

RESOLUTION 2010-22

A RESOLUTION OF THE CITY OF LAKE WALES, FLORIDA, RELATING TO THE STATE REVOLVING FUND LOAN PROGRAM; MAKING FINDINGS; AUTHORIZING THE LOAN APPLICATION; AUTHORIZING THE LOAN AGREEMENT; ESTABLISHING PLEDGED REVENUES; DESIGNATING AUTHORIZED REPRESENTATIVES; PROVIDING ASSURANCE; PROVIDING FOR CONFLICTS, SEVERABILITY, AND EFFECTIVE DATE.

WHEREAS, Florida Statutes provide for loans to local government agencies to finance the construction of water pollution control facilities; and

WHEREAS, Florida Administrative Code rules require authorization to apply for loans, to establish pledged revenues, to designate an authorized representative; to provide assurances of compliance with loan program requirements; and to enter into a loan agreement; and

WHEREAS, the State Revolving Fund loan priority list designates **Project No. WW53030** as eligible for available funding; and

WHEREAS, the City of Lake Wales, Florida, intends to enter into a loan agreement with the Department of Environmental Protection under the State Revolving Fund for project financing.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF LAKE WALES, POLK COUNTY, FLORIDA, AS FOLLOWS:

SECTION 1. The foregoing findings are incorporated herein by reference and made a part hereof.

SECTION 2. The City of Lake Wales, Florida is authorized to apply for a loan to finance the Project.

SECTION 3. The revenues pledged for the repayment of the loan are net water and sewer utility system revenues after payment of debt service on the Utility System Refunding Revenue Note, Series 2006A, Utility System Revenue Note, Series 2006B, and other debt obligations as shown in Exhibit "A".

SECTION 4. The Mayor is hereby designated as the authorized representative to provide the assurances and commitments required by the loan application.

SECTION 5. The Mayor is hereby designated as the authorized representative to execute the loan agreement which will become a binding obligation in accordance with its terms when signed by both parties. The Mayor is authorized to represent the City in carrying out the City's responsibilities under the loan agreement. The Mayor is authorized to delegate responsibility to appropriate City staff to carry out technical, financial, and administrative activities associated with the loan agreement.

SECTION 6. The legal authority for borrowing moneys to construct this Project is Section 166.111 Florida Statutes.

SECTION 7. Conflicts. All resolutions or part of Resolutions in conflict with any of the provisions of this Resolution are hereby repealed.

SECTION 8. Severability. If any Section or portion of a Section of this Resolution proves to be invalid, unlawful, or unconstitutional, it shall not be held to invalidate or impair the validity, force or effect of any other Section or part of this Resolution.

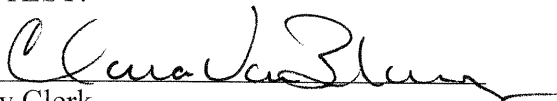
SECTION 9. Effective Date. This Resolution shall become effective immediately upon its passage and adoption.

APPROVED AND ADOPTED by the City Commission of the City of Lake Wales, Florida, this 5th day of October 2010.



Mayor/Commissioner

ATTEST:



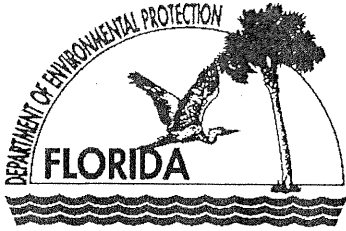
City Clerk

**CITY OF LAKE WALES, FLORIDA
RESOLUTION 2010-22
EXHIBIT "A"**

UTILITY SYSTEM DEBT ISSUES AND OUTSTANDING PRINCIPAL BALANCE AT SEPTEMBER 30, 2010

Debt Issue	Purpose	Maturity	Originally Issued	Outstanding Amount	Interest Rate
State Revolving Fund Loan - 5907P	Construction of Reclaimed Water Reuse Facilities	2019	\$ 1,592,804	791,241	2.56%
State Revolving Fund Loan - 59110	Construction of Reclaimed Water Reuse Facilities	2022	1,171,882	508,370	3.05%
State Revolving Fund Loan - 5912S	Construction of Sludge Dewatering Facilities	2024	1,428,648	1,017,105	2.14%
State Revolving Fund Loan - 5913P	Planning and Design of Wastewater Treatment Plant Expansion	2028	1,025,345	917,158	1.88%
State Revolving Fund Loan - 59140	Planning and Design of Wastewater Treatment Plant Rehabilitation and Expansion	2032	362,200	180,000	2.30%
Capital Improvement Revenue Note, Series 2003	Advanced Refund of Capital Improvements Bond for Infrastructure Improvements	2017	432,610	272,499	3.84%
Utility System Revenue Note, Series 2005	Construction of chlorine contact chamber and reuse facilities	2015	1,110,000	560,931	4.20%
Utility System Refunding Note, Series 2006A	Refund of outstanding 1996 Utility System Improvement Refunding Revenue Bonds	2017	6,272,220	4,894,868	4.09%
Utility System Revenue Note, Series 2006B	Construction of water and wastewater system improvements	2027	3,100,000	2,550,000	1.14%

\$ 11,692,172



Florida Department of Environmental Protection

Bob Martinez Center
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Charlie Crist
Governor

Jeff Kottkamp
Lt. Governor

Mimi A. Drew
Secretary

September 22, 2010

Ms. Judith Delmar, City Manager
City of Lake Wales
201 West Central Avenue
Lake Wales, Florida 33853-4013

Re: WW53030 - Lake Wales
Treatment and Transmission Facilities

Dear Ms. Delmar:

We are pleased to inform you that \$3,937,000 in construction funding is now available for your project as a result of the September 15, 2010 public hearing held by the Department.

We would like to draw your attention to your schedule for submitting the loan application and executing a loan agreement. A completed loan application is due within 120 days from the public hearing date. Also, your loan agreement must be fully executed (signed by all parties) within 210 days from the public hearing date. This means that an application for your project is due by January 13, 2011 and a fully executed agreement is due by April 13, 2011. Your project will be subject to removal from the priority list for failure to meet these deadlines. It is recommended that you contact Mr. Tommy Williams of our Program Management Section, at (850) 245-8364, for assistance in fulfilling the loan application/agreement requirements. An application (Point Source Water Pollution Control) for your project may be obtained at our website at <http://www.dep.state.fl.us/water/wff/wwmanual.htm> or by calling Tommy Williams at the number given above.

If you have any other questions, please call Bryan Goff at 850/245-8375.

Sincerely,

Robert E. Holmden, P.E., Chief
Bureau of Water Facilities Funding

RH/bg

cc: Tom Moran - City of Lake Wales
Dorothy Pendergrass - City of Lake Wales
Elisa Turner - Kimley-Horn and Associates

SIRF-WWTP-
WWS3030

DECLARATION OF OFFICIAL INTENT

For Reimbursement of Expenditures from Bonds/Notes

This is a Declaration of Official Intent under U.S. Treasury Regulations for purposes of Sections 103 and 141 to 150 of the Internal Revenue Code of 1986, as amended (the "Code").

1. The undersigned, on behalf of the CITY OF LAKE WALES (the "Borrower") declares that the Borrower reasonably expects that the capital and other expenditures described in paragraph 2 (the "Project") will be reimbursed with the proceeds of "bonds" (as defined in Section 150 of the Code). The maximum principal amount of bonds expected to be issued for the Project is \$4,944,248.
2. Description of capital and other expenditures to be reimbursed.

Expenditures for (insert a general functional description of property, project, program or purpose):

Water Pollution Control Improvements

The undersigned has been authorized by the Borrower to make and sign this Declaration on behalf of the Borrower.

Date of Declaration:

CITY OF LAKE WALES

Oct. 5th, 2010

By

L. Jack Van Sickle
(Signature)

L. Jack Van Sickle, Mayor
(Type or print Name and Title)

Caution:

This Declaration of Official Intent will not be effective unless the bonds providing moneys for the reimbursement are issued and the reimbursement for the Project described above is made (by an allocation on the books and records identifying the expenditures as in paragraph 2 above) within the applicable period prescribed in the Treasury Regulations – generally, 18 months after the later of the date of the expenditure or the date the Project is placed in service, but in no event later than three years after the date of the expenditure.



INSTRUCTIONS
for
DECLARATION OF OFFICIAL INTENT
for
Reimbursement From Tax-Exempt Bonds/Notes

PURPOSE

The form to which these instructions pertain is intended for use under Treasury Regulations §1.150-2 (the "Reimbursement Regulations") in order that capital and certain other expenditures paid with moneys temporarily advanced from other funds that are reasonably expected to be reimbursed from proceeds of subsequently issued notes, bonds or other obligations ("Bonds") may qualify for such reimbursement. Failure to comply can result in the inability for federal income tax purposes to treat proceeds of the Bonds used to reimburse the expenditures as spent for arbitrage/rebate purposes. With certain exceptions for qualified "preliminary expenditures" and certain de minimis expenditures, a Declaration of Official Intent must be made not later than 60 days after payment of any expenditure expected to be reimbursed from proceeds of Bonds. Declarations of Official Intent should not be made systematically for all expenditures or in exaggerated amounts regardless of actual expectations, but only when it is realistically expected that the expenditure will be reimbursed from the proceeds of Bonds. In general only capital expenditures can be reimbursed from the proceeds of Bonds. "Capital expenditures" include (subject to any more restrictive state law) any costs related to the acquisition or construction of land or interests in real estate, buildings, structures, additions thereto, or other permanent improvements, and restoration or betterments made to increase the value of property or substantially prolong its useful life, and machinery, equipment, furniture and fixtures or other property having a useful life of at least one year or such longer period as is required by applicable state law. Costs of issuance of the Bonds are capital expenditures. Certain other expenditures also qualify for reimbursement. The Regulations do not apply to, and this form is not needed in connection with, the use of proceeds of Bonds to finance expenditures paid on or after the date of issuance of the Bonds. This form also generally is not needed in connection with the issuance of Bonds to refinance external borrowings (taxable or tax-exempt).

INSTRUCTIONS

These instructions are based on the Reimbursement Regulations currently in effect. The references are to the particular paragraphs on the form of Declaration of Official Intent.

Paragraph 1. Insert the anticipated maximum principal amount of Bonds expected to be issued for the Project. The amount should include the maximum principal amount of all Bonds to be issued for the Project (i.e., Bonds for reimbursement of prior expenditures and Bonds to finance expenditures to be paid on or after the date of issuance of the Bonds). A Project includes any property, project, or program (e.g., highway capital improvement program, hospital equipment acquisition, or school building renovation).

Paragraph 2. The general description of the capital expenditures to be reimbursed may be set forth in one of two ways -- either by a functional description of the property, project or program for which the expenditures are made --

Examples--"highway capital improvement program"; "street and bridge improvements"; "hospital equipment acquisition"; "school buildings renovation";

or by identification of the fund or account from which the money will be advanced to pay the expenditures that will be reimbursed subsequently from Bonds, and a statement of the general functional purpose of that fund or account --

Example--“parks and recreation fund, the general functional purpose of which fund or account is recreational facility capital improvement program.”

The second option concerning identification and description of the fund can be used where the fund purpose, in effect, describes the generic purpose of the project, property or program, such as a waterworks improvement for which money is advanced from the water utility capital improvement fund. If the money is to be advanced from a general purpose fund such as the general fund or a capital improvements fund that is available for any type of capital improvement, use the first option by stating the generic function of the project, property or improvement.

501(c) Organizations. If the proceeds of the Bonds will be loaned to a 501(c)(3) organization, either the 501(c)(3) organization or the issuer of the Bonds may make the Declaration with respect to expenditures of the 501(c)(3) organization that are to be reimbursed.

RESOLUTION 2010-19

AUTHORIZING DECLARATIONS OF OFFICIAL INTENT UNDER U.S. TREASURY REGULATIONS WITH RESPECT TO REIMBURSEMENTS FROM NOTE AND BOND PROCEEDS OF TEMPORARY ADVANCES MADE FOR PAYMENTS PRIOR TO ISSUANCE, AND RELATED MATTERS.

WHEREAS, United States Treasury Regulations §1.150-2 (the “Reimbursement Regulations”) prescribe conditions under which proceeds of bonds, notes or other obligations (“Bonds”) used to reimburse advances made for capital and certain other expenditures (“Original Expenditures”) paid before the issuance of such Bonds will be deemed to be expended (or properly allocated to expenditures) for purposes of Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended (the “Code”), upon such reimbursement so that the proceeds so used will no longer be subject to requirements or restrictions under those sections of the Code; and

WHEREAS, certain provisions of the Reimbursement Regulations require that there be a Declaration of Official Intent not later than 60 days following payment of the Original Expenditures expected to be reimbursed from proceeds of Bonds, and that the reimbursement occur within certain prescribed time periods after an Original Expenditure is paid or after the property resulting from that Original Expenditure is placed in service; and

WHEREAS, the CITY OF LAKE WALES wishes to take steps to comply with the Reimbursement Regulations;

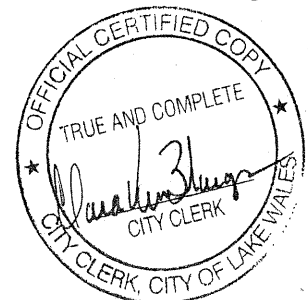
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF LAKE WALES (THE “BORROWER”) AS FOLLOWS:

Section 1. Definitions. The following definitions apply to the terms used herein:

“Authorized Officer” means the City Manager or any person designated for the purpose by the City Manager.

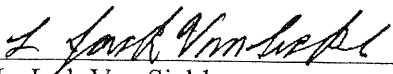
“Declaration of Official Intent” means a declaration of intent, in the form, manner and time contemplated in the Reimbursement Regulations, that the advances for expenditures referred to therein are reasonably expected to be reimbursed from the proceeds of Bonds to be issued after those expenditures are paid.

“Reimbursement” or “reimburse” means the restoration to the Borrower of money temporarily advanced from its own funds and spent for Original Expenditures before the issuance of the Bonds, evidenced in writing by an allocation on the books and records of the Borrower that shows the use of the proceeds of the Bonds to restore the money advanced for the Original Expenditure. “Reimbursement” or “reimburse” generally does not include the refunding or retiring of Bonds previously issued and sold to, or borrowings from, unrelated entities.

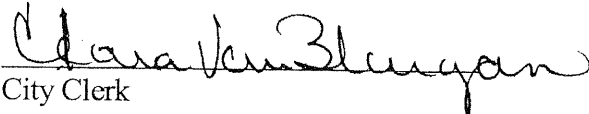


Section 2. Authorization and Requirement of Declarations of Official Intent. Each Authorized Officer is authorized to prepare and sign Declarations of Official Intent in substantially the form attached with respect to Original Expenditures to which the Reimbursement Regulations apply, to be made from money temporarily advanced and that is reasonably expected to be reimbursed (in accordance with applicable authorizations, policies and practices) from the proceeds of Bonds, to make appropriate reimbursement and timely allocations from the proceeds of the Bonds to reimburse such prior expenditures, and to take any other actions as may be appropriate, all at the times and in the manner required under the Reimbursement Regulations in order for the reimbursement to be treated as an expenditure of such proceeds for purposes of Sections 103 and 141 to 150 of the Code. No advance from any fund or account or order for payment may be made for Original Expenditures (other than expenditures excepted from such requirement under the Reimbursement Regulations) that are to be reimbursed subsequently from proceeds of Bonds unless a Declaration of Official Intent with respect thereto is made within the time required by the Reimbursement Regulations.

Enacted this 5th day of October, 2010 by the City Commission of the City of Lake Wales.


L. Jack Van Sickle
Mayor/Commissioner, City of Lake Wales

ATTEST:


City Clerk





Florida Department of Environmental Protection

Bob Martinez Center
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Charlie Crist
Governor

Jeff Kottkamp
Lt. Governor

Michael W. Sole
Secretary

August 3, 2010

Ms. Sylvia A. Edwards
Finance Director
City of Lake Wales
Post Office Box 1320
Lake Wales, Florida 33859 - 1320

Re: WW530300 - Lake Wales
Treatment and Transmission Facilities
(Sludge Upgrade and New Lift Station)

Dear Ms. Edwards:

In anticipation of a bond issuance providing additional revenues under the SRF program, we will need the attached Resolution and Declaration of Official Intent forms for your wastewater project to be executed. These forms are necessary to comply with United States Treasury Regulations for funding infrastructure projects with tax exempt bonds. These documents are to be returned no later than 60 days following expenditures so as to not jeopardize funding. Please return the Resolution and Declaration of Official Intent to us, as soon as possible, to 2600 Blair Stone Road, MS 3505, Tallahassee, Florida, 32399-2400.

Additionally, the following questions need to be answered and emailed to us as soon as possible. Please email these to Erin.Stacklyn@dep.state.fl.us. If you have any questions, please call Erin Stacklyn at (850) 245-8358.

Is the project currently under construction? *Engineering Phase - yes*

If yes, how are you currently financing the project? *Operating Revenues*

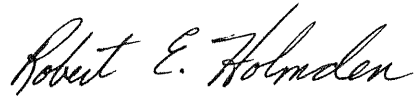
If a bond was issued to finance this project, what is the call date of the bond? *N/A*

Ms. Sylvia A. Edwards
August 3, 2010
Page two

If by bank loan, what are the terms? Can it be repaid at any time? *W/A*

If no, when is construction scheduled to begin?

Sincerely,



Robert E Holmden, P.E., Chief
Bureau of Water Facilities Funding

RH/es

Enclosure

cc: Anthony Otte - City of Lake Wales
Charles Partlow - City of Lake Wales



City of
Lake Wales

P.O. Box 1320
152 E. Central Ave.
Lake Wales, Florida
33859-1320
Phone 941/678-4182
FAX 941/678-4180

October 11, 2010

Robert E. Holmden, P.E., Chief
Department of Environmental Protection
Bureau of Water Facilities Funding
Bob Martinez Center MS 3505
2600 Blair Stone Road
Tallahassee, FL 32399-2400

RE: Project Number: WW53030
Project Name: Treatment and Transmission Facilities

Dear Mr. Holmden,

Enclosed for your review is the City of Lake Wales SRF Loan Application for the referenced project. Also, please note the following comments regarding the documentation that is required with the loan application:

1. Bond Agreement: The Utility Fund has no bonds and no leases. It only has notes and SRF loans which are all listed in the CAFR notes.
2. Resolutions Authorizing the Bonds: N/A
3. Last Two Years of CAFR's, (comprehensive annual financial reports): The FY 2007'08 and 2008'09 financial reports are attached. They are also available in pdf form on the City's website and can be access at:
<http://www.cityoflakewales.com/financial/financials/shtml>.

4. Interlocal Agreements Pertaining to the Project: The City is in the process of drafting a Utility Service Agreement between the City of Lake Wales, Florida and Crooked Lake Park Sewage Company. This agreement will include the terms of any impact fees, user fees and reimbursement of construction costs between the two parties. None of the revenue or reimbursement terms of this contract are necessary for the repayment ability of the City relating to the debt service or the debt service coverage requirements.
5. Legal Opinion: Attached
6. Loan Application: Attached
7. Project Description: SRF funds will be used for design costs related to the construction of improvements to our wastewater treatment plant and for the construction of a lift station and force main. A short description of the project is attached.

The City appreciates the assistance of your agency with this project. If you have any questions, please let us know.

Sincerely,
City of Lake Wales



Judith H. Delmar, City Manager

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

**STATE REVOLVING LOAN PROGRAM
for
Point Source Water Pollution Control**

LOAN APPLICATION



Florida Department of Environmental Protection
Bureau of Water Facilities Funding
Twin Towers Office Building
2600 Blair Stone Road, MS 3505
Tallahassee, FL 32399-2400

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LOAN APPLICATION

- (1) SUBMITTAL. Submit the application and attachments to the Department of Environmental Protection, MS 3505, Bureau of Water Facilities Funding, 2600 Blair Stone Road, Tallahassee, Florida 32399-2400.
- (2) COMPLETING THE APPLICATION.
 - (a) This application consists of five parts: (I) ADMINISTRATIVE INFORMATION; (II) PROJECT INFORMATION; (III) FINANCIAL INFORMATION; (IV) AUTHORIZATION AND ASSURANCES; and (V) SUPPLEMENTARY INFORMATION.
 - (b) All information provided on this application must be printed. Monetary amounts may be rounded.
 - (c) Forms and attachments to be submitted are denoted with italic print.
- (3) ASSISTANCE. Completing this application may require information that can be obtained from Bureau of Water Facilities Funding staff. Please call (850) 245-8358 or SUNCOM 205-8358 for assistance in completing this application.

PART I - ADMINISTRATIVE INFORMATION

- (1) PROJECT SPONSOR City of Lake Wales
Federal Employer Identification Number 59-6000357
- (2) AUTHORIZED REPRESENTATIVE (person authorized to sign or attest loan documents).
Name Judith Delmar Title City Manager
Telephone 863-678-4182 FAX 863-678-4180 Email jdelmar@cityoflakewales.com
Mailing Address PO Box 1320, Lake Wales, FL 33859-1320
- (3) PRIMARY CONTACT (person to answer questions regarding this application).
Name Dorothy Pendergrass Title Finance Director
Telephone 863-678-4182 ext 257 FAX 863-678-4634 Email dpendergrass@cityoflakewales.com
Employer City of Lake Wales
Mailing Address PO Box 1320, Lake Wales, FL 33859-1320
- (4) ADDITIONAL CONTACTS. If more than one additional person is to receive copies of Department correspondence, attach the information (*Attachment #* _____).
Name Sarah Kirkland Title Utility Support Manager
Telephone 863-678-4182 ext 286 FAX 863-678-4074 Email skirkland@cityoflakewales.com
Employer City of Lake Wales
Mailing Address PO Box 1320, Lake Wales, FL 33859-1320
- (5) PROJECT NUMBER (listed on the Department's priority list). WW-53030

(6) CAPITALIZATION GRANT PROJECT REQUIREMENTS. An Applicant may have to comply with certain Federal requirements for loans from funds that, in aggregate, are equivalent to the amount of the federal grant awarded to the Department to partially capitalize the State Revolving Fund. Please check with the Department to determine if the project is subject to such requirements.

Is this project subject to special federal requirements? Yes No

If this project is subject to special federal requirements complete an *EPA Preaward Compliance Review Report* and attach in Part V, *List of Attachments*. (Attachment # _____).

