted in a manner prescribed by law. These regional planning studies designated the City as the lead agency for wastewater transmission and treatment in the central wastewater region of Broward County. The central region includes substantially all of the City, the cities of Wilton Manors and Oakland Park, and portions of the City of Tamarac, the Town of Davie, unincorporated Broward County and Broward County’s Port Everglades. The Lohmeyer WWTP is designated as the facility that treats all wastewater from the central region.

Each municipality and entity in the various regional planning areas, except the unincorporated areas, owns and operates the wastewater collection facilities within its boundaries and performs its own customer billing. The transmission and treatment facilities serving a regional function are owned and operated by the City through “large user” agreements. The City has large user wastewater agreements with the cities of Oakland Park, Wilton Manors and Tamarac, the Town of Davie and Broward County for Port Everglades. In addition to the wholesale wastewater service that the City provides to Broward County’s Port Everglades, the City also provides retail wastewater service to certain tenants at Port Everglades. The large users are treated as wholesale customers and each is issued a single bill for wastewater services provided by the City.

Approximately seventy-five percent (75%) of the population in the service area of the Sewer System resides within the City, with the remainder located in adjacent governmental jurisdictions. The vast majority (99 percent) of the population of the City receives sewer service, leaving only approximately 1,500 residents that have not yet transitioned from septic tanks to the Sewer System, although such residents are currently being charged for sewer service. All new construction in the City is required to connect to the Sewer System.

The City wastewater service area population forecast was compiled and provided by the City based on the latest national, State and local population estimates. See “WATER AND SEWER SYSTEM -

Service Area Population Projections” herein. The population in the Sewer System service area is expected to grow from approximately 179,833 in 2015 to 213,886 in 2035, a nearly 19% increase. The increase in population will result in increased wastewater influent flows to the Lohmeyer WWTP, unless City efforts to curtail inflow and infiltration are successful, or if the large users further curtail their wastewater discharges by reducing their water use or infiltration and inflow into their systems. See “WATER AND SEWER SYSTEM - Sewer System - Infiltration and Inflow” herein.

Wastewater Flows. Set forth below are the wastewater flow rates for the Sewer System for calendar years 2007 through 2016. Annual average and peak seasonal flow rates of the Sewer System were projected in the 2007 Wastewater Master Plan Update potentially to reach 48 mgd and 55 mgd, respectively, by 2020. Based on historical wastewater flow rates, annual average daily flows are expected to be lower than the amounts projected in the 2007 Wastewater Master Plan Update.

Historical Wastewater Flows

<u>Calendar Year</u>	<u>Annual Average Daily Flow (mgd)</u>	<u>Calendar Year</u>	<u>Annual Average Daily Flow (mgd)</u>
2007	38.1	2012	40.9
2008	36.8	2013	39.7
2009	37.2	2014	38.6
2010	37.4	2015	39.0
2011	37.9	2016	39.4

Source: The Feasibility Report. See “APPENDIX B - City of Fort Lauderdale, Florida Series 2018 Water and Sewer Revenue Bonds Feasibility Report,” including, in particular, Section 4.2 in the Feasibility Report.

Set forth below are projected wastewater flows for the Sewer System, as presented in the 2017 Master Plan. The table below summarizes the annual average daily flow forecast and the forecast maximum 3-month average daily flow (“M3MADF”). The M3MADF forecast assumes a 1.27 M3MADF/AADF peaking factor, which is the M3MADF/AADF ratio over the last twenty (20) years. The permitted capacity of the Lohmeyer WWTP of 56.6 mgd is based on treating the M3MADF.

The amounts set forth in the following table were based on projections that infiltration and inflow (“I&I”) would remain near historical levels but decline as a percentage of total Sewer System wastewater flows. The decline is projected to occur as a result of the aggressive sewer rehabilitation program the City has undertaken to reduce I&I, along with the expansion of the wastewater collection system into new areas. See “WATER AND SEWER SYSTEM - The Sewer System - Infiltration and Inflow” herein. While the City has made I&I reduction a priority and makes investments of approximately \$3.0 million annually to rehabilitate its gravity sewer pipes, to provide a conservative estimate, the 21 mgd of I&I contribution was held constant until substantial reductions in I&I can be quantified and forecast by the City as a result of its ongoing I&I program. With the conservative I&I projection utilized in the table below, the Lohmeyer WWTP capacity will not be exceeded until after calendar year 2025. See “WATER AND SEWER SYSTEM - The Sewer System - Wastewater Treatment Facility” herein.

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Projected Wastewater Flows⁽¹⁾

Calendar Year	Sewer System Service Area Population ⁽¹⁾	Residential AADF ⁽²⁾ (mgd)	Non- Residential AADF ⁽²⁾ (mgd)	I&I Contribution AADF ⁽²⁾ (mgd)	Total AADF ⁽²⁾ (mgd)	Total MTMADF ⁽³⁾ (mgd)
2015	179,833	12.6	6.3	21.0	39.9	50.7
2020	185,698	13.0	7.0	21.0	41.0	52.0
2025	200,841	14.1	8.0	21.0	43.1	54.7
2030	210,318	14.7	8.9	21.0	44.6	56.7
2035	213,886	15.0	9.6	21.0	45.6	57.9

Source: The Feasibility Report. See “APPENDIX B - City of Fort Lauderdale, Florida Series 2018 Water and Sewer Revenue Bonds Feasibility Report,” including, in particular, Section 4.2 in the Feasibility Report.

- (1) See “WATER AND SEWER SYSTEM - Service Area Population Projections” for discussion relating to population estimates and projections for the Sewer System.
- (2) AADF = Annual average daily flow.
- (3) MTMADF = Maximum three month average daily flow.

Infiltration and Inflow. I&I refers to surface water and groundwater that enters the wastewater collection system through cracks, joints and other openings in the system. Infiltration is defined as groundwater entering the wastewater collection system and house laterals through defective pipes, pipe joints and manhole walls. In the more westerly portions of the Sewer System, the infiltration consists of freshwater, while in the coastal portions of the Sewer System, the infiltration is saline. The magnitude of infiltration depends on the depth of the groundwater above the pipe defects and the percentage of the collection system submerged. Groundwater levels are influenced by both short-term rainfall events and seasonal precipitation cycles. Freshwater infiltration is expected to be greatest during the late summer and fall months when groundwater levels are high and a greater portion of the collection system is submerged. Inflow includes water discharged into direct connections to the collection system, including private laterals. Potential direct connections include downspouts, yard and area drains, manhole covers, cross connections from storm drains and catch basins. Inflow also is sometimes defined to include rainfall dependent infiltration (i.e., stormwater that percolates into the ground and enters pipe defects directly or indirectly through a temporary rise in the water table).

The presence of I&I is detrimental because it absorbs hydraulic capacity and dilutes the wastewater, rendering treatment less efficient. I&I is considered excessive when it becomes less costly to remove the I&I through sewer rehabilitation than to transport and treat it. A study of I&I conducted during the preparation of the Master Plan found that annual average inflow of the Sewer System ranged from approximately 1 to 4 mgd, with monthly extremes ranging from less than 0.5 mgd to more than 8 mgd. Annual average freshwater infiltration was estimated to range from approximately 9 to 12 mgd, with monthly extremes ranging from 6 to 17 mgd. Annual average saltwater infiltration was estimated to range from approximately 4 to 7 mgd, with monthly variations in the same range. Such I&I levels were considered to be excessive, based on EPA guidelines.

The I&I estimates contained in the 2007 Wastewater Master Plan Update were only slightly lower than the estimates contained in the Master Plan. However, for several years the City has conducted a vigorous sewer rehabilitation program. Based on data compiled in the ADS Environmental Services,

Infiltration & Inflow Study dated February 2014, I&I appears to be lower than projected in the 2007 Wastewater Master Plan Update and generally consistent with or lower than the I&I totals reflected in the preceding table of projected wastewater flows. While specific flow monitoring has not been conducted for each of the I&I projects, flow reductions have been observed at the Lohmeyer WWTP. The annual average daily flow, based on a 12-month rolling average prior to commencement of the City's I&I program, was approximately 41.6 mgd. For Fiscal Year 2016, the 12-month rolling average was 40.4 mgd, a 1.2-mgd reduction overall, although additional sewer connections were added during this time frame.

The City intends to continue its efforts to reduce I&I levels to delay the need to expand the capacity of the Lohmeyer WWTP or construct a new deep injection well. See "WATER AND SEWER SYSTEM - Sewer System - Wastewater Treatment Facility" herein.

Wastewater Collection and Transmission. The City owns and operates the wastewater collection and transmission system located within the City boundaries and within the sewerred unincorporated areas of the central wastewater region of Broward County. As the lead agency for wastewater transmission and treatment in such central wastewater region, the City also owns and operates some regional transmission facilities located outside of the City limits. The City's large user customers own and operate their own local wastewater collection and transmission systems.

The City's gravity collection system contains approximately 475 miles of pipeline, nearly 270 miles of which was constructed prior to 1970, and 10,257 sanitary sewer manholes. Most of the system constructed prior to 1970 was built in the 15-year period between 1955 and 1970. Construction during this period used vitrified clay pipe with compression type joint gaskets, although cast iron pipe was also used in conditions where problems of differential settlement were thought to be severe. The pipeline constructed after 1970 generally used polyvinyl chloride ("PVC") pipe with rubber gasket joints.

The City's force main network is comprised of approximately 119 miles of pipeline, ranging from 4 inches to 54 inches in diameter, and 900 force main valves. Most of the force mains are constructed of cast iron or ductile iron pipe, but some are high-density polyethylene or C-900 PVC pipe. Problem sections in the 54-inch force main that is the main line to the Lohmeyer WWTP have been replaced. Thirty-five breaks in the force main system occurred from the beginning of 2014 through August 2017, with 24 of those breaks occurring in 2015 and 2016. However, two simultaneous force main breaks in June 2016 are estimated to have resulted in the discharge of approximately 14.67 MG of untreated wastewater and a break in December 2016 is estimated to have resulted in a discharge of approximately 2.5 MG of untreated wastewater. Because of the large volumes discharged, FDEP contemplated enforcement action for noncompliance under FAC Section 62-604.130. Subsequently, the City voluntarily entered into a consent order with FDEP in September 2017 that includes, among other actions, a commitment by the City to implement projects to reduce risk and improve resiliency within the wastewater collection system. See "WATER AND SEWER SYSTEM - Sewer System - Regulatory Impact - Consent Order" herein. The projects are designed to replace aged pipe networks and construct additional infrastructure to increase the capacity and redundancy of the Sewer System. See "CAPITAL IMPROVEMENT PROGRAM - Sewer System Improvements" herein.

The major force mains of the Sewer System were constructed within the last 25 years and are believed to be in good physical condition. The existing force main system includes 186 pump stations that are owned by the City and approximately 64 small, privately owned pump stations. Several isolated developments and individual businesses in the areas of the City that are not currently serviced by the Sewer System have constructed their own private lift stations that pump wastewater either to the City's force main system or to the gravity system of one of the City's existing pump stations. Private lift stations have also

been constructed in areas where the existing City pump station in the area could not accommodate additional flow.

In the opinion of the Feasibility Consultants, the City's wastewater collection and transmission system is adequate for the demands of the Sewer System and system maintenance is regularly performed. The City maintains the collection system with the use of two video inspection crews, one wet-well cleaning crew, three wastewater cleaning crews, five pump station maintenance crews and two pump station heavy maintenance crews. In addition, all of the pump stations owned by the City are electronically and remotely monitored.

Wastewater Treatment Facility. All wastewater in the service area of the Sewer System and any wastewater received from large users of the Sewer System is treated at the Lohmeyer WWTP, which was upgraded to its present capacity in 1999. The original design capacity on a M3MADF basis was 38 mgd. As a result of improvements to the effluent pumping station, deep injection wells, clarifiers and solids handling processes, in March 2004 the Lohmeyer WWTP was re-rated to a M3MADF capacity of 55.7 mgd. Capacity was further increased to its current 56.6 mgd in connection with the issuance of the operating permit for the Lohmeyer WWTP on September 7, 2011. Major liquid treatment processes include screening, grit removal, pure-oxygen activated sludge, clarification, and chlorination. Sludge is dewatered on belt filter presses and then hauled to the Broward County landfill. Treated effluent from the Lohmeyer WWTP is discharged to five deep injection wells at a nearby site.

The operating permit for the Lohmeyer WWTP was renewed by FDEP on September 7, 2017. The new expiration date is September 6, 2021. FDEP did not impose any significant changes to the permit conditions for the 2017 renewal.

Beginning in 1990, residuals produced by the Lohmeyer WWTP were mixed with polymer and dewatered by belt filter presses to meet regulatory requirements for Class B pathogen and vector attraction reduction for disposal at the Broward County landfill. Currently, the treated residuals ("biosolids") are hauled by a private contractor for 100 percent beneficial reuse. The private contractor hauls the biosolids to a facility that treats them to Class AA standards for beneficial use in land application or as a biofuel. The private contractor may also dispose of the biosolids at the Broward County landfill if it is unable to process or dispose of all of the biosolids at its residuals management facility.

With the re-rating of the Lohmeyer WWTP to a capacity of 56.6 mgd and the successful removal of sufficient I&I, the Lohmeyer WWTP should have adequate capacity for the continued growth of the Sewer System beyond calendar year 2025, even with the addition of flow from the new customers that will be added to the Sewer System as conversions from septic tank systems continue. The need to add additional plant capacity in the future will depend on the type and success of continued residential growth and the continued success of I&I control efforts. Although customary renewal and replacement projects are currently contemplated for the Sewer System, no expansion of treatment or effluent disposal capacity is planned during the Forecast Period. Most of the renewal and replacement projects involve relatively small equipment replacements and repairs, including: (i) upgrades and repairs to belt filter presses, (ii) clarifier pipe replacements, (iii) rehabilitation of motor control centers, (iv) rehabilitation of prestressed concrete cylinder pipe, (v) cryogenic plant upgrades and repairs, (vi) electrical upgrades, (vii) upgrade to odor control dewatering building, and (viii) connection to the emergency generator.

As a condition of the City's agreement with its large users, the City is required to have an annual study prepared that inspects the condition of the regional wastewater transmission and treatment facilities, and that projects renewal and replacement needs for a 20-year forecast period. The analysis then estimates the amount of funds that should be set aside in the renewal and replacement account on an annual basis to

provide sufficient funding for the anticipated renewal and replacement expenditures. The City maintains a separate account for the renewal and replacement of its wastewater transmission and treatment facilities in accordance with the requirements of its agreement with the large users of the Sewer System and the provisions of the Bond Resolution. In general, most of the Lohmeyer WWTP and the other equipment of the Sewer System is in good or better condition. Those components of the Sewer System that have been considered to be in fair or poor condition are scheduled for repair or replacement in the next few years as on-going renewal and replacement projects included in the budget for the Water and Sewer System or as a portion of the Series 2018 Project.

Based on an annual capacity analysis, the Lohmeyer WWTP treatment processes have sufficient capacity to treat wastewater for the projected 2035 flow of 57.9 mgd M3MADF. However, overall capacity will be limited by the facility's effluent disposal system, specifically its injection well capacity, which will not meet emergency condition capacity requirements beginning in calendar year 2021. Additionally, projected flows will begin to exceed the Lohmeyer WWTP's current permitted capacity of 56.6 mgd in calendar year 2032. Reducing I&I flow can temporarily eliminate the need for an additional injection well and Lohmeyer WWTP expansion due to capacity issues. Among other measures, the 2017 Master Plan recommended that the City accelerate the investigation and implementation of methods to reduce I&I flows, to positively impact all capacity-related limitations, and initiate design, permitting, and construction of a sixth injection well to expand effluent disposal capacity by the year 2019. The 2017 Master Plan further recommended that the City investigate methods to avoid tertiary treatment requirements associated with the addition of a sixth injection well, including the potential for categorizing the new well as a nonhazardous industrial waste stream. The City has accelerated its I&I reduction program and, as a result, is delaying construction of a new injection well until sometime after calendar year 2019.

Five years prior to reaching the permitted capacity of a wastewater treatment facility, FDEP requires the initiation of planning and preliminary design work for the plant expansion. Design of a plant expansion must be initiated if capacity will be reached within 4 years, permitting must be initiated if capacity will be reached within 3 years and construction and operation permitting must be completed if capacity will be reached within 6 months. Based on the projected M3MADF for the Lohmeyer WWTP, as modified to reflect revised population and current I&I projections, expansion of the Lohmeyer WWTP should not be required until sometime after calendar year 2025 and initiation of planning and preliminary design work will not be required until sometime after calendar year 2020. Construction of such an expansion has been estimated to take approximately 2 years.

Regulatory Impact. FDEP has given consideration to requiring Class A or AA biosolids stabilization before land application or immediate incorporation of the solids into the soil. The timing for promulgation of any new rule is not currently known. However, it is anticipated that a lengthy implementation schedule of 7 - 10 years will be allowed. The FDEP permit for the Lohmeyer WWTP provides for reopening of the permit "at any time to require additional monitoring or reduced phosphorus loading rates for the land application sites." The City has a long-term contract with a private company to treat its biosolids at a residuals management facility to Class AA standards for use beneficially for land application or as biofuel. See "WATER AND SEWER SYSTEM - The Sewer System - Wastewater Treatment Facility" herein.

General. The Lohmeyer WWTP has consistently met federal, state and local requirements for residuals and effluent quality. Pretreatment permits are in place with all significant industrial dischargers, each of which is currently meeting the terms of those permits.

The Sewer System service area is located in a critical water supply area, as designated by the SFWMD. As such, FAC Section 62-40.416 requires a reasonable amount of reuse of reclaimed water

unless it is not economically, environmentally, or technically feasible. Section 403.064 of the Florida Statutes also requires domestic wastewater treatment plant permit applicants in a critical water supply problem area to submit a reuse feasibility study as part of their permit applications.

A wastewater reuse feasibility study was performed by the consulting engineers for the City in 2008 and in 2012. Such studies evaluated a wide range of alternatives for the beneficial reuse of wastewater in the Sewer System service area. The studies concluded that wastewater reuse was not economically feasible in the City. The City also initiated an Alternative Water Supply Feasibility Study in 2007 that considered five potential project alternatives for a reclaimed water system that would treat sufficient flow to postpone or eliminate projected upgrades to the Lohmeyer WWTP, provide high-quality reclaimed water for recharge purposes, and potentially provide offsets or credits to the City's raw water withdrawal limitations.

The 2007 Alternative Water Supply Study identified the use of a membrane bioreactor treatment process to be located at the City's former composting facility site as the most beneficial reclaimed water alternative. The proposed facility could provide for treatment of 12 mgd of potential reuse water. However, the 2007 Alternative Water Supply Study concluded that a cost-benefit analysis would need to be performed by the City to determine the advisability of implementing the proposed project. Based on preliminary cost estimates, the reuse treatment facility would cost \$53 million more than conventional water capacity and wastewater treatment capital improvements. Implementation of the reuse treatment facility, therefore, was determined to be inadvisable.

As part of its consumptive use permit for the Water System, the City is required to implement a water conservation plan that includes ongoing evaluation and implementation of alternatives, including reuse. To date, the City has implemented certain water conservation efforts, including limiting irrigation hours, instituting low flow plumbing measures, serving as a partner in Broward County's Conservation Pay\$ Program (a coalition of 19 municipalities and water utilities undertaking initiatives to save water, money on conservation measures and the environment), and adopting a water conservation based rate structure. The City will continue to evaluate ideas and proposals to implement an effective and economical water conservation plan. Also see "WATER AND SEWER SYSTEM - Water System - Conservation" herein.

In 2013 and 2014 there were some minor surface water discharges from the emergency outfall at the Lohmeyer WWTP during peak flow conditions. In response, the City rehabilitated the injection wells to restore their injection capacity to the original permitted levels. The rehabilitation restored the capability of the wells to handle peak flows, providing the ability of the wells to avoid future surface water overflows.

Underground Injection Wells. The City currently disposes of treated wastewater by using five existing deep injection wells that discharge into the boulder zone, which is located between 3,000 and 5,000 feet underground. This disposal is regulated under the FDEP Underground Injection Control Program. FDEP issues operating permits for the injection wells on a five year cycle. Such operating permit cycle requires that the City conduct mechanical integrity testing of each well at the end of the five year period and that the City monitors for upward movement of effluent out of the injection zone by use and testing of dedicated monitoring wells in overlying transmissive intervals. The FDEP operating permit was issued for the City's five Class I underground injection wells on January 23, 2012, and was renewed on May 5, 2017. The renewal is scheduled to expire on May 4, 2022.

In 1991 a monitoring well at the disposal site gave evidence that secondary effluent was appearing in an interval in the Floridan Aquifer above the injection zone. While such evidence did not

represent a threat to underground sources of drinking water, it constituted a violation of the conditions of the City's Underground Injection Control operating permits for the then-existing four injection wells. To address the violation, the City entered into a consent agreement with FDEP that established the conditions under which the wells would continue to operate and established the protocol for the investigation and remediation of the permit violation. The subsequent investigation found that the cause of migration was not confinement of the injection zone but rather the failure of the mechanical integrity of the monitoring well. In response to such finding, the City remediated the failed monitoring well, identified a new monitoring interval below the impacted zone, constructed two new monitoring wells, and conducted mechanical integrity testing on the then-existing four injection wells. The City's response demonstrated the integrity of the disposal system and in December of 1995, FDEP issued new operating permits for the injection wells and issued a construction permit for the fifth and final deep injection well to be constructed at the site.

In March of 2001, the City completed the operational testing of the fifth deep injection well and submitted the operating permit application. FDEP completed its review process for the City's Underground Injection Control operating permit applications that included site specific conditions that will govern the operation of the City's five wells. The City's injection wells are currently listed on the FDEP second tier level of concern. The City has attempted to be removed from the second tier level of concern, since it feels such listing was made in error due to an erroneous reading from one of the City's monitoring wells. Thus far, the City has not received any indication as to whether or when the wells will be removed from FDEP's second level of concern.

In December 2005, the EPA issued a new Underground Injection Control Rule. FDEP has been delegated responsibility for implementation of the rule in Florida. The rule will require wastewater systems that determine that there has been an upward migration of wastewater effluent from a deep injection well into the lower Floridan Aquifer to implement certain measures to address the problem. The measures required of such wastewater systems include the implementation of (i) filtration, treatment and high level disinfection of their effluent and (ii) reuse of at least forty percent (40%) of their total wastewater flows. Implementation of these measures within five (5) years of determining that there is upward migration of the effluent will allow a wastewater system to continue to operate its deep injection disposal well.

The City has reviewed the EPA's Underground Injection Control Rule to evaluate its options for addressing the requirements of the rule, should it become subject to such requirements in the future. However, the City has not identified any upward migration of its wastewater effluent that would require it to implement the measures required by the Underground Injection Control Rule. The City monitors migration of its effluent on a daily basis. The Underground Injection Control Rule will require the implementation of high level disinfection of the City's wastewater effluent for any new disposal well the City may need in the future.

Consent Order. On September 29, 2017 the City entered into Consent Order OGC No. 16-1487 with FDEP (the "Sewer System Consent Order") in response to discharges of untreated wastewater from breaks in force mains of the Sewer System. Prior to enforcement action for violations under FAC Section 62-604.130, the City voluntarily entered into the Sewer System Consent Order with FDEP. In the Sewer System Consent Order, FDEP cites the City for releasing untreated wastewater into the surface waters and/or ground waters of the State from a period beginning March 31, 2014 through August 31, 2017, with the largest volume of approximately 19.4 MG occurring during calendar year 2016. The Sewer System Consent Order was entered into by the City for purposes of settlement only, with the City agreeing to comply with the actions required but without admitting to the findings of fact or conclusions of law set forth therein.

The Sewer System Consent Order requires the City to replace approximately 1900 linear feet of 12" diameter force main, considered to be at high risk of failure, by February 28, 2018. The cost of such replacement is estimated to be \$1,500,000. No later than May 31, 2018 the City is required to replace approximately 11,620 linear feet of failing 30" diameter force main. The cost of such replacement is estimated to be \$8,700,000. Additional, larger scale projects are required to be implemented by September 30, 2020 (with respect to pump station rehabilitation and replacement and improvements to reduce I&I, at a total estimated cost of \$28,542,000) and by September 30, 2026 (with respect to several force main replacements, at an estimated cost of \$57,628,000). See "CAPITAL IMPROVEMENT PROGRAM - Sewer System Improvements" herein.