(7) FINANCIAL HARDSHIP. To qualify for a financial hardship loan the affordability index of a small community to be served by the project shall be less than 100. A small community is a municipality or unincorporated community with a total service area population of 20,000 or less as of the most recent decennial census. Please check with the Department to determine if the project qualifies for a financial hardship loan.

(a) Name and county of location of the community – Lake Wales, Polk County

(b) Median household income of the community as of the most recent decennial census \$26,884

(c) Population of the community as of the most recent decennial census 10,194

Does the loan qualify for financial hardship consideration? Yes No

(8) DIRECT AND LEVERAGED LOANS. A local government project sponsor that receives a loan from proceeds of bonds issued by the Florida Water Pollution Control Financing Corporation will be subject to certain limitations resulting from the tax exempt status of such bonds. Please check with the Department to determine if the loan is subject to such limitations.

Is this loan subject to the special leveraged loan limitations? Yes No

PART II – PROJECT INFORMATION

If you are applying for a loan to plan and design a project that will involve construction, complete only Subpart A below. If you are applying for a loan to construct a project that is already planned and designed, complete only Subpart B below.

A. PRECONSTRUCTION PROJECT

Information should be provided for each separate facility to be planned and designed as appropriate. For design/build projects or those where multiple facilities, segments, or phases are involved, please attach information for activities, schedule, and cost for each. (Attachment # _____)

(1) ACTIVITIES. Attach a brief description of the scope of planning and design activities to be financed by this loan. Include a list of any specialized studies to be performed. (Attachment # _____) Are these activities the same as those scheduled on *Request for Inclusion Form*? Yes No. If "No", please explain. (Attachment # _____)

(2) SCHEDULE.

(a) Provide proposed completion dates for the items. (Please call Department staff to discuss time frames needed to complete required tasks.)

Planning documentation _____

Engineering work _____

Certification of site availability _____

Permit _____

- (b) Do you anticipate that an interlocal agreement with another party will be necessary to implement the project? If "Yes", please explain. (*Attachment #*_____) Yes No
- (c) Is this a design/build project? Yes No
- (3) COST. Is the cost information submitted for the preconstruction loan priority list current? If "No", please explain and submit revised cost information using the appropriate page of the Request for Inclusion Form. (*Attachment #*_____) Note that the disburseable amount will be limited to the priority list amount. Yes No

PRECONSTRUCTION LOAN APPLICANTS PROCEED TO PART III.

B. CONSTRUCTION PROJECT

(1) ACTIVITIES.

- (a) Attach a brief description of construction activities to be financed by this loan. Include a list of the construction contracts (by title) corresponding to the plans and specifications accepted by the Department (*Attachment #1*).

Are these contracts the same as those scheduled on the *Request for Inclusion Form*? Yes No
 If "No", please explain. (*Attachment #2*)

- (b) Have any of the contracts been bid? Yes No
 If "Yes", indicate which contracts have been bid. (*Attachment #*_____)

- (c) Was the planning and design for this project financed with a preconstruction loan? Yes No
 If "Yes", give the preconstruction loan number. WW-75913P and WW759140

- (d) Does this project involve an interlocal agreement with other local governments or other entities? Yes No

If "Yes", attach a copy of the Department letter accepting the interlocal agreement. (*Attachment #3*)

Is the interlocal agreement, as accepted by the Department, fully executed and enforceable? Yes No

If "No", please explain (*Attachment #3*).

(2) SCHEDULE. (month and year)

- (a) What is the estimated date for the start of construction? January 2011
- (b) What is the estimated date for construction completion? December 2012
- (c) What is the date for start up of the facilities? Existing Facility

- (3) COST. Is the cost information submitted for the priority list current? Yes No

If "No", please explain and submit revised cost information using the appropriate page of the *Request for Inclusion Form*. (*Attachment #*_____) Note that the disburseable amount will be limited to the priority list amount.

PART III - FINANCIAL INFORMATION

Please check with the Department to establish estimates of the capitalized interest rate, project useful life for financial hardship loans, financing rate, pledged revenue coverage, limitations on annual loan amounts for large projects, applicability and amount of repayment reserves, amount of the loan service fee and any other information needed to complete this form.

- (1) PRINCIPAL. The requested amount of the loan, excluding capitalized interest is \$3,937,000
The estimate of the capitalized interest is \$93,020 based on a financing rate of 2.1%

Note that the disbursable amount will be limited to the priority list amount and must be consistent with the project information provided under **PART II** of this application. Also note that the capitalized interest is an inexact estimate, and it is subject to adjustment by the Department to reflect actual disbursement timing. The principal amount of the loan does not include the loan service fee.

(2) TERMS AND REPAYMENT.

- (a) Loans to local government project sponsors are amortized over the lesser of useful life of the project or 20 years unless the project is to serve a small community qualifying as having a financial hardship. Loans to financial hardship communities may be amortized over the lesser of useful life of the project or 30 years. Loans to non-governmental project sponsors are amortized over the lesser of the useful of the project or 10 years. Finance charges and principal are paid semiannually.

What is the useful life of the project? 40 (years)

Over how many years would you like to amortize the loan? 20 (years)

- (b) List all revenues that are to be pledged for repayment of this loan. All Utility System Revenues.

- (c) Pledged revenue receipts or collections by the project sponsor must exceed the amount of the repayments due to the Department unless there are other collateral provisions. The excess revenue, or coverage, generally is 15% of each repayment.

What coverage is proposed for the loan? 15% (coverage percentage)

- (d) Is any other financial assistance being applied to this project? Yes No

If "Yes", please list. (Attachment #)

- (3) ANNUAL FUNDING LIMIT. Large project funding (generally, loans in excess of \$10 million) may be provided in increments pursuant to the initial loan agreement and subsequent amendments. Each increment shall have a separate financing rate as established in the agreement or amendment providing that increment.

- (4) LOAN REPAYMENT RESERVE. Subject to the Department's approval, a local government may establish a restricted or assigned reserve account, using its own funds, in an amount not less than the sum of two semiannual loan repayments in order to reduce the pledged revenue coverage requirement to as low as 1.0 times the annual debt service.

Is a reserve expected to be established using local funds? Yes No

If "Yes," describe the locally funded reserve. (Attachment #)

(5) INFORMATION ON LIENS.

- (a) Describe, if applicable, all debt obligations having a prior or parity lien on the revenues pledged to repay this loan. (Attachment #4) For example: City Name, Florida, Water and Sewer System Revenue Bonds, Series 1996, issued in the amount of \$10,000,000, pursuant to Ordinance No. 93-104, as amended and supplemented by Ordinance No. 96-156.

- (b) Using the Part V, *Schedule of Prior and Parity Liens*, provide debt service information, if applicable, on each prior and parity obligation.
 - (c) For the listed obligations, provide a copy of the ordinance(s), resolution(s), official statement(s), or pages thereof, setting forth the definitions, use of proceeds, debt service schedule, pledged revenues, rate covenants, provisions for issuing additional debt, provisions for bond insurance, and debt rating. (*Attachment #4*).
 - (d) Describe any other notes and loans payable from the revenues pledged to repay this loan. (*Attachment #4*).
- (6) ACTUAL AND PROJECTED REVENUES.
- (a) Complete the Part V, *Schedule of Actual Revenues and Debt Coverage* for the past two fiscal years.
 - (b) Complete the Part V, *Schedule of Projected Revenues and Debt Coverage*, demonstrating the availability of pledged revenues for loan repayment.
- (7) AVAILABILITY OF PLEDGED REVENUES. All sources must be supported by a written legal opinion. (*Attachment #5*) The opinion must address the following:
- (a) Availability of the revenues to repay the loan.
 - (b) Right to increase rates at which revenues shall be collected to repay the loan.
 - (c) Subordination of the pledge if pledged revenues are subject to a prior or parity lien.
- (8) LOAN SERVICE FEE. A loan service fee is assessed on each loan. The fee is not part of the loan. The fee along with interest thereon will be deducted from the first available repayments after the final amendment to the loan agreement.

PART IV – AUTHORIZATION AND ASSURANCES

- (1) AUTHORIZATION. Provide an authorizing resolution of the Applicant's governing body or other evidence of authorization (*Attachment #6*) for the following:
- (a) Pledging revenues to repay the loan.
 - (b) Designation of the Authorized Representative(s) to file this application, provide assurances, execute the loan agreement, and represent the Applicant in carrying out responsibilities (including that of requesting loan disbursements) under the loan agreement.
- (2) ASSURANCES. The Applicant agrees to comply with the laws, rules, regulations, policies and conditions relating to the loan for this project. Applicants should seek further information from the Bureau of Water Facilities Funding staff as to the applicability of the requirements if the necessity for the assurances are of concern. Specifically, the Applicant certifies that it has complied, as appropriate, and will comply with the following requirements, as appropriate, in undertaking the Project:
- (a) Assurances for capitalization grant projects.
 1. Complete all facilities for which funding has been provided.
 2. The Archaeological and Historic Preservation Act of 1974, PL 93-291, and the National Historic Preservation Act of 1966, PL 89-665, as amended, regarding identification and protection of historic properties.
 3. The Clean Air Act, 42 U.S.C. 7506(c), which requires conformance with State Air Quality Implementation Plans.
 4. The Coastal Zone Management Act of 1972, PL 92-583, as amended, which requires assurance of project consistency with the approved State management program developed under this Act.
 5. The Endangered Species Act, 16 U.S.C. 1531, et seq., which requires that projects avoid disrupting threatened or endangered species and their habitats.

6. Executive Order 11593, Protection and Enhancement of the Cultural Environment, regarding preservation, restoration and maintenance of the historic and cultural environment.
 7. Executive Order 11988, Floodplain Management, related to avoiding, to the extent possible, adverse impacts associated with floodplain occupancy, modification and development whenever there is a practicable alternative.
 8. Executive Order 11990, Protection of Wetlands, related to avoiding, to the extent possible, adverse impacts associated with the destruction or modification of wetlands and avoiding support of construction in wetlands.
 9. The Fish and Wildlife Coordination Act, PL 85-624, as amended, which requires that actions to control natural streams or other water bodies be undertaken to protect fish and wildlife resources and their habitats.
 10. The Safe Drinking Water Act, Section 1424(e), PL 93-523, as amended, regarding protection of underground sources of drinking water.
 11. The Wild and Scenic Rivers Act, PL 90-542, as amended, related to protecting components or potential components of the national wild and scenic rivers system.
 12. The federal statutes relating to nondiscrimination, including: The Civil rights Act of 1964, PL 88-352, which prohibits discrimination on the basis of race, color or national origin; the Age Discrimination Act, PL 94-135, which prohibits discrimination on the basis of age; Section 13 of the Federal Water Pollution Control Act, PL 92-500, which prohibits sex discrimination; the Rehabilitation Act of 1973, PL 93-112, as amended, which prohibits discrimination on the basis of handicaps.
 13. Executive Order 11246, Equal Employment Opportunity, which provides for equal opportunity for all qualified persons.
 14. Executive Orders 11625 and 12138, Women's and Minority Business Enterprise, which require that small, minority, and women's business and labor surplus areas are used when possible as sources of supplies, equipment, construction and services.
 15. The Coastal Barrier Resources Act, 16 U.S.C. 3501 et seq., regarding protection and conservation of the coastal barrier resources.
 16. The Farmland Protection Policy Act, 7 U.S.C. 4201 et seq., regarding protection of agricultural lands from irreversible loss.
 17. The Uniform Relocation and Real Property Acquisition Policies Act of 1970, PL 91-646, which provides for fair and equitable treatment of persons displaced or whose property is acquired as a result of federal or federally assisted programs.
 18. The Demonstration Cities and Metropolitan Development Act of 1966, PL 89-754, as amended, which requires that projects be carried out in accordance with area wide planning activities.
 19. Section 306 of the Clean Air Act, Section 508 of the Clean Water Act and Executive Order 11738, which prohibit manufacturers, firms, or other enterprises on the EPA's list of Violating Facilities from participating in the Project.
 20. Executive Order 12549, Debarment and Suspension, which prohibits any award to a party which is debarred or suspended or is otherwise excluded from, or ineligible for, participation in federal assistance programs.
 21. Minority and Women's Business Enterprise participation in project work using numerical goals, established by the U.S. Environmental Protection Agency, and to be set forth in the specifications for construction and materials contracts.
- (b) Assurances for other projects.
1. Chapter 161, Part I, F.S., "Beach and Shore Preservation Act" and Part III, "Coastal Zone Protection Act of 1985" which regulate coastal zone construction and all activities likely to affect the condition of the beaches or shore.

2. Chapter 163, Part II, F.S., the "Local Government Comprehensive Planning and Land Development Regulation Act" which requires units of local government to establish and implement comprehensive planning programs to control future development.
3. Chapter 186, F.S., State and Regional Planning, which requires conformance of projects with Regional Plans and the State Comprehensive Plan.
4. Chapter 253, F.S., "Emergency Archaeological Property Acquisition Act of 1988" which requires protection of archaeological properties of major statewide significance discovered during construction activities.
5. Chapter 258, Part III, F.S., which requires protection of components or potential components of the national wild and scenic rivers system.
6. Chapter 267, F.S., the "Florida Historical Resources Act" which requires identification, protection, and preservation of historic properties, archaeological and anthropological sites.
7. Chapter 287, Part I, F.S., which prohibits parties convicted of public entity crimes or discrimination from participating in State-assisted projects and which requires consideration of the utilization of Minority Business Enterprises in State-assisted projects.
8. Chapter 372, F.S., the Florida Endangered and Threatened Species Act which prohibits the killing or wounding of an endangered, threatened, or special concern species or intentionally destroying their eggs or nest.
9. Chapter 373, Part IV, F.S., Florida Water Resources Act of 1972, which requires that activities on surface waters or wetlands avoid adversely affecting: public health, safety, welfare, or property; conservation of fish and wildlife, including endangered or threatened species or their habitats; navigation or the flow of water; the fishing or recreational values or marine productivity; and significant historical and archaeological resources.
10. Chapter 380, Part I, F.S., Florida Environmental Land and Water Management Act of 1972 as it pertains to regulation of developments and implementation of land and water management policies.
11. Chapter 381, F.S., Public Health, as it pertains to regulation of onsite wastewater systems.
12. Chapter 403, Part I, F.S., Florida Air and Water Pollution Control which requires protection of all waters of the state.
13. Chapter 582, F.S., Soil and Water Conservation Act which requires conformance with Water Management District's regulations governing the use of land and water resources.
14. Governor's Executive Order 95-359, which requires State Clearinghouse review of project planning documentation and intergovernmental coordination.

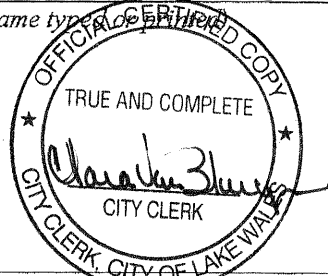
I, the undersigned Authorized Representative of the Applicant, hereby certify that all information contained herein and in the attached is true, correct, and complete to the best of my knowledge and belief. I further certify that I have been duly authorized to file the application and to provide these assurances.

Signed this 5th Day of October, 20 10

Authorized Representative *Judith H. Delmar*
(signature)

Judith H. Delmar, City Manager
(name typed)

Attachments



PART V - SUPPLEMENTAL INFORMATION

**SCHEDULE OF PRIOR AND PARITY LIENS
(EXCLUDING SRF LOANS)**

List annual debt service beginning two years before the anticipated loan agreement and continuing at least three additional fiscal years. Use additional pages as necessary.

	#1	#2	#3
Identify Each Obligation	2003 SunTrust Note	2005 SunTrust Note	2006A UT Refunding Note(Wachovia)
Coverage	110%	110%	110%
Insured?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> NO	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> NO	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> NO

Fiscal Year	Annual Debt Service (Principal Plus Interest)			Total Debt Service	Total Debt Service Incl. Coverage
	#1	#2	#3		
2003				-	-
2004				-	-
2005				-	-
2006				-	-
2007	50,600	137,019	464,767	652,386	717,625
2008	50,600	137,019	791,592	979,211	1,077,132
2009	50,578	137,019	805,434	993,031	1,092,334
2010	50,695	137,019	806,039	993,753	1,093,129
2011	50,522	137,019	805,008	992,549	1,091,804
2012	50,511	137,019	805,804	993,334	1,092,667
2013	50,447	137,019	804,607	992,073	1,091,281
2014	50,553	137,019	801,415	988,987	1,087,886
2015	31,864	68,520	801,128	901,512	991,663
2016	21,446		803,461	824,907	907,398
2017				-	-
2018				-	-
2019				-	-
2020				-	-
2021				-	-
2022				-	-
2023				-	-
2024				-	-
2025				-	-
2026				-	-
2027				-	-
2028				-	-
2029				-	-

PART V - SUPPLEMENTAL INFORMATION

**SCHEDULE OF PRIOR AND PARITY LIENS
(EXCLUDING SRF LOANS)**

List annual debt service beginning two years before the anticipated loan agreement and continuing at least three additional fiscal years. Use additional pages as necessary.

	#1	#2	#3
Identify Each Obligation	2006B UT Credit Line (Wachovia)	_____	_____
Coverage	110%	0%	0%
Insured?	___ Yes <u>X</u> NO	___ Yes ___ NO	___ Yes ___ NO

Fiscal Year	Annual Debt Service (Principal Plus Interest)			Total Debt Service	Total Debt Service Incl. Coverage
	#1	#2	#3		
2003	_____	_____	_____	-	-
2004	_____	_____	_____	-	-
2005	_____	_____	_____	-	-
2006	_____	_____	_____	-	-
2007	47,550	_____	_____	47,550	52,305
2008	39,898	_____	_____	39,898	43,888
2009	19,335	_____	_____	19,335	21,269
2010	165,075	_____	_____	165,075	181,583
2011	165,066	_____	_____	165,066	181,573
2012	165,057	_____	_____	165,057	181,563
2013	165,048	_____	_____	165,048	181,553
2014	165,039	_____	_____	165,039	181,543
2015	165,030	_____	_____	165,030	181,533
2016	165,020	_____	_____	165,020	181,522
2017	165,011	_____	_____	165,011	181,512
2018	165,001	_____	_____	165,001	181,501
2019	164,992	_____	_____	164,992	181,491
2020	164,982	_____	_____	164,982	181,480
2021	164,972	_____	_____	164,972	181,469
2022	164,962	_____	_____	164,962	181,458
2023	164,951	_____	_____	164,951	181,446
2024	164,941	_____	_____	164,941	181,435
2025	164,931	_____	_____	164,931	181,424
2026	164,920	_____	_____	164,920	181,412
2027	_____	_____	_____	-	-
2028	_____	_____	_____	-	-
2029	_____	_____	_____	-	-

PART V – SUPPLEMENTARY INFORMATION

SCHEDULE OF ACTUAL REVENUES AND DEBT COVERAGE

(Provide information for the two fiscal years preceding the anticipated date of the SRF loan agreement.)

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
(a) Operating Revenues (Source)		
Charges for Services	6,622,986	6,025,162
(b) Interest Income	53,833	9,844
(c) Other Income or Revenue (Identify)		
Misc.	639,627	245,117
Operating Grants	1,772	
(d) Total Revenues	7,318,218	6,280,123
(e) Operating Expenses (excluding interest on debt, depreciation, and other non-cash items)	3,994,870	3,837,972
(f) Net Revenues [(f) = (d) – (e)]	3,323,348	2,442,151
(g) Debt Service (including any required coverage)	1,445,941	1,463,173
(h) Attach audited annual financial report(s), or pages thereof, or other documentation necessary to support the above information. Include any notes or comments from the audit reports regarding compliance with covenants of debt obligations having a prior or parity lien on the revenues pledged for repayment of the SRF Loan. (<i>Attachment #7</i>)		
(i) Attach worksheets reconciling this page with the appropriate financial statements (for example, backing out depreciation and interest payments from operating expenses). (<i>Attachment #8</i>)		
(j) If the net revenues were not sufficient to satisfy the debt service and coverage requirement, please explain what corrective action was taken. (<i>Attachment #_____</i>)		

PART V – SUPPLEMENTARY INFORMATION

SCHEDULE OF PROJECTED REVENUES AND DEBT COVERAGE

Begin with the fiscal year preceding first anticipated semiannual loan payment and continuing for at least three additional years. Attach a separate page for previous State Revolving Fund loans. (*Attachment #*_____)

	<u>FY 2012- 2013</u>	<u>FY 2013- 2014</u>	<u>FY 2014- 2015</u>	<u>FY 2015- 2016</u>	<u>FY 20</u>
(a) Operating Revenue	6,692,640	6,895,783	7,068,178	7,244,883	
(b) Interest Income	21,500	21,500	21,500	21,500	
(c) Other Income or Revenue (identify)					
<u>Misc.</u>	264,196	231,630	205,000	205,000	
(d) Total Revenues	6,978,336	7,148,913	7,294,678	7,471,383	
(e) Operating Expenses (excluding interest on debt, depreciation, and other non-cash items)	3,832,927	3,954,054	4,081,438	4,215,461	
(f) Net Revenues (g = e - f)	3,145,408	3,194,860	3,213,240	3,255,921	
(g) Revenue (including coverage) pledged to debt service, excluding SRF loans	1,272,834	1,269,429	1,173,196	1,088,920	
(h) Revenue (including coverage) pledged to outstanding SRF loans	362,352	362,352	362,352	362,352	
(i) Revenue Available for this SRF Loan [(i) = (f) – (g) – (h)]	1,510,222	1,563,079	1,677,692	1,804,649	
(j) Identify the source of the above information and explain methods used to develop the projections (<i>Attachment #10</i>). Include an explanation of any revenue and expense growth or other adjustments; for example, any rate increases, service growth, inflation adjustments, expense adjustments reflecting the cost of operating additional facilities, or other considerations.					
(k) For construction loans, are the above projections consistent with the accepted financial feasibility information?				X Yes <input type="checkbox"/> No	

If "No", please explain. (*Attachment #*_____)

PART V – SUPPLEMENTARY INFORMATION

LIST OF ATTACHMENTS

LIST OF ATTACHMENTS. This application requires the submittal of *Attachments* to provide supplemental information. The application is not complete without the completed *List of Attachments*. Please list all attachments that you are including with this application form.