In accordance with the requirements of the Sewer System Consent Order, among other matters, the City:

- (a) has submitted a schedule for the repair, upgrade and replacement of existing Sewer System assets for the next two (2) years;
- (b) is required to develop for submission to and comment by FDEP:
 - (i) a complete map of all assets of the Sewer System by June 29, 2018,
 - (ii) by July 29, 2018, a plan for completing an assessment of the current condition of all force mains of the Sewer System; and
 - (iii) by August 29, 2018, a plan to develop an Asset Management and Capacity Management, Operations and Maintenance Program for the Sewer System;
- (c) is required to submit to FDEP, by July 29, 2019, a report on the capacity of the facilities of the Sewer System, specifically identifying any assets with insufficient capacity for current and known projected demands over the next ten (10) years; and
- (d) is required to submit to FDEP every six (6) months a written progress report on the status of projects being completed pursuant to the requirements of the Sewer System Consent Order, including any reasons for failure to satisfy any of the Sewer System Consent Order requirements.

The Sewer System Consent Order requires the payment of a fine of \$100 per day for failures to provide the maps, plans and reports in the time periods required. It also provides a schedule of fines for future discharges of the Sewer System that are not Excusable Discharges, as defined in the Sewer System Consent Order. Fines for inexcusable discharges range from \$500 per day to \$10,000 per day, depending upon the amount of the inexcusable discharge. The Sewer System Consent Order also requires (within ninety (90) days of its effective date) payment by the City of a settlement totaling \$334,577.00 in civil penalties and \$5,000.00 for costs and expenses incurred by FDEP.

In lieu of payment of the civil penalties, the Sewer System Consent Order provides that the City can submit a proposal for an in-kind penalty project, which, if accepted by FDEP, will serve as payment of the civil penalty portion of the settlement amount. The in-kind penalty project must be (i) either an environmental enhancement, environmental restoration or a capital improvement project or the donation of environmentally sensitive land and (ii) valued at one and a half times the civil penalty settlement amount (which, for the Sewer System Consent Order, requires the value of the in-kind penalty project to be at least \$501,865.50). The City has paid the \$5,000.00 for costs and expenses incurred by FDEP and has submitted its proposal for an in-kind penalty project, for which the City is waiting to receive a response from FDEP.

If accepted by FDEP, the in-kind penalty project is expected to be paid for from Revenues and is estimated to be completed in the second quarter of calendar year 2020. The City is currently in compliance with the requirements of the Sewer System Consent Order.

The Sewer System Consent Order constitutes a settlement of FDEP's civil and administrative authority to resolve violations committed by the City. The Sewer System Consent Order is not a settlement of any criminal liabilities which may arise under Florida law, nor is it a settlement of any violation which may be prosecuted criminally or civilly under federal law. The City has not received notice that any individuals or other regulatory bodies or authorities expect to allege that the City has violated any of the laws and regulations relating to its ownership or operation of the Sewer System. No assurance can be provided, however, that such an allegation will not be made in the future or that, if made, will be resolved in a manner and/or amount that does not negatively impact the Sewer System.

[Impact of Hurricane Irma

In mid-September, 2017 the State of Florida experienced Hurricane Irma. Hurricane Irma caused mostly vegetative damage within the City and did not produce any significant damage to the facilities or operations of the Water and Sewer System. The Water System experienced some relatively minor damage to water lines, resulting mostly from uprooted trees in the City. Repairing or replacing damaged water lines caused by Hurricane Irma is estimated to cost approximately \$_____.

The Sewer System was minimally impacted by Hurricane Irma. There were minor overflows due to power outages, as the Sewer System lost power to almost 50 of its 186 pump stations. The negative impact of such power outages, was mitigated by the use of portable generators. The overflows were low volume and the appropriate clean-up was completed promptly. The cost of the portable generators and clean-up was approximately \$_____.

The vast majority of the costs incurred by the City from Hurricane Irma were costs related to clean-up and restoration resulting from vegetative damage. Damage assessments estimate total costs from the impacts of Hurricane Irma to be \$_____. Of the \$_____ in projected costs, approximately sixty percent (60%) is expected to be reimbursed to the City by the Federal Emergency Management Agency ("FEMA"). The City had ample funds available in its _____ Fund to pay clean-up and restoration costs resulting from Hurricane Irma without experiencing any significant negative impact to the stability or future required use of the _____ Fund.

The Water and Sewer System did not experience any interruption or diminution of service to its customers as a result of Hurricane Irma.

Customer Classification/Growth

The Water and Sewer System currently classifies customers into two residential (single-family and multi-family) and six non-residential (commercial, government/exempt, master meter, sprinkler/ irrigation meters, fire protection, and unimproved) categories. The total population served by the Water System and by the Sewer System was estimated to be 228,546 and 179,833, respectively, as of December 31, 2015. For more detailed information relating to population estimates and forecasts in the service area of the Water and Sewer System, see "WATER AND SEWER SYSTEM - Service Area Population Projections" herein.

The table set forth below reflects the historical number of active and inactive (i.e., meters that have been installed but are currently turned off) Water and Sewer System customer accounts for calendar years 2012 through 2016 and the projected accounts for calendar years 2017 through 2022.

Historical and Projected Water and Sewer Accounts

		Actual ⁽¹⁾					Projected ⁽²⁾					
<u>Accounts</u>		<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Water	Active	59,407	59,762	60,351	60,605	60,254	60,555	60,858	61,162	61,468	61,775	62,084
	Inactive ⁽³⁾	<u>3,167</u>	<u>2,938</u>	<u>3,018</u>	<u>3,030</u>	<u>3,013</u>	<u>3,028</u>	<u>3,043</u>	<u>3,058</u>	<u>3,073</u>	<u>3,089</u>	<u>3,104</u>
	Total	<u>62,574</u>	<u>62,700</u>	<u>63,368</u>	<u>63,635</u>	<u>63,267</u>	<u>63,583</u>	<u>63,901</u>	<u>64,220</u>	<u>64,542</u>	<u>64,864</u>	<u>65,189</u>
% increase - prior year:												
	Active	0.8%	0.6%	1.0%	0.4%	-0.6%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
	Inactive ⁽³⁾	-10.2%	-7.2%	2.7%	0.4%	-0.6%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
	Total	0.2%	0.2%	1.1%	0.4%	-0.6%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Sewer	Active	46,299	46,790	47,333	47,464	47,901	48,141	48,381	48,623	48,866	49,111	49,357
	Inactive ⁽³⁾	<u>4,249</u>	<u>4,167</u>	<u>4,260</u>	<u>4,272</u>	<u>4,311</u>	<u>4,333</u>	<u>4,354</u>	<u>4,376</u>	<u>4,398</u>	<u>4,420</u>	<u>4,442</u>
	Total	<u>50,548</u>	<u>50,957</u>	<u>51,593</u>	<u>51,736</u>	<u>52,212</u>	<u>52,473</u>	<u>52,736</u>	<u>52,999</u>	<u>53,264</u>	<u>53,531</u>	<u>53,799</u>
% increase - prior year:												
	Active	1.3%	1.1%	1.2%	0.3%	0.9%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
	Inactive ⁽³⁾	-3.5%	-1.9%	2.2%	0.3%	0.9%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
	Total	0.8%	0.8%	1.2%	0.3%	0.9%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%

Source: The Feasibility Report. See “APPENDIX B - City of Fort Lauderdale, Florida Series 2018 Water and Sewer Revenue Bonds Feasibility Report,” including, in particular, Table 6-1 in the Feasibility Report.

(1) Based on City records of active and inactive service accounts.

(2) Projected increases in customers are based on the forecasted population growth in Broward County, revised as of September 15, 2014.

The table set forth below reflects the forecasted population and active and inactive customer accounts by billing classification for customers in the Water System service area and for customers in the service area of the Sewer System. The information is as of December 31 in the years indicated and is based on population estimates provided for the Water and Sewer System. See “WATER AND SEWER SYSTEM - Service Area Population Projections” herein. For the projected period, calendar years 2017 through 2022, the number of total Water System and Sewer System accounts is projected to increase at an average annual growth rate of approximately 0.5%.

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**Water and Sewer Customers
by Customer Classification**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>Water System</u>						
<i>Total Water Service Area Population</i>	220,183	221,284	222,391	223,503	224,620	225,743
<i>Services</i>						
Residential Customers	38,129	38,319	38,511	38,703	38,897	39,091
Commercial	5,861	5,890	5,920	5,950	5,979	6,009
Government (Exempt)	472	475	477	479	482	484
Master Meter	26	26	26	27	27	27
Sprinkler/Irrigation Meter	8,653	8,696	8,740	8,783	8,827	8,872
Multi-Family Customers	6,096	6,127	6,157	6,188	6,219	6,250
Unimproved	3	3	3	3	3	3
Fire Protection	1,315	1,321	1,328	1,334	1,341	1,348
<i>Total Water Services</i>						
Active	60,555	60,858	61,162	61,468	61,775	62,084
Inactive	<u>3,028</u>	<u>3,043</u>	<u>3,058</u>	<u>3,073</u>	<u>3,089</u>	<u>3,104</u>
Total	<u>63,583</u>	<u>63,901</u>	<u>64,220</u>	<u>64,542</u>	<u>64,864</u>	<u>65,189</u>
% Increase in Total Accounts	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
<u>Sewer System</u>						
<i>Sewer Service Area Population</i>						
Sewered	182,221	183,132	184,048	184,968	185,893	186,822
Non-Sewered	<u>1,920</u>	<u>1,929</u>	<u>1,929</u>	<u>1,929</u>	<u>1,929</u>	<u>1,929</u>
<i>Total Sewer Service Area Population</i>	<u>184,141</u>	<u>185,061</u>	<u>185,977</u>	<u>186,897</u>	<u>187,822</u>	<u>188,751</u>
<i>Services</i>						
Residential Customers	35,780	35,959	36,139	36,319	36,501	36,684
Commercial	5,852	5,881	5,911	5,940	5,970	6,000
Government (Exempt)	422	424	426	428	431	433
Master Meter	1	1	1	1	1	1
Multi-Family	6,083	6,114	6,144	6,175	6,206	6,237
Unimproved	2	2	2	2	2	2
<i>Total Sewer Services</i>						
Active	48,141	48,381	48,623	48,866	49,111	49,356
Inactive	<u>4,333</u>	<u>4,354</u>	<u>4,376</u>	<u>4,398</u>	<u>4,420</u>	<u>4,442</u>
Total	<u>52,473</u>	<u>52,736</u>	<u>52,999</u>	<u>53,264</u>	<u>53,531</u>	<u>53,798</u>
% Increase	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%

Source: The Feasibility Report. See "APPENDIX B - City of Fort Lauderdale, Florida Series 2018 Water and Sewer Revenue Bonds Feasibility Report," including, in particular, Table 6-2 in the Feasibility Report.

The following table reflects the largest users for the Water System for calendar year 2016. The combined usage of the Water System by the largest customers, as set forth in the following table, represents approximately twenty-five percent (25%) of the total consumption of the Water System.

Largest Water System Users

<u>Customer</u>	<u>Type of User/Business</u>	<u>Consumption*</u>	<u>Percentage of Total Consumption</u>
<i>Wholesale Customers</i>			
City of Oakland Park	Wholesale User	1,179,753	9.61%
City of Wilton Manors	Wholesale User	539,215	4.39
Port Everglades Authority	Wholesale User	379,319	3.09
City of Tamarac	Wholesale User	55,670	0.45
<i>Retail Customers</i>			
City of Fort Lauderdale	City Government	479,729	3.91
Broward County Courthouse	County Government	186,538	1.52
Marriott Beach Resort	Hotel	75,508	0.62
Broward General Hospital	Hospital	65,041	0.53
Imperial Point Hospital	Hospital	51,557	0.42
Pier 66 Hotel	Hotel	<u>39,004</u>	<u>0.32</u>
Total (Large Users)		<u>3,051,334</u>	<u>24.87%</u>
Total (All Water System Users)		12,270,244	100.0%

Source: The Feasibility Report. See “APPENDIX B - City of Fort Lauderdale, Florida Series 2018 Water and Sewer Revenue Bonds Feasibility Report,” including, in particular, Table 6-3 in the Feasibility Report.

* Based on annual water usage in thousands of gallons.

Rates, Fees and Charges

The City is responsible for establishing rates and charges for the services of the Water and Sewer System. The water and sewer rate charges are adopted through ordinance, which requires approval by the City Commission. Historically, through its staff and consultants, the City conducted an annual evaluation of water and sewer costs, revenues and debt service coverage requirements. After presentation of such evaluation to the City Commission, the City Commission determined whether rates for services of the Water and Sewer System should be adjusted and the amount of the adjustment required to continue to provide for the efficient operation and maintenance of the facilities and services of the Water and Sewer System.

In response to the changing environment impacting the Water and Sewer System, including changing weather patterns, changes in the availability of water resources and rising fixed and semi-variable costs, in 2008 the City retained consultants to conduct a comprehensive study of its rate structure and charges for utility services. Based on the recommendations of the rate study, in August 2009 (the “2009

Rate Study”), the City Commission approved changes to its rates for services provided by the Water and Sewer System, including a change: (i) in the rate structure for monthly service, which change was designed to address the impacts of reduced consumption resulting from SFWMD water restrictions during drought conditions, (ii) to increase the stability of the revenue stream generated by the Water and Sewer System and to increase such revenues by twenty percent (20%); (iii) to implement an increase in monthly service rates for the Water and Sewer System of five percent (5%); (iv) to increase impact fees charged for obtaining service from the Water and Sewer System by sixty-six percent (66%); and (v) to establish new rates for service availability charges imposed on all customers in inactive status that had their property previously classified as active.

At the time the 2009 Rate Study was adopted, the City planned to provide for an additional rate study to be conducted to determine an updated plan of annual rate increases for the Water & Sewer System. Such study was completed in October 2011 (the “2011 Rate Study”).

As a result of the analysis and conclusions of the 2011 Rate Study, the City Commission adopted an annual rate indexing policy of adjusting rates for services of the Water and Sewer System. The annual rate adjustment is scheduled to be the greater of (i) the annual change (measured in May of each year) in the United States Consumer Price Index Water & Sewerage Maintenance Series (the “CPI”), or (ii) five percent (5%). The 2011 Rate Study recommended an additional 1.0% and 1.75% rate increase for Fiscal Years 2012 and 2013, respectively. Based on the recommendations in the 2011 Rate Study, the City adopted a rate increase for services of the Water and Sewer System of 6.75 % for Fiscal Year 2012 (i.e., 5.75% actual change in the CPI for May 2011, plus an additional 1.0%), 6.75% for Fiscal Year 2013 (i.e., 5.0% annual increase, plus an additional 1.75%) and 5.0% for Fiscal Years 2014 and 2015, respectively.

An additional increase of 5.0% for services of the Water and Sewer System became effective on each of October 1, 2015, 2016 and 2017 for Fiscal Years 2016, 2017 and 2018, respectively. The City’s current rate structure does not require the City Commission to take action to determine the amount that rates will increase each year. Instead, it provides that rates for services of the Water and Sewer System automatically increase by 5.0% at the beginning of each Fiscal Year.

As part of its approval of the rate increases described above, the City Commission expressly committed to performing annual financial reviews by April 30th of each year to determine if, as of September 30th of the prior year, taking into account adjusted rates for services of the Water and Sewer System, projected Revenues shall be in an amount in excess of the amount needed, based on the following criteria relating to the Water and Sewer System:

1. annual revenues exceed annual expenses,
2. net revenue is at or above two times annual debt service expenses,
3. there is an operating reserve at least equal to 120 days of operating costs,
4. there is an unrestricted capital reserve of at least \$10 million, and
5. there is replacement and repair funding of at least \$10 million.

If the City Manager determines that projected Revenues are in excess of the amount needed, based on the five criteria set forth above, the current customers of the Water and Sewer System shall receive a proportionate rebate of the excess funds on their water/wastewater bill in the same Fiscal Year. Conversely, the annual review described above may identify the need for an additional rate increase to meet the financial requirements of the Water and Sewer System.

The City’s contracts with the large users of the Sewer System specify the basis to be used for the annual calculation of regional wastewater treatment rates. These contracts specify that the rates will be

based on the regional system's budgeted costs. Budgeted costs include a component for the CIP, based on a renewal and replacement analysis of the wastewater treatment facilities, which is updated annually. At the end of each Fiscal Year, the rates are recalculated and each user is provided either a credit or an additional charge to equate their total bill to their proportionate share of the regional system's total costs for that year. The contracts for bulk water service do not specify the basis for their rate calculations. As such, in between periodic cost of service or rate studies, the City adjusts the rates for bulk users of the Water System by the same annual rate increases applied to the Water System's retail customers.

For a schedule of the fixed monthly rates charged for services of the Water and Sewer System during Fiscal Year 2018 for each category of service, see "APPENDIX B - City of Fort Lauderdale, Florida Series 2018 Water and Sewer Revenue Bonds Feasibility Report," including, in particular, Table 6-10 in Section 6.6 of the Feasibility Report. For a more detailed description of all rates and charges applicable to customers of the Water and Sewer System (including, without limitation, tapping charges and connection charges), see the 2017-2018 Rate Schedule for the Water and Sewer System on the City's website at: <http://www.fortlauderdale.gov/departments/finance/utility-billing/new-utility-rates>.

Comparative Rate Survey

The following table presents a comparison of the monthly residential water and sewer bills for selected cities within Broward County and for Broward County during Fiscal Year 2017. The City's total monthly water and sewer bill for residential customers consuming 5,000 gallons of water per month was \$60.09. This figure is among the lowest of all of the communities surveyed. Rates for service from the Water and Sewer System remain among the lowest for Fiscal Year 2018, even when the City's current rates are compared to rates for other communities in effect during Fiscal Year 2017, many of which (like the City) have been increased by such other communities for Fiscal Year 2018. Monthly water and sewer rates in the following table do not include other surcharges and utility taxes and do not reflect drought rates that may apply.

The total annual bill for residential water and sewer service in the City, assuming 5,000 gallons of water usage per month, would amount to \$721.08. Rates for water and sewer service greater than two percent (2%) of the median household income in a service area may present an affordability concern, as determined by utility industry standards (including the EPA's affordability criteria set forth in its Guidances for Water Quality Standards and Financial Capability Assessment), and may be considered a financial burden to certain utility customers. Based on the median household annual income in Broward County of \$60,900, as reported in 2017 by the U.S. Department of Housing and Urban Development Income Limits Documentation System, and assuming 5,000 gallons of water usage per month, the City's average water and sewer bill (based on Fiscal Year 2017 rates) was approximately 1.18% of the median household income in Broward County, as reported in 2017. The average water and sewer bill for services of the Water and Sewer System during Fiscal Year 2017 was well within the affordability levels generally recognized in the utility industry and are expected to be well within such affordability levels for the current Fiscal Year. Also see "APPENDIX B - City of Fort Lauderdale, Florida Series 2018 Water and Sewer Revenue Bonds Feasibility Report," including, in particular, Section 6.7 in the Feasibility Report for reference to a source which documents median household income in Broward County at a level lower than the U.S. Department of Housing and Urban Development. The average water and sewer bill for services of the Water and Sewer System during Fiscal Year 2017 is also well within the affordability levels generally recognized in the utility industry when the lower number for documenting median household income in Broward County is utilized.

**Monthly Bill Comparison With Other Communities
For Residential Water and Sewer Service
(Based on 5,000 Gallons/Month)
(Rates in Effect During Fiscal Year 2017)**

<u>Local Jurisdiction</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Town of Davie	\$37.35	\$69.62	\$106.97
City of Wilton Manors	57.15	47.66	104.81
City of Dania Beach	35.00	58.82	93.82
City of Parkland	52.38	40.30	92.68
City of Oakland Park	45.81	43.53	89.34
City of Sunrise	38.61	47.19	85.80
City of Hillsboro Beach	41.00	43.92	84.92
City of Hollywood	26.92	54.28	81.20
City of North Lauderdale	32.30	47.25	79.55
City of Coconut Creek	41.90	32.24	74.14
City of Miramar	29.92	38.13	68.05
Cooper City	26.75	40.59	67.34
North Springs Improvement District	36.09	30.28	66.37
City of Tamarac	21.80	42.75	64.55
Broward County	23.62	40.20	63.81
City of Lighthouse Point	23.62	40.20	63.81
City of Coral Springs	21.29	40.53	61.82
City of Plantation	22.14	39.53	61.67
City of Fort Lauderdale	22.46	37.63	60.09
City of Hallandale Beach	24.36	34.76	59.12
Royal Utility	26.93	31.41	58.34
City of Margate	28.88	29.40	58.28
City of Lauderhill	20.37	35.69	56.06
City of Deerfield Beach	28.25	24.53	52.78
City of Pembroke Pines	24.13	27.93	52.06
City of Coral Springs	25.01	25.01	50.02
City of Pompano Beach	<u>24.08</u>	<u>25.76</u>	<u>49.84</u>
Average	\$31.04	\$39.60	\$ 70.64

Source: The Feasibility Report. See “APPENDIX B - City of Fort Lauderdale, Florida Series 2018 Water and Sewer Revenue Bonds Feasibility Report,” including, in particular, Table 6-12 in the Feasibility Report.

Billing and Collection

The City bills customers for water, sewer, sanitation and stormwater service on a single monthly bill. Unpaid billings amounted to approximately 3.92% of total billings as of September 30, 2017. Such percentage is comparable to the percentage of unpaid billings experienced by other utilities in South Florida and is lower than the percentage of unpaid billings experienced by the City in some prior years. The City has several options it can utilize to collect unpaid bills, including the use of collection agencies, reporting unpaid bills to credit rating agencies, and placing a lien on the property of a delinquent customer. The last upgrade to the City's billing system was placed in service during calendar year 2010.

Revenues and Expenses

Set forth below are actual and projected Revenues, Current Expenses, debt service and debt service coverage for the Water and Sewer System.

Historical and Projected Revenues, Current Expenses, Debt Service and Debt Service Coverage

<u>Fiscal Year</u>	<u>Revenues⁽¹⁾</u>	<u>Current Expenses⁽²⁾</u>	<u>Net Revenue Available for Debt Service⁽¹⁾</u>	<u>Debt Service for Revenue Bonds⁽³⁾</u>	<u>Debt Service Coverage for Revenue Bonds</u>	<u>Debt Service for State Revolving Fund Loan⁽⁴⁾</u>	<u>Debt Service Coverage for Revenue Bonds and State Revolving Fund Loan</u>
2012 ⁽⁵⁾	\$106,017,000	\$57,299,000	\$48,718,000	\$25,883,000	1.88x	\$5,438,000	1.56x
2013 ⁽⁵⁾	121,076,000	56,652,000	64,424,000	26,219,000	2.27	6,523,000	1.97
2014	117,552,000	58,085,000	59,467,000	26,180,000	2.57	6,565,000	1.82
2015	131,913,000	64,546,000	67,367,000	26,197,000	2.42	6,566,000	2.06
2016	131,745,740	68,291,282	63,454,458	22,314,265	2.84	5,544,277	2.28
2017 ⁽⁶⁾	135,518,189	70,738,461	64,779,728	24,031,181	2.70	4,522,892	2.27
2018	145,881,329	72,134,360	73,746,969	28,406,186	2.60	4,522,892	2.24
2019	151,804,685	69,824,651	81,980,034	32,282,281	2.54	4,522,892	2.23
2020	158,467,874	71,403,237	87,064,637	32,286,781	2.70	4,522,892	2.37
2021	165,549,189	73,022,400	92,526,789	32,279,081	2.87	4,522,892	2.51
2022	173,085,941	74,652,225	98,433,715	32,279,281	3.05	4,522,892	2.67

Source: The Feasibility Report. See "APPENDIX B - City of Fort Lauderdale, Florida Series 2018 Water and Sewer Revenue Bonds Feasibility Report," including, in particular, Table 6.5 in the Feasibility Report.

Footnotes for immediately preceding table are continued on the next page.