Attachment	Number
Project Description	1
Identification of Utility Service Agreement draft	2
Status of Utility Service Agreement	3
Other Loans and Notes	4
Legal Opinion	5
Authorizing Resolution	6
CAFR 2007-08 and CAFR 2008-09	7
CAFR 2007- 08 page 23 and CAFR 2008-09 page 25	8
Total Debt Service, Including Coverage Requirements	9
Utility Fund - Forecast	10

Attachment 1
Project Description

Project Description – WWTP Rehab., Modification, and Crooked Lake Force Main

SRF loan funds will be used for all planning, design, engineering, testing and surveying activities related increasing the capacity of the City of LAKE Wales wastewater reclamation facility (WWTP) from 1.90 MGD (AADF) to 2.19 MGD (AADF) through process re-rating modifications and improvements related to residuals treatment and plant reliability. Also included are the construction of a lift station and 5,000 LF of force main to allow the closure of the Crooked Lake Park Sewage Company wastewater package plant. The package plant is under consent order from FDEP for permit violations. This project will eliminate further violations by removal of the facility.

The existing WWTP utilizes an AWT process consisting of one oxidation ditch; two secondary clarifiers followed by filtration and disinfection to treat raw wastewater to standards mandated by FDEP prior to effluent disposal into rapid infiltration basis or to the public access reuse system.

The existing package treatment plant (Crooked Lake Park Sewage Company) is a Class C wastewater facility serving 423 wastewater customers in Polk County. The utility has violated several FDEP regulations since 1999. Most recently, on January 31, 2006, FDEP issued a notice of violation. In this notice, FDEP cited several violations of FDEP rules that included discharging wastewater into a canal leading to Crooked Lake, which is designated an Outstanding Florida Water. This violation was the release or disposal of excreta, sewage, or other wastewater or domestic wastewater residual without providing proper treatment, which is a violation of Rule 62-600.740 (2) (B), Florida Administrative Code. Subsequently, FDEP filed a lawsuit in the Circuit Court of the Tenth Judicial Circuit in Polk County, Florida against the utility regarding the discharge of the utility's effluent into nearby Crooked Lake. The case number is 2006-CA-2085. Based on the above information, the quality of treatment provided by this wastewater treatment plant is considered unsatisfactory. The closure of the plant and the connection of the customers to the City wastewater services would provide a tremendous benefit to the State of Florida.

The following describes the planned modifications:

Part 1(WWTP): The City will: upgrade the existing headworks to better screen the influent, construct three additional rotor assemblies in the oxidation ditch to provide additional aeration capacity, construct one new clarifier of 300,000 gallons, construct new clarifier assemblies in the two existing clarifiers, construct one filter capable of handling a total peak flow of 5.5 MGD, rehabilitate the existing sand filter, replace one existing 2,000 GPM vertical turbine effluent pumps, install new sludge digester air diffusers, construct an additional sludge digester tank of 176,225 gallons, lift station upgrades, and additional reuse pumps. The previously mentioned new aeration equipment controls are considered part of the rotor assemblies for the oxidation ditch, the yard piping, electrical work and site work have not changed, the structural improvements have been reduced to account for replacement components and the blowers for the sludge holding tanks have been incorporated into the costs for upgrading the existing digester and the new digester.

Part 2 (Crooked Lake): The City will construct 5,000 linear feet of 6 inch sewer line and one lift station to County Standards. The lift station will be located in the vicinity of 227 Caloosa Lake Circle, North City of Lake Wales, Florida 33859. The sewer line will extend from this location to an existing force main located approximately 5,000 feet north at ABS Road and US 27. The effluent will then continue to the City's existing WWTP located in the vicinity of SR 60 and US 27.

Attachment 2

Updated Scheduled Construction Costs

Project Cost Worksheet

WW53030 - Lake Wales

This page is protected to allow automatic calculation of costs, the allowance and service fee. It is provided to you for reference only. DEP personnel will verify the calculations based on the information provided to them. Only the items in blue need be inputted. Note: the allowance is calculated based only on the costs of construction, equipment, materials and demolition.

Is this a Design-Build Project (yes or no)? no
Is this or was it a preconstruction loan? yes
Is preon funding for special studies requested? no
Is preon funding for land requested? no
Is this a rollover from preon to construction? yes
Is or was this a construction loan? yes
Is a project adjustment (increase/decrease) needed? no

Table with 3 columns: Item, Percentage, and Amount. Rows include Total Post-allowance Project Costs, Construction, Equipment, Materials and Demolition (3,525,000), Eligible Land (0), Other (Contingency Eligible) (0), Contingency Percentage/Amount (10%, 352,500), Technical Services (60,000), Special Studies (0), and Sum (3,937,500).

Allowance 349,842
Total Project Cost 4,287,342
Previous SRF awarded amount? (350,000) Loan WW759140
Adjustment to Costs? 0
Amendment Amount 3,937,342

Loan Service Fee: A loan service fee is assessed on each loan. The fee is not part of the loan and is not included in the total construction cost shown above. The actual fee assessed will be based on the project costs established in the final amendment to your loan. The fee shown below is just for this amendment. Contact the Bureau of Water Facilities Funding for further details.

Percentage 2.00% Total 78,747

Table with 3 columns: Draw Schedule, Preconstruction, and Construction. Rows include 1st (69,968), 2nd (174,921), and 3rd (104,953).

Comments:

City of Lake Wales
 Attachment 2 - Updated Scheduled Construction Costs
 SRF Project Number - WW53030
 9/25/10

	05/07/2009* SRF Approved	09/25/10 Scheduled Constr. Costs
a. Construction, Equipment, Material, Demolition and Related Procurement	\$ 3,525,000	\$ 4,255,000
b. Eligible Land	-	-
c. Other: explain (Contingency Eligible)	-	-
d. Contingency (10% for item a. through c.if costs are unknown, otherwise 5% for a. and c.)	352,500	425,500
e. Technical Services during Construction	60,000	60,000
f. Special Studies	-	-
g. Sum of Items a. through f.	\$ 3,937,500	\$ 4,740,500
h. Allowance: $((25 - \text{natural log of costs in a}) \times \text{Costs in a}/100)$. For design Building projects the allowance is 30% of the calculated amount. [see Rule 62-503(300)(5)]	349,842	196,504 **
i. Total (sum of Item g. and h.)	\$ 4,287,342	\$ 4,937,004

Note:

* Request for Inclusion filed on 05/07/09 with State Revolving Fund.

** Capitalized Interest Costs Estimate ~ \$ 101,694

** Loan Service Fee Estimate ~ \$94,810

City of Lake Wales
 Attachment 2 - Listing of Schedule Costs for WWTP and Crooked Lake Park Project
 SRF Project Number - WW53030
 09/25/10

Description	SRF approved			
	Quantity	Unit	Unit Price	Cost estimate
Rotor assemblies in oxidation ditch	2	LS	\$250,000	\$500,000
New Muffin Monster @ Headworks		LS		
Structural improvements	1	LS	\$200,000	\$200,000
New aeration equipment controls	1	LS	\$100,000	\$100,000
Rehabilitation of existing clarifiers and new secondary clarifiers to meet class 1 reliability	1	LS	\$750,000	\$750,000
Rehab Existing Sand Filter		LS		
Add new digester	1	LS	\$325,000	\$325,000
Filter to meet class 1 reliability	1	EA	\$475,000	\$475,000
Additional Reuse Pumps		LS		
On Site LS upgrades		LS		
Diffuser assemblies in sludge holding tanks to improve oxygen transfer efficiency	1	LS	\$100,000	\$100,000
Blowers for sludge holding tank (backup to meet class 1 reliability)	3	EA	\$25,000	\$75,000
Effluent pump to meet class 1 reliability	1	LS	\$100,000	\$100,000
Yard piping	1	LS	\$100,000	\$100,000
Electrical	1	LS	\$150,000	\$150,000
Site work	1	LS	\$200,000	\$200,000
Total Construction Cost				\$3,075,000

Updated Scheduled Costs		
Quantity	Unit Price	Cost estimate
3	\$125,000	\$375,000
1	\$150,000	\$150,000
1	\$50,000	\$50,000
	\$0	\$0
1	\$1,000,000	\$1,000,000
1	\$175,000	\$175,000
1	\$600,000	\$600,000
1	\$500,000	\$500,000
1	\$80,000	\$80,000
1	\$5,000	\$5,000
1	\$300,000	\$300,000
	\$0	\$0
1	\$120,000	\$120,000
1	\$100,000	\$100,000
1	\$150,000	\$150,000
1	\$200,000	\$200,000
Total Construction Cost		\$3,805,000

Crooked Lake Force Main		SRF approved		
Description	Quantity	Unit	Unit Price	Cost estimate
Sewer Lift Station	1	LS	\$100,000	\$100,000
Sewer Force Main	5,000	LF	\$70	\$350,000
Total Construction Cost				\$450,000

Updated Scheduled Costs		
Quantity	Unit Price	Cost estimate
1	\$100,000	\$100,000
5,000	\$70	\$350,000
Total Construction Cost		\$450,000

City of Lake Wales
 Lift Station and Force Main Extension
 and WWTP Re-Rating Project
 COMBINED COSTS

(This is the combined cost of the lift station/force main and WWTP re-rating projects.)

WWTP and Crooked Lake combined	SRF approved
WWTP Re-Rating Project Costs	\$3,075,000
Lift Station and Force Main Costs	\$450,000
Total Construction Cost	\$3,525,000

Scheduled Costs
\$3,805,000
\$450,000
\$4,255,000

Attachment 3

Identification of Utility Service Agreement Draft

Attachment 3 – Identification of Utility Service Agreement Draft.

09/25/10

City staff has prepared a utility service agreement between the City of Lake Wales, Florida and Crooked Lake Park Sewage Company. This document is currently under review by the City's Attorney.

Once staff has received approval from the City Attorney to proceed, discussion will begin with Crooked Lake Park Sewage Company. Only if both parties are able to reach a mutual agreement will the City proceed with construction of the Crooked Lake Park lift station and force main project.

Attachment 4

Other Loans and Notes

The following information on other loans and notes is attached:

2003 – With Series 2003 only 4.53% is allocated to the water/sewer fund, the remaining debt is paid for by the General and Special Revenue Funds – a worksheet is included.

2005

2006A

2006B

Relevant pages include the debt amount, amortization schedules, coverage requirements and a copy of the 8038-G tax exempt filing.

For more information contact:

Dorothy Pendergrass, City of Lake Wales Finance Director

Phone 863-678-4182 ext. 257

Fax 863-678-4634

Utility Debt Service – Schedule

PART V - SUPPLEMENTAL INFORMATION

**SCHEDULE OF PRIOR AND PARITY LIENS
(EXCLUDING SRF LOANS)**

List annual debt service beginning two years before the anticipated loan agreement and continuing at least three additional fiscal years. Use additional pages as necessary.

	#1	#2	#3
Identify Each Obligation	2003 SunTrust Note	2005 SunTrust Note	2006A UT Refunding Note(Wachovia)
Coverage	110%	110%	110%
Insured?	___ Yes <u>X</u> NO	___ Yes <u>X</u> NO	___ Yes <u>X</u> NO

Fiscal Year	<u>Annual Debt Service (Principal Plus Interest)</u>			Total Debt Service	Total Debt Service Incl. Coverage
	#1	#2	#3		
2003				-	-
2004				-	-
2005				-	-
2006				-	-
2007	50,600	137,019	464,767	652,386	717,625
2008	50,600	137,019	791,592	979,211	1,077,132
2009	50,578	137,019	805,434	993,031	1,092,334
2010	50,695	137,019	806,039	993,753	1,093,129
2011	50,522	137,019	805,008	992,549	1,091,804
2012	50,511	137,019	805,804	993,334	1,092,667
2013	50,447	137,019	804,607	992,073	1,091,281
2014	50,553	137,019	801,415	988,987	1,087,886
2015	31,864	68,520	801,128	901,512	991,663
2016	21,446		803,461	824,907	907,398
2017				-	-
2018				-	-
2019				-	-
2020				-	-
2021				-	-
2022				-	-
2023				-	-
2024				-	-
2025				-	-
2026				-	-
2027				-	-
2028				-	-
2029				-	-

PART V - SUPPLEMENTAL INFORMATION

**SCHEDULE OF PRIOR AND PARITY LIENS
(EXCLUDING SRF LOANS)**

List annual debt service beginning two years before the anticipated loan agreement and continuing at least three additional fiscal years. Use additional pages as necessary.

	#1	#2	#3
Identify Each Obligation	2006B UT Credit Line (Wachovia)	_____	_____
Coverage	110%	0%	0%
Insured?	___ Yes <input checked="" type="checkbox"/> NO	___ Yes ___ NO	___ Yes ___ NO

Fiscal Year	Annual Debt Service (Principal Plus Interest)			Total Debt Service	Total Debt Service Incl. Coverage
	#1	#2	#3		
2003				-	-
2004				-	-
2005				-	-
2006				-	-
2007	47,550			47,550	52,305
2008	39,898			39,898	43,888
2009	19,335			19,335	21,269
2010	165,075			165,075	181,583
2011	165,066			165,066	181,573
2012	165,057			165,057	181,563
2013	165,048			165,048	181,553
2014	165,039			165,039	181,543
2015	165,030			165,030	181,533
2016	165,020			165,020	181,522
2017	165,011			165,011	181,512
2018	165,001			165,001	181,501
2019	164,992			164,992	181,491
2020	164,982			164,982	181,480
2021	164,972			164,972	181,469
2022	164,962			164,962	181,458
2023	164,951			164,951	181,446
2024	164,941			164,941	181,435
2025	164,931			164,931	181,424
2026	164,920			164,920	181,412
2027				-	-
2028				-	-
2029				-	-

		Wachovia - 2006 A UT Refunding 4.09% - Apr. 1 & Oct.1 Direct Debit/Lynn Sams 813-225-4429				Wachovia - 2006 B UT Refunding 1.14% - Apr. 1 & Oct.1 Direct Debit/Lynn Sams 813-225-4429				State Revolving Fund 2.56% - Feb. 15th & Aug 15th Wire Transfer/ Carlee Pruyn 850-245-8395 Reuse Phase I - (CS12078907P)			
Due Date													
Revenue Source		Water & Sewer Revenues				Water & Sewer Revenues				Water & Sewer Revenues			
		Beginning Balance	Interest	Principal	Ending Balance	Beginning Balance	Interest	Principal	Ending Balance	Beginning Balance	Interest	Principal	Ending Balance
Aug. 2019	-	-	-	-	1,261,280	-	-	-	1,261,280	0	-	-	0
Sept. 2019	-	-	-	-	1,261,280	-	-	-	1,261,280	0	-	-	0
Oct. 2019	-	-	-	-	1,261,280	7,189	151,476	1,109,804	1,109,804	0	-	-	0
Dec. 2019	-	-	-	-	1,109,804	-	-	-	1,109,804	0	-	-	0
Jan. 2020	-	-	-	-	1,109,804	-	-	-	1,109,804	0	-	-	0
Feb. 2020	-	-	-	-	1,109,804	-	-	-	1,109,804	0	-	-	0
April 2020	-	-	-	-	1,109,804	6,326	-	1,109,804	1,109,804	0	-	-	0
June 2020	-	-	-	-	1,109,804	-	-	-	1,109,804	0	-	-	0
Aug. 2020	-	-	-	-	1,109,804	-	-	-	1,109,804	0	-	-	0
Sept. 2020	-	-	-	-	1,109,804	-	-	-	1,109,804	0	-	-	0
Oct. 2020	-	-	-	-	1,109,804	6,326	153,203	956,601	956,601	0	-	-	0
Dec. 2020	-	-	-	-	956,601	-	-	-	956,601	0	-	-	0
Jan. 2021	-	-	-	-	956,601	-	-	-	956,601	0	-	-	0
Feb. 2021	-	-	-	-	956,601	-	-	-	956,601	0	-	-	0
April 2021	-	-	-	-	956,601	5,453	-	956,601	956,601	0	-	-	0
June 2021	-	-	-	-	956,601	-	-	-	956,601	0	-	-	0
Aug. 2021	-	-	-	-	956,601	-	-	-	956,601	0	-	-	0
Sept. 2021	-	-	-	-	956,601	-	-	-	956,601	0	-	-	0
Oct. 2021	-	-	-	-	956,601	5,453	154,950	801,651	801,651	0	-	-	0
Dec. 2021	-	-	-	-	801,651	-	-	-	801,651	0	-	-	0
Jan. 2022	-	-	-	-	801,651	-	-	-	801,651	0	-	-	0
Feb. 2022	-	-	-	-	801,651	-	-	-	801,651	0	-	-	0
April 2022	-	-	-	-	801,651	4,569	-	801,651	801,651	0	-	-	0
June 2022	-	-	-	-	801,651	-	-	-	801,651	0	-	-	0
Aug. 2022	-	-	-	-	801,651	-	-	-	801,651	0	-	-	0
Sept. 2022	-	-	-	-	801,651	-	-	-	801,651	0	-	-	0
Oct. 2022	-	-	-	-	801,651	4,569	156,716	644,935	644,935	0	-	-	0
Dec. 2022	-	-	-	-	644,935	-	-	-	644,935	0	-	-	0
Jan. 2023	-	-	-	-	644,935	-	-	-	644,935	0	-	-	0
Feb. 2023	-	-	-	-	644,935	-	-	-	644,935	0	-	-	0
April 2023	-	-	-	-	644,935	3,676	-	644,935	644,935	0	-	-	0
June 2023	-	-	-	-	644,935	-	-	-	644,935	0	-	-	0
Aug. 2023	-	-	-	-	644,935	-	-	-	644,935	0	-	-	0
Sept. 2023	-	-	-	-	644,935	-	-	-	644,935	0	-	-	0
Oct. 2023	-	-	-	-	644,935	3,676	158,503	486,432	486,432	0	-	-	0
Dec. 2023	-	-	-	-	486,432	-	-	-	486,432	0	-	-	0
Jan. 2024	-	-	-	-	486,432	-	-	-	486,432	0	-	-	0
April 2024	-	-	-	-	486,432	2,773	-	486,432	486,432	0	-	-	0
Sept. 2024	-	-	-	-	486,432	-	-	-	486,432	0	-	-	0
Oct. 2024	-	-	-	-	486,432	2,773	160,310	326,123	326,123	0	-	-	0
Jan. 2025	-	-	-	-	326,123	-	-	-	326,123	0	-	-	0
April 2025	-	-	-	-	326,123	1,859	-	326,123	326,123	0	-	-	0
Sept. 2025	-	-	-	-	326,123	-	-	-	326,123	0	-	-	0
Oct. 2025	-	-	-	-	326,123	1,859	162,137	163,986	163,986	0	-	-	0
Jan. 2026	-	-	-	-	163,986	-	-	-	163,986	0	-	-	0
April 2026	-	-	-	-	163,986	935	-	163,986	163,986	0	-	-	0
Sept. 2026	-	-	-	-	163,986	-	-	-	163,986	0	-	-	0
Oct. 2026	-	-	-	-	163,986	935	163,986	-	-	0	-	-	0
Jan. 2027	-	-	-	-	-	-	-	-	-	0	-	-	0
April 2027	-	-	-	-	-	-	-	-	-	0	-	-	0
Sept. 2027	-	-	-	-	-	-	-	-	-	0	-	-	0
Oct. 2027	-	-	-	-	-	-	-	-	-	0	-	-	0
Jan. 2028	-	-	-	-	-	-	-	-	-	0	-	-	0
April 2028	-	-	-	-	-	-	-	-	-	0	-	-	0
Sept. 2028	-	-	-	-	-	-	-	-	-	0	-	-	0
		832,694		4,894,868		269,534	2,550,000			116,080		873,575	

		State Revolving Fund 3.05% - Feb. 15th & Aug 15th				State Revolving Fund 2.14% - Apr. 15th & Oct. 15th				State Revolving Fund 1.88% - Apr. 15th & Oct. 15th			
		Wire Transfer/ Carlee Pruyn 850-245-8395				Wire Transfer/ Carlee Pruyn 850-245-8395				Wire Transfer/ Carlee Pruyn 850-245-8395			
Due Date		Reuse Phase II (CS120759110)				Sludge (WWG12075912S)				WWTR PreConstruction - (WW75913P)			
Revenue Source		Revenue Source				Revenue Source				Revenue Source			
		Water & Sewer Revenues				Water & Sewer Revenues				Water & Sewer Revenues			
		Beginning Balance	Interest	Principal	Ending Balance	Beginning Balance	Interest	Principal	Ending Balance	Beginning Balance	3.84% Interest	Principal	Ending Balance
Aug. 2019		167,786			144,891	371,978			371,978	482,963			482,963
Sept. 2019		144,891	2,559	22,895	144,891	371,978			371,978	482,963			482,963
Oct. 2019		144,891			144,891	371,978	3,980	39,593	332,385	482,963	4,540	26,333	456,629
Dec. 2019		144,891			144,891	332,385			332,385	456,629			456,629
Jan. 2020		144,891			144,891	332,385			332,385	456,629			456,629
Feb. 2020		144,891	2,210	23,244	121,647	332,385			332,385	456,629			456,629
April 2020		121,647			121,647	332,385	3,557	40,017	292,368	456,629	4,292	26,581	430,049
June 2020		121,647			121,647	292,368			292,368	430,049			430,049
Aug. 2020		121,647	1,855	23,599	98,048	292,368			292,368	430,049			430,049
Sept. 2020		98,048			98,048	292,368			292,368	430,049			430,049
Oct. 2020		98,048			98,048	292,368	3,128	40,445	251,923	430,049	4,042	26,831	403,218
Dec. 2020		98,048			98,048	251,923			251,923	403,218			403,218
Jan. 2021		98,048			98,048	251,923			251,923	403,218			403,218
Feb. 2021		98,048	1,495	23,958	74,090	251,923			251,923	403,218			403,218
April 2021		74,090			74,090	251,923	2,696	40,878	211,045	403,218	3,790	27,083	376,136
June 2021		74,090			74,090	211,045			211,045	376,136			376,136
Aug. 2021		74,090	1,130	24,324	49,766	211,045			211,045	376,136			376,136
Sept. 2021		49,766			49,766	211,045			211,045	376,136			376,136
Oct. 2021		49,766			49,766	211,045	2,258	41,315	169,730	376,136	3,536	27,337	348,798
Dec. 2021		49,766			49,766	169,730			169,730	348,798			348,798
Jan. 2022		49,766			49,766	169,730			169,730	348,798			348,798
Feb. 2022		49,766	759	24,695	25,071	169,730			169,730	348,798			348,798
April 2022		25,071			25,071	169,730	1,816	41,757	127,972	348,798	3,279	27,594	321,204
June 2022		25,071			25,071	127,972			127,972	321,204			321,204
Aug. 2022		25,071	382	25,071	0	127,972			127,972	321,204			321,204
Sept. 2022		0			0	127,972			127,972	321,204			321,204
Oct. 2022		0			0	127,972	1,369	42,204	85,768	321,204	3,019	27,854	293,350
Dec. 2022		0			0	85,768			85,768	293,350			293,350
Jan. 2023		0			0	85,768			85,768	293,350			293,350
Feb. 2023		0			0	85,768			85,768	293,350			293,350
April 2023		0			0	85,768	918	42,656	43,112	293,350	2,757	28,115	265,235
June 2023		0			0	43,112			43,112	265,235			265,235
Aug. 2023		0			0	43,112			43,112	265,235			265,235
Sept. 2023		0			0	43,112			43,112	265,235			265,235
Oct. 2023		0			0	43,112	461	43,112	0	265,235	2,493	28,380	236,855
Dec. 2023		0			0	0			0	236,855			236,855
Jan. 2024		0			0	0			0	236,855			236,855
April 2024		0			0	0			0	236,855	2,226	28,647	208,209
Sept. 2024		0			0	0			0	208,209			208,209
Oct. 2024		0			0	0			0	208,209	1,957	28,916	179,293
Jan. 2025		0			0	0			0	179,293			179,293
April 2025		0			0	0			0	179,293	1,685	29,188	150,105
Sept. 2025		0			0	0			0	150,105			150,105
Oct. 2025		0			0	0			0	150,105	1,411	29,462	120,643
Jan. 2026		0			0	0			0	120,643			120,643
April 2026		0			0	0			0	120,643	1,134	29,739	90,904
Sept. 2026		0			0	0			0	90,904			90,904
Oct. 2026		0			0	0			0	90,904	854	30,018	60,886
Jan. 2027		0			0	0			0	60,886			60,886
April 2027		0			0	0			0	60,886	572	30,301	30,585
Sept. 2027		0			0	0			0	30,585			30,585
Oct. 2027		0			0	0			0	30,585	288	30,585	-
Jan. 2028		0			0	0			0	-			-
April 2028		0			0	0			0	-			-
Sept. 2028		0			0	0			0	-			-
			118,817	542,979			170,609	1,049,449			172,224	939,202	

		State Revolving Fund 2.30% - June 15th & Dec. 15th (First payment 12/15/2012) Wire Transfer/ Carlee Pruyn 850-245-8395				2005 - SunTrust Note 4.20% Monthly Direct Debit/LeReena Gerome 407-237-4642				2003 SunTrust Note (Portion) 3.84% - Apr. 1st & Oct. 1st Direct Debit/LeReena Gerome 407-237-4642			
Due Date		2009 Pre-Construction - (WW759140)								4.53% - Belongs to Utility Fund			
Revenue Source		Water & Sewer Revenues			Beginning Balance	Water & Sewer Revenues			Beginning Balance	Water & Sewer Revenues			
		Interest	Principal	Ending Balance		Interest	Principal	Ending Balance		Interest	Principal	Ending Balance	
		403-591-099-772-407	403-209-900-007-000			403-591-000-772-508	403-203-900-508-000			403-591-000-772-507	403-203-900-507-000		
Jan. 2010	180,000			180,000	644,555			644,555	272,499			272,499	
Feb. 2010	180,000			180,000	644,555			644,555	272,499			272,499	
April 2010	180,000			180,000	644,555			644,555	272,499	5,232.44		272,499	
June 2010	180,000			180,000	644,555			644,555	272,499			272,499	
Aug. 2010	180,000			180,000	644,555			644,555	272,499			272,499	
Sept. 2010	180,000			180,000	644,555	19,139.58	83,624.00	560,931	272,499			272,499	
Oct. 2010	180,000			180,000	560,931			560,931	272,499	5,232.44	41,018.22	231,481	
Dec. 2010	180,000			180,000	560,931			560,931	231,481			231,481	
Jan. 2011	180,000			180,000	560,931			560,931	231,481			231,481	
Feb. 2011	180,000			180,000	560,931			560,931	231,481			231,481	
June 2011	180,000			180,000	560,931			560,931	231,481			231,481	
April 2011	180,000			180,000	560,931			560,931	231,481	4,444.51		231,481	
Aug. 2011	180,000			180,000	560,931			560,931	231,481			231,481	
Sept. 2011	180,000			180,000	560,931	21,349.30	115,669.00	445,262	231,481			231,481	
Oct. 2011	180,000			180,000	445,262			445,262	231,481	4,445	42,448	189,033	
Dec. 2011	180,000			180,000	445,262			445,262	189,033			189,033	
Jan. 2012	180,000			180,000	445,262			445,262	189,033			189,033	
Feb. 2012	180,000			180,000	445,262			445,262	189,033			189,033	
April 2012	180,000			180,000	445,262			445,262	189,033	3,629		189,033	
June 2012	180,000			180,000	445,262			445,262	189,033			189,033	
Aug. 2012	180,000			180,000	445,262			445,262	189,033			189,033	
Sept. 2012	180,000			180,000	445,262	16,397	120,623	324,639	189,033			189,033	
Oct. 2012	180,000			180,000	324,639			324,639	189,033	3,629	44,098	144,934	
Dec. 2012	180,000			180,000	324,639			324,639	144,934			144,934	
Jan. 2013	180,000			180,000	324,639			324,639	144,934			144,934	
Feb. 2013	180,000			180,000	324,639			324,639	144,934			144,934	
April 2013	180,000			180,000	324,639			324,639	144,934	2,783		144,934	
June 2013	180,000			180,000	324,639			324,639	144,934			144,934	
Aug. 2013	180,000			180,000	324,639			324,639	144,934			144,934	
Sept. 2013	180,000			180,000	324,639	11,232	125,788	198,851	144,934			144,934	
Oct. 2013	180,000			180,000	198,851			198,851	144,934	2,783	45,760	99,174	
Dec. 2013	180,000			180,000	198,851			198,851	99,174			99,174	
Jan. 2014	180,000			180,000	198,851			198,851	99,174			99,174	
Feb. 2014	180,000			180,000	198,851			198,851	99,174			99,174	
April 2014	180,000			180,000	198,851			198,851	99,174	1,904		99,174	
June 2014	180,000			180,000	198,851			198,851	99,174			99,174	
Aug. 2014	180,000			180,000	198,851			198,851	99,174			99,174	
Sept. 2014	180,000			180,000	198,851	5,848	131,173	67,678	99,174			99,174	
Oct. 2014	180,000			180,000	67,678			67,678	99,174	1,904	47,660	51,514	
Dec. 2014	180,000			180,000	67,678			67,678	51,514			51,514	
Jan. 2015	180,000			180,000	67,678			67,678	51,514			51,514	
Feb. 2015	180,000			180,000	67,678	831	67,678	-	51,514			51,514	
April 2015	180,000			180,000	-			-	51,514	989		51,514	
June 2015	180,000			180,000	-			-	51,514			51,514	
Aug. 2015	180,000			180,000	-			-	51,514			51,514	
Sept. 2015	180,000			180,000	-			-	51,514			51,514	
Oct. 2015	180,000			180,000	-			-	51,514	989	30,472	21,042	
Dec. 2015	180,000			180,000	-			-	21,042			21,042	
Jan. 2016	180,000			180,000	-			-	21,042			21,042	
Feb. 2016	180,000			180,000	-			-	21,042			21,042	
April 2016	180,000			180,000	-			-	21,042	404		21,042	
June 2016	180,000			180,000	-			-	21,042			21,042	
Aug. 2016	180,000			180,000	-			-	21,042			21,042	
Sept. 2016	180,000			180,000	-			-	21,042			21,042	
Oct. 2016	180,000			180,000	-			-	21,042	404	21,042	-	
Dec. 2016	180,000			180,000	-			-	-			-	
Jan. 2017	180,000			180,000	-			-	-			-	
Feb. 2017	180,000			180,000	-			-	-			-	
April 2017	180,000			180,000	-			-	-			-	
June 2017	180,000			180,000	-			-	-			-	
Aug. 2017	180,000			180,000	-			-	-			-	
Sept. 2017	180,000			180,000	-			-	-			-	
Oct. 2017	180,000			180,000	-			-	-			-	
Dec. 2017	180,000			180,000	-			-	-			-	
Jan. 2018	180,000			180,000	-			-	-			-	
Feb. 2018	180,000			180,000	-			-	-			-	
April 2018	180,000			180,000	-			-	-			-	
June 2018	180,000			180,000	-			-	-			-	
Aug. 2018	180,000			180,000	-			-	-			-	
Sept. 2018	180,000			180,000	-			-	-			-	
Oct. 2018	180,000			180,000	-			-	-			-	
Dec. 2018	180,000			180,000	-			-	-			-	
Jan. 2019	180,000			180,000	-			-	-			-	
Feb. 2019	180,000			180,000	-			-	-			-	
April 2019	180,000			180,000	-			-	-			-	
June 2019	180,000			180,000	-			-	-			-	

This is a monthly payment around \$11,420. Last payment is March 1, 2015

		State Revolving Fund 2.30% - June 15th & Dec. 15th (First payment 12/15/2012)				2005 - SunTrust Note 4.20% Monthly				2003 SunTrust Note (Portion) 3.84% - Apr. 1st & Oct. 1st			
Due Date		Wire Transfer/ Carlee Pruyn 850-245-8395 2009 PreConstruction - (WW759140)				Direct Debit/LeReena Gerome 407-237-4642				Direct Debit/LeReena Gerome 407-237-4642 4.93% - Belongs to Utility Fund			
Revenue Source		Water & Sewer Revenues			Ending Balance	Water & Sewer Revenues			Ending Balance	Water & Sewer Revenues			Ending Balance
		Revenue Source	Interest	Principal		Revenue Source	3.84% Interest	Principal		Revenue Source	3.84% Interest	Principal	
		Beginning Balance			Beginning Balance			Beginning Balance			Beginning Balance		
Aug. 2019		180,000			180,000	-			-			-	
Sept. 2019		180,000			180,000	-			-			-	
Oct. 2019		180,000			180,000	-			-			-	
Dec. 2019		180,000			180,000	-			-			-	
Jan. 2020		180,000			180,000	-			-			-	
Feb. 2020		180,000			180,000	-			-			-	
April 2020		180,000			180,000	-			-			-	
June 2020		180,000			180,000	-			-			-	
Aug. 2020		180,000			180,000	-			-			-	
Sept. 2020		180,000			180,000	-			-			-	
Oct. 2020		180,000			180,000	-			-			-	
Dec. 2020		180,000			180,000	-			-			-	
Jan. 2021		180,000			180,000	-			-			-	
Feb. 2021		180,000			180,000	-			-			-	
April 2021		180,000			180,000	-			-			-	
June 2021		180,000			180,000	-			-			-	
Aug. 2021		180,000			180,000	-			-			-	
Sept. 2021		180,000			180,000	-			-			-	
Oct. 2021		180,000			180,000	-			-			-	
Dec. 2021		180,000			180,000	-			-			-	
Jan. 2022		180,000			180,000	-			-			-	
Feb. 2022		180,000			180,000	-			-			-	
April 2022		180,000			180,000	-			-			-	
June 2022		180,000			180,000	-			-			-	
Aug. 2022		180,000			180,000	-			-			-	
Sept. 2022		180,000			180,000	-			-			-	
Oct. 2022		180,000			180,000	-			-			-	
Dec. 2022		180,000			180,000	-			-			-	
Jan. 2023		180,000			180,000	-			-			-	
Feb. 2023		180,000			180,000	-			-			-	
April 2023		180,000			180,000	-			-			-	
June 2023		180,000			180,000	-			-			-	
Aug. 2023		180,000			180,000	-			-			-	
Sept. 2023		180,000			180,000	-			-			-	
Oct. 2023		180,000			180,000	-			-			-	
Dec. 2023		180,000			180,000	-			-			-	
Jan. 2024		180,000			180,000	-			-			-	
April 2024		180,000			180,000	-			-			-	
Sept. 2024		180,000			180,000	-			-			-	
Oct. 2024		180,000			180,000	-			-			-	
Jan. 2025		180,000			180,000	-			-			-	
April 2025		180,000			180,000	-			-			-	
Sept. 2025		180,000			180,000	-			-			-	
Oct. 2025		180,000			180,000	-			-			-	
Jan. 2026		180,000			180,000	-			-			-	
April 2026		180,000			180,000	-			-			-	
Sept. 2026		180,000			180,000	-			-			-	
Oct. 2026		180,000			180,000	-			-			-	
Jan. 2027		180,000			180,000	-			-			-	
April 2027		180,000			180,000	-			-			-	
Sept. 2027		180,000			180,000	-			-			-	
Oct. 2027		180,000			180,000	-			-			-	
Jan. 2028		180,000			180,000	-			-			-	
April 2028		180,000			180,000	-			-			-	
Sept. 2028		180,000			180,000	-			-			-	
						74,794	644,555			38,772	272,499		

		Total Debt Service - Business-Type Activities			
Due Date					
Revenue Source					
		Beginning Balance	3.84% Interest	Principal	Ending Balance
Jan.	2010	11,947,127	-	-	11,947,127
Feb	2010	11,947,127	19,462	58,079	11,889,049
April	2010	11,889,049	139,925	54,389	11,834,660
June	2010	11,834,660	-	-	11,834,660
Aug.	2010	11,834,660	18,677	58,864	11,775,796
Sept.	2010	11,775,796	19,140	83,624	11,692,172
Oct.	2010	11,692,172	139,372	851,233	10,840,939
Dec.	2010	10,840,939	-	-	10,840,939
Jan.	2011	10,840,939	-	-	10,840,939
Feb.	2011	10,840,939	17,881	59,660	10,781,279
June	2011	10,781,279	-	-	10,781,279
April	2011	10,781,279	124,597	55,501	10,725,778
Aug.	2011	10,725,778	17,074	60,467	10,665,310
Sept.	2011	10,665,310	21,349	115,669	10,549,641
Oct.	2011	10,549,641	124,033	880,117	9,669,525
Dec.	2011	9,669,525	-	-	9,669,525
Jan.	2012	9,669,525	-	-	9,669,525
Feb.	2012	9,669,525	18,255	61,285	9,608,239
April	2012	9,608,239	108,704	56,636	9,551,603
June	2012	9,551,603	-	-	9,551,603
Aug.	2012	9,551,603	15,426	62,114	9,489,489
Sept.	2012	9,489,489	16,397	120,623	9,368,866
Oct.	2012	9,368,866	108,128	912,162	8,456,703
Dec.	2012	8,456,703	-	-	8,456,703
Jan.	2013	8,456,703	-	-	8,456,703
Feb.	2013	8,456,703	14,586	62,955	8,393,748
April	2013	8,393,748	92,181	57,795	8,335,954
June	2013	8,335,954	-	-	8,335,954
Aug.	2013	8,335,954	13,734	63,807	8,272,147
Sept.	2013	8,272,147	11,232	125,788	8,146,359
Oct.	2013	8,146,359	91,593	943,381	7,202,978
Dec.	2013	7,202,978	-	-	7,202,978
Jan.	2014	7,202,978	-	-	7,202,978
Feb.	2014	7,202,978	12,871	64,670	7,138,308
April	2014	7,138,308	75,045	58,977	7,079,331
June	2014	7,079,331	-	-	7,079,331
Aug.	2014	7,079,331	11,995	65,546	7,013,786
Sept.	2014	7,013,786	5,846	131,173	6,882,613
Oct.	2014	6,882,613	74,445	973,962	5,908,650
Dec.	2014	5,908,650	-	-	5,908,650
Jan.	2015	5,908,650	-	-	5,908,650
Feb.	2015	5,908,650	11,940	134,111	5,774,539
April	2015	5,774,539	57,310	60,183	5,714,356
June	2015	5,714,356	-	-	5,714,356
Aug.	2015	5,714,356	10,209	67,332	5,647,024
Sept.	2015	5,647,024	-	-	5,647,024
Oct.	2015	5,647,024	56,697	989,545	4,657,479
Dec.	2015	4,657,479	-	-	4,657,479
Jan.	2016	4,657,479	-	-	4,657,479
Feb.	2016	4,657,479	9,297	68,244	4,589,236
April	2016	4,589,236	39,259	61,415	4,527,821
June	2016	4,527,821	-	-	4,527,821
Aug.	2016	4,527,821	8,373	69,168	4,458,654
Sept.	2016	4,458,654	-	-	4,458,654
Oct.	2016	4,458,654	38,634	1,016,853	3,441,801
Dec.	2016	3,441,801	-	-	3,441,801
Jan.	2017	3,441,801	-	-	3,441,801
Feb.	2017	3,441,801	7,436	70,104	3,371,697
April	2017	3,371,697	20,662	62,671	3,309,026
June	2017	3,309,026	-	-	3,309,026
Aug.	2017	3,309,026	6,488	71,053	3,237,972
Sept.	2017	3,237,972	-	-	3,237,972
Oct.	2017	3,237,972	20,025	211,390	3,026,582
Dec.	2017	3,026,582	-	-	3,026,582
Jan.	2018	3,026,582	-	-	3,026,582
Feb.	2018	3,026,582	5,525	72,016	2,954,567
April	2018	2,954,567	18,536	63,953	2,890,613
June	2018	2,890,613	-	-	2,890,613
Aug.	2018	2,890,613	4,549	72,991	2,817,622
Sept.	2018	2,817,622	-	-	2,817,622
Oct.	2018	2,817,622	17,885	214,373	2,603,249
Dec.	2018	2,603,249	-	-	2,603,249
Jan.	2019	2,603,249	-	-	2,603,249
Feb.	2019	2,603,249	3,561	73,980	2,529,269
April	2019	2,529,269	16,374	65,262	2,464,007
June	2019	2,464,007	-	-	2,464,007

		Total Debt Service - Business-Type Activities			
Due Date					
Revenue Source					
		Beginning Balance	3.84% Interest	Principal	Ending Balance
Aug.	2019	2,464,007	2,559	22,895	2,441,112
Sept.	2019	2,441,112	-	-	2,441,112
Oct.	2019	2,441,112	15,709	217,403	2,223,709
Dec.	2019	2,223,709	-	-	2,223,709
Jan.	2020	2,223,709	-	-	2,223,709
Feb.	2020	2,223,709	2,210	23,244	2,200,465
April	2020	2,200,465	14,175	66,598	2,133,867
June	2020	2,133,867	-	-	2,133,867
Aug.	2020	2,133,867	1,855	23,599	2,110,269
Sept.	2020	2,110,269	-	-	2,110,269
Oct.	2020	2,110,269	13,497	220,479	1,889,790
Dec.	2020	1,889,790	-	-	1,889,790
Jan.	2021	1,889,790	-	-	1,889,790
Feb.	2021	1,889,790	1,495	23,958	1,865,832
April	2021	1,865,832	11,938	67,961	1,797,871
June	2021	1,797,871	-	-	1,797,871
Aug.	2021	1,797,871	1,130	24,324	1,773,547
Sept.	2021	1,773,547	-	-	1,773,547
Oct.	2021	1,773,547	11,246	223,602	1,549,945
Dec.	2021	1,549,945	-	-	1,549,945
Jan.	2022	1,549,945	-	-	1,549,945
Feb.	2022	1,549,945	759	24,695	1,525,250
April	2022	1,525,250	9,654	69,352	1,455,898
June	2022	1,455,898	-	-	1,455,898
Aug.	2022	1,455,898	382	25,071	1,430,827
Sept.	2022	1,430,827	-	-	1,430,827
Oct.	2022	1,430,827	8,958	226,774	1,204,054
Dec.	2022	1,204,054	-	-	1,204,054
Jan.	2023	1,204,054	-	-	1,204,054
Feb.	2023	1,204,054	-	-	1,204,054
April	2023	1,204,054	7,351	70,771	1,133,282
June	2023	1,133,282	-	-	1,133,282
Aug.	2023	1,133,282	-	-	1,133,282
Sept.	2023	1,133,282	-	-	1,133,282
Oct.	2023	1,133,282	6,631	229,995	903,287
Dec.	2023	903,287	-	-	903,287
Jan.	2024	903,287	-	-	903,287
April	2024	903,287	4,999	28,647	874,641
Sept.	2024	874,641	-	-	874,641
Oct.	2024	874,641	4,730	189,225	685,416
Jan.	2025	685,416	-	-	685,416
April	2025	685,416	3,544	29,188	656,228
Sept.	2025	656,228	-	-	656,228
Oct.	2025	656,228	3,270	191,599	464,629
Jan.	2026	464,629	-	-	464,629
April	2026	464,629	2,069	29,739	434,890
Sept.	2026	434,890	-	-	434,890
Oct.	2026	434,890	1,789	194,004	240,886
Jan.	2027	240,886	-	-	240,886
April	2027	240,886	572	30,301	210,585
Sept.	2027	210,585	-	-	210,585
Oct.	2027	210,585	288	30,585	180,000
Jan.	2028	180,000	-	-	180,000
April	2028	180,000	-	-	180,000
Sept.	2028	180,000	-	-	180,000
		1,793,524	11,767,127		