- (1) Does not include revenues from Impact Fees, extension charges or interest on Bond funds, in accordance with the provisions of the Bond Resolution. See "SECURITY AND SOURCES OF PAYMENT - General" herein. Impact Fees are not available to pay debt service on the Series 2018 Bonds. Beginning in Fiscal Year 2018,

- Revenues are projected assuming an annual five percent (5.0%) increase in rates for services of the Water and Sewer System. See “WATER AND SEWER SYSTEM - Rates, Fees and Charges” herein.
- (2) Excludes depreciation, interfund administrative costs and other costs, in accordance with the provisions of the Bond Resolution. See “SECURITY AND SOURCES OF PAYMENT - General” herein.
 - (3) Includes the Principal and Interest Requirements on all (i) Outstanding Bonds and (ii) the Series 2018 Bonds, assuming issuance of the Series 2018 Bonds in the aggregate principal amount of \$179,605,000 at a true interest cost of 3.8883%. See “INTRODUCTION” and “PURPOSE OF THE ISSUE” herein.
 - (4) Although included in the table demonstrating the amount of Net Revenues available to make debt service payments, the SRF loans have a subordinate lien on Net Revenues. See “SECURITY AND SOURCES OF PAYMENT - Other Obligations Secured by Net Revenues” herein.
 - (5) Debt Service for Revenue Bonds reflects amount of Principal and Interest Requirements recorded by the City for such Fiscal Years, based on accrual method of accounting.
 - (6) Represents estimated, unaudited Revenues and Current Expenses for such Fiscal Year.

CAPITAL IMPROVEMENT PROGRAM

General

Each year the City Commission adopts a Community Investment Plan detailing upgrades and improvements needed for City facilities and infrastructure for the immediately succeeding 5 year period. The Community Investment Plan for Fiscal Years 2018 through 2022 (the “2018 Community Investment Plan”) identifies \$227 million in expenditures for such 5 year period, including more than \$76.4 million in renewal and replacement improvements for the Sewer System and \$152.6 million in improvements identified in the various updates to the 2000 Master Plan. Of the \$152.6 million in total planned improvements, \$104.3 million were identified as unfunded. A portion of the unfunded improvements will be included in the Series 2018 Project and the remainder will remain unfunded until current or future revenues or reserves of the Water and Sewer System or other funding sources are made available for such improvements.

Major Sewer System projects contained in the 2018 Community Investment Plan include the renewal and replacement projects for the Lohmeyer WWTP and plant rehabilitation of its prestressed concrete cylinder pipes. See “WATER AND SEWER SYSTEM - The Sewer System - Wastewater Treatment Facility” herein. Major Water System projects contained in the 2018 Community Investment Plan include the Fiveash WTP disinfection/reliability upgrades, the Fiveash WTP chemical system improvements, a large water main replacement, and pump station rehabilitation. See “WATER AND SEWER SYSTEM - The Water System - Water Treatment Facilities” and “- Water Transmission, Distribution and Storage” herein.

In addition, improvements to the Water and Sewer System for Fiscal Years 2018 through 2022 (i) were recommended in the 2017 Master Plan, including renewal and replacement projects at the Lohmeyer WWTP and projects to improve the City’s water supply and wastewater collection systems, and (ii) are required to comply with the terms of the Sewer System Consent Order. See “WATER AND SEWER SYSTEM - The Sewer System - Regulatory Impact Consent Order” herein. The 2017 Master Plan provided a holistic evaluation of the entire Water and Sewer System. Recognizing that portions of the Water and Sewer System infrastructure are approaching the end of their expected life cycle, the 2017 Master Plan identified numerous improvements needed to operate, maintain and enhance the Water and Sewer System’s performance, efficiency, quality, and level of service to meet current and projected needs for the next 20 years.

The Sewer System Consent Order includes wastewater repair projects and operational improvements the City must complete to reduce risk and improve resiliency within the wastewater collection system. These projects replace aged pipe networks and construct additional infrastructure to increase the capacity and redundancy of the Sewer System. The Sewer System Consent Order improvements provide for

systematic replacement of outdated technology within the wellfields, the water and wastewater treatment plants, the water distribution system, and the wastewater collection system. Finally, the projects modernize utility management tools and operational control systems to improve efficiency.

The CIP includes funding for the proposed capital improvements identified in the 2018 Community Investment Plan, including the identified renewal and replacement projects, certain projects identified in the 2017 Master Plan, and the improvements required to comply with the terms of the Sewer System Consent Order. Set forth below is a summary, by source, of the projects included in the CIP.

Proposed CIP Projects
(\$ In Millions)

<u>Source Document</u>	<u>Sewer System</u>				<u>Total</u>
	<u>Water System</u>	<u>Lohmeyer WWTP</u>	<u>General</u>	<u>General and Lohmeyer WWTP</u>	
2018 Community Investment Plan	\$137.6	\$ 74.6	\$15.0	\$ 0.0	\$227.2
2017 Master Plan	136.7	20.6	0.0	0.0	157.3
Sewer System Consent Order	<u>0.0</u>	<u>53.1</u>	<u>11.9</u>	<u>11.5</u>	<u>76.5</u>
Total*	<u>\$274.3</u>	<u>\$148.4</u>	<u>\$26.9</u>	<u>\$11.5</u>	<u>\$461.1</u>

Source: The Feasibility Report. See “APPENDIX B - City of Fort Lauderdale, Florida Series 2018 Water and Sewer Revenue Bonds Feasibility Report,” including, in particular, Section 5.4 in the Feasibility Report.

* Totals may not add due to rounding.

The City has identified several funding sources it currently intends to use to fund the improvements identified in the CIP, including Impact Fees, other Water and Sewer System revenues available after payments required by the terms of the Bond Resolution and other required transfers have been made and proceeds from the issuance of Bonds. Set forth below are the sources currently projected to fund the CIP.

CIP Estimated Sources of Funding

<u>Funding Source</u>	<u>Estimated CIP Funding during Forecast Period⁽¹⁾</u>	<u>Percent of Total CIP Funding</u>
Series 2018 Bonds	\$199,761,657	43.2%
SRF Loans ⁽²⁾		
Currently Available Revenues ⁽³⁾		
Annual Revenues ⁽⁴⁾		
Approved Amount ⁽⁵⁾	337,243,903	73.1
Undetermined ⁽⁶⁾	<u>123,856,097</u>	<u>26.9</u>
Total	<u>\$461,100,000</u>	<u>100.0%</u>

Source: City of Fort Lauderdale, Florida Public Works Department.

Footnotes below are for the immediately preceding table on the immediately preceding page.

- (1) Constitutes amount currently estimated to be available to pay for projects included in the CIP. Estimates are in 2016 dollars.
- (2) See “SECURITY AND SOURCES OF PAYMENT - Other Obligations Secured by Net Revenues” herein.
- (3) Represents revenues generated by the Water and Sewer System from prior Fiscal Years that are unencumbered and currently available to fund CIP projects.
- (4) Represents revenues projected to be generated by the Water and Sewer System and available to fund CIP projects after payments required under the Bond Resolution and all other required transfers have been made.
- (5) Represents the amount of projects in the CIP that have undergone the City’s formal review and approval of funding process.
- (6) Represents the amount of projects in the CIP that currently do not have an assigned, specific source of funding.

Water System Improvements

Planned improvements to the Water System included in the 2018 Community Investment Plan total \$137.6 million. Such improvements include disinfection and reliability improvements at the Fiveash WTP, chemical system improvements, renewal and replacement projects at the Peele-Dixie WTP, and numerous large and small water main improvements. The 2017 Master Plan recommended \$274 million in improvements to the Water System for Fiscal Years 2018 through 2022. The improvements to the Water System recommended in the 2017 Master Plan that were considered most critical were included in the \$137.6 million of planned improvements in the 2018 Community Investment Plan.

Sewer System Improvements

The 2018 Community Investment Plan provides for a total of \$89.6 million in Sewer System improvements during the Forecast Period. Such improvements include \$74.6 million in upgrades to the Lohmeyer WWTP and \$15.0 million in improvements the City’s retail wastewater collection system. The Lohmeyer WWTP improvements include plant renewal and replacement projects, rehabilitation of the plant’s prestressed concrete cylinder pipes, rehabilitation of motor controls, and clarifier pipe replacements. The wastewater collection system improvements include repairs and rehabilitation of force mains, repairs, replacements, or relocations of gravity mains, and rehabilitation of pump stations. The 2017 Master Plan recommended Lohmeyer WWTP improvements of \$20.6 million, but did not recommend any wastewater collection system improvements for the Forecast Period that were not also included in the 2018 Community Investment Plan.

Series 2018 Project

The City plans to fund 53 projects from the CIP with proceeds from the issuance of the Series 2018 Bonds (collectively, the “Series 2018 Project”). These projects were identified as the most critical to be implemented from the list of projects included in (i) the 2018 Community Investment Plan which were previously classified as unfunded, (ii) the 2017 Master Plan, and (iii) the Sewer System Consent Order. The Series 2018 Project is estimated to total \$199.8 million, of which approximately (i) \$55.3 million is from the 2018 Community Investment Plan and represents projects previously listed as “deferred,” (ii) \$63.2 million constitutes priority projects from the 2017 Master Plan, and (iii) \$81.3 million represents projects required to be implemented to satisfy the requirements of the Sewer System Consent Order.

The number and general categories of projects included in the Series 2018 Project are as follows:

**Categories of Improvements
Included in the Series 2018 Project***

Project	2018 Community Investment Plan		2017 Master Plan		Sewer System Consent Order		Total	
	Number of Projects	Cost of Project	Number of Projects	Cost of Project	Number of Projects	Cost of Project	Number of Projects	Cost of Project
Lohmeyer WWTP Improvements	1	\$33,500,000	13	\$27,155,000	- 0 -	\$ - 0 -	14	\$ 60,655,000
Water Distribution System Improvements	7	21,850,568	2	363,000	- 0 -	- 0 -	9	22,213,568
Wastewater Collection System Improvements	- 0 -	- 0 -	11	35,639,090	13	69,754,679	24	105,393,769
Operational System Improvements	- 0 -	- 0 -	- 0 -	- 0 -	5	5,700,000	5	5,700,000
Program Coordination and Management	- 0 -	- 0 -	- 0 -	- 0 -	1	5,799,320	1	5,799,320
Total	<u>8</u>	<u>\$55,350,568</u>	<u>26</u>	<u>\$63,157,090</u>	<u>19</u>	<u>\$81,253,999</u>	<u>53</u>	<u>\$199,761,657</u>

Source: City of Fort Lauderdale, Florida Public Works Department.

* Projects represent the current list of improvements expected to comprise the Series 2018 Project, subject to changes that may be made by the City in accordance with the terms of the Resolution. All costs represent current, estimated project costs.

For a more detailed description of the improvements to the Water and Sewer System that are currently contemplated to be financed in whole or in part with proceeds of the Series 2018 Bonds, including a description of each project expected to be funded, see “APPENDIX B - Series 2018 Water and Sewer Revenue Bonds Feasibility Report,” including, in particular, Section 5.5 in the Feasibility Report.

CONCLUSIONS OF THE FEASIBILITY CONSULTANTS

CH2M HILL, Inc., Hazen and Sawyer, P.C. and Stantec, Inc., have been engaged by the City to serve as Feasibility Consultants for the Water and Sewer System in connection with the issuance of the Series 2018 Bonds and, in such capacity, have prepared the Feasibility Report. The Feasibility Report provides a summary of the overall condition of the Water and Sewer System to support the issuance of the Series 2018 Bonds. The information contained in the Feasibility Report is a combination of information obtained from recent investigations and discussions with management and operations personnel of the Water and Sewer System and includes a review of, among other sources, the CIP, the 2000 Master Plan, the 2007 Master Plan Update, the 2017 Master Plan, the comprehensive annual financial reports of the City for the Fiscal Years ended September 30, 2013 through 2016, unaudited financial information and work papers for the Fiscal Year ended September 30, 2017, the City’s annual operating budgets for Fiscal Years September 30, 2013 through 2018, the City’s SFWMD water use permit, financial, billing and operating data of the City, the 2009 Rate Study, the 2011 Rate Study, and other files of the City and of the Water and Sewer System maintained by the Feasibility Consultants.

Set forth below are certain conclusions reached by the Feasibility Consultants in the Feasibility Report. Reference is made to the complete Feasibility Report for a more detailed discussion of the information relied upon by the Feasibility Consultants to reach the following conclusions and the assumptions upon which such conclusions are based. See “APPENDIX B - City of Fort Lauderdale, Florida Series 2018 Water and Sewer Revenue Bonds Feasibility Report,” including, in particular, Section 1.2 in the Feasibility Report. In the opinion of the Feasibility Consultants, the assumptions upon which the following conclusions are based are reasonable.

1. The facilities of the Water System are well-maintained, well-managed and in good operating condition. Effective planning policies provide for the inspection, repair, improvement and replacement of such facilities, and have enabled the City to meet State and federal regulations.

2. With the exception of aging force mains that are approaching the end of their useful service, the Sewer System is well-maintained, well-managed and in good condition. In recent years, the City has experienced force main breaks that have resulted in the discharge of untreated wastewater into the surface waters and/or ground waters near the Sewer System. In response, the City has entered into the Sewer System Consent Order to reduce risk and improve resiliency within the wastewater collection system by replacing aging pipe networks and constructing additional infrastructure to increase the capacity and redundancy of the Sewer System. See “WATER AND SEWER SYSTEM - The Sewer System - Regulatory Impact - Consent Order” herein.

3. The water demand and wastewater flow projections presented in the Feasibility Report are based on the projections presented in the 2017 Master Plan; the City and the Feasibility Consultants each believe such projections are reasonable.

4. The financial model presented in the Feasibility Report uses unaudited Fiscal Year 2017 results as the basis for its demand, expenditure and revenue projections, adjusted for assumed inflation, rate increases, growth and elasticity of demand impacts from assumed rate increases. Such methodology was determined to be a reasonable basis for the analysis set forth in the Feasibility Report, based on a review of multiple years of historical water and wastewater sales and an understanding of current environmental, regulatory, and economic conditions.

5. The Water System has sufficient physical capacity to meet existing and projected demands throughout the Forecast Period.

6. The Sewer System has sufficient capacity for projected flows throughout the Forecast Period. Measures to reduce I&I levels may further extend the permitted capacity of the Lohmeyer WWTP and, thereby, delay the need for its expansion. During the past several years, as additional customers have connected to the Sewer System, flow increases have been offset by reductions in I&I and wastewater flow to the Lohmeyer WWTP has not increased proportionately with the increase in customers. Construction of a capacity upgrade at the Lohmeyer WWTP is not expected to be needed until sometime after calendar year 2025. However, overall capacity of the Lohmeyer WWTP will be limited by the facility’s effluent disposal system, specifically the injection well capacity, which is expected to not meet emergency condition capacity requirements beginning in calendar year 2021. Reductions in I&I levels may postpone the need for an additional injection well due to capacity issues. The City is accelerating its efforts to reduce I&I in the Sewer System to delay the need for constructing a new deep injection well.

7. The City has sufficient water supply to meet the projected demands of the Water System through calendar year 2035. To meet future demands in excess of the withdrawal limits from the Biscayne Aquifer, the City anticipates utilizing Floridan Aquifer water at the planned Peele-Dixie WTP reverse

osmosis water treatment facility. In addition, the City is studying the feasibility of several alternative water sources and offset projects, including additional Floridan Aquifer use, stormwater capture projects, reuse, and other alternative water supply projects. See “WATER AND SEWER SYSTEM - The Sewer System - Wastewater Treatment Facility” and “- Regulatory Impact” herein.

8. Except for the couple instances of significant volumes of wastewater flows being discharged due to force main breaks, the City is meeting the regulatory requirements for the Water and Sewer System and is planning for regulatory requirements that the City anticipates may be imposed on the Water and Sewer System in the future. The CIP includes improvements to address anticipated regulatory requirements and the financial plan presented in Feasibility Report incorporates plans for the funding of improvements that will, or are expected to, be required to satisfy anticipated regulatory requirements.

9 In 2014, there were minor surface water discharges from the Lohmeyer WWTP to the emergency surface water outfall of the Sewer System during peak flow conditions. Thereafter, the City rehabilitated its injection wells to restore their injection capacity to original permitted levels. The improvements restored the capability of the Sewer System to handle peak flows and avoid future surface water overflows.

10. Key staff of the Water and Sewer System are well-qualified, capable of managing current responsibilities of the Water and Sewer System and are planning for implementation of future improvements.

11. Under the assumptions described in the Feasibility Report, including annual rate increases pursuant to the rate indexing policy adopted in response to the 2011 Rate Study, Revenues will be sufficient to meet operating and other expenses, including debt service payments, bond debt service reserve requirements, and coverage requirements during the Forecast Period. Projected Revenues will also provide funds for planned capital improvement expenditures that are expected to be funded from current Revenues.

12. Current rates for services of the Water and Sewer System are among the lowest charged by municipalities in South Florida.

13. The projected Revenues and Current Expenses and the sources of funds projected to be available to fund scheduled or anticipated improvements throughout the Forecast Period are reasonable.

14. Improvements to be made to the Water and Sewer System have been or are expected to be designed in accordance with usual and customary engineering practices and involve proven technology and proven configurations of that technology. Proposed improvements will require the City to obtain permits for their construction. Such permits are expected to be obtained in the due course of business.

15. In the opinion of the Feasibility Consultants, issuance of the Series 2018 Bonds by the City in an aggregate principal amount not exceeding \$200 million for the purposes described in the Feasibility Report is an advisable undertaking.

LITIGATION

There is no litigation or administrative proceeding, other than as is disclosed in this Official Statement, of any nature, now pending or, to the best knowledge of the City, threatened against the City which, in the opinion of the City Attorney, will have any material adverse effect on the Revenues derived by the City from the Water and Sewer System. At the time of the delivery of the Series 2018 Bonds, the City will deliver a certificate to the effect that no litigation or other proceedings are pending or, to the best

knowledge of the City, threatened against the City in any way (a) restraining or enjoining the issuance, sale or delivery of the Series 2018 Bonds or (b) questioning or affecting the validity of (i) the Series 2018 Bonds or any proceedings of the City taken with respect to the authorization, sale, execution or issuance of the Series 2018 Bonds or (ii) the pledge of any moneys or other security provided for the Series 2018 Bonds.

The City experiences routine litigation and claims incidental to the conduct of municipal affairs. In the opinion of the City, there are no lawsuits presently pending or, to the best of the City's knowledge, threatened, the adverse outcome of which would impair the City's ability to perform its obligations to the owners of the Series 2018 Bonds.

LEGAL MATTERS

Certain legal matters incident to the issuance of the Series 2018 Bonds, including their legality and enforceability and the exclusion of interest on the Series 2018 Bonds from gross income for federal income tax purposes, are subject to the legal opinion of Greenberg Traurig, P.A., Fort Lauderdale, Florida, Bond Counsel, whose legal services as Bond Counsel have been retained by the City. The signed legal opinion of Bond Counsel, substantially in the form attached hereto as APPENDIX E, dated and premised on law in effect as of the original delivery of the Series 2018 Bonds, will be delivered to the City and the Underwriters on the date of issuance of the Series 2018 Bonds.

The actual legal opinion to be delivered may vary from the form attached hereto to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of the opinion by recirculation of this Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion subsequent to its date of issuance.

Certain legal matters incident to the issuance of the Series 2018 Bonds relating to disclosure will be passed on for the City by the Law Offices of Steve E. Bullock, P.A., Miramar, Florida, whose legal services as Disclosure Counsel have been retained by the City. The signed legal opinion, dated and premised on law in effect as of the date of original delivery of the Series 2018 Bonds, will be delivered to the City and the Underwriters on the date of issuance of the Series 2018 Bonds.

The proposed text of the legal opinion of Disclosure Counsel is set forth as APPENDIX F to this Official Statement. The actual legal opinion to be delivered may vary from the text attached hereto if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of this Official Statement or otherwise shall create no implication that Disclosure Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion subsequent to its date of issuance.

Certain legal matters will be passed on for the City by Cynthia A. Everett, Esquire, Fort Lauderdale, Florida, City Attorney.

The legal opinions and other letters of counsel to be delivered concurrently with the delivery of the Series 2018 Bonds express the professional judgment of the attorneys rendering the opinions or advice regarding the legal issues and other matters expressly addressed therein. By rendering a legal opinion or advice, the giver of such opinion or advice does not become an insurer or guarantor of the result indicated by that opinion, or the transaction on which the opinion or advice is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Series 2018 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 Resolution and the Series 2018 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2018 Bonds will be qualified, as to the enforceability of 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 and to general principles of equity (whether sought in a court of law or equity).

TAX MATTERS

General Matters

The Internal Revenue Code of 1986, as amended (the “Code”), includes requirements which the City must continue to meet after the issuance of the Series 2018 Bonds in order that the interest on the Series 2018 Bonds be and remain excludable from gross income for federal income tax purposes. The City’s failure to meet these requirements may cause the interest on the Series 2018 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2018 Bonds. The City has covenanted to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2018 Bonds.

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and court decisions and assuming the accuracy of certain representations and continuing compliance with the covenants described in the preceding paragraph, interest on the Series 2018 Bonds is excludable from gross income of the owners thereof for federal income tax purposes. Interest on the Series 2018 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Bond Counsel is also of the opinion that the Series 2018 Bonds and the income thereon are not subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in Chapter 220, Florida Statutes. Bond Counsel will express no opinion as to any other tax consequences regarding the Series 2018 Bonds. Prospective purchasers of the Series 2018 Bonds should consult their own tax advisors as to the status of interest on the Series 2018 Bonds under the tax laws of any state other than the State of Florida.

Bond Counsel’s opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel’s attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel’s opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service 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 opinion.

Except as described above under this heading “TAX MATTERS,” Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of the interest on the Series 2018 Bonds, or the ownership or disposition of the Series 2018 Bonds. Prospective purchasers of Series 2018 Bonds should be aware that the ownership of Series 2018 Bonds may result in other collateral federal tax consequences, including (a) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2018 Bonds, (b) the reduction of the loss reserve

deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including the interest on the Series 2018 Bonds, (c) the inclusion of the interest on the Series 2018 Bonds in the earnings of certain foreign corporations doing business in the United States of America for purposes of a branch profits tax, (d) the inclusion of the interest on the Series 2018 Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year, and (e) the inclusion of interest on the Series 2018 Bonds in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Series 2018 Bonds. Prospective purchasers of the Series 2018 Bonds should consult their own tax advisors as to the impact of these other tax consequences.

Original Issue Discount and Premium

Certain of the Series 2018 Bonds (the “Discount Bonds”) may be offered and sold to the public at an original issue discount (“OID”). OID is the excess of the stated redemption price at maturity (the principal amount) over the “issue price” of a Discount Bond determined under Code Section 1273 or 1274 (i.e., for obligations issued for money in a public offering, the initial offering price to the public (other than to bond houses and brokers) at which a substantial amount of the obligation of the same maturity is sold pursuant to that offering). For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excludable from the owner’s gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2018 Bonds, and (ii) is added to the owner’s tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond.

Certain of the Series 2018 Bonds (the “Premium Bonds”) may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity (or earlier for certain Premium Bonds callable prior to maturity). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner’s gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner’s tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond.

Information Reporting and Backup Withholding

Interest paid on tax-exempt obligations such as the Series 2018 Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2018 Bonds from gross income for federal income tax purposes. However, in connection with that information reporting requirement, the Code subjects certain noncorporate owners of Series 2018 Bonds, under certain circumstances, to “backup withholding” at the rates set forth in the Code, with respect to payments on the

Series 2018 Bonds and proceeds from the sale of Series 2018 Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2018 Bonds. This withholding generally applies if the owner of Series 2018 Bonds (a) fails to furnish the payor such owner's social security number or other taxpayer identification number, (b) furnishes the payor an incorrect taxpayer identification number, (c) fails to properly report interest, dividends or other "reportable payments" as defined in the Code or, (d) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the taxpayer identification number provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2018 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.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading "TAX MATTERS" or adversely affect the market value of the Series 2018 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2018 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2018 Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2018 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2018 Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

PROSPECTIVE PURCHASERS OF THE SERIES 2018 BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE SERIES 2018 BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE SERIES 2018 BONDS.

CONTINUING DISCLOSURE

For the benefit of the holders and beneficial owners from time to time of the Series 2018 Bonds, the City will covenant, in accordance with and as the only obligated person with respect to the Series 2018 Bonds under Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), to provide or cause to be provided certain financial information and operating data relating to the City and the Net Revenues, not later than 243 days following the end of each Fiscal Year (the "Annual Report"), and notices of material events, in such manner as may be required for purposes of paragraph (b)(5) of the Rule. The Annual Report and notices of material events will be electronically filed by the City with the Municipal Securities Rulemaking Board at <http://emma.msrb.org/>. The specific nature of the information to be contained in the Annual Report and the notices of material events are contained in "APPENDIX G - Form of Continuing Disclosure Commitment." The covenants of the Continuing Disclosure Commitment have been made in order to assist the Underwriters in complying with clause (b)(5) of the Rule.

Within the last five (5) years the City has complied in all material respects with its previous undertakings made with respect to the Rule and is currently in compliance in all material respects with such undertakings. Any failure to comply with the provisions of the Continuing Disclosure Commitment shall

not constitute a default under the Resolution and any failure of the City to comply with its previous continuing disclosure undertakings are not defaults under the authorizing resolutions or continuing disclosure commitments pursuant to which prior continuing disclosure undertakings were created.

In order to provide certain continuing disclosure with respect to the Series 2018 Bonds in accordance with the Rule, the City will retain the services of Digital Assurance Certification, L.L.C. (“DAC”) to serve as Dissemination Agent pursuant to the City’s Continuing Disclosure Commitment. The obligation of DAC to deliver information at the times and with the contents described in the Continuing Disclosure Commitment is limited by, and in all respects subject to, the receipt by DAC of such information from the City in the time periods required for its delivery. The specific obligations and responsibilities of DAC with respect to the continuing disclosure requirements of the Rule and its duties and limitations of liability as Dissemination Agent under the Continuing Disclosure Commitment are described in “APPENDIX G - Form of Continuing Disclosure Commitment.”

PENSION PLANS

Defined Benefit Plans

General Employees Retirement System. The General Employees Retirement System (the “GERS”) is a single-employer defined benefit plan administered by an eight (8) member board of trustees (the “GERS Board of Trustees”). The GERS covers all City employees, except police and firefighters. Through collective bargaining with the general, supervisory and professional City employees, a new single-employer defined contribution pension plan was established for Teamster Union employees hired on or after October 1, 2007, supervisory union employees hired on or after November 7, 2007, and all other non-union employees hired on or after February 20, 2008. The GERS was then closed to new entrants.

Under Ordinance No. C-11-34 adopted by the City Commission on December 6, 2011, a Bonus Incentive Program was offered to members of the GERS eligible for either early or normal retirement as of December 1, 2011. Eligible members were granted thirty (30) additional months of service for both benefit and eligibility purposes if, during the election period from December 7, 2011 through February 1, 2012, they elected to retire between December 14, 2011 and March 16, 2012. There were 134 members who elected to retire under the Bonus Incentive Program for GERS members. The impact of the Bonus Incentive Program reflects the replacement of twenty percent (20%) of the members who retired under the program with promotions of the highest-paid remaining active members. The salaries of expected promoted members were increased by five percent (5%).

The City’s payroll for employees covered by the GERS after the plan change applicable to the September 30, 2016 actuarial valuation (which is the most recent actuarial valuation for the GERS) was \$49,898,957. The total City payroll at that time was approximately 183,425,408. As of the valuation date, employee membership data related to the GERS was as follows:

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GERS Employee Membership

Retirees and beneficiaries currently receiving benefits	1,369
Terminated employees entitled to benefits but not yet receiving them	104
Fully, partially and non-vested active plan participants	771
Participants in DROP (as hereinafter defined)	17

Source: City of Fort Lauderdale, Florida General Employees Retirement System Actuarial Report as of September 30, 2016, Gabriel Roeder Smith & Company, March 1, 2017.

Under the vesting provisions of the GERS, employees are entitled to one hundred percent (100%) of normal retirement benefits after five (5) years of service. Employees who are terminated prior to vesting are entitled to a refund of employee contributions, plus interest at three percent (3%) per year. Employees are eligible to retire after thirty (30) years of service, regardless of age, or at age fifty-five (55), with five (5) years of service. Members who continue in employment past normal retirement may either accrue larger pensions or freeze their accrued benefit and enter the Deferred Retirement Option Plan (the "DROP"). Each participant of the GERS in the DROP has an account credited with benefits not received, plus interest. Participation in the DROP must end no later than thirty-six (36) months after normal retirement. Certain employees hired on or after October 1, 1983 electing reduced benefits are entitled to one hundred (100%) of normal retirement benefits after ten (10) years of service, beginning at age sixty-five (65).

Employees contribute from four to six percent (4% to 6%) of their earnings to the plan. The City is required to contribute the remaining amounts necessary to fund the plan, based on an amount determined by the plan's actuaries as of September 30 each year. For Fiscal Year 2016, the City's contribution rate, as a percentage of annual covered payroll, was 27.00%. Based on the City's most recent actuarial report for the GERS prepared by Gabriel Roeder Smith & Company, dated March 1, 2017 (the "GERS Actuarial Report"), the required City contribution for the Fiscal Year ended September 30, 2017, as a percentage of annual covered payroll, will be 28.78%, an increase of 1.78% compared to 27.00% for the Fiscal Year ended September 30, 2016. The GERS Actuarial Report provided that the City's dollar contribution would be \$14,650,881 for Fiscal Year 2017, compared to \$14,393,012 for Fiscal Year 2016.

The investment return assumption for the GERS is 7.50%. The GERS investment return assumption was lowered from 7.65% to 7.55% for the Fiscal Year ended September 30, 2014 valuation and was further lowered to 7.50% for the Fiscal Year ended September 30, 2015 valuation. The assumption rate has not been changed since the valuation for Fiscal Year 2015. In addition, for the Fiscal Year ended September 30, 2016 valuation, the inflation rate for the GERS was lowered from 3.25% to 3.00%. Actual inflation for the five year historical period ended September 30, 2016 averaged 1.30%.

Beginning in Fiscal Year 2013, the GERS Board of Trustees lowered the base of the amortization period for new unfunded actuarial accrued liability for the GERS from 29 years to 28 years. Such base is to be lowered by one (1) year in each year following Fiscal Year 2013.

Annual Pension Cost and Net Pension Liability. Annual pension cost is a measure of the periodic cost of an employer's participation in a defined benefit pension plan. The annual pension cost for the GERS for the last three (3) Fiscal Years for which actuarial reports have been provided are as follows:

City of Fort Lauderdale, Florida
GERS Annual Pension Fund Costs

<u>Fiscal Year Ended September 30</u>	<u>Actuarially Determined Contribution</u>	<u>Amount Contributed</u>	<u>Percent Contributed</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a Percent of Covered Payroll</u>
2014	\$15,061,353	\$15,061,353	100%	\$59,303,500	25.40%
2015	15,501,180	15,501,180	100	57,804,651	26.82
2016	14,393,012	14,393,012	100	53,303,766	27.00
2017*	14,650,881	14,650,881	100	50,904,658	28.78

Source: City of Fort Lauderdale, Florida General Employees Retirement System Actuarial Report as of September 30, 2016, Gabriel Roeder Smith & Company, March 1, 2017.

* Estimated.

The City's net pension liability and related ratios for the GERS for the Fiscal Years ended September 30, 2014 through 2016, and estimated for the Fiscal Year ended September 30, 2017 are as follows:

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City of Fort Lauderdale, Florida
GERS Net Pension Liability

	Fiscal Year Ended September 30			
	<u>2017*</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability				
Service Cost	\$ 9,607,674	\$ 9,940,115	\$ 9,917,828	\$ 10,774,138
Interest	46,353,311	45,329,190	44,655,792	43,346,733
Changes of Benefit Terms	—	—	—	—
Differences between Actual and Expected Experience	(1,676,484)	(657,609)	(6,253,927)	—
Assumption Changes	14,797,406	3,054,924	5,940,974	—
Benefit Payments	(41,181,824)	(38,030,549)	(36,967,771)	(36,087,008)
Refunds of Employee Contributions	<u>(2,332)</u>	<u>(138,606)</u>	<u>(127,423)</u>	<u>(153,598)</u>
Net Change in Total Pension Liability	27,897,751	19,497,465	17,165,473	17,880,265
Total Pension Liability (Beginning of Year)	<u>629,028,556</u>	<u>609,531,091</u>	<u>592,365,618</u>	<u>574,485,353</u>
Total Pension Liability (End of Year) (a)	<u><u>\$656,926,307</u></u>	<u><u>\$629,028,556</u></u>	<u><u>\$609,531,091</u></u>	<u><u>\$592,365,618</u></u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 14,650,881	\$ 14,393,012	\$ 15,501,180	\$ 15,061,353
Contributions - Employees	3,043,709	3,152,504	3,200,689	3,264,583
Net Investment Income	43,694,144	56,764,958	(22,561,456)	59,588,725
Benefit Payments	(41,181,824)	(38,030,549)	(36,967,771)	(36,087,008)
Refunds of Employee Contributions	(2,332)	(138,606)	(127,423)	(153,598)
Administrative Expense	<u>(551,683)</u>	<u>(551,683)</u>	<u>(398,274)</u>	<u>(469,862)</u>
Net Change in Plan Fiduciary Net Position	19,652,895	35,589,636	(41,353,055)	41,204,193
Plan Fiduciary Net Position (Beginning of Year)	<u>587,283,771</u>	<u>551,694,135</u>	<u>593,047,190</u>	<u>551,842,997</u>
Plan Fiduciary Net Position (End of Year) (b)	<u><u>\$606,936,666</u></u>	<u><u>\$587,283,771</u></u>	<u><u>\$551,694,135</u></u>	<u><u>\$593,047,190</u></u>
City's Net Pension Liability (End of Year) (a) - (b)	\$ 49,989,641	\$ 41,744,785	\$ 57,836,956	\$ (681,572)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.39%	93.36%	90.51%	100.12%
Covered Employee Payroll	\$ 50,904,658	\$ 53,303,766	\$ 57,804,651	\$ 59,303,500
City's Net Position Liability as a Percentage of Covered-Employee Payroll	98.20%	78.31%	100.06%	-1.15%

Source: City of Fort Lauderdale, Florida General Employees Retirement System Actuarial Report as of September 30, 2016, Gabriel Roeder Smith & Company, March 1, 2017.

* Estimated.

Police and Firefighters Retirement System. In addition to the GERS, the City provides pension coverage for all of its police and firefighters through the Police and Firefighters Retirement System (the “PFRS”). The PFRS is a single-employer defined benefit plan administered by an eight (8) member board of trustees. All City employees providing service for the Water and Sewer System receive pension coverage under the GERS.

Additional Information. For detailed information relating to the actuarial methods and assumptions used to determine annual required contributions for the GERS, or for detailed information relating to the PFRS, see “APPENDIX C - Excerpts from Comprehensive Annual Financial Report of the City of Fort Lauderdale, Florida for the Fiscal Year ended September 30, 2016” and, in particular, Note 14 of the Notes to the Financial Statements.

The GERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained online at www.citypension.com or by writing the Board of Trustees for the GERS at the following address:

Board of Trustees of the City of Fort Lauderdale
General Employees’ Retirement System
316 NE Fourth Street, Suite 2
Fort Lauderdale, Florida 33301

The PFRS also issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained online at www.ftlaudpfpension.com or by writing the Board of Trustees for the PFRS at the following address:

Board of Trustees of the City of Fort Lauderdale
Police and Firefighters’ Retirement System
888 South Andrews Avenue, Suite 202
Fort Lauderdale, Florida 33316

Defined Contribution Plans

General Employees Defined Contribution Plan. The General Employees Defined Contribution Plan is a single-employer defined contribution plan administered for the City by ICMA Retirement Corporation (“ICMA-RC”). The plan covers all City employees hired on or after October 1, 2007, except police and firefighters. The City’s Fiscal Year 2016 payroll for employees covered by the plan was approximately \$29,875,932. The total City payroll for Fiscal Year 2016 was approximately \$183,425,408.

The City contribution requirement of nine percent (9%) on earnings of participants in the General Employees Defined Contribution Plan was paid on a biweekly basis and amounted to \$2,691,268 for Fiscal Year 2016. Employee contributions are neither required nor permitted under the plan. Employees become fully vested in the plan upon entry.

General Employees Special Class Plan. The General Employees Special Class Plan is a single-employer defined contribution plan administered for the City by ICMA-RC. The plan is available to City employees, except police and firefighters, as an alternative to participation in the GERS. The City’s Fiscal Year 2016 payroll for employees covered by the plan was approximately \$49,096. The total City payroll for Fiscal Year 2015 was approximately \$183,425,408.

The City contribution requirement of 29.59% on earnings of participants in the General Employees Special Class Plan was paid on a biweekly basis and amounted to \$14,528 for Fiscal Year 2016. Employee contributions are neither required nor permitted under the plan. Employees become fully vested in the plan upon entry. The plan is no longer available to new entrants.

Non-classified Employees Retirement Plan. The Non-classified Employees Retirement Plan is a single-employer defined contribution plan administered for the City by ICMA-RC. The plan covers certain non-classified City employees who have elected not to participate in the GERS. The City's Fiscal Year 2016 payroll for employees covered by the plan was approximately \$2,305,705. The total City payroll for Fiscal Year 2015 was approximately \$183,425,408.

The City contribution requirement of 19.39% on earnings of participants in the Non-classified Employees Retirement Plan was paid on a biweekly basis and amounted to \$446,483 for Fiscal Year 2016. Employee contributions are neither required nor permitted under the plan. Employees become fully vested in the plan upon entry. Effective October 1, 2012, the plan was closed to new entrants.

The benefit provisions and all other requirements of the City's defined contribution plans are established by ordinance enacted by the City Commission.

GASB STATEMENT NO. 45

The Government Accounting Standards Board ("GASB"), which establishes financial reporting and accounting requirements for governmental entities, issued its Statement No. 45 in June 2004 ("GASB 45"). GASB 45 details the financial reporting guidelines that require state and local governmental entities to report their unfunded actuarial accrued liabilities for health care and other non-pension post-employment benefits (collectively referred to as "OPEB") as well as their annual OPEB costs. Historically, governmental entities generally accounted for OPEB on a pay-as-you-go basis, reporting only the cost of OPEB due in the current fiscal year. As a result of GASB 45, governmental entities are required to utilize an actuarial method of accounting that takes into account unfunded liabilities related to OPEB. In order to receive an unmodified opinion in its annual audit, governmental entities have to comply with the requirements of GASB 45.

The City provides a single employer defined benefit post-employment health insurance benefit for its general employees, sworn police officers and certified firefighters. Employees entitled to the benefit are paid from \$100 to \$400 per month upon normal retirement for the purchase of health insurance. The benefit continues until age sixty-five (65). In addition, retiring general employees and certified firefighters are eligible to continue their participation in one of the City's health and/or dental insurance plans at the same premium applicable to active employees. Since retiree claims are expected to result in higher costs to the plans, on average, than those for active employees on an actuarial basis, there is an implicit subsidy included in the premiums for the retirees. As of September 30, 2016, there were 799 retired employees receiving a monthly benefit, with an additional 2,046 employees eligible for participation in the future. Payments made totaled \$3,902,000 for the year. Retiree implicit subsidies amounted to \$257,854 of that total.

The City established an OPEB Trust Fund on September 16, 2014 for the purpose of receiving and investing contributions made by the City to reduce the unfunded portion of the City's actuarially determined OPEB annual required contribution. The OPEB Trust Fund covers former City employees who are eligible for certain post employment benefits. The fund is administered by the City, with the City Commission serving as the Board of Trustees and a Trust Administrator responsible for daily administration. As of September 30, 2016, \$12,806,790 was invested in the OPEB Trust Fund.

Annual OPEB costs is a measure of the periodic cost of an employer's participation in a defined benefit OPEB plan. Set forth below is a description of the City's annual OPEB costs and net OPEB obligation for the Fiscal Year ended September 30, 2016:

City of Fort Lauderdale, Florida
OPEB Annual Costs and
Net Obligation for Fiscal Year 2016

Annual Required Contribution	\$ 6,572,000
Interest on Net OPEB Obligation	554,000
Amortization of Net OPEB Obligation	<u>(499,000)</u>
Annual OPEB Cost	6,627,000
Actual Contributions Made	<u>(3,581,000)</u>
Increase in Net OPEB Obligation	3,046,000
Beginning of Year Net OPEB Obligation	<u>7,916,200</u>
End of Year Net OPEB Obligation	<u><u>\$10,962,200</u></u>

Source: City of Fort Lauderdale, Florida Comprehensive Annual Financial Report for Fiscal Year Ended September 30, 2016.

Set forth below is a description of the City's annual OPEB costs for the last three (3) Fiscal Years and the amount contributed annually by the City towards such costs.

City of Fort Lauderdale, Florida
OPEB Annual Costs and Contributions

<u>Fiscal Year</u> <u>Ended</u> <u>September 30</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Contribution</u>	<u>Percent</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2014	\$5,276,000	\$11,158,466	211.5%	\$ 8,847,021
2015	4,962,000	5,892,821	118.8	7,916,200
2016	6,627,000	3,581,000	54.0	10,962,200

Source: City of Fort Lauderdale, Florida Comprehensive Annual Financial Report for Fiscal Year Ended September 30, 2016.

As of the October 1, 2015 valuation date, the City's OPEB obligation was 20.8% funded, actuarial accrued liability for benefits was \$56,706,000 and the actuarial value of assets was \$11,806,000, resulting in an unfunded actuarial accrued liability of \$44,900,000. The payroll for active participating employees for that period was approximately \$147,574,000 and the unfunded actuarial accrued liability as a percentage of payroll was 30.0%.

Historically, the City has been able to satisfy its annual OPEB obligation and currently expects that it will continue to have funds available to satisfy such obligation in the foreseeable future. Also, the City's practice historically has been to provide approximately \$1,000,000 each year toward the unfunded liability portion of its actuarially determined OPEB annual required contribution. Such practice provides for an annual increase in the OPEB annual required contribution. For more detailed information concerning the City's OPEB, including the actuarial valuations and assumptions about future events relating to OPEB, see "APPENDIX C - Excerpts from Comprehensive Annual Financial Report of the City of Fort Lauderdale, Florida for the Fiscal Year ended September 30, 2016" and, in particular, the subsection entitled "Actuarial Methods and Assumptions" in Note 15 of the Notes to the Financial Statements.

In 2012, the City Commission enacted an Ordinance which, among other things, established that certain employees hired on or after October 1, 2012 are not entitled to receive any retiree health insurance benefits. Such Ordinance reduced the actuarial assumptions for future employees of the City and the benefits to which such employees are entitled. The Ordinance is intended to have a significant, positive impact on the reduction of the City's OPEB unfunded liability.

FINANCIAL STATEMENTS

The basic financial statements of the City for the Fiscal Year ended September 30, 2016 and the report of Crowe Horwath LLP, independent certified public accountants, in connection therewith, dated April 13, 2017, are included in Appendix C as part of the public records of the City. The consent of Crowe Horwath LLP was not requested for the reproduction of its audit report in this Official Statement. The auditor has not performed any services in connection with the preparation of this Official Statement and is not associated with the offering of the Series 2018 Bonds.

RATINGS

Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Ratings Services ("S&P") have assigned ratings of "____," with a "____" outlook and "____," with a "____" outlook," respectively, to the Series 2018 Bonds. The ratings and outlook assigned by the rating agencies reflect the view of such organizations. An explanation of the significance of such ratings and outlook may be obtained only from Moody's and S&P, respectively. An explanation of the rating and outlook assigned by Moody's may be obtained from Moody's at 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007, (212) 553-0300. An explanation of the rating and outlook assigned by S&P may be obtained from S&P at 55 Water Street, 38th Floor, New York, New York 10041, (212) 438-2124.

Generally, a rating agency bases its rating and outlook on the information and materials furnished to it and on investigations, studies and assumptions of its own. A securities rating and outlook is not a recommendation to buy, sell or hold securities. There is no assurance that the rating and outlook provided by Moody's and S&P, respectively, will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating agencies if, in their judgment, circumstances so warrant. Any downward revision or withdrawal of any such ratings or outlooks may have an adverse effect on the market price of the Series 2018 Bonds.

FINANCIAL ADVISOR

Hilltop Securities, Inc., Orlando, Florida, is serving as financial advisor to the City with respect to the sale of the Series 2018 Bonds. The financial advisor assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring and issuance of the Series 2018 Bonds and provided other advice. The Financial Advisor is not obligated to undertake and has not undertaken to

make an independent verification of or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

UNDERWRITING

The Series 2018 Bonds are being purchased by _____ (collectively, the “Underwriters”), subject to certain terms and conditions set forth in the Official Notice of Bond Sale, including the approval of certain legal matters by Bond Counsel, delivery of a certificate from the City regarding information set forth in this Official Statement, and the existence of no material adverse change in the condition of the City from that set forth in this Official Statement.

The net aggregate purchase price payable by the Underwriters for the Series 2018 Bonds is \$_____ (equal to the principal amount of the Series 2018 Bonds, [plus/minus a net original issue premium/discount] of \$_____, minus an Underwriters’ discount of \$_____). The Series 2018 Bonds are offered for sale to the public at the prices or yields set forth on the inside cover page of this Official Statement. The Series 2018 Bonds may be offered and sold to certain dealers at prices lower than or yields higher than such offering prices or yields, and such public offering prices and yields may be changed, from time to time, by the Underwriters.

CONTINGENT FEES

The City has retained Bond Counsel, Disclosure Counsel and the Financial Advisor with respect to the authorization, sale, execution and delivery of the Series 2018 Bonds. Payment of the fees of such professionals and an underwriting discount to the Underwriters are each contingent upon the issuance of the Series 2018 Bonds.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Section 517.051, Florida Statutes, and Rule 3E400.003, Florida Administrative Code, requires the City to disclose each and every default as to payment of principal and interest after December 31, 1975 with respect to obligations issued or guaranteed by the City. Rule 3E400.003 further provides, however, that if the City in good faith believes that such disclosure would not be considered material by reasonable investors, such disclosure may be omitted. Certain obligations issued by the City in which the City has acted merely as a conduit for payment do not constitute an actual debt, liability or obligation of the City, but are instead secured by payments to be made from certain users of bond financed property. Because such other obligations are not dependent upon the City for repayment, they do not affect or reflect the strength of the City. Accordingly, any prior default with respect to such obligations issued by the City would not in the City’s judgment be considered material by reasonable investors in the Series 2018 Bonds. Accordingly, the City has not taken affirmative steps to contact the various trustees of conduit bond issues of the City to determine the existence of prior defaults.

Although no affirmative steps have been taken to determine if any defaults occurred with conduit issues of the City, the City has been provided notice of the occurrence of a default with respect to one of its prior conduit issues. The City’s \$3,675,000 Industrial Development Revenue Bonds, Series 1982 (Days Inn of America, Inc. Project) (the “Days Inn Bonds”) went into default as to the payment of principal and interest on September 15, 1991. On November 3, 1997, First Union National Bank, as Indenture Trustee for the Days Inn Bonds, issued a “Notice of Final Distribution” as to the Days Inn Bonds. The Days Inn Bonds were special, limited obligations of the City payable solely from the revenues and other amounts derived by the City from the loan agreement with the borrower of the proceeds of the Days Inn Bonds or otherwise from the project in respect of which the Days Inn Bonds were issued. Neither the faith and credit

nor the taxing power of the City was pledged to the payment of the Days Inn Bonds. There was no lien upon any property owned by or situated within the jurisdictional limits of the City, except the project in respect of which the Days Inn Bonds were issued. For the foregoing reasons, the City has concluded that all disclosures required by the aforementioned Rule pertaining to the Days Inn Bonds are not deemed material to a reasonable investor.

Except as described in the preceding paragraph, to the best knowledge of the Director of Finance of the City, the City has not received actual notice of a default in the payment of principal or interest after December 31, 1975 with respect to any obligations issued or guaranteed by the City.