Series 2003 – SunTrust

CITY OF LAKE WALES
P O BOX 1320
LAKE WALES, FL 33859-1320

~~~~~Direct Debit~~~~~

March 16, 2010

FROM: CenterState Bank  
ABA: [REDACTED]  
Account# [REDACTED]

TO: SunTrust Bank

Purpose: Series 2003 SunTrust Refunding Debt

AMOUNT TRANSFERED: 115,473.44 Due: 04/01/10

| <u>GJE</u>          |                  | <u>DR</u>         | <u>CR</u>         |
|---------------------|------------------|-------------------|-------------------|
| 403-591-000-772-406 | Interest         | / 5,231.98        |                   |
| 403-203-900-507-000 | Principal        |                   |                   |
| 403-104-801-003-000 | Cash - Utilities |                   | 5,231.98          |
| 201-517-000-772-501 | Interest         | / 110,241.46      |                   |
| 201-517-000-771-501 | Principal        |                   |                   |
| 201-104-801-003-000 | Cash - General   |                   | 110,241.46        |
|                     |                  | <u>115,473.44</u> | <u>115,473.44</u> |

Requested By: [Signature]  
Finance Director

03/16/10  
Date

Approved By: [Signature]  
City Manager

03/16/10  
Date

Journal Entry # 32414  
Business Date: \_\_\_\_\_

Posted  
By: \_\_\_\_\_



**SUNTRUST**  
 Live Solid. Bank Smarter.  
 COMMERCIAL CREDIT SERVICES  
 P.O. BOX 4418 MC 039  
 ATLANTA, GA 30302

COMMERCIAL LOAN INVOICE  
 DUE DATE: 04/01/2010  
 AMOUNT DUE: \$115,473.44

CITY OF LAKE WALES  
 SWAP -3  
 ATTN FINCANCE DEPT  
 P.O BOX 1320  
 LAKE WALES, FL 33859

ACCOUNT NO.  
 85-0050010410-83

0 ( / / ) BILL CODE R  
 AC EFF/DATE  
 (FOR BANK USE ONLY)

ACCT NO. 85-0050010410-83  
 BILL CODE R

DUE DATE: 04/01/10

PRINCIPAL DUE: \$0.00  
 INTEREST DUE: \$115,473.44  
 LATE FEES  
 TOTAL AMOUNT DUE \$115,473.44



|                               |
|-------------------------------|
| OUTSTANDING PRINCIPAL BALANCE |
| \$6,014,241.88                |

| PRINCIPAL | INTEREST     | LATE FEES | AMOUNT DUE   |
|-----------|--------------|-----------|--------------|
| \$0.00    | \$115,473.44 | \$0.00    | \$115,473.44 |

2003

**Multipurpose Refinancing for City of Lake Wales**  
*SunTrust Synthetic Fixed Rate Alternative, Rates as of 12/02/2003*  
 Advance Refunding of Series 1996 Capital Improvement Revenue Bonds  
 Refinancing of 1999 Private Placement with Sun Trust Bank

**Net Debt Service Schedule**

| Date         | Principal             | Coupon   | Interest              | Total P+I              | Expenses           | Existing D/S                       | Net New D/S            |
|--------------|-----------------------|----------|-----------------------|------------------------|--------------------|------------------------------------|------------------------|
| 04/01/2004   | -                     | -        | 113,609.20            | 113,609.20             | -                  | 12,389.36                          | 125,998.56             |
| 10/01/2004   | 201,645.92            | 3.790%   | 180,970.42            | 382,616.34             | 3,886.29           | 18,584.07                          | 405,086.70             |
| 04/01/2005   | -                     | -        | 177,149.23            | 177,149.23             | -                  | 18,584.08                          | 195,733.31             |
| 10/01/2005   | 738,811.35            | 3.790%   | 177,149.23            | 915,960.58             | 4,674.14           | 18,584.08                          | 939,218.80             |
| 04/01/2006   | -                     | -        | 163,148.75            | 163,148.75             | -                  | 86,214.65                          | 249,363.40             |
| 10/01/2006   | 498,909.38            | 3.790%   | 163,148.75            | 662,058.13             | 4,304.73           | 221,475.84                         | 887,838.70             |
| 04/01/2007   | -                     | -        | 153,694.43            | 153,694.43             | -                  | 221,475.84                         | 375,170.27             |
| 10/01/2007   | 390,026.30            | 3.790%   | 153,694.43            | 543,720.73             | 4,055.28           | 210,475.84                         | 758,251.85             |
| 04/01/2008   | -                     | -        | 146,303.43            | 146,303.43             | -                  | -                                  | 146,303.43             |
| 10/01/2008   | 837,379.99            | 3.790%   | 146,303.43            | 983,683.42             | 3,860.26           | -                                  | 987,543.68             |
| 04/01/2009   | -                     | -        | 130,435.07            | 130,435.07             | -                  | -                                  | 130,435.07             |
| 10/01/2009   | 868,875.39            | 3.790%   | 130,435.07            | 999,310.46             | 3,441.57           | -                                  | 1,002,752.03           |
| 04/01/2010   | -                     | -        | 113,969.88            | 113,969.88             | -                  | -                                  | 113,969.88             |
| 10/01/2010   | 905,465.22            | 3.790%   | 113,969.88            | 1,019,435.10           | 3,007.13           | $\frac{113,969.88}{2} = 56,984.94$ | 1,022,442.23           |
| 04/01/2011   | -                     | -        | 96,811.32             | 96,811.32              | -                  | -                                  | 96,811.32              |
| 10/01/2011   | 937,035.06            | 3.790%   | 96,811.32             | 1,033,846.38           | 2,554.40           | $\frac{115,473.44}{2} = 57,736.72$ | 1,036,400.78           |
| 04/01/2012   | -                     | -        | 79,054.51             | 79,054.51              | -                  | -                                  | 79,054.51              |
| 10/01/2012   | 973,467.22            | 3.790%   | 79,054.51             | 1,052,521.73           | 2,085.88           | -                                  | 1,054,607.61           |
| 04/01/2013   | -                     | -        | 60,607.30             | 60,607.30              | -                  | -                                  | 60,607.30              |
| 10/01/2013   | 1,010,148.37          | 3.790%   | 60,607.30             | 1,070,755.67           | 1,599.14           | -                                  | 1,072,354.81           |
| 04/01/2014   | -                     | -        | 41,464.99             | 41,464.99              | -                  | -                                  | 41,464.99              |
| 10/01/2014   | 1,052,088.05          | 3.790%   | 41,464.99             | 1,093,553.04           | 1,094.08           | -                                  | 1,094,647.12           |
| 04/01/2015   | -                     | -        | 21,527.92             | 21,527.92              | -                  | -                                  | 21,527.92              |
| 10/01/2015   | 672,668.84            | 3.790%   | 21,527.92             | 694,196.76             | 568.02             | -                                  | 694,764.78             |
| 04/01/2016   | -                     | -        | 8,780.84              | 8,780.84               | -                  | -                                  | 8,780.84               |
| 10/01/2016   | 463,369.12            | 3.790%   | 8,780.84              | 472,149.96             | 231.69             | -                                  | 472,381.65             |
| <b>Total</b> | <b>\$9,549,890.21</b> | <b>-</b> | <b>\$2,680,474.96</b> | <b>\$12,230,365.17</b> | <b>\$35,362.61</b> | <b>\$807,783.76</b>                | <b>\$13,073,511.54</b> |

Form **8038-G**

(Rev. November 2000)

Department of the Treasury  
Internal Revenue Service

# Information Return for Tax-Exempt Governmental Obligations

Under internal Revenue Code section 149(e)  
See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

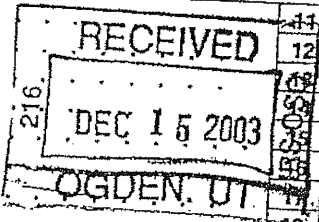
OMB No. 1545-0720

## Part I Reporting Authority

|                                                                                                                                           |  |                                                                                   |                                |
|-------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------------------------------------------------------------------|--------------------------------|
| 1 Issuer's name<br><b>City of Lake Wales, Florida</b>                                                                                     |  | If Amended Return, check here <input type="checkbox"/>                            |                                |
| 3 Number and street (or P.O. box if mail is not delivered to street address)<br><b>201 West Central Avenue</b>                            |  | 2 Issuer's employer identification number<br><b>59 6000357</b>                    | 4 Report number<br><b>3 -1</b> |
| 5 City, town, or post office, state, and ZIP code<br><b>Lake Wales, Florida 33853</b>                                                     |  | 6 Date of issue<br><b>December 8, 2003</b>                                        | 8 CUSIP number<br><b>None</b>  |
| 7 Name of issue<br><b>City of Lake Wales, Florida Capital Improvement Refunding Revenue Note, Series 2003</b>                             |  | 10 Telephone number of officer or legal representative<br><b>( 863 ) 678-4182</b> |                                |
| 9 Name and title of officer or legal representative whom the IRS may call for more information<br><b>Sylvia Edwards, Finance Director</b> |  |                                                                                   |                                |

## Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule

|                                       |                                                 |                                            |                                           |                                                                  |                                     |                                       |                                                                                            |                                                                        |                                                                                                      |                                    |
|---------------------------------------|-------------------------------------------------|--------------------------------------------|-------------------------------------------|------------------------------------------------------------------|-------------------------------------|---------------------------------------|--------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|------------------------------------|
| 11 <input type="checkbox"/> Education | 12 <input type="checkbox"/> Health and hospital | 13 <input type="checkbox"/> Transportation | 14 <input type="checkbox"/> Public safety | 15 <input type="checkbox"/> Environment (including sewage bonds) | 16 <input type="checkbox"/> Housing | 17 <input type="checkbox"/> Utilities | 18 <input checked="" type="checkbox"/> Other. Describe <b>General capital improvements</b> | 19 If obligations are TANs or RANs, check box <input type="checkbox"/> | 20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/> | Issue price<br><b>9,549,890.21</b> |
|---------------------------------------|-------------------------------------------------|--------------------------------------------|-------------------------------------------|------------------------------------------------------------------|-------------------------------------|---------------------------------------|--------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|------------------------------------|



## Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

|    | (a) Final maturity date | (b) Issue price | (c) Stated redemption price at maturity | (d) Weighted average maturity | (e) Yield   |
|----|-------------------------|-----------------|-----------------------------------------|-------------------------------|-------------|
| 21 | October 1, 2016         | \$ 9,549,890.21 | \$ 9,549,890.21                         | 7.406 years                   | 3.7906577 % |

## Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

| 22 | Proceeds used for accrued interest                                                       |              |  | 0.00         |
|----|------------------------------------------------------------------------------------------|--------------|--|--------------|
| 23 | Issue price of entire issue (enter amount from line 21, column (b))                      |              |  | 9,549,890.21 |
| 24 | Proceeds used for bond issuance costs (including underwriters' discount)                 | 111,332.00   |  |              |
| 25 | Proceeds used for credit enhancement                                                     | 0.00         |  |              |
| 26 | Proceeds allocated to reasonably required reserve or replacement fund                    | 0.00         |  |              |
| 27 | Proceeds used to currently refund prior issues                                           | 4,771,699.57 |  |              |
| 28 | Proceeds used to advance refund prior issues                                             | 4,666,858.64 |  |              |
| 29 | Total (add lines 24 through 28)                                                          |              |  | 9,549,890.21 |
| 30 | Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here) |              |  | 0.00         |

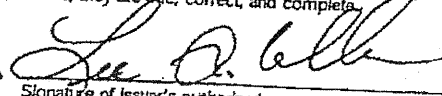
## Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)

|    |                                                                                     |                       |
|----|-------------------------------------------------------------------------------------|-----------------------|
| 31 | Enter the remaining weighted average maturity of the bonds to be currently refunded | 6.691 years           |
| 32 | Enter the remaining weighted average maturity of the bonds to be advance refunded   | 7.564 years           |
| 33 | Enter the last date on which the refunded bonds will be called                      | 10/1/2006             |
| 34 | Enter the date(s) the refunded bonds were issued                                    | 7/11/1996; 12/22/1999 |

## Part VI Miscellaneous

|     |                                                                                                                                                 |  |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------|--|
| 35  | Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)                                                         |  |
| 36a | Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)                            |  |
| b   | Enter the final maturity date of the guaranteed investment contract                                                                             |  |
| 37  | Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units                                       |  |
| b   | If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the name of the issuer |  |
| 38  | If the issuer has designated the issue under section 265(b)(3)(B)(i)(II) (small issuer exception), check box <input type="checkbox"/>           |  |
| 39  | If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box <input type="checkbox"/>                                      |  |
| 40  | If the issuer has identified a hedge, check box <input type="checkbox"/>                                                                        |  |

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Sign Here:  **Lee A. Wheeler, III, Mayor**  
 Signature of issuer's authorized representative Date Type or print name and title

**\$9,549,890.21**  
**CITY OF LAKE WALES, FLORIDA**  
**CAPITAL IMPROVEMENT REFUNDING**  
**REVENUE NOTE, SERIES 2003**

**CLOSING DATE: DECEMBER 8, 2003**

CONTENTS

1-3



The City of Lake Wales, Florida  
201 W. Central Ave.  
Lake Wales, FL 33859  
Attn: Anthony G. Otte  
Phone: 863-678-4182  
Fax: 863-678-4180  
Email: aotte@cityoflakewales.com

SunTrust Bank  
3333 Peachtree Street, N.E.  
Atlanta, GA 30326  
Please contact us with any questions  
Patrick Powell  
Financial Risk Ops, CC#3913  
E-Mail: Patrick.Powell@SunTrust.com  
Phone: (404) 926-5818  
Facsimile: (404) 926-5827

The purpose of this communication is to quote a Mark-To-Market Estimate as of 09/30/09 in reference to the transactions(s) identified below.

Note: A positive mark-to-market value is in your favor (asset); a negative mark-to-market value is in SunTrust's favor (liability).  
The mark-to-market value includes accrued interest.

| Reference #  | Product Type | Trade Date | Effective Date | Maturity Date | Currency | Original Notional | Current Notional | Index | Client Pays      | Client Receives      |
|--------------|--------------|------------|----------------|---------------|----------|-------------------|------------------|-------|------------------|----------------------|
| 21309/102135 | Swap         | 12/03/03   | 12/08/03       | 10/01/16      | USD      | \$9,549,890.21    | \$6,883,117.27   | FIXED | 3.84000%LIBOR    | IM 0.82504%          |
|              |              |            |                |               |          |                   |                  |       | Accrued Interest | Mark-to-Market Value |
|              |              |            |                |               |          |                   |                  |       | \$(101,148.38)   | \$(453,979.31)       |

The above MTM Estimate represents SunTrust Robinson Humphrey's estimate of the mid-market value of the referenced transaction as of the close of business on 09/30/09. The MTM Estimate is based on our valuation models and assumptions (which are subject to change without notice) and available market data, some of which may be internally provided. Although we believe the assumptions to be reasonable and the market data to be accurate, no guaranty or warranty is made with respect thereto. We shall not be liable for any damages (incidental, special, consequential, or other) arising out of any use of or reliance on the MTM Estimate. Moreover, the MTM Estimate is provided without adjustments for transactions and hedging cost, liquidity, or credit considerations or other significant factors external to the valuation models. The MTM Estimate is not, and does not necessarily represent indicative or firm quotes to enter into, assign, or unwind the transaction or an economically equivalent transaction.

CERTIFICATE OF DELIVERY AND PAYMENT AND APPLICATION OF PROCEEDS

I, the undersigned officer of the City of Lake Wales, Florida (the "City"), DO HEREBY CERTIFY that on the 8<sup>th</sup> day of December, 2003; I delivered to SunTrust Bank (the "Purchaser"), the following described obligation of the City:

\$9,549,890.21 City of Lake Wales, Florida Capital Improvement Refunding Revenue Note, Series 2003, consisting of one fully registered Note dated December 8, 2003, bearing interest at the initial rate of 1.43%, adjusted as provided therein, and maturing on October 1, 2016.

Capitalized undefined terms used herein shall have the meanings ascribed thereto in Resolution No. 2003-35 adopted by the City Commission of the City on December 2, 2003 (the "Resolution"). We received as of this date, on behalf of the City, from the Purchaser, \$9,549,890.21 as payment for the above-described Note. Such amount of proceeds shall be applied as follows:

- (1) \$4,666,858.64 of Note proceeds, together with \$80,002.50 of other legally available funds of the City, shall be deposited in the Refunded 1996 Bonds Escrow Account established pursuant to the Escrow Deposit Agreement;
- (2) \$45,232.00 of Note proceeds shall be paid to the Original Purchaser as a restructuring fee in connection with the refunding of a portion of the City's Non-Ad Valorem Revenue Bonds, Series 1999 (the "Refunded 1999 Bonds");
- (3) \$4,769,841.16 of Note proceeds shall be paid to the Original Purchaser to be used to immediately pay the principal of and accrued interest on the Refunded 1999 Bonds;
- (4) \$1,858.41 of Note proceeds shall be paid to the holder of the City's Non-Ad Valorem Revenue Bonds, Series 1999 which are not being refunded, to pay accrued interest thereon through the date hereof; and

[Remainder of page intentionally left blank]

6  
7  
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1

The Advance Refunding Portion constitutes the first advance refunding of the Series 1996 Bonds (within the meaning of Section 149(d)(3) of the Code). The Series 1996 Bonds were issued for the purpose of financing the cost of certain capital improvements within the City. The Series 1999 Bonds were issued for the purposes of (i) currently refunding a portion of the City's Special Obligation Revenue Bonds, Series 1999 (the "Special Obligation Bonds") and (ii) financing the cost of certain capital improvements within the City. The Special Obligation Bonds were issued for the purpose of financing certain capital improvements within the City. The capital improvements financed with the proceeds of the Series 1996 Bonds, the Series 1999 Bonds and the Special Obligation Bonds are hereinafter collectively referred to as the "Prior Project".

3. Contemporaneously with the issuance of the Series 2003 Note, the City will enter into an interest rate swap agreement (the "Swap Agreement") with SunTrust Bank (the "Bank"), evidenced by an ISDA Master Agreement and Schedule related thereto dated as of December 3, 2003, as supplemented by a Confirmation of Swap Transaction dated December 3, 2003 (the "Confirmation"). The City is entering into the Swap Agreement for the purpose of converting the variable interest payments the City is obligated to make on the Series 2003 Note into fixed rate payments. The term, notional amount and amortization of the Swap Agreement coincide with the maturity, principal amount and amortization of the Series 2003 Note. It is reasonably expected that the variable rate paid to the City under the Swap Agreement will be the same as the variable rate paid on the Series 2003 Note. Pursuant to Section 1.148-4(h) of the Regulations, the City hereby "identifies" the Swap Agreement, which is more fully described in the Confirmation attached as Exhibit "B" hereto, as a qualified hedge with respect to the Series 2003 Note. Accordingly, provided the Swap Agreement is not terminated prior to its scheduled expiration, the Series 2003 Note will be treated as a fixed yield bond under Section 1.148-4(h)(4) of the Regulations. In connection with the Swap Agreement, the Bank has made certain representations to the City in a certificate attached as Exhibit "C" hereto.

4. On the basis of the facts, estimates and circumstances in existence on the date hereof, I reasonably expect the following with respect to the Series 2003 Note being issued this day and as to the use of the proceeds thereof:

(a) Proceeds in the amount of \$9,549,890.21 (the "Sale Proceeds") derived by the City from the sale of the Series 2003 Note to the Bank are expected to be needed and fully expended as follows:

(i) \$111,332.00 of said proceeds will be used to pay the Issuance Expenses;

(ii) \$4,771,699.57 of said proceeds will be used on the date hereof to pay accrued interest on and to retire a portion of the outstanding principal amount of the Series 1999 Bonds;



(iii) \$25.64 of said proceeds will be deposited in the Escrow Account established with the Escrow Agent pursuant to the Escrow Agreement (the "Escrow Account") and used as a portion of the initial cash balance in the Escrow Account established in connection with the advance refunding of the Series 1996 Bonds; and

(iv) \$4,666,833.00 of said proceeds will be deposited with the Escrow Agent and applied to acquire direct general obligations of the United States of America, U.S. Treasury Obligations - State and Local Government Series (the "Restricted Escrow Obligations") that will mature at such times, together with the interest earned thereon, as will be necessary to pay a portion of the remaining interest, principal of, and call premium on the Series 1996 Bonds.

(b) Restricted Escrow Obligations in the principal amount of \$4,666,833.00 will be acquired by the Escrow Agent pursuant to the terms of the Escrow Agreement and deposited in the Escrow Account. The Restricted Escrow Obligations are more fully described in the Schedules attached as Exhibit "A" hereto. As of the date of issuance of the Series 2003 Note, \$80,002.50 of revenues previously accumulated to pay debt service on the Series 1996 Bonds will be transferred to the Escrow Agent and used to fund a portion of the beginning cash balance in the Escrow Account and to purchase U.S. Treasury Obligations - State and Local Government Series in the principal amount of \$80,002.00 (the "Unrestricted Escrow Obligations"). The maturing amount of such Unrestricted Escrow Obligations will be used to pay a portion of the interest on the Series 1996 Bonds on April 1, 2004. The Unrestricted Escrow Obligations, which are more fully described in the Schedules attached as Exhibit A hereto, constitute the earliest maturing investments in the Escrow Account.

(c) The total proceeds to be received from the sale of the Series 2003 Note, together with anticipated investment earnings thereon and the amounts made available as a result of the refunding of the Series 1996 Bonds and the Series 1999 Bonds, do not exceed the total of the amounts necessary for the purposes described above.

5. As of the date of issuance of the Series 1996 Bonds, the City reasonably expected that at least 85% of the spendable proceeds of the Series 1996 Bonds would be expended within 3 years of the date that such bonds were issued. In addition, not more than 50% of the proceeds of the Series 1996 Bonds were invested in obligations having a substantially guaranteed yield for a period of 4 years or more.

6. As of the date of issuance of the Series 1999 Bonds, the City reasonably expected that at least 85% of the spendable proceeds of the new money portion of the Series 1999 Bonds would be expended within 3 years of the date that such bonds were issued. In addition, not more than 50% of the proceeds of the new money portion of the Series 1999 Bonds were invested in obligations having a substantially guaranteed yield for a period of 4 years or more.

Rever. Bonds 1996  
Section 15, page 37  
Carryover to 2003 Suretrust Note

(6) In determining the amount of any of the payments required to be made pursuant to this Section, credit may be given for all investment income accruing to the respective funds and accounts described herein, except as otherwise provided.