AUTHORIZATION OF OFFICIAL STATEMENT

The delivery of this Official Statement has been duly authorized by the City Commission. At the time of the delivery of the Series 2018 Bonds, the Mayor and City Manager of the City will furnish a certificate to the effect that nothing has come to their attention which would lead them to believe that this Official Statement (excluding information under the captions “DESCRIPTION OF THE SERIES 2018 BONDS – Book-Entry Only System” and “UNDERWRITING”), as of its date and as of the date of delivery of the Series 2018 Bonds, contains an untrue statement of a material fact or omits to state a material fact which should be included therein for the purpose for which this Official Statement is intended to be used, or which is necessary to make the statements contained herein, in the light of the circumstances under which they were made, not misleading.

A limited number of copies of the final Official Statement will be provided, at the City’s expense, on a timely basis.

CONCLUDING STATEMENT

All information included herein has been provided by the City, except where attributed to other sources. The summaries of and references to all documents, statutes, reports, and other instruments referred to herein do not purport to be complete, comprehensive or definitive, and each such reference or summary is qualified in its entirety by reference to each such document, statute, report or other instrument. The information herein has been compiled from official and other sources and, while not guaranteed by the City, is believed to be correct. To the extent that any statements made in this Official Statement and the appendices attached hereto involve matters of opinion or of estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

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This Official Statement has been duly executed and delivered by the Mayor, the City Manager and the Director of Finance of the City of Fort Lauderdale, Florida.

CITY OF FORT LAUDERDALE, FLORIDA

Mayor

City Manager

Chief Financial Officer

APPENDIX A

General Information regarding the City of

Fort Lauderdale, Florida and Broward County, Florida

GENERAL INFORMATION

Introduction

Founded in 1911, the City of Fort Lauderdale (the “City”) is located in the heart of a robust, diversified growth region on the southeast coast of Florida midway between Miami and West Palm Beach. The City encompasses approximately 36 square miles with a population of approximately 179,063, as of April 1, 2017. Fort Lauderdale ranks as the eighth largest city in Florida and the largest municipality in Broward County, a metropolitan area that includes 31 cities and more than 1.8 million people.

Embraced by the Atlantic Ocean, New River and a myriad of scenic inland waterways, Fort Lauderdale truly lives up to its designation as the *Venice of America*. With an average temperature of 77 degrees, nearly seven miles of beautiful beaches and 3,000 hours of sunshine per year, Fort Lauderdale attracts millions of visitors each year for business, recreation and relaxation.

The City offers an array of cultural, recreational and entertainment amenities, combined with an exceptional economic climate and an outstanding quality of life. Fort Lauderdale features a thriving uptown and downtown business district; a revitalized beachfront; picturesque Riverwalk; vibrant arts, science and historic district; and an array of upscale shopping, dining and entertainment venues.

All of these assets combine to make Fort Lauderdale a year round, world-class family resort and business center.

Vision

The City is committed to improving productivity, streamlining expenses and developing a stronger, more effective organization. The City has embraced a vision that is based on fiscal responsibility, accountability, high ethical standards and quality delivery of services. It is a vision that rewards excellence, not mediocrity, and, above all, places the people of Fort Lauderdale first.

As the City moves forward, it will continue to work in partnership with its most important asset - its citizens - to develop the strategies necessary to ensure a safe and secure community, provide quality programs and services, enhance quality of life, protect the environment, promote smart growth, and maintain fiscal responsibility.

By remaining focused on its mission, the City is confident that it can address the challenges that lie ahead, and work to preserve and enhance the unique characteristics that make Fort Lauderdale such a special City.

Administration

The City has been operating under a Commission-Manager form of government since 1925. The City Commission is comprised of the Mayor, who is elected at-large, and four Commissioners, who are elected in non-partisan district races. Elections take place every three years and each elected official is eligible to serve three consecutive three-year terms. The next election will take place in March 2018. As the City’s legislative body, the City Commission sets policy, enacts ordinances, adopts resolutions and makes appointments to advisory boards and committees.

The City Manager is appointed by and reports directly to the City Commission. As Chief Executive Officer, the City Manager is responsible for directing the City's day-to-day operations and carrying out the policies set forth by the Commission. Lee R. Feldman, Fort Lauderdale's current City Manager, began his service as City Manager on June 13, 2011.

The City's departmental structure is comprised of the offices of the City Commission, City Manager, City Attorney, City Auditor and City Clerk, along with the following nine departments that are responsible for the provision and delivery of municipal services: Finance, Fire-Rescue, Human Resources, Information Technology Services, Parks and Recreation, Police, Public Works, Sustainable Development, and Transportation and Mobility.

As of September 30, 2017, the City employed a full-time work force of approximately 2,655 full-time employees, more than 2,000 of which are represented by four bargaining agents: Fraternal Order of Police, Lodge 31 ("FOP"), International Brotherhood of Teamsters Local 769 ("Teamsters"), Federation of Public Employees ("Federation") and International Association of Fire Fighters ("IAFF"). In 2017 the City ratified a new collective bargaining agreement with Federation which will govern through September 30, 2019.

The City has entered into two (2) collective bargaining agreements with FOP on behalf of (i) Police Officers and Sergeants and (ii) Police Lieutenants and Captains. The current agreements have an effective date of October 1, 2017 and expire on September 30, 2020. In addition, the City has entered into two (2) collective bargaining agreements with IAFF on behalf of (i) Firefighters and (ii) Battalion Chiefs. The current agreements with IAFF also have an effective date of October 1, 2017 and expire on September 30, 2020. The City's collective bargaining agreement with Teamsters expired on September 30, 2016 and a new agreement is being negotiated. The City and Teamsters operate under the terms of the expired agreement.

The City's Fiscal Year 2018 adopted operating budget is \$770,353,226, through which the City provides a full range of municipal programs and services. The Fiscal Year 2018 budget is premised upon the following:

- Providing superior public safety including intelligence-led policing to reduce crime;
- Providing community service programs that meet a variety of interests and needs;
- Creating public-private partnerships with mutual economic and service benefit;
- Replacing assets and rehabilitating city-owned buildings based on comparative cost of required maintenance for safety and performance efficiency;
- Improving the public image and physical appearance of the City with proper maintenance of buildings, public rights-of-way, and code enforcement of private properties; and
- Enhancing employee skills and opportunities to attract and maintain the best qualified staff ensuring the highest level of public service possible.

Resumes

Mayor John P. “Jack” Seiler was sworn in as Mayor of the City on March 17, 2009 and reelected in 2012 and 2015. Prior to his election as Mayor of the City, Mayor Seiler served eight years in the Florida House of Representatives. During his tenure as a State Representative, he chaired the Broward Legislative Delegation in 2007-2008 and was Vice Chair of the Delegation in 2006-2007. Mayor Seiler is a graduate of the University of Notre Dame, where he received his B.B.A. and a graduate of the University of Miami, where he received his Juris Doctorate. Mayor Seiler has been in elected public service since 1993. He has served and continues to serve on numerous boards and organizations and is the recipient of numerous awards and recognitions. Mayor Seiler is a practicing attorney at the firm of Seiler, Sautter, Zaden, Rimes & Weihe. He is married and has four children.

Vice Mayor Bruce G. Roberts was elected to the City Commission on March 10, 2009 and reelected in 2012 and 2015. Vice Mayor Roberts graduated from Cardinal Gibbons High School in Fort Lauderdale, holds a bachelor’s degree in Public Administration Criminal Justice from St. Thomas University and is a graduate of the University of Louisville’s Southern Police Institute, Command Officers Development Course. He entered the law enforcement profession as a police officer for the City in 1973, was promoted to detective and, thereafter, through the ranks of law enforcement, culminating with his appointment as Chief of Police from October 2001 until May 2008. He has served professional and civic organizations, including the Greater Fort Lauderdale Chamber of Commerce, the Florida and Broward County Police Chiefs Associations, the Advisory Board of the Broward County Crime Commission, the Broward County Commission on Substance Abuse, the Broward Workshop Criminal Justice Committee, the Fort Lauderdale Police Officers Association and the Fraternal Order of Police. Present appointments include the Broward County Metropolitan Planning Organization, the Transportation Management Association and the Florida League of Cities - Urban Administration Committee.

Commissioner Robert L. McKinzie was appointed by the City Commission on November 4, 2014 to replace Commissioner Bobby B. Dubose and was elected to the City Commission on March 10, 2015. Commissioner McKinzie received his Bachelor of Science in Business Administration from Bethune-Cookman University. A native of Fort Lauderdale, Commissioner McKinzie has devoted his time to serve many civic and community organizations, such as serving as a volunteer for HOMES, Inc., Sunland Elementary School and the Local Boys and Girls Club. He is a past president of several organizations including, Omega Psi Phi Fraternity, Inc., Broward County Alumni Association of Bethune-Cookman University and the Bethune-Cookman University Associate Trustee Board. He is also a member and trustee of the First Baptist Church Piney Grove, Inc. and a member of the Broward County Housing Finance Authority. Commissioner McKinzie owns and operates Harper and Sons Construction, Inc., a general contracting firm specializing in affordable housing and construction management.

Commissioner Romney Rogers was elected to the City Commission on March 10, 2009 and reelected in 2012 and 2015. He received a bachelor’s degree in business administration from Rutgers University in 1975 and a Juris Doctorate from Mercer University Law School in 1978. He has been a partner in the law firm of Rogers, Morris & Ziegler since 1981. A native of Fort Lauderdale, Commissioner Rogers has been actively involved in the community for more than three decades. His professional and civic affiliations include serving as a President of the Broward County Bar Association, young lawyer section, and as a board member or chair of numerous business and community organizations. He has served as Secretary/Trustee of the City of Fort Lauderdale’s Police and Fire Pension Board, overseeing a \$500 million pension fund. He is a founding member of the Board of Directors for the Broward Housing Partnership, Co-Chair of the Fort Lauderdale Mayor’s Prayer Breakfast Committee and a member of the Board of Directors of SunTrust Bank/South Florida. As President of Stranahan House, Commissioner Rogers initiated an endowment to ensure its continued maintenance and support. During

his tenure as President of the Fort Lauderdale Rotary Club, he established a partnership with the City and neighborhood residents to create Virginia Young Park. He has served on the City's Historic Preservation Board and coached youth soccer, football and baseball in the City for 17 years. Professionally, Commissioner Rogers has served as the City Attorney for two separate cities. He is an active member of First Baptist Church of Fort Lauderdale, where he has served as Chairman of the Deacons and as a trustee.

Commissioner Dean J. Trantalis was elected to the City Commission on March 12, 2013 and reelected in 2015. Commissioner Trantalis previously served on the City Commission from 2003 to 2006 and held the position of vice mayor between 2005 and 2006. Since returning to the City Commission, his colleagues have selected him to represent the City on the board of directors of the Broward League of Cities, the Broward County Homeless Continuum of Care Task Force and the Broward County-Palm Beach County Joint C-51 Reservoir Work Group. Born and raised in Norwich, Connecticut, Commissioner Trantalis attended high school at Norwich Free Academy before moving on to Boston University where he majored in political science. He received a Juris Doctorate in 1979 from Stetson University School of Law. Commissioner Trantalis has practiced law in Broward County since 1982. He currently maintains a successful general law practice in Broward County with some emphasis in the areas of real estate, probate, estate planning, bankruptcy, and corporate matters. Commissioner Trantalis has been extremely active in the community, serving on numerous boards and committees, including the Fort Lauderdale Citizen Review Board, Broward House, Dolphin Democrats, Riviera Towers Co-Operative Board, Broward County Planning Council, and John Graves Foundation Board of Trustees. Commissioner Trantalis also received the Small Business Award from the Greater Fort Lauderdale Chamber of Commerce in 2007.

Lee R. Feldman, ICMA-CM - City Manager for the City of Fort Lauderdale (June 2011 - Present), served as City Manager from October 2002 for the City of Palm Bay, Florida prior to accepting the position of City Manager for the City of Fort Lauderdale. Prior to his appointment as the Palm Bay City Manager, Mr. Feldman was employed by the City of North Miami, Florida, where he served as the City Manager from May 1996 to October 2002 and as the Deputy City Manager beginning in 1989. Mr. Feldman also served as an Assistant to the City Manager and as Assistant City Manager for the City of North Miami Beach. He is a graduate of Washington and Lee University, where he received a Bachelor of Arts in Liberal Arts. He earned a Master's Degree in Governmental Administration from the Fels Center of Government at the University of Pennsylvania, where he has also been appointed as a Distinguished Alumni Fellow. Additionally, he is a graduate of the Senior Executive in State and Local Government Program at Harvard University's Kennedy School of Government.

Mr. Feldman's numerous professional affiliations include serving as a President (2016-2017) of the International City/County Management Association (ICMA), as a member of the Board of Directors of ICMA-RC, as a member of the Board of the National Civic League, as a member of the Board of Directors for the Alliance for Innovation (AFI), and as a member of the National League of Cities Steering Committee on Public Safety and Crime Prevention and Advocacy. Mr. Feldman previously served as a Vice President (Southeast Region) of ICMA, as President of the Florida City and County Management Association, and as a member of the United States Federal Emergency Management Agency National Advisory Council. He is a past recipient of the Florida League of Cities' "City Manager of the Year" Award. Additionally, he has served as the past chair of the National League of Cities' City Futures Panel on Public Finance, the past chair of the ICMA Governmental Affairs and Policy Committee, the past chair of the ICMA Sustainable Communities Advisory Committee, and as a member of the ICMA Task Force on Community Tools for Ending Racism.

Mr. Feldman teaches newly elected municipal officials the principles of finance and taxation in Florida and is frequently called upon to speak to professional groups on a variety of municipal issues.

Cynthia A. Everett, Esquire - City Attorney for the City of Fort Lauderdale (July 2013 - Present), is an AV-rated attorney with over 35 years of legal experience counseling and representing government and private-sector clients in the areas of land use and zoning, labor and employment, contracts, public records, real estate, insurance and public finance. She is a member of the Bar in Florida and the District of Columbia, and she is admitted to practice in the United States District Courts for the Southern and Middle Districts of Florida, the 11th Circuit Court of Appeals and the United States Supreme Court. Ms. Everett is Board Certified in Labor and Employment Law by The Florida Bar and currently serves as President-Elect of the Florida Municipal Attorneys Association. Ms. Everett received her Bachelor of Arts degree from The Florida State University and her Juris Doctor degree from The George Washington University.

John C. Herbst, CPA, CGFO, CGMA - City Auditor for the City of Fort Lauderdale (August 2006 - Present), is the first individual to hold the position of independent City Auditor created through a charter revision in 2004. Mr. Herbst has over 32 years of diversified audit, accounting and finance experience in both the public and private sectors. Prior to coming to the City of Fort Lauderdale, he held several positions with the City of Jacksonville, Florida, including Chief Financial Officer for the Jacksonville Housing Commission, Director of Finance for the Jacksonville Children's Commission and Principal Budget Analyst for the City of Jacksonville. Mr. Herbst holds a Bachelors of Business Administration in Accounting from Bernard M. Baruch College - City University of New York and a Masters of Business Administration from the University of North Florida. In addition to being a Florida licensed Certified Public Accountant, he also holds the designation of Certified Government Finance Officer from the Florida Government Finance Officers Association.

Jeffrey A. Modarelli - City Clerk for the City of Fort Lauderdale (November 2015 - Present), has over 19 years municipal experience with the City of Fort Lauderdale. Prior to becoming City Clerk, Mr. Modarelli served as Senior Assistant City Clerk/Assistant City Clerk for over 8 years. He has also served the City as Business Enterprises Director, Economic Development Director and Public Information Director. He holds a Bachelor of Science and Master of Public Administration, both from Florida State University.

Kirk W. Buffington, CPFIM, CPPO, C.P.M., MBA - Director of Finance for the City of Fort Lauderdale (January 2014 - Present), has over 26 years of government and private sector procurement experience. Prior to becoming the Director of Finance for the City, Mr. Buffington served as the Deputy Director of Finance for approximately two years. Prior to accepting a position in the City's Department of Finance, Mr. Buffington served as Director of Procurement Services for the City, and was also the Assistant Director of Administrative Services. He is a Past President of the National Institute of Governmental Purchasing. He holds a Bachelors of Science in Business from Florida State University and an MBA from Webster University. Mr. Buffington is an Adjunct Instructor at Florida Atlantic University in the School of Public Administration. He is a Certified Public Purchasing Officer and a Certified Purchasing Manager.

Linda A. Logan-Short, CGFO, CPM - Chief Financial Officer/Deputy Director of Finance for the City of Fort Lauderdale (February 2014 - Present), has over 22 years of accounting and finance experience with both the public and private sectors. Ms. Logan-Short joined the City as its Controller in May 2012 until accepting the position as the City's Chief Financial Officer/Deputy Director of Finance. Prior to joining the City, Ms. Logan-Short was the Assistant Finance Director for the City of Palm Bay, Florida. Ms. Logan-Short holds a Bachelors of Science in Accounting from Saint Leo University. Additionally, she holds the designations of Certified Government Finance Officer ("CGFO") from the Florida Government Finance Officers Association ("FGFOA") and Certified Public Manager from the Florida Center for Public Management at Florida State University. She is currently serving as President of the South Chapter of the FGFOA and serves on the CGFO Certification Committee for the FGFOA.

Laura L. Garcia, CGFO - Controller for the City of Fort Lauderdale (February 2014 - Present), has over 26 years of banking, accounting and finance experience with both the public and private sectors. Ms. Garcia joined the City as a Senior Accountant in January 2013. Prior to joining the City, Ms. Garcia was the Budget Administrator for the City of Palm Bay, Florida. Ms. Garcia holds a Bachelors of Business Administration from Universidad Metropolitana (UMET). She currently serves as a reviewer for the Government Finance Officers Association (GFOA) Award for Outstanding Achievement - Popular Annual Financial Reporting Program. She also holds the designations of Certified Government Finance Officer from the Florida Government Finance Officers Association.

Economy and Business

An advantageous economic climate coupled with an exceptional quality of life is helping the City establish itself as a world-class center for international commerce and one of the most desirable locations for new, expanding or relocating businesses. Once known strictly as a tourism-based economy, Fort Lauderdale now supports a diverse range of industries, including marine, manufacturing, finance, healthcare, insurance, real estate, high technology, avionics/aerospace, film and television production.

Marine Industry. The marine industry is the largest industry in the Greater Fort Lauderdale area, accounting for more than 136,000 jobs, gross wages and earnings of approximately \$3.7 billion and \$11.5 billion of total economic impact in South Florida. The City hosts the Fort Lauderdale International Boat Show which, each year, has a regional economic impact of approximately \$857.3 million. With more than 300 miles of waterways, marinas and marine manufacturing and repair facilities, Greater Fort Lauderdale is a world-renowned port of call for the yachting industry.

Tourism. Tourism is the second largest industry for the Greater Fort Lauderdale area, employing more than 180,000 individuals in the area. New hotels and related venues are consistently being constructed and renovated in South Florida to accommodate the area's extensive tourism industry. The Greater Fort Lauderdale Convention and Visitors Bureau reports that the area hosted more than 16.0 million visitors in 2016 and such visitors are estimated to have spent more than \$14.2 billion. Based on hotel bed tax revenues, tourism generated an estimated \$60.4 million in tax revenues in 2016, an increase of approximately 6.5% from 2015 and the highest amount ever collected of such revenues.

Trade and Business Development. Fort Lauderdale has emerged as one of the fastest growing markets for global trade, with more than forty percent (40%) of local businesses engaged in or supporting international commerce. The City also remains at the forefront of South Florida's emerging *InternetCoast*, a region that is home to more than 6,000 high technology firms. In addition, a growing list of nationally-recognized corporations have established business operations in Fort Lauderdale with corporate or Latin American headquarters, including: AT&T, AutoNation, BankAtlantic, Citicorp, Citrix Systems, Galaxy Latin America, Hewlett-Packard, Microsoft Latin American, Motorola Latin America, Republic Industries, South African Airways, Spherion Corporation, SportsLine.com, and Voicestream Wireless.

National publications have noted Fort Lauderdale's economic vitality and fertile environment for trade and business development. The Wall Street Journal recently profiled the City in a report that highlighted the array of upscale hotels, resorts and residential properties recently developed along the City's beachfront. Such developments have strengthened the City's national reputation as a premiere destination to live, work or visit. In addition to the Wall Street Journal, over 63 media sources and industry publications have included the City among others receiving complimentary national designations. For example, Fort Lauderdale has been named: All-America City by the National Civic League, Top 10 Best Downtowns by Livability.com, Top 10 Most Exciting Places in Florida and Top 10 Most Exciting Mid-Sized Cities in America by Movoto National Real Estate, Top 10 American Dream Cities by Xavier

University and The Burghard Group, Top 10 Best U.S. Cities for Small Businesses by Biz2Credit.com, Top 10 Best Cities for Millennial Job Seekers in Florida by NerdWallet.com, Most Diverse City in Florida and Best City to Find a Job in Florida by WalletHub.com, one of the Best Places for Business and Careers and one of the Happiest Cities for Young Professionals by *Forbes Magazine* and Top 10 Best Places to Retire by *Money Magazine*.

Growth and Development

Following the economic downturn experienced throughout the country beginning in 2009, Fort Lauderdale has experienced steady and significant growth in residential, commercial and business development. Projections for population growth in the City were recently revised to reflect slightly slower growth than was projected previously. Economic growth and development, however, is expected to continue at a relatively high rate.

In the coming years, to meet the challenge of maintaining consistent growth and development in the face of change and continued competition, the City plans to concentrate on strengthening the assets that diversify the City's economy, while focusing on quality of life issues. The City expects to improve its infrastructure and neighborhoods and to expand transit, cultural and recreational opportunities. The success of such concentration and focus will play an integral role in helping the City continue the successful growth and development it has enjoyed historically. Many of these efforts are identified by existing studies and plans that have been implemented or are expected to be implemented in the near future. The results of the implementation of certain of these efforts are visible through various public and private investments in public spaces, parks, streets, waterways, transit and other urban amenities and infrastructure improvements that have occurred throughout the City in recent years.

Fiscal Health. Following the recovery period that began after the economic downturn, the City's economy has continued on a positive trajectory, with noteworthy increases in the taxable property tax base within the City. As a result, the City has maintained its very low operating millage rate of 4.1193 mills for eleven (11) consecutive years. During Fiscal Year 2016, the taxable property tax base in the City totaled \$28.5 billion, an increase of approximately 8.8% from the prior year final valuation. For Fiscal Year 2017, the total taxable property tax base totaled \$31.1 billion, an increase of approximately 9.1% from the prior year final valuation. For Fiscal Year 2018, the taxable property tax base in the City has been estimated to be \$33.8 billion, an increase of approximately 8.7% from the prior year final valuation. The projected increase in the City's Fiscal Year 2018 taxable property tax base is expected to result in approximately \$10.6 million of additional revenue for Fiscal Year 2018. The taxable property tax base in the City has increased each of the past six (6) Fiscal Years.

In addition to a positive trend for property tax revenues, in recent Fiscal Years, the City's budget continues to be structurally balanced, to support sound financial and operational policies, and to provide safeguards for maintaining a healthy fiscal outlook.

The City has also implemented several key strategic initiatives to streamline expenses, while maintaining optimal service levels. Significant progress has been made in aligning priorities, adopting a cross-departmental approach to addressing issues, and managing within the City's means, while strategically planning for the future. Successful initiatives include (i) reorganizing the structure of the City to reduce the number of City departments and positions, (ii) offering an early retirement incentive program, and (iii) mitigating pension costs by reducing (a) the unfunded actuarial accrued liability through the issuance of pension obligation bonds and (b) benefits for newly hired police officers. Such initiatives, among others, have resulted in cost savings, which have facilitated the maintenance of high quality fundamental services for the residents of the City.

The adopted budget for Fiscal Year 2018 is a strategic budget that aligns financial and human resources with the City's 2035 Vision - "*Fast Forward Fort Lauderdale*," the City's Five-Year Strategic Plan - "*Press Play Fort Lauderdale*," the City Commission's Annual Action Plan, and various priorities identified by the residents of the City. The Fiscal Year 2018 budget provides for investments in public safety, mobility, infrastructure maintenance, high performance management and continuous quality improvement. The City's Five-Year Community Investment Plan is the fiscal blueprint for both major and minor infrastructure improvements, new construction and capital maintenance projects designed to protect and preserve the City's exceptional quality of life, standards and objectives.

The City's outlook for the future is favorable, with continued improvement in economic conditions (and resulting growth in revenues and optimism) anticipated. Real estate values are expected to continue to grow modestly and reductions in revenues provided by the State appear to be leveling off. Current trends suggest that the City is well prepared to manage its fiscal challenges, meet its commitments and take advantage of opportunities for growth and further positive development as they arise. The City plans to stay on its current course and is committed to making intelligent decisions about where and how its resources are invested. Hard-earned tax dollars are being spent responsibly by experienced and industrious City officials and staff to advance the City's most positive goals and objectives. The City expects to continue to be a leader in effective municipal governance, while maintaining a high quality of life for its residents.

Downtown. Although not as rapid as in prior years, development has continued to occur in downtown Fort Lauderdale. Numerous commercial, residential and mixed-use projects have been completed or are in various stages of development, including several that obtained extensions on their development plans. These projects have increased and are expected to continue to increase the tax base of the downtown area of the City and will help to create a vibrant urban lifestyle for residents and visitors in South Florida.

Beach Area. Several significant residential/hotel projects are either under construction or have been approved for construction on the barrier island. Additionally, a very large scale development project at the existing 38.6 acre (16 acres of dry land) Bahia Mar site has been approved by the City. Plans for the Bahia Mar development consist of seven high-rise buildings with 651 rental apartments, one high-rise hotel with 256 rooms, one five-story grocery-parking-office building, an above-ground parking garage, a yachting amenities complex, a small building that serves as a parking garage entrance, a two-story restaurant, a strip of one- and two-story buildings that serve as a marina village with kiosks and outdoor eating and a 1,900-space underground, two-level parking garage. A public promenade is planned to wrap around the peninsular property. The extensive, multi-phased development is expected to take ten years to complete.

Fort Lauderdale Community Redevelopment Agency ("CRA"). The CRA consists of three redevelopment areas, the Central Beach Community Redevelopment Area, the Central City Community Redevelopment Area and the Northwest-Progresso-Flagler Heights Community Redevelopment Area. The central beach area of the City has experienced a revitalization resulting from the investment by the CRA in improvements to inspire commercial and residential development in that area. In addition, several large improvement projects are currently planned or underway in the Northwest-Progresso-Flagler Heights Community Redevelopment Area of the CRA and projects for development in the Central City Community Redevelopment Area are also being planned. Within the three redevelopment areas of the CRA, an estimated \$200 million worth of projects are currently planned or have commenced.

WaterWorks 2011. *WaterWorks 2011*, the City's comprehensive, originally estimated \$500 million (in Fiscal Year 2001 dollars) water and sewer infrastructure modernization project, completed design and/or construction work for 330 water system projects, valued at \$178.8 million, and 367 sewer system projects,

valued at \$321.3 million, by the end of Fiscal Year 2010. Improvements to the City's water and sewer system under *WaterWorks* 2011 have resulted in (i) a significant upgrade of the City's Peele-Dixie Water Treatment Plant, which upgrade was designed to improve the quality and reliability of drinking water for all of the City's water customers, and (ii) the extension of the sanitary sewer system to the vast majority of the areas of the City that did not receive sanitary sewer system service prior to the implementation of *WaterWorks* 2011.

Transportation

The City offers an extensive transportation network that includes Fort Lauderdale/Hollywood International Airport, Port Everglades, Fort Lauderdale Executive Airport, a Water Taxi system, two major railways and an extensive highway and mass transit system, water taxis and city trolleys.

Surface Transportation. The City is served by three bus lines, two railroads (Florida East Coast Railway and CSX) and major freight carriers. The road system in Broward County totals approximately 4,800 miles and includes more than 140 miles of interstate and other expressways (I-95, I-75, I-595, Florida Turnpike and Sawgrass Expressway) and approximately 375 miles of divided highways. The County operated bus system includes an active fleet of 275 transit vehicles that serve approximately 40 million passengers annually.

Tri-Rail, a commuter rail system, provides service along a 72-mile corridor from Miami-Dade County to Palm Beach County. Tri-Rail recently completed the expansion of its system to double tracks along the entire corridor, enabling an expanded schedule and increased ridership. Connecting buses are available at all stations, with designated shuttles at Fort Lauderdale/Hollywood Airport and other regional airports. The Amtrak Silver Service links Fort Lauderdale to the rest of the nation, including daily trips to New York.

The Fort Lauderdale Downtown Development Authority is currently working to develop and implement a light rail system that would provide an additional public transportation option in the City. The light rail system would help to alleviate traffic congestion in the downtown areas of the City as more people relocate to the City's urban center in the coming years.

"All Aboard Florida" is an intercity passenger rail project that will connect Miami to Orlando with intermediate stations in Fort Lauderdale and West Palm Beach. The rail service will provide Floridians and visitors a viable transportation alternative to congested highways and airport terminals. All Aboard Florida will provide a high quality travel experience for passengers and will be the first privately owned, operated and maintained passenger rail system in the United States.

All Aboard Florida's downtown Fort Lauderdale station will provide a new gateway into the City and Broward County. Poised to further Fort Lauderdale's position as a fully connected "City of Tomorrow," the planned 60,000 square foot station and platform includes a modern, multi-story lobby spanning, an elevated passenger lounge area for travelers, and parking facilities. The Fort Lauderdale station for All Aboard Florida is expected to:

- Connect to the Sun Trolley, Broward County Transit system, future WAVE Streetcar in downtown Fort Lauderdale and planned Tri-Rail station;
- Stimulate a currently underutilized area, driving new visitors into downtown Fort Lauderdale and the surrounding cultural, economic and shopping destinations;

- Create more than \$333 million in economic impact for Broward County through 2021, generating over \$34 million in additional tax revenue and 800 jobs in Broward County through the construction of the station and rail line.

Service on All Aboard Florida is expected to begin in South Florida during the first quarter of 2018, with service from South Florida to Orlando expected to begin in 2020.

Fort Lauderdale/Hollywood International Airport. Fort Lauderdale/Hollywood International Airport ranks as one of the fastest growing airports in the United States, with over 29.2 million travelers passing through the airport annually. More than 325 flights depart from Fort Lauderdale/Hollywood International Airport daily on 26 different airlines to more than 140 destinations in the United States, Latin America, Canada and the Caribbean. Fort Lauderdale/Hollywood International Airport is ranked 21st in the United States, based on the number of passengers served. The airport serves more cities in the United States than any other airport in South Florida and is the second largest carrier of international passengers in Florida. Passenger traffic at the airport is expected to grow between 1.0% to 3.0% each year for the next several years.

Fort Lauderdale/Hollywood International Airport serves as a major economic force for greater Fort Lauderdale, contributing an estimated \$13.2 billion in total annual economic impact and generating more than 12,500 jobs at the airport and an additional 135,000 jobs through ancillary services. The airport is located three miles from downtown Fort Lauderdale, with easy access to I-95, I-595 and Port Everglades.

Fort Lauderdale Executive Airport. Owned and operated by the City, Fort Lauderdale Executive Airport ranks as one of the nation's 10 busiest general aviation airports. Fort Lauderdale Executive Airport generates approximately \$7.0 million in annual revenue and \$2.1 million in annual tax revenues from airport leases. Total annual economic activity of Fort Lauderdale Executive Airport, as determined by the Florida Department of Transportation, is \$815,788,400. Fort Lauderdale Executive Airport generates a total of approximately 8,900 jobs. The facility operates a 200 acre Industrial Airpark, with approximately 2.0 million square feet of office and warehouse space. Fort Lauderdale Executive Airport is home to 6 full service, fixed-base operators, 700 aircraft, 115 jets and 40 helicopters. The facility handles approximately 150,000 takeoffs and landings per year.

Fort Lauderdale Executive Airport recently constructed a new, high-tech control tower that enables the airport's approximately 500 flights per day to be handled more safely and efficiently. At a cost of \$16.4 million, the new control tower is 117 feet tall and is equipped with the latest radar, communications and weather technology. Complete views of the entire airfield are provided from the tower's 525 square foot top floor.

Fort Lauderdale Executive Airport also serves as the hub site for the City's Foreign-Trade Zone #241. The Foreign-Trade Zone, which includes five sites and encompasses nearly 915 acres, offers businesses significant cost savings and economic incentives, while promoting job retention and growth for the City and surrounding communities.

Downtown Helistop. The Downtown Fort Lauderdale John Fuhrer Helistop is designed to accommodate intermediate category general aviation helicopters with a maximum takeoff weight of 11,900 pounds and a 46-foot rotor diameter. Used extensively by corporate and charter operators, the state-of-the-art facility is situated above the City Park Mall parking garage in the heart of the City's downtown area. The Helistop features a landing area and one helicopter parking position on a 14,500 square-foot elevated platform. A fully furnished lobby provides travelers with a comfortable area to converse and conduct business, along with access to plentiful parking and convenient ground transportation.

Port Everglades. Port Everglades, the deepest commercial port in the United States south of Norfolk, Virginia and one of the world's leading international cruise ports, is located in Broward County and administered by a separate governing body with separate taxing authority. The port generates approximately \$29 billion in business activity annually and, through its cruise travel and international trade activity, annually provides approximately 11,700 jobs locally and over 224,000 jobs statewide. The port handles nearly 4.0 million cruise ship passengers annually and more than 22.0 million tons of cargo. The port generates annual revenue of approximately \$1 billion without utilizing any local property tax dollars.

Port Everglades is home to Florida's first Foreign-Trade Zone (FTZ), where foreign components can be assembled, packaged and shipped without usual customs duties. The FTZ now includes five sites within and outside the boundaries of Port Everglades and encompasses a total of 250 acres. Port Everglades has launched an aggressive 20-year, \$1.6 billion expansion project. Major capital projects recently completed or currently underway have created 7,000 jobs directly and 135,000 indirect jobs.

Water Taxi. Fort Lauderdale features a unique Water Taxi system, which transports passengers to and from the downtown area via the City's New River and network of inland waterways.

Education

The Broward County Public School system is an operating and taxing entity that is separate from the City and the County. The Broward County School District (the "District") has a student enrollment that is the second largest in the State and the sixth largest in the United States. By virtue of its accreditation by AdvancEd, (formerly the Southern Association of Colleges and Schools), the District is the second largest fully accredited school system in the nation and is Florida's first fully accredited school system since 1962. The District serves over 271,500 students in pre-kindergarten through grade 12 and 175,000 adult students in 324 schools and education centers (comprised of 136 elementary schools, 37 middle schools, 33 high schools, 17 adult/vocational schools and other centers) and 93 charter schools. The District is Broward County's largest single employer. As of June 30, 2017, the District had approximately 27,139 permanent employees, including over 15,084 classroom instructors. The District's General Fund, its primary operating fund, has an annual operating budget of \$2.23 billion for its fiscal year ending June 30, 2018.

There are three four-year colleges and universities in Broward County: Florida Atlantic University and Florida International University, which are public, and Nova Southeastern University, which is private. Florida Atlantic University and Florida International University are two of the nine universities in the State of Florida University system. The campuses of Florida Atlantic University and Florida International University are located in downtown Fort Lauderdale, as is the campus of Broward College (formerly Broward Community College). Broward College, Prospect Hall College, City College, Fort Lauderdale College, the Art Institute of Fort Lauderdale, and Keiser Institute of Technology are each two-year colleges located in Broward County. There are also seven educational institutions in the County with degree or certificate programs providing vocational and technical education.

Quality of Life

Fort Lauderdale offers an outstanding quality of life, highlighted by a semi-tropical climate, rich natural beauty and an array of cultural, entertainment and educational amenities. World famous Fort Lauderdale Beach offers premier opportunities for recreation, relaxation and enjoyment. The picturesque Riverwalk serves as the cornerstone of the City's arts, science, cultural and historic district which features the Broward Center for the Performing Arts, Museum of Discovery and Science, Museum of Art and Old Fort Lauderdale Village and Museum. Las Olas Boulevard has gained international acclaim as Fort

Lauderdale's centerpiece of fashion, fine dining and entertainment. In addition, the City's downtown area is home to Broward College, Florida Atlantic University, Florida International University, the award-winning Broward County Main Library, and to federal, county and Broward County School District offices.

Through the cooperative efforts of residents, businesses and local government, Fort Lauderdale has evolved into a City that offers the best of both worlds - an attractive business environment and an outstanding quality of life. With an average daily temperature of 77 degrees during the winter months and 89 degrees in the summer, outdoor activities are endless, with golf courses, parks, playgrounds and miles of coral reefs available to residents and visitors of Fort Lauderdale. Activities enjoyed in the area include boating, scuba diving, snorkeling, fishing and a multitude of other outdoor and indoor recreational pursuits. The Fort Lauderdale area provides to residents and visitors professional sports teams in football, baseball, basketball, hockey and soccer and world-class swimming and diving events hosted at the International Swimming Hall of Fame/ Fort Lauderdale Aquatic Complex.

For more information about the City of Fort Lauderdale, please visit the City's website at www.fortlauderdale.gov.

Population

From its origination in 1911 with a population of 300 people, Fort Lauderdale has grown to an estimated 179,063 people, as of April 1, 2017, and is currently ranked eighth among cities within the State of Florida.

City of Fort Lauderdale, Florida Population, Personal Income and Unemployment⁽¹⁾

Fiscal Year Ended September 30	Fort Lauderdale Population	Broward County Population	Broward County Personal Income ⁽²⁾	County Per Capita Personal Income	Unemploy- ment Rate
2007	175,500	1,751,100	\$65,213,329	\$37,241	4.2%
2008	179,700	1,763,600	70,454,147	39,949	6.4
2009	180,100	1,756,500	71,994,871	40,988	10.9
2010	180,400	1,742,900	73,590,969	42,223	12.1
2011 ⁽³⁾	165,500	1,748,100	72,752,112	41,618	10.7
2012	166,200	1,753,162	76,133,577	43,426	8.5
2013	170,065	1,815,137	78,687,882	43,351	5.2
2014	171,544	1,838,844	80,525,783	43,792	5.2
2015	175,123	1,827,367	80,905,552	44,274	4.9
2016	176,747	1,854,513	85,167,498	45,924	4.6

Source: City of Fort Lauderdale, Florida Comprehensive Annual Financial Report for Fiscal Year Ended September 30, 2016.

Footnotes for the immediately preceding table are continued on the next page.

- (1) Fort Lauderdale population obtained from the Bureau of Economic and Business Research, University of Florida. Broward County population and personal income obtained from the Bureau of Economic Analysis, United States Department of Commerce. Unemployment rates obtained from the Bureau of Labor Statistics, United States Department of Labor.
- (2) Personal income in thousands of dollars.
- (3) Reduction in population for Fiscal Year 2011 is the result of lower population estimates provided from the United States census conducted for 2010.

City of Fort Lauderdale, Florida
General Revenues by Source⁽¹⁾

<u>Fiscal Year Ended Sept. 30</u>	<u>Property Taxes</u>	<u>Utility Taxes</u>	<u>Franchise Taxes</u>	<u>Insurance Premium Taxes</u>	<u>Licenses and Permits</u>	<u>Fines and Forfeitures</u>	<u>Inter- Govern- mental</u>	<u>Charges for Services</u>	<u>Other</u>	<u>Total ⁽²⁾</u>
2007	\$138,104	\$33,344	\$18,247	\$5,873	\$13,351	\$3,630	\$50,650	\$19,013	\$51,638	\$333,849
2008	127,981	33,936	18,192	5,262	10,994	6,643	42,315	17,792	50,606	313,721
2009	124,597	35,441	18,059	4,410	8,374	2,518	49,339	16,746	53,414	312,899
2010	112,812	34,754	18,225	4,817	8,032	2,534	50,969	17,859	52,772	302,774
2011	101,788	34,726	16,439	4,736	13,734	3,769	50,171	19,639	51,915	296,916
2012	96,618	35,386	15,872	5,321	14,913	3,537	51,666	20,401	67,503	311,216
2013	99,537	35,882	15,380	6,353	17,375	5,019	42,816	20,651	76,084	319,098
2014	102,486	37,005	22,022	5,326	17,292	5,406	47,636	21,612	90,254	349,039
2015	108,208	37,623	22,909	6,646	23,167	5,186	45,648	23,591	104,707	377,684
2016	117,778	37,517	22,390	5,563	21,232	5,564	45,973	23,827	96,855	376,699

Source: City of Fort Lauderdale, Florida Comprehensive Annual Financial Report, September 30, 2016.

- (1) Includes all governmental fund types. Amounts reflected are in thousands of dollars.
- (2) Totals may not add due to rounding.

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City of Fort Lauderdale, Florida
Property Tax Millage Rate⁽¹⁾
Direct and Overlapping Governments

		OVERLAPPING RATES ⁽²⁾												
		FORT LAUDERDALE			OTHER TAXING DISTRICTS						SPECIAL DISTRICTS ⁽³⁾			
		DOWNTOWN DEVELOPMENT AUTHORITY												
FISCAL YEAR ENDED SEPTEMBER 30	TAX ROLL YEAR	OPERATING	DEBT SERVICE	TOTAL CITY	BROWARD COUNTY	BROWARD COUNTY SCHOOLS	SO. FLORIDA WATER MANAGEMENT DISTRICT	FLORIDA INLAND NAVIGATION DISTRICT	BROWARD CHILDREN'S SERVICES COUNCIL	TOTAL CITY-WIDE	OPERATING	DEBT SERVICE	NORTH BROWARD HOSPITAL DISTRICT	HILLSBORO INLET
2009	2008	4.1193	0.1302	4.2495	5.3145	7.4170	0.6240	0.0345	0.3754	18.0149	0.4802	0.4289	1.7059	0.0860
2010	2009	4.1193	0.1343	4.2536	5.3889	7.4310	0.6240	0.0345	0.4243	18.1563	0.4970	0.4313	1.7059	0.0860
2011	2010	4.1193	0.2173	4.3366	5.5530	7.6310	0.6240	0.0345	0.4696	18.6487	0.4970	0.4313	1.8750	0.0860
2012	2011	4.1193	0.1695	4.2888	5.5530	7.4180	0.4363	0.0345	0.4789	18.2095	0.5171	0.4489	1.8750	0.0860
2013	2012	4.1193	0.2149	4.3342	5.5530	7.4560	0.4289	0.0345	0.4902	18.2968	0.5020	0.5302	1.8564	0.0860
2014	2013	4.1193	0.2070	4.3263	5.7230	7.4800	0.4110	0.0345	0.4882	18.4630	0.5080	0.5366	1.7554	0.0860
2015	2014	4.1193	0.1958	4.3151	5.7230	7.4380	0.3842	0.0345	0.4882	18.3830	0.5882	0.5366	1.5939	0.0860
2016	2015	4.1193	0.1759	4.2952	5.7230	7.2740	0.3551	0.0320	0.4882	18.1675	0.5173	0.5232	1.4425	0.0860
2017	2016	4.1193	0.1610	4.2803	5.6690	6.9063	0.3307	0.0320	0.4882	17.7065	0.5525	0.4749	1.3462	0.0860
2018	2017	4.1193	0.0691	4.1884	5.6690	6.5394	0.3100	0.0320	0.4882	17.2270	0.5272	0.4099	1.2483	0.0860

Source: Broward County Property Appraiser.

- (1) State law requires all counties to assess at 100% valuation and limits millage for operating purposes to ten mills.
- (2) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners (e.g., the rates for special districts apply only to the proportion of the City's property owners whose property is located within the geographic boundaries of the special district).
- (3) Special Districts are taxing entities that levy taxes on limited areas within the City of Fort Lauderdale city limits.

City of Fort Lauderdale, Florida
Building Permit Activity

<u>Fiscal Year Ended</u>	<u>Building Permits Issued</u>	<u>Estimated Building Permit Value</u>
9/30/08	22,246	\$ 626,995,334
9/30/09	21,748	408,859,952
9/30/10	21,543	421,617,819
9/30/11	23,166	783,220,377
9/30/12	22,404	589,997,269
9/30/13	23,095	676,757,795
9/30/14	23,581	808,189,242
9/30/15	26,342	820,600,925
9/30/16	25,529	1,071,225,706
9/30/17	26,047	1,285,338,122

Source: City of Fort Lauderdale, Florida, Department of Sustainable Development, Building Services Division.

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APPENDIX B

City of Fort Lauderdale, Florida

Series 2018 Water and Sewer Revenue Bonds

Feasibility Report

APPENDIX C

Excerpts from Comprehensive Annual Financial Report

of the City of Fort Lauderdale, Florida

for the Fiscal Year Ended September 30, 2016

APPENDIX D

The Resolution

APPENDIX E

Proposed Form of Opinion of Bond Counsel

APPENDIX F

Proposed Form of Opinion of Disclosure Counsel

Date of Delivery

City Commission of the
City of Fort Lauderdale, Florida
100 North Andrews Avenue
Fort Lauderdale, Florida 33301

\$ _____
City of Fort Lauderdale, Florida
Water and Sewer Revenue Bonds
Series 2018

Ladies and Gentlemen:

We have served as Disclosure Counsel in connection with the issuance by the City of Fort Lauderdale, Florida (the "City") of its \$ _____ in aggregate principal amount of Water and Sewer Revenue Bonds, Series 2018 (the "Series 2018 Bonds"). The Series 2018 Bonds are being issued with the terms, for the purposes and subject to the conditions set forth in Resolution No. 03-29 adopted by the City Commission of the City (the "City Commission") on February 18, 2003 (the "Bond Resolution"), as supplemented by Resolution No. 18-____ adopted by the City Commission on _____, 2018 (the "Series Resolution" and, together with the Bond Resolution, the "Resolution"), as described in the Official Statement dated _____, 2018 relating to the Series 2018 Bonds (the "Official Statement"). All capitalized terms used in this opinion that are not defined herein and not normally capitalized shall have the meaning ascribed to such terms in the Official Statement.

In connection with the issuance and delivery of this opinion, we have considered such matters of law and fact and have relied upon such certificates and other information furnished to us as we have deemed appropriate. We are not expressing any opinion or views herein on the authorization, issuance, delivery or validity of the Series 2018 Bonds. To the extent that the opinions expressed herein relate to or are dependent upon the determination that the proceedings and actions related to the authorization, issuance and sale of the Series 2018 Bonds are lawful and valid under the laws of the State of Florida, or that the Series 2018 Bonds are valid and binding obligations of the City enforceable in accordance with their terms, or that interest on the Series 2018 Bonds is excluded from the gross income of the owners thereof for federal income tax purposes, we understand that you are relying upon the opinions delivered on the date hereof of Greenberg Traurig, P.A. and no opinion is expressed herein as to such matters.

The scope of our engagement with respect to the issuance of the Series 2018 Bonds was not to establish factual matters and, because of the wholly or partially non-legal character of many of the determinations involved in the preparation of the Official Statement, we are not passing on and do not assume any responsibility for, except as set forth in the last sentence of this paragraph, the accuracy or completeness of the contents of the Official Statement (including, without limitation, its appendices) and we make no representation that we have independently verified the accuracy, completeness or fairness of such contents. As your counsel, we have participated in the preparation of the Official Statement and in discussions and conferences with officials of the City, Bond Counsel for the City and the Financial Advisor for the City, in which the contents of the Official Statement and related matters were discussed. Solely on the basis of our participation in the preparation of the Official Statement, our examination of certificates,

documents, instruments and records relating to the City and the issuance of the Series 2018 Bonds and the above-mentioned discussions, nothing has come to our attention which would lead us to believe that the Official Statement (except for the financial, statistical and demographic data and information in the Official Statement, including, without limitation, the appendices thereto, and the information relating to DTC, its operations and the book-entry only system, as to which no opinion is expressed) contains an untrue statement of a material fact or omits to state a material fact that is necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

We are also of the opinion that the continuing disclosure undertaking set forth in the Resolution and in the Continuing Disclosure Commitment of the City dated the date of and delivered at the closing for the Series 2018 Bonds, satisfies the requirements set forth in Rule 15c2-12(b)(5) of the United States Securities and Exchange Commission, as such requirements apply to the issuance of the Series 2018 Bonds.