(7) The cash required to be accounted for in each of the funds and accounts described in this Section may be deposited in a single bank account, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the cash on deposit therein for the various purposes of such funds and accounts as herein provided. The designation and establishment of the various funds in and by this Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues and assets of the System for certain purposes and to establish certain priorities for application of such revenues and assets as herein provided.

(C) OPERATION AND MAINTENANCE. The Issuer will maintain the System and all parts thereof in good condition and will operate the same in an efficient and economical manner, making such expenditures for equipment and for renewals, repairs and replacements as may be proper for the economical operation and maintenance thereof.

(D) RATE COVENANT. The Issuer will fix, establish, revise from time to time whenever necessary, maintain and collect always such fees, rates, rentals and other charges for the use of the products, services and facilities of the System which will always provide Net Revenues in each year sufficient to pay the aggregate of one hundred ten percent (110%) of the Bond Service Requirement becoming due in such year on the Outstanding Bonds. Such rates, fees, rentals or other charges shall not be reduced so as to render them insufficient to provide revenues for the purposes provided therefor by this Resolution.

To the extent that the Debt Service Reserve Fund Policy is in effect with respect to the Series 1996 Bonds, reference is made to Section 31(e) hereof.

(E) BOOKS AND ACCOUNTS; AUDIT. The Issuer shall keep proper books, records and accounts, separate and apart from all other records and accounts, showing correct and complete entries of all transactions of the System, and the Holders of any of the Bonds or any duly authorized agent or agents of such Holders shall have the right at any and all reasonable times to inspect such books, records and accounts. The Issuer shall, within one hundred eighty (180) days following the close of each Fiscal Year of the Issuer, cause an audit of such books, records and accounts to be made by an independent firm of certified public accountants.

Copies of each such audit report shall be placed on file with the Issuer and be made available at reasonable times for inspection by Holders of the Bonds.

Revised 2/28/2008 - Allocation to Fire Department for Central Avenue Station's Land and Building  
 SERIES 2003 NOTE ALLOCATION (Revised 5/13/04 - Transportation Allocation decreased \$571,515.01. Applied to CRA)

|                                | Sun Trust    | City      | Total               | General             | Fire                | *Transportation     | CRA                 | Utilities         | TOTAL               |
|--------------------------------|--------------|-----------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|---------------------|
| NonAd 99 Principal             | 4,757,115.88 |           | 4,757,115.88        | 40.37%              |                     | 12.95%              | 37.76%              | 8.92%             |                     |
| NonAd 99 Restruct Fee          | 45,232.00    |           | 45,232.00           | 40.37%              |                     | 12.95%              | 37.76%              | 8.92%             |                     |
| NonAd 99 Interest              | 14,583.69    |           | 14,583.69           | 40.37%              |                     | 12.95%              | 37.76%              | 8.92%             |                     |
| NonAd 99 Total                 | 4,816,931.57 |           | 4,816,931.57        |                     |                     |                     |                     |                   |                     |
| Series 1996 Bonds              | 4,666,858.64 |           | 4,666,858.64        | 41.86%              | 33.95%              | 24.19%              |                     |                   |                     |
| Other Issuance Costs           | 66,100.00    |           | 66,100.00           |                     |                     |                     |                     |                   |                     |
| Total Series 2003 Note         | 9,549,890.21 |           | 9,549,890.21        |                     |                     |                     |                     |                   |                     |
| City SF Series '96 Bonds       |              | 80,002.50 | 80,002.50           | 41.86%              | 33.95%              | 24.19%              |                     |                   |                     |
| <b>TOTAL SOURCES</b>           |              |           | <b>9,629,892.71</b> |                     |                     |                     |                     |                   |                     |
| NonAd 99 Principal             | 4,757,115.88 |           | 4,757,115.88        |                     |                     | 44,531.50           | 2,367,801.97        | 424,334.74        | 4,757,115.88        |
| NonAd 99 Restruct Fee          | 45,232.00    |           | 45,232.00           |                     |                     | 5,857.54            | 17,079.60           | 4,034.70          | 45,232.00           |
| NonAd 99 Interest              | 14,583.69    |           | 14,583.69           |                     |                     | 1,888.59            | 5,506.80            | 1,300.87          | 14,583.69           |
| NonAd 99 Total                 | 4,816,931.57 |           | 4,816,931.57        |                     |                     |                     |                     |                   |                     |
| Series 1996 Bonds              | 4,666,858.64 |           | 4,666,858.64        |                     |                     | 1,128,913.11        |                     |                   | 4,666,858.64        |
| Funding Before issuance costs  |              |           | 9,483,790.21        |                     |                     | 1,181,190.74        | 2,390,388.37        | 429,670.31        | 9,483,790.21        |
| <b>Revised Debt Allocation</b> |              |           |                     | 41.1036%            | 16.7064%            | 12.4500%            | 25.2100%            | 4.5300%           | 100.00%             |
| Issuance Costs                 | 66,100.00    |           | 66,100.00           | 27,169.48           | 11,042.93           | 8,229.45            | 16,663.81           | 2,994.33          | 66,100.00           |
| Total Series 2003 Note         | 9,549,890.21 |           | 9,549,890.21        | 3,925,311.76        | 1,595,441.44        | 1,189,420.19        | 2,407,052.18        | 432,664.64        | 9,549,890.21        |
| Sinking Fund Transfer          |              | 80,002.50 | 80,002.50           | 33,489.05           | 27,160.85           | 19,352.60           |                     |                   | 80,002.50           |
| <b>TOTAL USES</b>              |              |           | <b>9,629,892.71</b> | <b>3,958,800.81</b> | <b>1,622,602.29</b> | <b>1,208,772.79</b> | <b>2,407,052.18</b> | <b>432,664.64</b> | <b>9,629,892.71</b> |

\*Transportation Debt on NonAd 99 Debt was accelerated. Scheduled to drop from 12.95% to 1.05% in year 2010. CRA scheduled to increase. New allocation remains constant throughout term of new debt.

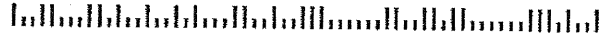
**Series 2005 – SunTrust**



# Commercial Loan Invoice

SUNTRUST BANK  
 PO BOX 79079  
 BALTIMORE MD 21279-0079

7/1/10



CITY OF LAKE WALES  
 ATTN FINANCE DEPT  
 201 W CENTRAL AVE  
 LAKE WALES FL 33853-4013

|              |             |            |
|--------------|-------------|------------|
| Date         | Unit No.    | Office No. |
| 06-30-2010   | 2154118     | 85-82999   |
| Customer No. | Invoice No. |            |
| 0050010410   | 1010203319  |            |

THANK YOU FOR YOUR BUSINESS. FOR QUESTIONS, PLEASE CALL 1-866-476-1460.

| Obligation Number | Effective Dates |            | Principal           | Interest Fee Rate | Amount Due | Charge Type |
|-------------------|-----------------|------------|---------------------|-------------------|------------|-------------|
|                   | From            | Thru       |                     |                   |            |             |
| 91                | 07-01-2010      |            | 590,339.00          |                   | 9,356.00   | PRIN        |
|                   | 06-01-2010      | 06-30-2010 | 590,339.00          | 4.20              | 2,066.19   | INTEREST    |
|                   |                 |            |                     |                   | 11,422.19  | TOTAL       |
|                   |                 |            |                     |                   | +          | -           |
|                   |                 |            |                     |                   | 9356.00    | 11422.19 ✓  |
|                   |                 |            |                     |                   | 2066.19    |             |
|                   |                 |            | 33582 ✓             |                   |            |             |
|                   |                 |            | 403-104-801-003-000 |                   |            |             |
|                   |                 |            | 403-203-900-508-000 |                   |            |             |
|                   |                 |            | 403-591-000-712-508 |                   |            |             |
|                   |                 |            | B.J.E.              |                   |            |             |



# Commercial Loan Invoice

CITY OF LAKE WALES  
 ATTN FINANCE DEPT  
 201 W CENTRAL AVE  
 LAKE WALES FL 33853-4013

| Due Date                | Unit No. | Office No.     |
|-------------------------|----------|----------------|
| 07-01-2010              | 2154118  | 85-82999       |
| PRINCIPAL DUE           |          | 935600         |
| INTEREST DUE            |          | 206619         |
| FEES DUE                |          | 00             |
| <b>TOTAL AMOUNT DUE</b> |          | <b>1142219</b> |

SUNTRUST BANK  
 PO BOX 79079  
 BALTIMORE MD 21279-0079

YOUR ACCOUNT # 20125332  
 WILL BE CHARGED ON THE DUE DATE.

## EXHIBIT A

Mar 25, 2005 4:14 pm Prepared by DBC FinLite

(4.300 VRDBs2004:LJKW:ALES-UTILIT05) Page 3

## BOND DEBT SERVICE

City of Lake Wales, Florida  
Utility System Revenue Note, Series 2005

| Period Ending | Principal | Coupon | Interest | Debt Service | Annual Debt Service |
|---------------|-----------|--------|----------|--------------|---------------------|
| 04/01/2005    |           |        |          |              |                     |
| 05/01/2005    | 7,547     | 4.200% | 4,014.50 | 11,561.50    |                     |
| 06/01/2005    | 7,583     | 4.200% | 3,858.59 | 11,441.59    |                     |
| 07/01/2005    | 7,610     | 4.200% | 3,832.05 | 11,442.05    |                     |
| 08/01/2005    | 7,637     | 4.200% | 3,805.41 | 11,442.41    |                     |
| 09/01/2005    | 7,663     | 4.200% | 3,778.68 | 11,441.68    |                     |
| 10/01/2005    | 7,690     | 4.200% | 3,751.86 | 11,441.86    |                     |
| 11/01/2005    | 7,717     | 4.200% | 3,724.95 | 11,441.95    |                     |
| 12/01/2005    | 7,744     | 4.200% | 3,697.94 | 11,441.94    |                     |
| 01/01/2006    | 7,771     | 4.200% | 3,670.83 | 11,441.83    |                     |
| 02/01/2006    | 7,798     | 4.200% | 3,643.63 | 11,441.63    |                     |
| 03/01/2006    | 7,826     | 4.200% | 3,616.34 | 11,442.34    | 125,980.78          |
| 04/01/2006    | 7,830     | 4.200% | 3,588.95 | 11,418.95    |                     |
| 05/01/2006    | 7,857     | 4.200% | 3,561.54 | 11,418.54    |                     |
| 06/01/2006    | 7,884     | 4.200% | 3,534.04 | 11,418.04    |                     |
| 07/01/2006    | 7,912     | 4.200% | 3,506.45 | 11,418.45    |                     |
| 08/01/2006    | 7,939     | 4.200% | 3,478.76 | 11,417.76    |                     |
| 09/01/2006    | 7,967     | 4.200% | 3,450.97 | 11,417.97    |                     |
| 10/01/2006    | 7,995     | 4.200% | 3,423.09 | 11,418.09    |                     |
| 11/01/2006    | 8,023     | 4.200% | 3,395.11 | 11,418.11    |                     |
| 12/01/2006    | 8,051     | 4.200% | 3,367.02 | 11,418.02    |                     |
| 01/01/2007    | 8,079     | 4.200% | 3,338.85 | 11,417.85    |                     |
| 02/01/2007    | 8,108     | 4.200% | 3,310.57 | 11,418.57    |                     |
| 03/01/2007    | 8,136     | 4.200% | 3,282.19 | 11,418.19    | 137,018.54          |
| 04/01/2007    | 8,166     | 4.200% | 3,253.72 | 11,419.72    |                     |
| 05/01/2007    | 8,193     | 4.200% | 3,225.13 | 11,418.13    |                     |
| 06/01/2007    | 8,222     | 4.200% | 3,196.46 | 11,418.46    |                     |
| 07/01/2007    | 8,251     | 4.200% | 3,167.68 | 11,418.68    |                     |
| 08/01/2007    | 8,279     | 4.200% | 3,138.80 | 11,417.80    |                     |
| 09/01/2007    | 8,308     | 4.200% | 3,109.83 | 11,417.83    |                     |
| 10/01/2007    | 8,337     | 4.200% | 3,080.75 | 11,417.75    |                     |
| 11/01/2007    | 8,367     | 4.200% | 3,051.57 | 11,418.57    |                     |
| 12/01/2007    | 8,396     | 4.200% | 3,022.29 | 11,418.29    |                     |
| 01/01/2008    | 8,425     | 4.200% | 2,992.90 | 11,417.90    |                     |
| 02/01/2008    | 8,455     | 4.200% | 2,963.41 | 11,418.41    |                     |
| 03/01/2008    | 8,484     | 4.200% | 2,933.82 | 11,417.82    | 137,019.36          |
| 04/01/2008    | 8,514     | 4.200% | 2,904.13 | 11,418.13    |                     |
| 05/01/2008    | 8,544     | 4.200% | 2,874.33 | 11,418.33    |                     |
| 06/01/2008    | 8,574     | 4.200% | 2,844.42 | 11,418.42    |                     |
| 07/01/2008    | 8,604     | 4.200% | 2,814.41 | 11,418.41    |                     |
| 08/01/2008    | 8,634     | 4.200% | 2,784.30 | 11,418.30    |                     |
| 09/01/2008    | 8,664     | 4.200% | 2,754.08 | 11,418.08    |                     |
| 10/01/2008    | 8,694     | 4.200% | 2,723.76 | 11,417.76    |                     |
| 11/01/2008    | 8,725     | 4.200% | 2,693.33 | 11,418.33    |                     |
| 12/01/2008    | 8,755     | 4.200% | 2,662.79 | 11,417.79    |                     |
| 01/01/2009    | 8,786     | 4.200% | 2,632.15 | 11,418.15    |                     |
| 02/01/2009    | 8,817     | 4.200% | 2,601.40 | 11,418.40    |                     |
| 03/01/2009    | 8,848     | 4.200% | 2,570.54 | 11,418.54    | 137,018.64          |
| 04/01/2009    | 8,879     | 4.200% | 2,539.57 | 11,418.57    |                     |
| 05/01/2009    | 8,910     | 4.200% | 2,508.49 | 11,418.49    |                     |
| 06/01/2009    | 8,941     | 4.200% | 2,477.31 | 11,418.31    |                     |
| 07/01/2009    | 8,972     | 4.200% | 2,446.01 | 11,418.01    |                     |
| 08/01/2009    | 9,004     | 4.200% | 2,414.61 | 11,418.61    |                     |
| 09/01/2009    | 9,035     | 4.200% | 2,383.10 | 11,418.10    |                     |
| 10/01/2009    | 9,067     | 4.200% | 2,351.48 | 11,418.48    |                     |

BOND DEBT SERVICE

City of Lake Wales, Florida  
Utility System Revenue Note, Series 2005

| Period Ending | Principal | Coupon | Interest | Debt Service | Annual Debt Service |
|---------------|-----------|--------|----------|--------------|---------------------|
| 11/01/2009    | 9,098     | 4.200% | 2,319.74 | 11,417.74    |                     |
| 12/01/2009    | 9,130     | 4.200% | 2,287.90 | 11,417.90    |                     |
| 01/01/2010    | 9,162     | 4.200% | 2,255.94 | 11,417.94    |                     |
| 02/01/2010    | 9,194     | 4.200% | 2,223.88 | 11,417.88    |                     |
| 03/01/2010    | 9,227     | 4.200% | 2,191.70 | 11,418.70    | 137,018.73          |
| 04/01/2010    | 9,259     | 4.200% | 2,159.40 | 11,418.40    |                     |
| 05/01/2010    | 9,291     | 4.200% | 2,127.00 | 11,418.00    |                     |
| 06/01/2010    | 9,324     | 4.200% | 2,094.48 | 11,418.48    |                     |
| 07/01/2010    | 9,356     | 4.200% | 2,061.84 | 11,417.84    |                     |
| 08/01/2010    | 9,389     | 4.200% | 2,029.10 | 11,418.10    |                     |
| 09/01/2010    | 9,422     | 4.200% | 1,996.24 | 11,418.24    |                     |
| 10/01/2010    | 9,455     | 4.200% | 1,963.26 | 11,418.26    |                     |
| 11/01/2010    | 9,488     | 4.200% | 1,930.17 | 11,418.17    |                     |
| 12/01/2010    | 9,521     | 4.200% | 1,896.96 | 11,417.96    |                     |
| 01/01/2011    | 9,555     | 4.200% | 1,863.63 | 11,418.63    |                     |
| 02/01/2011    | 9,588     | 4.200% | 1,830.19 | 11,418.19    |                     |
| 03/01/2011    | 9,622     | 4.200% | 1,796.63 | 11,418.63    | 137,018.90          |
| 04/01/2011    | 9,655     | 4.200% | 1,762.96 | 11,417.96    |                     |
| 05/01/2011    | 9,689     | 4.200% | 1,729.16 | 11,418.16    |                     |
| 06/01/2011    | 9,723     | 4.200% | 1,695.25 | 11,418.25    |                     |
| 07/01/2011    | 9,757     | 4.200% | 1,661.22 | 11,418.22    |                     |
| 08/01/2011    | 9,791     | 4.200% | 1,627.07 | 11,418.07    |                     |
| 09/01/2011    | 9,825     | 4.200% | 1,592.80 | 11,417.80    |                     |
| 10/01/2011    | 9,860     | 4.200% | 1,558.42 | 11,418.42    |                     |
| 11/01/2011    | 9,894     | 4.200% | 1,523.91 | 11,417.91    |                     |
| 12/01/2011    | 9,929     | 4.200% | 1,489.28 | 11,418.28    |                     |
| 01/01/2012    | 9,964     | 4.200% | 1,454.53 | 11,418.53    |                     |
| 02/01/2012    | 9,999     | 4.200% | 1,419.65 | 11,418.65    |                     |
| 03/01/2012    | 10,034    | 4.200% | 1,384.66 | 11,418.66    | 137,018.91          |
| 04/01/2012    | 10,069    | 4.200% | 1,349.54 | 11,418.54    |                     |
| 05/01/2012    | 10,104    | 4.200% | 1,314.30 | 11,418.30    |                     |
| 06/01/2012    | 10,139    | 4.200% | 1,278.93 | 11,417.93    |                     |
| 07/01/2012    | 10,175    | 4.200% | 1,243.45 | 11,418.45    |                     |
| 08/01/2012    | 10,210    | 4.200% | 1,207.83 | 11,417.83    |                     |
| 09/01/2012    | 10,246    | 4.200% | 1,172.10 | 11,418.10    |                     |
| 10/01/2012    | 10,282    | 4.200% | 1,136.24 | 11,418.24    |                     |
| 11/01/2012    | 10,318    | 4.200% | 1,100.25 | 11,418.25    |                     |
| 12/01/2012    | 10,354    | 4.200% | 1,064.14 | 11,418.14    |                     |
| 01/01/2013    | 10,390    | 4.200% | 1,027.90 | 11,417.90    |                     |
| 02/01/2013    | 10,427    | 4.200% | 991.53   | 11,418.53    |                     |
| 03/01/2013    | 10,464    | 4.200% | 955.04   | 11,419.04    | 137,019.25          |
| 04/01/2013    | 10,500    | 4.200% | 918.41   | 11,418.41    |                     |
| 05/01/2013    | 10,537    | 4.200% | 881.66   | 11,418.66    |                     |
| 06/01/2013    | 10,573    | 4.200% | 844.78   | 11,417.78    |                     |
| 07/01/2013    | 10,610    | 4.200% | 807.78   | 11,417.78    |                     |
| 08/01/2013    | 10,648    | 4.200% | 770.64   | 11,418.64    |                     |
| 09/01/2013    | 10,685    | 4.200% | 733.38   | 11,418.38    |                     |
| 10/01/2013    | 10,722    | 4.200% | 695.98   | 11,417.98    |                     |
| 11/01/2013    | 10,760    | 4.200% | 658.45   | 11,418.45    |                     |
| 12/01/2013    | 10,797    | 4.200% | 620.79   | 11,417.79    |                     |
| 01/01/2014    | 10,835    | 4.200% | 583.00   | 11,418.00    |                     |
| 02/01/2014    | 10,873    | 4.200% | 545.08   | 11,418.08    |                     |
| 03/01/2014    | 10,912    | 4.200% | 507.02   | 11,419.02    | 137,018.97          |
| 04/01/2014    | 10,949    | 4.200% | 468.83   | 11,417.83    |                     |
| 05/01/2014    | 10,988    | 4.200% | 430.51   | 11,418.51    |                     |

## BOND DEBT SERVICE

City of Lake Wales, Florida  
Utility System Revenue Note, Series 2005

| Period<br>Ending | Principal | Coupon | Interest   | Debt Service | Annual<br>Debt Service |
|------------------|-----------|--------|------------|--------------|------------------------|
| 06/01/2014       | 11,026    | 4.200% | 392.05     | 11,418.05    |                        |
| 07/01/2014       | 11,065    | 4.200% | 353.46     | 11,418.46    |                        |
| 08/01/2014       | 11,104    | 4.200% | 314.73     | 11,418.73    |                        |
| 09/01/2014       | 11,142    | 4.200% | 275.87     | 11,417.87    |                        |
| 10/01/2014       | 11,181    | 4.200% | 236.87     | 11,417.87    |                        |
| 11/01/2014       | 11,220    | 4.200% | 197.74     | 11,417.74    |                        |
| 12/01/2014       | 11,260    | 4.200% | 158.47     | 11,418.47    |                        |
| 01/01/2015       | 11,299    | 4.200% | 119.06     | 11,418.06    |                        |
| 02/01/2015       | 11,339    | 4.200% | 79.51      | 11,418.51    |                        |
| 03/01/2015       | 11,379    | 4.200% | 39.83      | 11,418.83    | 137,018.93             |
|                  | 1,110,000 |        | 249,151.01 | 1,359,151.01 | 1,359,151.01           |



Form **8038-G**

**Information Return for Tax-Exempt Governmental Obligations**

(Rev. November 2000)

Under Internal Revenue Code section 149(e)

OMB No. 1545-0720

Department of the Treasury  
Internal Revenue Service

See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

**Part I Reporting Authority**

If Amended Return, check here

|                                                                                                         |                                                                                                                                    |
|---------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| 1 Issuer's name<br>City of Lake Wales, Florida                                                          | 2 Issuer's employer identification number<br>59 6000357                                                                            |
| 3 Number and street (or P.O. box if mail is not delivered to street address)<br>201 West Central Avenue | Room/suite                                                                                                                         |
| 4 Report number<br>3 -1                                                                                 | 5 City, town, or post office, state, and ZIP code<br>Lake Wales, Florida 33853                                                     |
| 6 Date of issue<br>March 30, 2005                                                                       | 7 Name of Issue<br>City of Lake Wales, Florida Utility System Revenue Note, Series 2005                                            |
| 8 CUSIP number<br>None                                                                                  | 9 Name and title of officer or legal representative whom the IRS may call for more information<br>Sylvia Edwards, Finance Director |
| 10 Telephone number of officer or legal representative<br>( 863 ) 678-4182                              |                                                                                                                                    |

**Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule**

|                                                                                                                                    |              |
|------------------------------------------------------------------------------------------------------------------------------------|--------------|
| 11 <input type="checkbox"/> Education                                                                                              | 11           |
| 12 <input type="checkbox"/> Health and hospital                                                                                    | 12           |
| 13 <input type="checkbox"/> Transportation                                                                                         | 13           |
| 14 <input type="checkbox"/> Public safety                                                                                          | 14           |
| 15 <input type="checkbox"/> Environment (including sewage bonds)                                                                   | 15           |
| 16 <input type="checkbox"/> Housing                                                                                                | 16           |
| 17 <input checked="" type="checkbox"/> Utilities                                                                                   | 17 1,110,000 |
| 18 <input type="checkbox"/> Other. Describe                                                                                        | 18           |
| 19 If obligations are TANs or RANs, check box <input type="checkbox"/> If obligations are BANs, check box <input type="checkbox"/> |              |
| 20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>                               |              |

**Part III Description of Obligations. Complete for the entire issue for which this form is being filed.**

|    | (a) Final maturity date | (b) Issue price | (c) Stated redemption price at maturity | (d) Weighted average maturity | (e) Yield |
|----|-------------------------|-----------------|-----------------------------------------|-------------------------------|-----------|
| 21 | March 1, 2015           | \$ 1,110,000    | \$ 1,110,000                            | 5.344 years                   | 4.2369 %  |

**Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)**

|                                                                                             |    |           |
|---------------------------------------------------------------------------------------------|----|-----------|
| 22 Proceeds used for accrued interest                                                       | 22 | 0.00      |
| 23 Issue price of entire issue (enter amount from line 21, column (b))                      | 23 | 1,110,000 |
| 24 Proceeds used for bond issuance costs (including underwriters' discount)                 | 24 | 25,000.00 |
| 25 Proceeds used for credit enhancement                                                     | 25 | 0.00      |
| 26 Proceeds allocated to reasonably required reserve or replacement fund                    | 26 | 0.00      |
| 27 Proceeds used to currently refund prior issues                                           | 27 |           |
| 28 Proceeds used to advance refund prior issues                                             | 28 |           |
| 29 Total (add lines 24 through 28)                                                          | 29 | 25,000    |
| 30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here) | 30 | 1,085,000 |

**Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)**

|                                                                                        |       |       |
|----------------------------------------------------------------------------------------|-------|-------|
| 31 Enter the remaining weighted average maturity of the bonds to be currently refunded | _____ | years |
| 32 Enter the remaining weighted average maturity of the bonds to be advance refunded   | _____ | years |
| 33 Enter the date on which the refunded bonds will be called                           | _____ |       |
| 34 Enter the date(s) the refunded bonds were issued                                    | _____ |       |

**Part VI Miscellaneous**

|                                                                                                                                                                                         |     |  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|--|
| 35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)                                                                                              | 35  |  |
| 36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)                                                                | 36a |  |
| b Enter the final maturity date of the guaranteed investment contract                                                                                                                   |     |  |
| 37 Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units                                                                            | 37a |  |
| b If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the name of the issuer _____ and the date of the issue _____ |     |  |
| 38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(ii) (small issuer exception), check box <input checked="" type="checkbox"/>                                     |     |  |
| 39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box <input type="checkbox"/>                                                                           |     |  |
| 40 If the issuer has identified a hedge, check box <input type="checkbox"/>                                                                                                             |     |  |

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Sign Here

*Clifford J. Tonjes*  
Signature of issuer's authorized representative

Date

Clifford J. Tonjes, Mayor

Type or print name and title

\$1,110,000

THE CITY OF LAKE WALES, FLORIDA  
UTILITY SYSTEM REVENUE NOTE, SERIES 2005

TAX CERTIFICATE AS TO ARBITRAGE AND  
THE PROVISIONS OF SECTIONS 141-150 OF  
THE INTERNAL REVENUE CODE OF 1986, AS AMENDED

\$1,100,000

City of Lake Wales, Florida  
Utility System Revenue Note, Series 2005)

The undersigned are the Mayor and Finance Director of the City of Lake Wales, Florida (the "City"), being duly charged, with others, with the responsibility for issuing the City's \$1,100,000 Utility System Revenue Note, Series 2005 (the "Note"), HEREBY CERTIFY, pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and Sections 1.148-0 through 1.148-11 of the Income Tax Regulations (the "Regulations"), as of March 30, 2005, as follows:

1. The Note is being issued pursuant to the Constitution and laws of the State of Florida, including Chapter 166, Part II, Florida Statutes, the Charter of the City, and pursuant to the terms of Resolution No. 96-09, adopted by the City Commission of the City on April 2, 1996, as amended and supplemented and particularly as supplemented by Resolution No. 2005-05, adopted by the City Commission on February 15, 2005, as amended (collectively, the "Resolution"). Unless otherwise specifically defined, all capitalized terms used in this Certificate shall have the meanings as those set forth in the Resolution. The proceeds of the Note will be used for the following purposes:

(a) to finance the cost of certain capital improvements to the City's Utility System (the "Project"); and

(b) to pay the costs of issuing the Note (the "Issuance Expenses").

2. On the basis of the facts, estimates and circumstances in existence on the date hereof, we reasonably expect the following with respect to the Note being issued this day and as to the use of the proceeds thereof:

(a) Total proceeds in the amount of \$1,100,000 (the "Sale Proceeds") are expected to be derived by the City from the sale of the Note to SunTrust Bank (the "Bank") and are expected to be needed and fully expended as follows:

(i) \$25,000.00 of said proceeds will be used to pay the Issuance Expenses; and

(ii) \$1,085,000.00 of said proceeds will be deposited in the 2005 Project Account of the Construction Fund (the "Construction Fund") and expended, together with the investment earnings thereon, within three years from the date hereof to pay Project costs.

(b) The total Sale Proceeds to be received from the sale of the Note to the Bank, together with the investment earnings thereon, do not exceed the amount necessary for the purposes described above.

(c) The City does not expect to sell or otherwise dispose of any property comprising a part of the Project financed with the proceeds of the Note prior to the final maturity date of the Note.

3. Binding contracts or commitments obligating the expenditure of not less than 5 percent of the Sale Proceeds of the Note toward the cost of the Project will be entered into by the City within 6 months from the date hereof. Work on the acquisition and construction of the Project and the allocation of the Sale Proceeds of the Note to the costs of the Project will proceed with due diligence. It is expected that the Project will be completed and at least 85 percent of the Sale Proceeds of the Note will be allocated to Project expenditures within three years of the date hereof.

4. Not more than 50 percent of the proceeds of the Note will be invested in obligations having a substantially guaranteed yield for 4 years or more.

5. The Resolution provides that the City will utilize Pledged Revenues on each payment date on the Note sufficient to pay principal of and interest on the Note. No separate funds or accounts will be held or reserved by the City from which payments of principal and interest on the Note will be made.

6. There are no funds or accounts established pursuant to the Resolution or otherwise which are reasonably expected to be used to pay debt service on the Note, or which are pledged as collateral for the Note (or subject to a negative pledge) and for which there is a reasonable assurance on the part of the Bank that amounts therein will be available to pay debt service on the Note if the City encounters financial difficulties.

7. Except for preliminary expenditures, such as architectural, engineering, surveying, soil testing, and similar costs, proceeds of the Note will not be used to reimburse the City for Project costs paid prior to 60 days before February 1, 2005.

8. The following represents the expectations of the City with respect to the investment of such proceeds of the Note:

CERTIFICATE OF DELIVERY AND PAYMENT AND APPLICATION OF PROCEEDS

I, the undersigned officer of the City of Lake Wales, Florida (the "Issuer"), DO HEREBY CERTIFY that, on the 30<sup>th</sup> day of March, 2005, the Issuer delivered to SUNTRUST BANK (the "Bank"), the following described obligations of the City:

\$1,110,000 City of Lake Wales, Florida, Utility System Revenue Note, Series 2005, consisting of one fully-registered Note dated March 30, 2005, bearing interest at 4.20% annually and maturing at the times and in the amounts set forth on the attached Exhibit A.

in return for the receipt of \$1,110,000,000 from the Bank.

All terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed to those terms in Resolution No. 96-09, adopted by the Issuer on April 2, 2005, as amended and supplemented and as particularly supplemented by Resolution No. 2005-05 adopted by the Issuer on February 15, 2005, as amended and supplemented (collectively, the "Resolution").

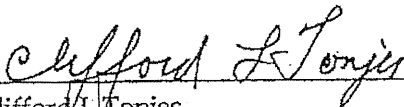
The total proceeds described shall be disposed of as follows:

(a) \$25,000 shall be paid to the City of <sup>Lake Wales</sup> ~~Plant City~~, Florida to pay costs of issuance related to the Note; and

(b) \$1,085,000 shall be deposited to the 2005 Project Account created within the Construction Fund for the 2005 Project.

IN WITNESS WHEREOF, I have hereunto set my hand this 30th day of March, 2005.

THE CITY OF LAKE WALES, FLORIDA

  
\_\_\_\_\_  
Clifford J. Tonjes  
Mayor

(6) In determining the amount of any of the payments required to be made pursuant to this Section, credit may be given for all investment income accruing to the respective funds and accounts described herein, except as otherwise provided.

(7) The cash required to be accounted for in each of the funds and accounts described in this Section may be deposited in a single bank account, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the cash on deposit therein for the various purposes of such funds and accounts as herein provided. The designation and establishment of the various funds in and by this Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues and assets of the System for certain purposes and to establish certain priorities for application of such revenues and assets as herein provided.

(C) OPERATION AND MAINTENANCE. The Issuer will maintain the System and all parts thereof in good condition and will operate the same in an efficient and economical manner, making such expenditures for equipment and for renewals, repairs and replacements as may be proper for the economical operation and maintenance thereof.

(D) RATE COVENANT. The Issuer will fix, establish, revise from time to time whenever necessary, maintain and collect always such fees, rates, rentals and other charges for the use of the products, services and facilities of the System which will always provide Net Revenues in each year sufficient to pay the aggregate of one hundred ten percent (110%) of the Bond Service Requirement becoming due in such year on the Outstanding Bonds. Such rates, fees, rentals or other charges shall not be reduced so as to render them insufficient to provide revenues for the purposes provided therefor by this Resolution. ←

To the extent that the Debt Service Reserve Fund Policy is in effect with respect to the Series 1996 Bonds, reference is made to Section 31(e) hereof.

(E) BOOKS AND ACCOUNTS; AUDIT. The Issuer shall keep proper books, records and accounts, separate and apart from all other records and accounts, showing correct and complete entries of all transactions of the System, and the Holders of any of the Bonds or any duly authorized agent or agents of such Holders shall have the right at any and all reasonable times to inspect such books, records and accounts. The Issuer shall, within one hundred eighty (180) days following the close of each Fiscal Year of the Issuer, cause an audit of such books, records and accounts to be made by an independent firm of certified public accountants.

Copies of each such audit report shall be placed on file with the Issuer and be made available at reasonable times for inspection by Holders of the Bonds.

**Series 2006A – Wachovia**



WACHOVIA

Due Date 04-01-10

Page 1 of 2

Prepared 03-19-10  
Invoice 1010056082

# Commercial Loan Invoice

BK-Customer Number: 01-16-5868874-9  
Customer: CITY OF LAKE WALES

For Customer Service Call 1-800-222-3862  
Or write to: COMMERCIAL LOAN SERVICES  
P. O. BOX 740502  
ATLANTA, GA 30374-0502



| Obligation Number                                       | Effective Dates From/On Through | Obligation Balance | Int/Fee Rate | Amount Due | Charge Description/Type |
|---------------------------------------------------------|---------------------------------|--------------------|--------------|------------|-------------------------|
| 000-00-0003-4                                           | ADJUST                          |                    |              | 202.15-    | INTEREST ACCRUAL - 100  |
|                                                         | 10-01-09                        | 4,894,868.35       | 4.09000      | 50,050.03  | INTEREST ACCRUAL - 100  |
|                                                         | 01-01-10                        | 4,894,868.35       | 4.09000      | 50,050.03  | INTEREST ACCRUAL - 100  |
|                                                         |                                 |                    |              | 99,897.91  | Total                   |
| TOTAL INTEREST/LATE CHR/FEES PAID ON YOUR LOANS IN 2009 |                                 |                    | 264,291.91   |            |                         |

ACCOUNT NUMBER 20125332 DRAFTED ON DUE DATE FOR THE ABOVE AMOUNTS

WACHOVIA BANK, NATIONAL ASSOCIATION

Office: 17130-31-100-000  
BK-CUSTOMER: 01-16-5868874-9  
INVOICE/OBGN: 1010056082

1-800-222-3862

Please note change in address on reverse side.

|                 |           |
|-----------------|-----------|
| Principal:      | .00       |
| Interest:       | 99,897.91 |
| Late Chrg/Fees: | .00       |
| Escrow:         | .00       |

|            |           |
|------------|-----------|
| TOTAL DUE: | 99,897.91 |
| DUE DATE:  | 04-01-10  |

4000 01 1658688749 1010056082 000000009989791 06

Amount Enclosed: \_\_\_\_\_

000398

  
CITY OF LAKE WALES  
ATTN: SYLVIA EDWARDS  
201 W CENTRAL AVENUE  
LAKE WALES FL 33853

Please remit payment to:  
**\*\* DO NOT MAIL \*\***  
**AUTOMATIC DRAFT**





2006A



No. R-1

\$6,272,219.70

UNITED STATES OF AMERICA  
STATE OF FLORIDA  
COUNTY OF POLK  
CITY OF LAKE WALES  
UTILITY SYSTEM REVENUE NOTE, SERIES 2006A

Dated: July 3, 2006

Maturity Date: October 1, 2016

KNOW ALL MEN BY THESE PRESENTS that the City of Lake Wales, Florida (hereinafter called the "Issuer") for value received, hereby promises to pay to the order of Wachovia Bank, National Association or registered assigns (hereinafter, the "Owner"), on the Maturity Date identified above, upon the presentation and surrender hereof, the Principal Amount identified above, together with interest on the principal balance which is equal to 4.09% semi-annually on each April 1 and October 1, commencing October 1, 2006. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

SPECIMEN

Principal on this Note is payable annually in lawful money of the United States of America at such place as the Owner may designate to the Issuer in writing pursuant to the following schedule:

| <u>Date</u><br><u>(October 1)</u> | <u>Principal</u><br><u>Payment Amount</u> | <u>Date</u><br><u>(October 1)</u> | <u>Principal</u><br><u>Payment Amount</u> |
|-----------------------------------|-------------------------------------------|-----------------------------------|-------------------------------------------|
| 2007                              | \$217,113.30                              | 2012                              | \$670,930.29                              |
| 2008                              | 567,133.64                                | 2013                              | 697,721.34                                |
| 2009                              | 593,104.41                                | 2014                              | 723,595.64                                |
| 2010                              | 618,487.38                                | 2015                              | 753,515.70                                |
| 2011                              | 643,258.51                                | 2016*                             | 787,359.49                                |

\*Final Maturity

Prepayment

Upon at least seven (7) days prior written notice, the Note shall be subject to prepayment at the option of the Issuer, in whole or in part, on any date at a price equal to the then outstanding principal amount thereof plus the Breakage Fee plus accrued interest to the date fixed for prepayment.

In addition to principal, interest and any other amounts due hereunder for the Note, the Issuer shall on demand pay to the Owner of the Note any "Breakage Fee" due hereunder for each Break Event. "Break Event" means any voluntary or mandatory

Form **8038-G**

# Information Return for Tax-Exempt Governmental Obligations

(Rev. November 2000)

Under Internal Revenue Code section 149(e)

See separate instructions.

OMB No. 1545-0720

Department of the Treasury  
Internal Revenue Service

Caution: If the issue price is under \$100,000, use Form 8038-GC.

## Part I Reporting Authority

|                                                                                                                                    |  |                                                                            |                         |
|------------------------------------------------------------------------------------------------------------------------------------|--|----------------------------------------------------------------------------|-------------------------|
| 1 Issuer's name<br>City of Lake Wales, Florida                                                                                     |  | If Amended Return, check here <input type="checkbox"/>                     |                         |
| 3 Number and street (or P.O. box if mail is not delivered to street address)<br>201 West Central Avenue                            |  | 2 Issuer's employer identification number<br>59 : 6000357                  | 4 Report number<br>3 -2 |
| 5 City, town, or post office, state, and ZIP code<br>Lake Wales, Florida 33853                                                     |  | 6 Date of issue<br>July 3, 2006                                            |                         |
| 7 Name of issue<br>City of Lake Wales, Florida Utility System Refunding Revenue Note, Series 2006A                                 |  | 8 CUSIP number<br>None                                                     |                         |
| 9 Name and title of officer or legal representative whom the IRS may call for more information<br>Sylvia Edwards, Finance Director |  | 10 Telephone number of officer or legal representative<br>( 883 ) 678-4182 |                         |

## Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule

|    |                                                                                                                                 |    |              |
|----|---------------------------------------------------------------------------------------------------------------------------------|----|--------------|
| 11 | <input type="checkbox"/> Education                                                                                              | 11 |              |
| 12 | <input type="checkbox"/> Health and hospital                                                                                    | 12 |              |
| 13 | <input type="checkbox"/> Transportation                                                                                         | 13 |              |
| 14 | <input type="checkbox"/> Public safety                                                                                          | 14 |              |
| 15 | <input type="checkbox"/> Environment (including sewage bonds)                                                                   | 15 |              |
| 16 | <input type="checkbox"/> Housing                                                                                                | 16 |              |
| 17 | <input checked="" type="checkbox"/> Utilities                                                                                   | 17 | 6,272,219.70 |
| 18 | <input type="checkbox"/> Other. Describe $\blacktriangleright$                                                                  | 18 |              |
| 19 | If obligations are TANs or RANs, check box <input type="checkbox"/> If obligations are BANs, check box <input type="checkbox"/> |    |              |
| 20 | If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>                               |    |              |

## Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

|    | (a) Final maturity date | (b) Issue price | (c) Stated redemption price at maturity | (d) Weighted average maturity | (e) Yield |
|----|-------------------------|-----------------|-----------------------------------------|-------------------------------|-----------|
| 21 | October 1, 2016         | \$ 6,272,219.70 | \$ 6,272,219.70                         | 6.331 years                   | 4.0873 %  |

## Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

|    |                                                                                          |    |              |
|----|------------------------------------------------------------------------------------------|----|--------------|
| 22 | Proceeds used for accrued interest                                                       | 22 |              |
| 23 | Issue price of entire issue (enter amount from line 21, column (b))                      | 23 | 6,272,219.70 |
| 24 | Proceeds used for bond issuance costs (including underwriters' discount)                 | 24 | 32,715       |
| 25 | Proceeds used for credit enhancement                                                     | 25 |              |
| 26 | Proceeds allocated to reasonably required reserve or replacement fund                    | 26 |              |
| 27 | Proceeds used to currently refund prior issues                                           | 27 | 6,239,504.70 |
| 28 | Proceeds used to advance refund prior issues                                             | 28 |              |
| 29 | Total (add lines 24 through 28)                                                          | 29 | 6,272,219.70 |
| 30 | Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here) | 30 | 0            |

## Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)

|    |                                                                                     |                 |       |
|----|-------------------------------------------------------------------------------------|-----------------|-------|
| 31 | Enter the remaining weighted average maturity of the bonds to be currently refunded | 6.195           | years |
| 32 | Enter the remaining weighted average maturity of the bonds to be advance refunded   |                 | years |
| 33 | Enter the last date on which the refunded bonds will be called                      | October 1, 2006 |       |
| 34 | Enter the date(s) the refunded bonds were issued                                    | May 23, 1996    |       |

## Part VI Miscellaneous

|     |                                                                                                                                                                       |     |  |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|--|
| 35  | Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)                                                                               | 35  |  |
| 36a | Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)                                                  | 36a |  |
| b   | Enter the final maturity date of the guaranteed investment contract                                                                                                   |     |  |
| 37  | Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units                                                             | 37a |  |
| b   | If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the name of the issuer $\blacktriangleright$ |     |  |
| 38  | If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box <input type="checkbox"/>                                |     |  |
| 39  | If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box <input type="checkbox"/>                                                            |     |  |
| 40  | If the issuer has identified a hedge, check box <input type="checkbox"/>                                                                                              |     |  |

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Sign Here

*Kathy Manry*  
Signature of issuer's authorized representative

Date

Kathy Manry, Mayor

Type or print name and title

For Paperwork Reduction Act Notice, see page 2 of the instructions.

Cat. No. 63773S

Form 8038-G (Rev. 11-2000)

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*\$6,272,219.70*

*CITY OF LAKE WALES, FLORIDA  
UTILITY SYSTEM REFUNDING  
REVENUE NOTE, SERIES 2006A*

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# Bryant • Miller • Olive

ATTORNEYS AT LAW

July 3, 2006

City Commission  
City of Lake Wales  
Lake Wales, Florida

\$6,272,219.70

CITY OF LAKE WALES, FLORIDA  
UTILITY SYSTEM REFUNDING REVENUE NOTE, SERIES 2006A

Ladies and Gentlemen:

We have acted as Note Counsel in connection with the issuance by the City of Lake Wales, Florida (the "Issuer") of its \$6,272,219.70 Utility System Refunding Revenue Note, Series 2006A (the "Note") pursuant to the provisions of the Constitution of the State of Florida, the Charter of the City of Lake Wales, Florida, Chapter 166, Part II, Florida Statutes, Resolution No. 96-09, adopted by the City Commission of the City of Lake Wales, Florida (the "City Commission") on April 2, 1996, as amended and supplemented and particularly as amended and supplemented by Resolution No. 2006-09 (herein collectively called the "Resolution") and other applicable provisions of law (collectively, the "Act").

Any capitalized undefined terms used herein shall have the meaning set forth in the Resolution.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Resolution and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation. We have not undertaken an independent audit, examination, investigation or inspection of such matters and have relied solely on the facts, estimates and circumstances described in such proceedings and certifications. We have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

For purposes of this opinion, we have not been engaged or undertaken to review the accuracy, completeness or sufficiency of any offering material relating to the Note. This opinion should not be construed as offering material, an offering circular, prospectus or official statement