In reaching the conclusions expressed herein we have, with your concurrence, assumed and relied on, without independent verification, the genuineness and authenticity of all signatures not witnessed by us, the authenticity of all documents, records, instruments and letters submitted to us as originals, the conformity to originals of all items submitted to us as certified or photostatic copies, the legal capacity and authority of the persons who executed such items, the accuracy of all warranties, representations and statements of fact contained in the documents and instruments submitted to us, and the continuing accuracy on this date of any certificates or other items supplied to us regarding the matters addressed herein. As to questions of fact material to our opinions, we have relied upon and assumed the correctness of the public records and certificates by, and representations of, public officials and other officers, and representatives of the parties to this transaction. We have no actual knowledge of any factual information that would lead us to form a legal opinion that the public records or certificates which we have relied upon contain any untrue statement of a material fact.

The opinions expressed herein are based upon existing law as of the date hereof and we express no opinion herein as of any subsequent date or with respect to any pending legislation. We assume no obligation to supplement this opinion if any applicable laws change after the date hereof or if we become aware of any facts that might change the opinions expressed herein after the date hereof. The opinions expressed herein represent our professional judgment, are not a guarantee of result, and are limited to the laws of the State of Florida and the United States of America.

The opinions expressed herein are furnished by us as Disclosure Counsel to our client, the City, and solely for the use of the addressee named above. Such opinions shall not extend to, and may not be relied upon by, any other persons, firms, or corporations without our express prior written consent. The opinions expressed herein are limited to the matters set forth herein, and to the documents referred to herein, and do not extend to any other agreements, documents or instruments executed by the City. No other opinion should be inferred beyond the matters expressly stated herein.

Respectfully submitted,

LAW OFFICES OF STEVE E. BULLOCK, P.A.

APPENDIX G

Form of Continuing Disclosure Commitment

CONTINUING DISCLOSURE COMMITMENT

This CONTINUING DISCLOSURE COMMITMENT dated as of _____, 2018 is executed and delivered by the CITY OF FORT LAUDERDALE, FLORIDA (the “City”), a municipal corporation and public body corporate and politic, duly organized and existing under the Constitution and laws of the State of Florida in connection with the issuance of \$_____ in aggregate principal amount of City of Fort Lauderdale, Florida Water and Sewer Revenue Bonds, Series 2018 (the “Series 2018 Bonds”). The Series 2018 Bonds are being issued pursuant to Resolution No. 03-29 adopted by the City Commission of the City (the “City Commission”) on February 18, 2003 (the “Bond Resolution”), as supplemented by Resolution No. 18-____ adopted by the City Commission on _____, 2018 (the “Series Resolution” and, together with the Bond Resolution, the “Resolution”). The City covenants and agrees as follows:

SECTION 1. Purpose of Disclosure Commitment. This Disclosure Commitment is being executed and delivered by the City in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the United States Securities and Exchange Commission (the “SEC”). This Disclosure Commitment, together with Section 11 of the Series Resolution (collectively, the “Disclosure Agreement”) shall constitute the continuing disclosure agreement of the City in accordance with the requirements of the Rule for the benefit of the Beneficial Owners.

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Commitment, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Commitment.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2018 Bonds (including persons holding Series 2018 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2018 Bonds for federal income tax purposes.

“Business Day” shall mean any day other than a Saturday, Sunday or a day when banks in the City of New York, New York, or in the City of Fort Lauderdale, Florida, or in the city in which the principal offices of the Bond Registrar are required or authorized by law to be closed or on which the New York Stock Exchange is closed.

“Dissemination Agent” shall mean Digital Assurance Certification, L.L.C., or any successor or alternate Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Dissemination Agent or the MSRB is located, or acts of any

government, regulatory or any other competent authority the effect of which is to prohibit the Dissemination Agent from the performance of its obligations under the Disclosure Agreement.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Commitment.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Participating Underwriter” shall mean any of the original underwriters of the Series 2018 Bonds required to comply with the Rule in connection with the offering of the Series 2018 Bonds.

“Repository” shall mean any municipal securities information repository approved from time to time by the SEC, or otherwise established by law or regulation, where information is required to be filed in accordance with the Rule and initially shall constitute the entity set forth on Exhibit A of this Disclosure Commitment.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the 243rd day following the end of each Fiscal Year, commencing with the Fiscal Year ended September 30, 2017, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Commitment (provided, however, that the information referred to in Section 4(b) may be provided no later than September 1 of each year, commencing September 1, 2018 with respect to the report for the 2016-2017 Fiscal Year). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Commitment; provided, however, that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if the audited financial statements are not available by that date. If the City’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) Not later than ten (10) Business Days prior to the date the Annual Report is to be filed with each Repository, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If the City is unable to provide to the Repository an Annual Report by the date required in subsection (a) of this Section, or if the City shall fail to provide the Annual Report to the Dissemination Agent in time for the Dissemination Agent to deliver the Annual Report to the Repository by the date required in subsection (a) of this Section, the City or the Dissemination Agent, as applicable, shall send a notice to each Repository in substantially the form attached as Exhibit B to this Disclosure Commitment.

(c) If the audited financial statements of the City are prepared but not available prior to the date the Annual Report is required to be filed, the City may provide an electronic copy of its unaudited financial statements to the Dissemination Agent and shall, when the audited financial statements of the City are available, provide in a timely manner an electronic copy of such audited financial statements to the Dissemination Agent, accompanied by any required documentation, in each case, for filing with the MSRB. Compliance with the provisions of this Section 3(c) shall

constitute the City's filing of the Annual Report until the audited financial statements of the City are filed.

(d) In addition to filing the notice required by subsection (b) of this Section, as applicable, the Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each Repository and verify the filing specifications of such Repository; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to the Disclosure Agreement, stating the date it was provided and listing each Repository to which it was provided.

SECTION 4. Content of Annual Reports. The City's Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the City for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board, which may be a part of the City's comprehensive audited financial report. If the City's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report may contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement for the Series 2018 Bonds, if available, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Any portion of an annual report of the Consulting Engineers relating to the Water and Sewer System, prepared in accordance with Section 703 of the Bond Resolution (or pursuant to any other requirements of the Water and Sewer System for the preparation of a similar study or report), to the extent such report or a portion thereof (i) updates information provided in the Official Statement prepared in connection with the issuance of the Series 2018 Bonds and (ii) is filed with the City (the "Engineer's Report").

(c) To the extent such information is not otherwise included as part of the annual audited financial statements of the City or the Engineer's Report, updated information from that set forth in the Official Statement for the Series 2018 Bonds under the subheadings "History," "Organizational Structure" and "Governmental Regulations" of the section "WATER AND SEWER SYSTEM," the annual pension cost and funding status information under the caption "PENSION PLANS" and the annual cost and contribution information under the caption "GASB STATEMENT NO. 45."

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which have been submitted to each Repository or to the SEC. If the document included by reference is a final official statement, such final official statement must be available in electronic format from the MSRB. The City shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2018 Bonds within ten (10) Business Days of the occurrence of the event:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on the debt service reserves reflecting financial difficulties;
4. unscheduled draws on the credit enhancements reflecting financial difficulties.
5. substitution of the credit or liquidity providers or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2018 Bonds, or other material events affecting the tax status of the Series 2018 Bonds;
7. modifications to rights of Bondholders, if material;
8. bond calls, if material, and tender offers;
9. defeasances;
10. release, substitution or sale of property securing repayment of the Series 2018 Bonds, if material;
11. rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the City;

Note: for the purposes of the event identified in this subsection 5(a)(12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City 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 City, or if such jurisdiction has been assumed by leaving the existing governmental 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 City.

13. The consummation of a merger, consolidation or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional Bond Registrar, Paying Agent or trustee or the change of name of a Bond Registrar, Paying Agent or trustee, if material.

(b) Notice to the Dissemination Agent of any Listed Event shall be in writing. Such notice shall (i) identify the Listed Event that has occurred; (ii) include the text of the disclosure that the City desires to make; (iii) contain the written authorization of the City for the Dissemination Agent to disseminate such information, and (iv) identify the date the City desires the Dissemination Agent to disseminate the information (provided that such date is not later than the tenth (10th) Business Day after the occurrence of the Listed Event).

(c) The Dissemination Agent is not obligated to notify the City of an event that may constitute a Listed Event. In the event the Dissemination Agent so notifies the City, the City shall, within two (2) Business Days of receipt of such notice (but in any event not later than the tenth (10th) Business Day after the occurrence of the Listed Event, if the City determines that a Listed Event has occurred), instruct the Dissemination Agent that a Listed Event either (i) has not occurred and no filing is to be made or (ii) has occurred and the Dissemination Agent shall be provided notice thereof in the manner provided in Section 5(b).

SECTION 6. Termination of Reporting Obligation. The obligations of the City under the Disclosure Agreement shall remain in effect only for such period that the Series 2018 Bonds are Outstanding in accordance with their terms and the terms of the Resolution and the City remains an obligated person with respect to the Series 2018 Bonds within the meaning of the Rule. The obligation of the City to provide the Annual Report and notices of Listed Events shall terminate if and when the City no longer remains such an obligated person. The Disclosure Agreement also shall terminate upon the termination of the continuing disclosure requirements of the Rule by legislative, judicial or administrative action.

SECTION 7. Amendment; Waiver. Notwithstanding any other provision of the Disclosure Agreement, the City may amend the Disclosure Agreement, and non-compliance with any provision of the Disclosure Agreement may be waived, provided the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a) hereof (unless the amendment or waiver is necessary or appropriate for the City to achieve compliance with any applicable federal law or rule, or to cure any ambiguity, inconsistency, formal defect or omission in the provisions of the Disclosure Agreement), it may only be 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 an obligated person with respect to the Series 2018 Bonds, or the type of business conducted;

(b) The Disclosure Agreement, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2018 Bonds, after taking into account any

applicable amendments to or official interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Series 2018 Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Beneficial Owners.

In the event of any amendment or waiver of a provision of the Disclosure Agreement, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 8. Additional Information. Nothing in the Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Commitment or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by the Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by the Disclosure Agreement, the City shall have no obligation under the Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 9. Remedy for Breach. The Disclosure Agreement shall be solely for the benefit of the Beneficial Owners from time to time of the Series 2018 Bonds. The exclusive remedy for any breach of the Disclosure Agreement by the City shall be limited, to the extent permitted by law, to a right of Beneficial Owners to institute and maintain, or to cause to be instituted and maintained, such proceedings as may be authorized at law or in equity to obtain the specific performance by the City of its obligations under the Disclosure Agreement. Any holder or beneficial owner may exercise individually any such right to require the City to specifically perform its obligation to provide or cause to be provided a pertinent filing if such a filing is due and has not been made. Notwithstanding any other provisions of the Resolution or the Disclosure Agreement, any failure by the City to comply with any provision of the Disclosure Agreement shall not constitute a default under the Series 2018 Bonds or under the Resolution.

SECTION 10. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The services provided by the Dissemination Agent under or pursuant to the Disclosure Agreement shall solely relate to the execution of instructions received by the Dissemination Agent from the City and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank”). The Dissemination Agent shall not provide any advice or recommendation to the City or anyone on the City’s behalf regarding the “issuance of municipal securities” or any “municipal financial product,” as such terms are defined in Dodd-Frank, and nothing in the Disclosure Agreement shall be interpreted to the contrary.

(b) For purposes of satisfying the reporting requirements of the Disclosure Agreement, the City has delegated to the Dissemination Agent the duties, functions and responsibilities of disclosing information undertaken by the City in the Disclosure Agreement. The City may, from time to time, appoint or engage an alternate or substitute Dissemination Agent to assist it in carrying out its obligations under the Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor, alternate or substitute Dissemination Agent. The Dissemination Agent (other than the City) shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to the Disclosure Agreement.

(c) Any information received by the Dissemination Agent before 6:00 p.m. Eastern time on any Business Day that it is required to file with the MSRB pursuant to the terms of the Disclosure Agreement will be filed by the Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same Business Day; provided, however, the Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event, provided that the Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

(d) The Dissemination Agent shall have only such duties as are specifically set forth in the Disclosure Agreement, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2018 Bonds.

SECTION 11. Extent of Covenants; No Personal Liability. All covenants, stipulations, obligations and agreements of the City contained in the Disclosure Agreement are and shall be deemed to be covenants, stipulations, obligations and agreements of the City to the full extent authorized by law. No covenant, stipulation, obligation or agreement of the City contained in the Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future officer, agent or employee of the City in other than that person's official capacity.

SECTION 12. Obligated Persons. If any person, other than the City, becomes an "obligated person" with respect to the Series 2018 Bonds within the meaning of the Rule, the City shall use its best efforts to require such "obligated person" to comply with all provisions of the Rule applicable to such "obligated person."

SECTION 13. Electronic Filing. Any filing under the Disclosure Agreement with a Repository shall be made in compliance with the formal rules, notices or releases for such filings, as established by the SEC or the MSRB and, until established otherwise by such rules, notices or releases, any filing under the Disclosure Agreement shall be made electronically at <http://emma.msrb.org/> in accordance with the procedures of the MSRB for such filings.

SECTION 14. Beneficiaries. The Disclosure Agreement shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the Beneficial Owners, and shall create no rights in any other person or entity.

SECTION 15. Severability. In case any section or provision of the Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or

taken thereunder or any application thereof, is for any reason held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 16. Headings. The headings preceding the text of the sections of this Disclosure Commitment are solely for convenience of reference and shall not affect the meaning, construction or effect of any of the provisions of the Disclosure Agreement.

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IN WITNESS WHEREOF, the City has caused this Disclosure Commitment to be executed by its duly authorized officer and delivered to the Participating Underwriter in connection with the original issuance and delivery of the Series 2018 Bonds, all as of the date set forth above, and the Beneficial Owners and Holders of the Series 2018 Bonds from time to time shall be deemed to have accepted the Disclosure Agreement, as contained in Section 11 of the Series Resolution and further described and specified herein, in accordance with the Rule.

CITY OF FORT LAUDERDALE, FLORIDA

By: _____
LINDA A. LOGAN-SHORT
Chief Financial Officer
Deputy Director of Finance

EXHIBIT A

Municipal Securities Information Repositories approved by the United States Securities and Exchange Commission:

Municipal Securities Rulemaking Board:

<http://emma.msrb.org/>

A list of names and addresses of all designated Municipal Securities Information Repositories as of any point in time is available by visiting the SEC's website at <http://www.sec.gov/info/municipal.shtml>.

EXHIBIT B

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Fort Lauderdale, Florida

Name of Bond Issue: Water and Sewer Revenue Bonds, Series 2018 (the "Series 2018 Bonds")

Date of Issuance: _____, 2018

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the Series 2018 Bonds as required by Section 11 of the Series Resolution adopted by the City Commission of the City in connection with the issuance of the Series 2018 Bonds. The City anticipates that the Annual Report will be filed by _____.

Dated: _____

[Dissemination Agent]

By: _____
Name:
Title:

EXHIBIT “D”

PAYING AGENT AND BOND REGISTRAR AGREEMENT

PAYING AGENT AND BOND REGISTRAR AGREEMENT

THIS PAYING AGENT AND BOND REGISTRAR AGREEMENT (the "Agreement") is entered into as of the ___ day of February, 2018, by and between the CITY OF FORT LAUDERDALE, FLORIDA (the "City"), and REGIONS BANK, a banking corporation duly organized and existing under the laws of the State of Alabama having its designated corporate trust office in Jacksonville, Florida (the "Bank").

WITNESSETH:

WHEREAS, the City has determined to issue \$[200,000,000] in aggregate principal amount of its City of Fort Lauderdale, Florida Water and Sewer Revenue Bonds, Series 2018 (the "Series 2018 Bonds"), pursuant to the provisions of Resolution No. 03-29 adopted by the City Commission of the City (the "City Commission") on February 18, 2003, as previously supplemented, and as further supplemented by Resolution No. 18-___, adopted by the City Commission on January 23, 2018 (collectively, the "Bond Resolution"); and

WHEREAS, the City represents that all things necessary to make the Series 2018 Bonds the valid obligations of the City, in accordance with their terms, will be or have been taken upon the issuance and delivery thereof; and

WHEREAS, the City has previously issued pursuant to the Bond Resolution, and has currently outstanding its (i) Water and Sewer Revenue Refunding Bonds, Series 2012 (the "Series 2012 Bonds"), (ii) Water and Sewer Revenue Refunding Bonds, Series 2014 (the "Series 2014 Bonds") and (iii) Water and Sewer Revenue and Revenue Refunding Bonds, Series 2016 Bonds (the "Series 2016 Bonds" and, together with the Series 2012 Bonds, the Series 2014 Bonds and the Series 2018 Bonds, the "Bonds"); and

WHEREAS, the City desires that the Bank act as the Paying Agent of the City in paying the principal of and interest on the Series 2018 Bonds, in accordance with the terms thereof, and that the Bank act as the Bond Registrar for the Series 2018 Bonds (collectively, the "Bond Registrar") pursuant to the Bond Resolution; and

WHEREAS, the Bank has represented that it is duly qualified to perform the duties described herein as Bond Registrar; and

WHEREAS, the City and the Bank each have duly authorized the execution and delivery of this Agreement; and all things necessary to make this Agreement the valid agreement of the City and the Bank, in accordance with its terms, have been done;

NOW, THEREFORE, for and in consideration of the premises and the covenants herein contained, the City and the Bank hereby agree as follows:

ARTICLE I

APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

SECTION 1.01. Appointment.

The City hereby appoints the Bank to act as “Paying Agent” with respect to the Series 2018 Bonds and as the “Bond Registrar” as such term is defined in the Bond Resolution.

The Bank hereby accepts its appointment, and agrees to act as the Paying Agent and the Bond Registrar for the Series 2018 Bonds, and as such, to perform the functions of Paying Agent and Bond Registrar, as described herein and in the Bond Resolution, and in the event of conflict, the terms of the Bond Resolution shall govern.

SECTION 1.02. Compensation.

As compensation for the Bank’s services as Paying Agent and Bond Registrar, the City hereby agrees to pay the Bank the fees and amounts set forth in Exhibit A hereto.

In addition, the City agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements, and advances incurred or made by the Bank in accordance with any of the provisions hereof. Such fees and expenses shall be paid to the Bank as billed.

ARTICLE II

DEFINITIONS

SECTION 2.01. Definitions.

For all purposes of this Agreement, except as otherwise expressly provided, or unless the context otherwise requires:

“Authorized Representative” shall mean an authorized representative of the City, as designated by the City Commission from time to time and shall initially include the Mayor, City Clerk, City Manager, the Director of Finance, Deputy Director of Finance, and Senior Accountant.

“Bond Register” shall mean the registration books maintained by the Bond Registrar for the Series 2018 Bonds.

“Bondholder” shall mean a Person in whose name a Bond is registered in the Bond Register.

“Cost of Issuance Account” shall mean the City of Fort Lauderdale, Florida Water and Sewer Revenue Bonds, Series 2018 Cost of Issuance Account created under the Bond Resolution.

“Paying Agent” shall mean such Person appointed by the City to pay to the Bondholders the principal of and interest on all or any of the Series 2018 Bonds as the same shall become due and payable.

“Person” shall mean any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

“Predecessor Bonds” of any particular Bond shall mean every previous Bond evidencing all or a portion of the same obligation as that evidenced by such particular Bond (for the purposes of this definition, any Bond registered and delivered under the provisions of the Bond Resolution in lieu of a mutilated, lost, destroyed, or stolen Bond shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond).

“Record Date” shall mean the fifteenth day (whether or not a business day) of the month next preceding the applicable interest payment date.

“Responsible Officer” when used with respect to the Bank shall mean the President, any Vice President, any Trust Officer, Assistant Trust Officer or Client Service Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers, and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of or familiarity with the particular subject.

“Stated Maturity” shall mean the date specified as the fixed date on which the principal of a Bond is due and payable.

SECTION 2.02. **Other Definitions.**

The terms “Bank”, “City”, “Bond Resolution” and “Bonds” have the meaning assigned to them in the opening paragraph of this Agreement or in the preamble hereto.

The term “Bond Registrar” refers to the Bank when it is performing the functions set forth in this Agreement.

ARTICLE III

THE BONDS

SECTION 3.01. **Forms Generally.**

The Series 2018 Bonds, the certificate of authentication and the assignment to be printed on each of the Series 2018 Bonds, shall be in the forms set forth in the Bond Resolution, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by the Bond Resolution and approved by an Authorized Representative.

SECTION 3.02. **Execution, Registration, Delivery, and Dating.**

The Series 2018 Bonds shall be executed on behalf of the City as directed by the Bond Resolution. The signature of any of the officers of the City on the Series 2018 Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who were at the time the proper officers of the City shall bind the City, notwithstanding that such individuals or any of them shall cease to hold such offices prior to the certification of registration and delivery of the Series 2018 Bonds or shall not have held such offices at the date of the Series 2018 Bonds.

At any time and from time to time after the execution and delivery of this Agreement, the Bondholder may deliver to the Bank for transfer or exchange Bonds accompanied by instructions designating the Persons, maturities, and principal amounts to and in which such Bonds are to be transferred, and the Bank shall thereupon, within not more than three (3) business days, register and deliver such Bonds as provided herein and in such instructions. Every Bond surrendered for transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the Financial Industry Regulatory Authority, in form satisfactory to the Bank, duly executed by the Bondholder thereof or his attorney duly authorized in writing.

All Bonds registered and delivered by the Bank hereunder shall be dated as provided in the Bond Resolution.

No Bond shall be entitled to any right or benefit under this Agreement, or be valid or obligatory for any purpose, unless there appears on such Bond a certificate of authentication substantially in the form provided in the Bond Resolution, executed by the Bank by manual signature, and such certificate upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly certified or registered and delivered.

SECTION 3.03. **Person Deemed Owners.**

The City, the Bank, and any agent of the City or the Bank may treat the Person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of the principal of and interest on such Bond and for all other purposes whatsoever whether or not such Bond be overdue, and, to the extent permitted by law, the City, the Bank, and any such agent shall not be affected by notice to the contrary.

ARTICLE IV

PAYING AGENT

SECTION 4.01. **Duties of Paying Agent.**

As Paying Agent the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the City, pay on the behalf of the City the principal of the Series 2018 Bonds at their Stated Maturity to the Bondholder upon surrender of the Series 2018 Bonds to the Bank.

As Paying Agent the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the City, pay on behalf of the City on the payment date the interest on the Series 2018 Bonds when due by computing the amount of interest to be paid each Bondholder and (i) preparing and mailing checks by first-class mail, postage prepaid, to the Bondholders of the Series 2018 Bonds (or their Predecessor Bonds) on the Record Date, addressed to their address appearing on the Bond Register; provided, however, that if ownership of the Series 2018 Bonds is maintained in a book-entry only system by a securities depository, such payment may be made by automated wire transfer to such securities depository or its nominee or (ii) wiring funds to the Bondholders who have requested payment by wire transfer in accordance with Section 2.02 of the Bond Resolution, or (iii) utilizing such other customary banking arrangements to which the Bondholders and the Bank agree.

The Bank expressly acknowledges its understanding and acceptance of its duties as Paying Agent in the Bond Resolution.

SECTION 4.02. Payment Dates.

The City hereby instructs the Bank to pay the principal of and interest on the Series 2018 Bonds on the dates specified or provided for in the Bond Resolution and other pertinent documents relating to the Series 2018 Bonds.

ARTICLE V

BOND REGISTRAR

SECTION 5.01. Transfer and Exchange.

The City shall keep and maintain at the Bank the Bond Register to provide for the registration and transfers of the Series 2018 Bonds. The Bank is hereby appointed “Bond Registrar” for the purpose of registering Bonds and transfers of Bonds as herein provided. The Bank agrees to maintain the Bond Register while it is Bond Registrar.

Upon surrender for transfer of any Bond at the designated corporate trust office of the Bank, the Bank shall, not more than three (3) business days after request and presentation, register and deliver, in the name of the designated transferee or transferees, one or more new fully registered Bonds of the same series, same maturity, of any authorized denominations, and of a like aggregate principal amount. To the extent so provided with respect to the Series 2018 Bonds, at the option of the Bondholder, Bonds may be exchanged for other Bonds of the same series, same maturity, of any authorized denominations, and of like aggregate principal amount, upon surrender of the Series 2018 Bonds to be exchanged at the designated corporate trust office of the Bank. Whenever any Bonds are to be surrendered for exchange, the City shall execute and the Bank shall authenticate, register and deliver, the Series 2018 Bonds which the Bondholder making the exchange is entitled to receive.