{4404/08/00065667.DOCv2}

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City Commission

July 3, 2006

Page 2

and is not intended in any way to be a disclosure statement used in connection with the sale or delivery of the Note. Furthermore, we are not passing on the accuracy or sufficiency of any CUSIP numbers appearing on the Note, if any. In addition, we have not been engaged to and, therefore, express no opinion as to compliance by the Issuer or the purchaser with any federal or state statute, regulation or ruling with respect to the sale and distribution of the Note.

In rendering this opinion, we have examined and relied upon the opinion of even date herewith of Albert C. Galloway, Jr., P.A., City Attorney, as to the due creation and valid existence of the Issuer, the due adoption of the Resolution, and the compliance by the Issuer with all conditions contained in ordinances and resolutions (other than the Resolution) of the Issuer precedent to the issuance of the Note.

Pursuant to the terms, conditions and limitations contained in the Resolution, the Issuer has reserved the right to issue obligations in the future which shall have a lien on the Pledged Revenues equal to that of the Note.

The Note does not constitute a general obligation or indebtedness of the Issuer within the meaning of any constitutional, statutory or other limitation of indebtedness and the holders thereof shall never have the right to compel the exercise of any ad valorem taxing power of the Issuer or taxation in any form on any real or personal property for the payment of the principal of or interest on the Note.

The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America.

Based on our examination, we are of the opinion, as of the date hereof, as follows:

1. The Resolution constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer in accordance with its terms.

2. The Note is a valid and binding special obligation of the Issuer enforceable in accordance with its terms, payable solely from the sources provided therefor in the Resolution.

3. The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met subsequent to the issuance and delivery of the Note in order that interest on the Note be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the Note to be included in federal gross income retroactive to the date of issuance of the Note, regardless of the date on which such non-compliance occurs or is ascertained. The Issuer has covenanted in the Resolution to comply with such

City Commission  
July 3, 2006  
Page 3

requirements in order to maintain the exclusion from federal gross income of the interest on the Note.

Subject to compliance by the Issuer with the aforementioned covenants, (a) interest on the Note (including any original issue discount) is excluded from gross income for purposes of federal income taxation, and (b) interest on the Note (including any original issue discount) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. Except as set forth in Paragraph 5 hereof, we express no opinion regarding other federal tax consequences arising with respect to the Note.

4. The Note is exempt from intangible taxes imposed pursuant to Chapter 199, Florida Statutes.

5. The Note is a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code. In rendering this opinion, we have relied on the representations of the Issuer in a certificate delivered on even date herewith.

6. A portion of the proceeds of the Note together with other available moneys of the Issuer will be deposited into irrevocable escrow to refund on October 1, 2006 the Issuer's outstanding Utility System Improvement Refunding Revenue Bonds, Series 1996 maturing after October 1, 2006 (the "Refunded Bonds"). The Refunded Bonds shall cease to be entitled to any lien, benefit or security under the Resolution, and all covenants, agreements and obligations of the Issuer to the holders of the Refunded Bonds shall cease, terminate and become void and be discharged and satisfied.

It is to be understood that the rights of the owners of the Note and the enforceability thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity, to the valid exercise of the sovereign police powers of the State of Florida and of the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

We have not passed upon any matters relating to the business affairs or condition (financial or otherwise) of the Issuer, and no inference should be drawn that we have expressed any opinion on matters relating to the ability of the Issuer to perform its obligations under the Note and the Resolution except as to the enforceability of the Note and the Resolution as expressed herein.

TAX CERTIFICATE AS TO ARBITRAGE AND  
THE PROVISIONS OF SECTIONS 141-150 OF  
THE INTERNAL REVENUE CODE OF 1986, AS AMENDED

\$6,272,219.70

City of Lake Wales, Florida

Utility System Refunding Revenue Note, Series 2006A

The undersigned are the Mayor and Finance Director of the City of Lake Wales, Florida (the "City"), being duly charged, with others, with the responsibility for issuing the City's \$6,272,219.70 Utility System Refunding Revenue Note, Series 2006A (the "Note"), HEREBY CERTIFY, pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and Sections 1.148-0 through 1.148-11 of the Income Tax Regulations (the "Regulations"), as of July 3, 2006, as follows:

1. The Note is being issued pursuant to the Constitution and laws of the State of Florida, including Chapter 166, Part II, Florida Statutes, the Charter of the City, and pursuant to the terms of Resolution No. 96-09, adopted by the City Commission of the City on April 2, 1996, as amended and supplemented and particularly as supplemented by Resolution No. 2006-09, adopted by the City Commission on April 18, 2006 (collectively, the "Resolution"). Unless otherwise specifically defined, all capitalized terms used in this Certificate shall have the meanings as those set forth in the Resolution. The proceeds of the Note will be used for the following purposes:

(a) to currently refund the City's outstanding Utility System Improvement Refunding Revenue Bonds, Series 1996 (the "Series 1996 Bonds"); and

(b) to pay the costs of issuing the Note (the "Issuance Expenses").

2. The Series 1996 Bonds will be redeemed on October 1, 2006, which is not more than 90 days from the date of issuance of the Note. The current refunding of the Series 1996 Bonds is being undertaken by the City in order to realize a significant net interest cost savings. The Series 1996 Bonds were issued to (i) finance certain capital improvements to the City's water and sewer system (the "1996 Project"); (ii) advance refund the City's outstanding Water Revenue Refunding and Improvement Bonds, Series 1964 (the "Series 1964 Bonds"); and (iii) currently refund the City's Sewer System Revenue Bonds, Series 1987 (the "Series 1987 Bonds") and its Junior Lien Water System Refunding Revenue Bonds, Series 1988 (the "Series 1988 Bonds"). The Series 1964 Bonds, the Series 1987 Bonds and the Series 1988 Bonds are hereinafter collectively referred to as the "Prior Refunded Issues." The Prior Refunded Issues were issued to finance or refinance the acquisition and construction of additions, extensions and improvements to the City's water and sewer (the "Prior Projects"). The 1996 Project and the Prior Projects are collectively referred to as the "Refinanced Projects." As of the date of issuance

of the Note, there are no unspent proceeds of the Series 1996 Bonds or the Prior Refunded Issues.

3. On the basis of the facts, estimates and circumstances in existence on the date hereof, we reasonably expect the following with respect to the Note being issued this day and as to the use of the proceeds thereof:

(a) Total proceeds in the amount of \$6,272,219.70 (the "Sale Proceeds") are expected to be derived by the City from the sale of the Note to Wachovia Bank, National Association (the "Bank") and are expected to be needed and fully expended as follows:

(i) \$32,715.00 of said proceeds will be used to pay the Issuance Expenses; and

(ii) \$6,239,504.70 of said proceeds, together with \$86,181.25 previously accumulated to pay debt service on the Series 1996 Bonds, will be deposited into an irrevocable escrow (the "Escrow Fund") and applied to fund an initial cash balance in the Escrow Fund in the amount of \$0.95 and to acquire \$6,325,685 principal amount of U.S. Treasury Obligations – State and Local Government Series (the "Escrow Obligations") that will mature at such time, together with the interest earned thereon, as will be necessary to pay the remaining principal of, interest and call premium on the Series 1996 Bonds.

(b) The total Sale Proceeds to be received from the sale of the Note to the Bank, together with the investment earnings thereon, do not exceed the amount necessary for the purposes described above.

(c) The City does not expect to sell or otherwise dispose of any property comprising a part of the Refinanced Projects financed with the proceeds of the Note prior to the final maturity date of the Note.

4. On the date of issuance of the Series 1996 Bonds, it was reasonably expected that not less than 85% of the Spendable Proceeds of the Series 1996 Bonds (other than Spendable Proceeds used to pay debt service on another issue) would be used to carry out the governmental purposes of such issue within three years of the date of issuance thereof. Not more than 50%, if any, of the proceeds of each of the Series 1996 Bonds (other than proceeds used to pay debt service on another issue) were invested in obligations having a substantially guaranteed yield for four years or more. On the date of issuance of each of the Prior Refunded Issues (and any bond issue refunded by such Prior Refunded Issues), it was reasonably expected that not less than 85% of the Spendable Proceeds of each such issue (other than the Spendable Proceeds used to pay debt service on another issue) would be used to carry out the governmental purposes of such issue within three years of the date of issuance thereof. Not more than 50%, if any, of the proceeds of each such bond issue (other than proceeds used to pay



debt service on another issue) were invested in obligations having a substantially guaranteed yield for four years or more.

5. The Resolution provides that the City will utilize Pledged Revenues on each payment date on the Note sufficient to pay principal of and interest on the Note. No separate funds or accounts will be held or reserved by the City from which payments of principal and interest on the Note will be made.

6. There are no funds or accounts established pursuant to the Resolution or otherwise which are reasonably expected to be used to pay debt service on the Note, or which are pledged as collateral for the Note (or subject to a negative pledge) and for which there is a reasonable assurance on the part of the Bank that amounts therein will be available to pay debt service on the Note if the City encounters financial difficulties.

7. The following represents the expectations of the City with respect to the investment of such proceeds of the Note:

(a) Proceeds derived from the sale of the Note to be applied to pay Issuance Expenses may be invested at an unrestricted yield for a period not to exceed 13 months from the date hereof;

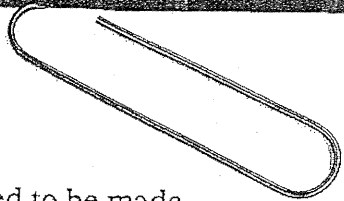
(b) Investment earnings on obligations acquired with amounts described in subparagraph (a) above may be invested at an unrestricted yield for a period of 13 months from the date of receipt.

(c) Amounts described in subparagraphs (a) and (b) that may not be invested at an unrestricted yield pursuant to such subparagraphs, may be invested at an unrestricted yield to the extent such amounts do not exceed \$100,000 (the "Minor Portion");

(d) Amounts described in subparagraph (c), not invested at an unrestricted yield pursuant to such subparagraph, shall be invested at a yield not in excess of the yield on the Note plus 1/8 of one percentage point; and

(e) Proceeds used to acquire the Escrow Obligations for the purpose of refunding the Series 1996 Bonds may be invested at an unrestricted yield until October 1, 2006, the redemption date of the Series 1996 Bonds.

8. For purposes of this Certificate, "yield" means that yield which when used in computing the present worth of all payments of principal and interest to be paid on an obligation produces an amount equal to the purchase price of such obligation. The yield on obligations acquired with the proceeds derived from the sale of the Note and the yield on the Note shall be calculated by the use of the same frequency interval of compounding interest. In



(6) In determining the amount of any of the payments required to be made pursuant to this Section, credit may be given for all investment income accruing to the respective funds and accounts described herein, except as otherwise provided.

(7) The cash required to be accounted for in each of the funds and accounts described in this Section may be deposited in a single bank account, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the cash on deposit therein for the various purposes of such funds and accounts as herein provided. The designation and establishment of the various funds in and by this Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues and assets of the System for certain purposes and to establish certain priorities for application of such revenues and assets as herein provided.

(C) OPERATION AND MAINTENANCE. The Issuer will maintain the System and all parts thereof in good condition and will operate the same in an efficient and economical manner, making such expenditures for equipment and for renewals, repairs and replacements as may be proper for the economical operation and maintenance thereof.

(D) RATE COVENANT. The Issuer will fix, establish, revise from time to time whenever necessary, maintain and collect always such fees, rates, rentals and other charges for the use of the products, services and facilities of the System which will always provide Net Revenues in each year sufficient to pay the aggregate of one hundred ten percent (110%) of the Bond Service Requirement becoming due in such year on the Outstanding Bonds. Such rates, fees, rentals or other charges shall not be reduced so as to render them insufficient to provide revenues for the purposes provided therefor by this Resolution.

To the extent that the Debt Service Reserve Fund Policy is in effect with respect to the Series 1996 Bonds, reference is made to Section 31(e) hereof.

(E) BOOKS AND ACCOUNTS; AUDIT. The Issuer shall keep proper books, records and accounts, separate and apart from all other records and accounts, showing correct and complete entries of all transactions of the System, and the Holders of any of the Bonds or any duly authorized agent or agents of such Holders shall have the right at any and all reasonable times to inspect such books, records and accounts. The Issuer shall, within one hundred eighty (180) days following the close of each Fiscal Year of the Issuer, cause an audit of such books, records and accounts to be made by an independent firm of certified public accountants.

Copies of each such audit report shall be placed on file with the Issuer and be made available at reasonable times for inspection by Holders of the Bonds.

SCHEDULE A

ESCROW SECURITIES

United States Treasury Securities

| <u>Type</u> | <u>Maturity Date</u> | <u>Par Amount</u> | <u>Coupon</u><br><u>Rate</u> | <u>Price</u> | <u>Total Cost</u> |
|-------------|----------------------|-------------------|------------------------------|--------------|-------------------|
| SLG         | October 1, 2006      | \$6,325,685.00    | 4.73%                        | 100%         | \$6,325,685.00    |

**Series 2006B – Wachovia**



WACHOVIA

Due Date 04-01-10

797

Page 1 of 2

Prepared 03-19-10

Invoice 1010056083

# Commercial Loan Invoice

BK-Customer Number: 01-16-5868874-9  
Customer: CITY OF LAKE WALES

For Customer Service Call 1-800-222-3862

Or write to: COMMERCIAL LOAN SERVICES  
P. O. BOX 740502  
ATLANTA, GA 30374-0502

1010056083 031910 040110 1453500 92

| Obligation Number                                       | Effective Dates From/On Through | Obligation Balance | Int/Fee Rate | Amount Due       | Charge Description/Type |
|---------------------------------------------------------|---------------------------------|--------------------|--------------|------------------|-------------------------|
| 000-00-0002-6                                           | 10-01-09                        | 2,550,000.00       | 1.14000      | 7,267.50         | INTEREST ACCRUAL - 100  |
|                                                         | 01-01-10                        | 2,550,000.00       | 1.14000      | 7,267.50         | INTEREST ACCRUAL - 100  |
|                                                         |                                 |                    |              | <b>14,535.00</b> | <b>Total</b>            |
| TOTAL INTEREST/LATE CHR/FEES PAID ON YOUR LOANS IN 2009 |                                 |                    |              | 264,291.91       |                         |

ACCOUNT NUMBER 20125332

DRAFTED ON DUE DATE FOR THE ABOVE AMOUNTS

WACHOVIA BANK, NATIONAL ASSOCIATION

Office: 17130-31-101-000  
BK-CUSTOMER: 01-16-5868874-9  
INVOICE/OBGN: 1010056083

1-800-222-3862

Please note change in address on reverse side.

|                 |           |
|-----------------|-----------|
| Principal:      | .00       |
| Interest:       | 14,535.00 |
| Late Chrg/Fees: | .00       |
| Escrow:         | .00       |

|            |           |
|------------|-----------|
| TOTAL DUE: | 14,535.00 |
| DUE DATE:  | 04-01-10  |

4000 01 1658688749 1010056083 000000001453500 92

Amount Enclosed: \_\_\_\_\_

000399



000399  
CITY OF LAKE WALES  
ATTN: SYLVIA EDWARDS  
201 W CENTRAL AVE  
LAKE WALES FL 33853

Please remit payment to:

**\*\* DO NOT MAIL \*\***  
**AUTOMATIC DRAFT**

2006B

| City of Lake Wakes Amortization |                |       |              |             |              |              |
|---------------------------------|----------------|-------|--------------|-------------|--------------|--------------|
| Year                            | Amount         | Rate  | Year         | Amount      | Year         | Amount       |
| 04/01/10                        | \$2,550,000.00 | 1.14% | \$0.00       | \$14,535.00 |              | \$14,535.00  |
| 10/01/10                        | \$2,550,000.00 | 1.14% | \$136,784.92 | \$14,535.00 | \$151,319.92 | \$165,854.92 |
| 04/01/11                        | \$2,413,215.08 | 1.14% | \$0.00       | \$13,755.33 | \$13,755.33  |              |
| 10/03/11                        | \$2,413,215.08 | 1.14% | \$138,344.27 | \$13,755.33 | \$152,099.60 | \$165,854.93 |
| 04/02/12                        | \$2,274,870.81 | 1.14% | \$0.00       | \$12,966.76 | \$12,966.76  |              |
| 10/01/12                        | \$2,274,870.81 | 1.14% | \$139,921.39 | \$12,966.76 | \$152,888.15 | \$165,854.91 |
| 04/01/13                        | \$2,134,949.42 | 1.14% | \$0.00       | \$12,169.21 | \$12,169.21  |              |
| 10/01/13                        | \$2,134,949.42 | 1.14% | \$141,516.50 | \$12,169.21 | \$153,685.71 | \$165,854.92 |
| 04/01/14                        | \$1,993,432.92 | 1.14% | \$0.00       | \$11,362.57 | \$11,362.57  |              |
| 10/01/14                        | \$1,993,432.92 | 1.14% | \$143,129.78 | \$11,362.57 | \$154,492.35 | \$165,854.92 |
| 04/01/15                        | \$1,850,303.14 | 1.14% | \$0.00       | \$10,546.73 | \$10,546.73  |              |
| 10/01/15                        | \$1,850,303.14 | 1.14% | \$144,761.46 | \$10,546.73 | \$155,308.19 | \$165,854.92 |
| 04/01/16                        | \$1,705,541.68 | 1.14% | \$0.00       | \$9,721.59  | \$9,721.59   |              |
| 10/03/16                        | \$1,705,541.68 | 1.14% | \$146,411.74 | \$9,721.59  | \$156,133.33 | \$165,854.92 |
| 04/03/17                        | \$1,559,129.94 | 1.14% | \$0.00       | \$8,887.04  | \$8,887.04   |              |
| 10/02/17                        | \$1,559,129.94 | 1.14% | \$148,080.84 | \$8,887.04  | \$156,967.88 | \$165,854.92 |
| 04/02/18                        | \$1,411,049.10 | 1.14% | \$0.00       | \$8,042.98  | \$8,042.98   |              |
| 10/01/18                        | \$1,411,049.10 | 1.14% | \$149,768.96 | \$8,042.98  | \$157,811.94 | \$165,854.92 |
| 04/01/19                        | \$1,261,280.14 | 1.14% | \$0.00       | \$7,189.30  | \$7,189.30   |              |
| 10/01/19                        | \$1,261,280.14 | 1.14% | \$151,476.33 | \$7,189.30  | \$158,665.63 | \$165,854.93 |
| 04/01/20                        | \$1,109,803.81 | 1.14% | \$0.00       | \$6,325.88  | \$6,325.88   |              |
| 10/01/20                        | \$1,109,803.81 | 1.14% | \$153,203.16 | \$6,325.88  | \$159,529.04 | \$165,854.92 |
| 04/01/21                        | \$956,600.65   | 1.14% | \$0.00       | \$5,452.62  | \$5,452.62   |              |
| 10/01/21                        | \$956,600.65   | 1.14% | \$154,949.67 | \$5,452.62  | \$160,402.29 | \$165,854.91 |
| 04/01/22                        | \$801,650.98   | 1.14% | \$0.00       | \$4,569.41  | \$4,569.41   |              |
| 10/03/22                        | \$801,650.98   | 1.14% | \$156,716.10 | \$4,569.41  | \$161,285.51 | \$165,854.92 |
| 04/03/23                        | \$644,934.88   | 1.14% | \$0.00       | \$3,676.13  | \$3,676.13   |              |
| 10/02/23                        | \$644,934.88   | 1.14% | \$158,502.66 | \$3,676.13  | \$162,178.79 | \$165,854.92 |
| 04/01/24                        | \$486,432.22   | 1.14% | \$0.00       | \$2,772.66  | \$2,772.66   |              |
| 10/01/24                        | \$486,432.22   | 1.14% | \$160,309.59 | \$2,772.66  | \$163,082.25 | \$165,854.91 |
| 04/01/25                        | \$326,122.63   | 1.14% | \$0.00       | \$1,858.90  | \$1,858.90   |              |
| 10/01/25                        | \$326,122.63   | 1.14% | \$162,137.12 | \$1,858.90  | \$163,996.02 | \$165,854.92 |
| 04/01/26                        | \$163,985.51   | 1.14% | \$0.00       | \$934.72    | \$934.72     |              |
| 10/01/26                        | \$163,985.51   | 1.14% | \$163,985.51 | \$934.72    | \$164,920.23 | \$165,854.95 |

**Information Return for Tax-Exempt Governmental Obligations**

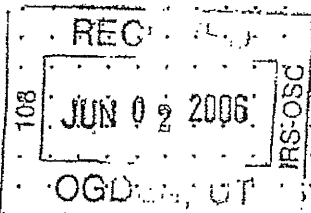
Under Internal Revenue Code section 149(e)  
 See separate instructions.

OMB No. 1545-0720

Caution: If the issue price is under \$100,000, use Form 8038-GC.

|                                                                                                                                    |                                                           |                                                                            |                                                        |  |
|------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------|--|
| <b>Part I Reporting Authority</b>                                                                                                  |                                                           |                                                                            | If Amended Return, check here <input type="checkbox"/> |  |
| 1 Issuer's name<br>City of Lake Wales, Florida                                                                                     | 2 Issuer's employer identification number<br>59 : 6000357 |                                                                            |                                                        |  |
| 3 Number and street (or P.O. box if mail is not delivered to street address)<br>201 West Central Avenue                            | Room/suite                                                | 4 Report number<br>3 -1                                                    |                                                        |  |
| 5 City, town, or post office, state, and ZIP code<br>Lake Wales, Florida 33853                                                     |                                                           | 6 Date of issue<br>May 11, 2006                                            |                                                        |  |
| 7 Name of issue<br>City of Lake Wales, Florida Utility System Revenue Note, Series 2006                                            |                                                           | 8 CUSIP number<br>None                                                     |                                                        |  |
| 9 Name and title of officer or legal representative whom the IRS may call for more information<br>Sylvia Edwards, Finance Director |                                                           | 10 Telephone number of officer or legal representative<br>( 863 ) 678-4182 |                                                        |  |

|                                                                                                                                    |  |              |
|------------------------------------------------------------------------------------------------------------------------------------|--|--------------|
| <b>Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule</b>             |  |              |
| 11 <input type="checkbox"/> Education                                                                                              |  | 11           |
| 12 <input type="checkbox"/> Health and hospital                                                                                    |  | 12           |
| 13 <input type="checkbox"/> Transportation                                                                                         |  | 13           |
| 14 <input type="checkbox"/> Public safety                                                                                          |  | 14           |
| 15 <input type="checkbox"/> Environment (including sewage bonds)                                                                   |  | 15           |
| 16 <input type="checkbox"/> Housing                                                                                                |  | 16           |
| 17 <input checked="" type="checkbox"/> Utilities                                                                                   |  | 17 3,100,000 |
| 18 <input type="checkbox"/> Other. Describe <input type="checkbox"/>                                                               |  | 18           |
| 19 If obligations are TANs or RANs, check box <input type="checkbox"/> If obligations are BANs, check box <input type="checkbox"/> |  |              |
| 20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>                               |  |              