All Bonds issued upon any transfer or exchange, after authentication by the Bank, shall be the valid obligations of the City, evidencing the same debt, and entitled to the same benefits

hereunder and under the Bond Resolution, as the Series 2018 Bonds surrendered upon such transfer or exchange.

Every Bond surrendered for transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the Financial Industry Regulatory Authority, in form satisfactory to the Bank, duly executed by the Bondholder thereof or his attorney duly authorized in writing, and shall be numbered in order of their authentication by the Bank. The Bond Registrar may request any supporting documentation necessary to effect a re-registration.

No service charge shall be made to the Bondholder for any registration, transfer, or exchange of Bonds, but the City or the Bond Registrar may require payment of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

SECTION 5.02. **Certificates.**

In the event that the book-only entry system for the Series 2018 Bonds is terminated, the City shall provide an adequate inventory of unauthenticated Bond certificates to facilitate transfers of the Series 2018 Bonds. The Bank covenants that it will maintain any such Bond certificates in safekeeping and will use reasonable care in maintaining such Bonds in safekeeping, being not less than the care which it takes in connection with other governments or corporations for which it serves as registrar, or which it maintains for its own securities.

SECTION 5.03. **Form of Bond Register.**

The Bank, as Bond Registrar, will maintain the record of the Bond Register in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Bond Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Bond Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

SECTION 5.04. **List of Bondholders.**

The Bank will provide the City, at any time requested by the City, upon payment of any copying costs and costs of any reports, a copy of the information contained in the Bond Register. The City may also inspect the Bond Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up to date listing or to convert the information into written form.

The Bank will not release or disclose the content of the Bond Register to any person other than to, or at the written request of, an Authorized Representative or employee of the City, except upon receipt of a subpoena or court order. Upon receipt of a subpoena or court order the Bank will notify the City so that the City may contest such subpoena or court order.

SECTION 5.05. **Return of Cancelled Certificates.**

The Bank will surrender to the City, at such reasonable intervals as it determines, certificates of destruction in lieu of which or in exchange for which other Bonds have been issued, or which have been paid.

SECTION 5.06. **Mutilated, Destroyed, Lost, or Stolen Bonds.**

The City hereby instructs the Bank to authenticate and deliver Bonds in exchange for or in lieu of mutilated, destroyed, lost, or stolen Bonds as long as the same does not result in an over-issuance, all in conformance with the requirements of the Bond Resolution.

The Bank will authenticate and deliver a new Bond in exchange for a mutilated Bond surrendered to it. The Bank will issue a new Bond in lieu of a Bond for which it received written representation from the Bondholder that the certificate representing such Bond is destroyed, lost or stolen, without the surrender or production of the original certificate. The Bank will pay on behalf of the City the principal of a Bond for which it receives written representation that such Bond is destroyed, lost or stolen following the Stated Maturity of the Bond, without surrender or production of the original certificate.

The Bank will not issue a replacement Bond or pay such replacement Bond unless there is delivered to the Bank such security or indemnity as it may require (which may be by the Bank's blanket bond) to save both the Bank and the City harmless.

On satisfaction of the Bank and the City, the certificate number on the Bond will be cancelled with a notation on the Bond Register that it has been mutilated, destroyed, lost, or stolen, and a new Bond will be issued of the same series and of like tenor and principal amount bearing a number (according to the Bond Register) not contemporaneously outstanding.

The Bank may charge the Bondholder the Bank's reasonable fees and expenses in connection with issuing a new Bond in lieu of or exchange for a mutilated, destroyed, lost or stolen Bond.

SECTION 5.07. **Surety Bond.**

The City hereby accepts the Bank's current blanket bond for lost, stolen or destroyed certificates and any substantially similar future substitute blanket bond for lost, stolen or destroyed certificates that the Bank may arrange, and agrees that the coverage under any such blanket bond is acceptable to it and meets the City's requirements as to security or indemnity. The Bank need not notify the City of any changes in the bond or other company giving such bond, or the terms of any such bond. The blanket bond then utilized by the Bank for the purpose of lost, stolen or destroyed certificates by the Bank is available for inspection by the City upon request.

SECTION 5.08. **Transaction Information to City.**

The Bank will, within a reasonable time after receipt of a written request from the City, furnish the City information as to the Series 2018 Bonds it has paid pursuant to Section 4.01

hereof, Bonds it has delivered upon the transfer or exchange of any Bonds pursuant to Section 5.01 hereof, and Bonds it has delivered in exchange for or in lieu of mutilated, destroyed, lost or stolen Bonds pursuant to Section 5.06 hereof.

ARTICLE VI

THE BANK

SECTION 6.01. Duties of the Bank.

The Bank undertakes to perform the duties of Paying Agent and Bond Registrar as set forth herein and in the Bond Resolution and agrees to use reasonable care in the performance thereof, and in the event of conflict with the Bond Resolution and this Agreement, the terms of the Bond Resolution shall govern. The Bank hereby agrees to use the funds deposited with it for payment of the principal of and interest on the Series 2018 Bonds, to pay the Series 2018 Bonds as the same shall become due and further agrees to establish and maintain all accounts and funds as may be required for the Bank to function as Paying Agent.

SECTION 6.02. Reliance on Documents Etc.

(a) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(b) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(c) The Bank may rely and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document supplied by the City.

(d) The Bank may consult with counsel and the written advice of such counsel or any written opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(e) The Bank may exercise any of its powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

SECTION 6.03. **Recitals of the City.**

The recitals contained herein, in the Bond Resolution and in the Series 2018 Bonds shall be taken as the statements of the City and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable from its own funds to the City, any Bondholder or Bondholders of any Bond or any other Person for any amount due on any Bond.

SECTION 6.04. **Bank May Hold Bonds.**

The Bank, in its individual or any other capacity, may become the owner or pledgee of Bonds and may otherwise deal with the City with the same rights it would have if it were not the Paying Agent and Bond Registrar.

SECTION 6.05. **Moneys Held by Bank.**

Money held by the Bank hereunder shall be segregated from any other funds of the Bank and the City, and such money shall be held in trust for the benefit of the Bondholders of the Series 2018 Bonds.

Any money deposited with the Bank for the payment of the principal of or interest on any Bonds and remaining unclaimed three (3) years following the final maturity of the Series 2018 Bonds shall be paid by the Bank to the City, and the Bondholder of such Bonds shall thereafter look only to the City for payment thereof, and all liability of the Bank with respect to such moneys shall thereupon cease.

SECTION 6.06. **Bank Not a Trustee.**

Notwithstanding Section 6.05 hereof with respect to the responsibility of the Bank to hold moneys hereunder in trust, this Agreement shall not be construed to require the Bank to enforce any remedy which any Bondholder may have against the City during any default or event of default under any agreement between any Bondholder and the City, including the Bond Resolution, or to act as trustee for such Bondholder, other than to perform the duties provided in the Bond Resolution.

SECTION 6.07. **Bank Not Responsible for Bonds.**

The Bank shall not be accountable for the use of any Bonds or for the use or application of the proceeds thereof.

SECTION 6.08. **Interpleader.**

The City and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, waive personal service of any process and agree that service of process by certified or registered mail, return receipt requested, to the addresses set forth in Section 7.03 hereof shall constitute adequate service. The City and

the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction to determine the rights of any person claiming any interest herein.

ARTICLE VII

MISCELLANEOUS PROVISIONS

SECTION 7.01. Amendment.

This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

SECTION 7.02. Assignment.

This Agreement may not be assigned by either party without the prior written consent of the other.

SECTION 7.03. Notices; Waiver.

Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the City or the Bank shall be mailed first-class postage prepaid or hand delivered to the City or the Bank, respectively, at the addresses shown below:

The City: City of Fort Lauderdale, Florida
100 North Andrews Avenue
Fort Lauderdale, Florida 33301
Attn: Finance Director
CC: City Manager

The Bank: Regions Bank
10245 Centurion Parkway, 2nd Floor
Jacksonville, Florida 32256
Attn: Corporate Trust Services

Any notice to Bondholders provided by this Agreement of any event shall be sufficiently given if it is in writing and mailed, first-class postage prepaid, to each Bondholder, at the address of such Bondholder as it appears in the Bond Register.

In any case where notice to Bondholders is given by mail, neither the failure to mail such notice nor any defect in any notice so mailed to any particular Bondholder shall affect the sufficiency of such notice with respect to all other Bondholders. Where this Agreement provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Bondholders shall be filed with the Bank, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 7.04. **Effect of Headings.**

The article and section headings herein are for convenience only and shall not affect the construction hereof

SECTION 7.05. **Successors and Assigns.**

All covenants and agreements herein by the parties hereto shall bind their successors and assigns, whether so expressed or not.

SECTION 7.06. **Severability.**

In case any provision herein shall be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 7.07. **Benefits of Agreement.**

Nothing herein, express or implied, shall give to any person, other than the Bondholders and the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy or claim hereunder.

SECTION 7.08. **Entire Agreement.**

This Agreement and the Bond Resolution constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent and Bond Registrar, and if any conflict exists between this Agreement and the Bond Resolution, the Bond Resolution shall govern.

SECTION 7.09. **Counterparts.**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same Agreement.

SECTION 7.10. **Termination.**

Subject to the Bond Resolution, this Agreement will terminate on the date the Bank issues its check or wire transfer for the final payment of principal of and interest on the Series 2018 Bonds.

This Agreement may be earlier terminated with or without cause. Upon notice of such termination, the City reserves the right to appoint a successor Paying Agent and Bond Registrar. The Bank shall deliver all records and any unclaimed funds to the City or such successor without a right of set off for any fees, charges or expenses due to the Bank. However, the Bank is entitled to payment of all outstanding fees and expenses before delivering records to the City. In the event this Agreement is terminated by giving written notice, then the Bank agrees, upon request by the City, to give notice by first-class mail to all registered Bondholders of the name and address of the successor Paying Agent and Bond Registrar. Expenses for such notice shall be paid by the City.

SECTION 7.11. **Governing Law,**

This Agreement shall be construed in accordance with and governed by the laws of the State of Florida.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written,

CITY OF FORT LAUDERDALE, FLORIDA

(SEAL)

ATTEST:

By: _____
John P. "Jack" Seiler
Mayor

By: _____
Jeffrey A. Modarelli
City Clerk

REGIONS BANK,
as Bond Registrar and Paying Agent

By: _____
Vice President and Trust Officer

EXHIBIT A

Schedule of Paying Agent and Bond Registrar Fees

1. Paying Agent and Bond Registrar Fee — an annual administration fee of \$_____ paid at closing and each anniversary date thereafter.

2. In addition to the foregoing annual administration fee, the Paying Agent and Bond Registrar shall be entitled to reimbursement for its reasonable out-of-pocket costs and disbursements, including, without limitation, the reasonable fees and expenses of its counsel, associated with the performance of its duties under the Paying Agent and Bond Registrar Agreement.

EXHIBIT “E”
CONTINUING DISCLOSURE COMMITMENT

CONTINUING DISCLOSURE COMMITMENT

This CONTINUING DISCLOSURE COMMITMENT dated as of _____, 2018 is executed and delivered by the CITY OF FORT LAUDERDALE, FLORIDA (the “City”), a municipal corporation and public body corporate and politic, duly organized and existing under the Constitution and laws of the State of Florida in connection with the issuance of \$_____ in aggregate principal amount of City of Fort Lauderdale, Florida Water and Sewer Revenue Bonds, Series 2018 (the “Series 2018 Bonds”). The Series 2018 Bonds are being issued pursuant to Resolution No. 03-29 adopted by the City Commission of the City (the “City Commission”) on February 18, 2003 (the “Bond Resolution”), as supplemented by Resolution No. 18-____ adopted by the City Commission on _____, 2018 (the “Series Resolution” and, together with the Bond Resolution, the “Resolution”). The City covenants and agrees as follows:

SECTION 1. Purpose of Disclosure Commitment. This Disclosure Commitment is being executed and delivered by the City in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the United States Securities and Exchange Commission (the “SEC”). This Disclosure Commitment, together with Section 11 of the Series Resolution (collectively, the “Disclosure Agreement”) shall constitute the continuing disclosure agreement of the City in accordance with the requirements of the Rule for the benefit of the Beneficial Owners.

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Commitment, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Commitment.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2018 Bonds (including persons holding Series 2018 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2018 Bonds for federal income tax purposes.

“Business Day” shall mean any day other than a Saturday, Sunday or a day when banks in the City of New York, New York, or in the City of Fort Lauderdale, Florida, or in the city in which the principal offices of the Bond Registrar are required or authorized by law to be closed or on which the New York Stock Exchange is closed.

“Dissemination Agent” shall mean Digital Assurance Certification, L.L.C., or any successor or alternate Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Dissemination Agent or the MSRB is located, or acts of any

government, regulatory or any other competent authority the effect of which is to prohibit the Dissemination Agent from the performance of its obligations under the Disclosure Agreement.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Commitment.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Participating Underwriter” shall mean any of the original underwriters of the Series 2018 Bonds required to comply with the Rule in connection with the offering of the Series 2018 Bonds.

“Repository” shall mean any municipal securities information repository approved from time to time by the SEC, or otherwise established by law or regulation, where information is required to be filed in accordance with the Rule and initially shall constitute the entity set forth on Exhibit A of this Disclosure Commitment.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the 243rd day following the end of each Fiscal Year, commencing with the Fiscal Year ended September 30, 2017, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Commitment (provided, however, that the information referred to in Section 4(b) may be provided no later than September 1 of each year, commencing September 1, 2018 with respect to the report for the 2016-2017 Fiscal Year). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Commitment; provided, however, that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if the audited financial statements are not available by that date. If the City’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) Not later than ten (10) Business Days prior to the date the Annual Report is to be filed with each Repository, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If the City is unable to provide to the Repository an Annual Report by the date required in subsection (a) of this Section, or if the City shall fail to provide the Annual Report to the Dissemination Agent in time for the Dissemination Agent to deliver the Annual Report to the Repository by the date required in subsection (a) of this Section, the City or the Dissemination Agent, as applicable, shall send a notice to each Repository in substantially the form attached as Exhibit B to this Disclosure Commitment.

(c) If the audited financial statements of the City are prepared but not available prior to the date the Annual Report is required to be filed, the City may provide an electronic copy of its unaudited financial statements to the Dissemination Agent and shall, when the audited financial statements of the City are available, provide in a timely manner an electronic copy of such audited financial statements to the Dissemination Agent, accompanied by any required documentation, in each case, for filing with the MSRB. Compliance with the provisions of this Section 3(c) shall

constitute the City's filing of the Annual Report until the audited financial statements of the City are filed.

(d) In addition to filing the notice required by subsection (b) of this Section, as applicable, the Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each Repository and verify the filing specifications of such Repository; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to the Disclosure Agreement, stating the date it was provided and listing each Repository to which it was provided.

SECTION 4. Content of Annual Reports. The City's Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the City for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board, which may be a part of the City's comprehensive audited financial report. If the City's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report may contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement for the Series 2018 Bonds, if available, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Any portion of an annual report of the Consulting Engineers relating to the Water and Sewer System, prepared in accordance with Section 703 of the Bond Resolution (or pursuant to any other requirements of the Water and Sewer System for the preparation of a similar study or report), to the extent such report or a portion thereof (i) updates information provided in the Official Statement prepared in connection with the issuance of the Series 2018 Bonds and (ii) is filed with the City (the "Engineer's Report").

(c) To the extent such information is not otherwise included as part of the annual audited financial statements of the City or the Engineer's Report, updated information from that set forth in the Official Statement for the Series 2018 Bonds under the subheadings "History," "Organizational Structure" and "Governmental Regulations" of the section "WATER AND SEWER SYSTEM," the annual pension cost and funding status information under the caption "PENSION PLANS" and the annual cost and contribution information under the caption "GASB STATEMENT NO. 45."

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which have been submitted to each Repository or to the SEC. If the document included by reference is a final official statement, such final official statement must be available in electronic format from the MSRB. The City shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2018 Bonds within ten (10) Business Days of the occurrence of the event:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on the debt service reserves reflecting financial difficulties;
4. unscheduled draws on the credit enhancements reflecting financial difficulties.
5. substitution of the credit or liquidity providers or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2018 Bonds, or other material events affecting the tax status of the Series 2018 Bonds;
7. modifications to rights of Bondholders, if material;
8. bond calls, if material, and tender offers;
9. defeasances;
10. release, substitution or sale of property securing repayment of the Series 2018 Bonds, if material;
11. rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the City;

Note: for the purposes of the event identified in this subsection 5(a)(12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City 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 City, or if such jurisdiction has been assumed by leaving the existing governmental 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 City.

13. The consummation of a merger, consolidation or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional Bond Registrar, Paying Agent or trustee or the change of name of a Bond Registrar, Paying Agent or trustee, if material.

(b) Notice to the Dissemination Agent of any Listed Event shall be in writing. Such notice shall (i) identify the Listed Event that has occurred; (ii) include the text of the disclosure that the City desires to make; (iii) contain the written authorization of the City for the Dissemination Agent to disseminate such information, and (iv) identify the date the City desires the Dissemination Agent to disseminate the information (provided that such date is not later than the tenth (10th) Business Day after the occurrence of the Listed Event).

(c) The Dissemination Agent is not obligated to notify the City of an event that may constitute a Listed Event. In the event the Dissemination Agent so notifies the City, the City shall, within two (2) Business Days of receipt of such notice (but in any event not later than the tenth (10th) Business Day after the occurrence of the Listed Event, if the City determines that a Listed Event has occurred), instruct the Dissemination Agent that a Listed Event either (i) has not occurred and no filing is to be made or (ii) has occurred and the Dissemination Agent shall be provided notice thereof in the manner provided in Section 5(b).

SECTION 6. Termination of Reporting Obligation. The obligations of the City under the Disclosure Agreement shall remain in effect only for such period that the Series 2018 Bonds are Outstanding in accordance with their terms and the terms of the Resolution and the City remains an obligated person with respect to the Series 2018 Bonds within the meaning of the Rule. The obligation of the City to provide the Annual Report and notices of Listed Events shall terminate if and when the City no longer remains such an obligated person. The Disclosure Agreement also shall terminate upon the termination of the continuing disclosure requirements of the Rule by legislative, judicial or administrative action.

SECTION 7. Amendment; Waiver. Notwithstanding any other provision of the Disclosure Agreement, the City may amend the Disclosure Agreement, and non-compliance with any provision of the Disclosure Agreement may be waived, provided the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a) hereof (unless the amendment or waiver is necessary or appropriate for the City to achieve compliance with any applicable federal law or rule, or to cure any ambiguity, inconsistency, formal defect or omission in the provisions of the Disclosure Agreement), it may only be 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 an obligated person with respect to the Series 2018 Bonds, or the type of business conducted;

(b) The Disclosure Agreement, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2018 Bonds, after taking into account any

applicable amendments to or official interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Series 2018 Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Beneficial Owners.

In the event of any amendment or waiver of a provision of the Disclosure Agreement, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 8. Additional Information. Nothing in the Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Commitment or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by the Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by the Disclosure Agreement, the City shall have no obligation under the Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 9. Remedy for Breach. The Disclosure Agreement shall be solely for the benefit of the Beneficial Owners from time to time of the Series 2018 Bonds. The exclusive remedy for any breach of the Disclosure Agreement by the City shall be limited, to the extent permitted by law, to a right of Beneficial Owners to institute and maintain, or to cause to be instituted and maintained, such proceedings as may be authorized at law or in equity to obtain the specific performance by the City of its obligations under the Disclosure Agreement. Any holder or beneficial owner may exercise individually any such right to require the City to specifically perform its obligation to provide or cause to be provided a pertinent filing if such a filing is due and has not been made. Notwithstanding any other provisions of the Resolution or the Disclosure Agreement, any failure by the City to comply with any provision of the Disclosure Agreement shall not constitute a default under the Series 2018 Bonds or under the Resolution.

SECTION 10. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The services provided by the Dissemination Agent under or pursuant to the Disclosure Agreement shall solely relate to the execution of instructions received by the Dissemination Agent from the City and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank”). The Dissemination Agent shall not provide any advice or recommendation to the City or anyone on the City’s behalf regarding the “issuance of municipal securities” or any “municipal financial product,” as such terms are defined in Dodd-Frank, and nothing in the Disclosure Agreement shall be interpreted to the contrary.

(b) For purposes of satisfying the reporting requirements of the Disclosure Agreement, the City has delegated to the Dissemination Agent the duties, functions and responsibilities of disclosing information undertaken by the City in the Disclosure Agreement. The City may, from time to time, appoint or engage an alternate or substitute Dissemination Agent to assist it in carrying out its obligations under the Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor, alternate or substitute Dissemination Agent. The Dissemination Agent (other than the City) shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to the Disclosure Agreement.

(c) Any information received by the Dissemination Agent before 6:00 p.m. Eastern time on any Business Day that it is required to file with the MSRB pursuant to the terms of the Disclosure Agreement will be filed by the Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same Business Day; provided, however, the Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event, provided that the Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

(d) The Dissemination Agent shall have only such duties as are specifically set forth in the Disclosure Agreement, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2018 Bonds.

SECTION 11. Extent of Covenants; No Personal Liability. All covenants, stipulations, obligations and agreements of the City contained in the Disclosure Agreement are and shall be deemed to be covenants, stipulations, obligations and agreements of the City to the full extent authorized by law. No covenant, stipulation, obligation or agreement of the City contained in the Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future officer, agent or employee of the City in other than that person's official capacity.

SECTION 12. Obligated Persons. If any person, other than the City, becomes an "obligated person" with respect to the Series 2018 Bonds within the meaning of the Rule, the City shall use its best efforts to require such "obligated person" to comply with all provisions of the Rule applicable to such "obligated person."

SECTION 13. Electronic Filing. Any filing under the Disclosure Agreement with a Repository shall be made in compliance with the formal rules, notices or releases for such filings, as established by the SEC or the MSRB and, until established otherwise by such rules, notices or releases, any filing under the Disclosure Agreement shall be made electronically at <http://emma.msrb.org/> in accordance with the procedures of the MSRB for such filings.

SECTION 14. Beneficiaries. The Disclosure Agreement shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the Beneficial Owners, and shall create no rights in any other person or entity.

SECTION 15. Severability. In case any section or provision of the Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or

taken thereunder or any application thereof, is for any reason held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 16. Headings. The headings preceding the text of the sections of this Disclosure Commitment are solely for convenience of reference and shall not affect the meaning, construction or effect of any of the provisions of the Disclosure Agreement.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the City has caused this Disclosure Commitment to be executed by its duly authorized officer and delivered to the Participating Underwriter in connection with the original issuance and delivery of the Series 2018 Bonds, all as of the date set forth above, and the Beneficial Owners and Holders of the Series 2018 Bonds from time to time shall be deemed to have accepted the Disclosure Agreement, as contained in Section 11 of the Series Resolution and further described and specified herein, in accordance with the Rule.

CITY OF FORT LAUDERDALE, FLORIDA

By: _____
LINDA A. LOGAN-SHORT
Chief Financial Officer
Deputy Director of Finance

EXHIBIT A

Municipal Securities Information Repositories approved by the United States Securities and Exchange Commission:

Municipal Securities Rulemaking Board:

<http://emma.msrb.org/>

A list of names and addresses of all designated Municipal Securities Information Repositories as of any point in time is available by visiting the SEC's website at <http://www.sec.gov/info/municipal.shtml>.

EXHIBIT B

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Fort Lauderdale, Florida

Name of Bond Issue: Water and Sewer Revenue Bonds, Series 2018 (the "Series 2018 Bonds")

Date of Issuance: _____, 2018

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the Series 2018 Bonds as required by Section 11 of the Series Resolution adopted by the City Commission of the City in connection with the issuance of the Series 2018 Bonds. The City anticipates that the Annual Report will be filed by _____.

Dated: _____

[Dissemination Agent]

By: _____
Name:
Title: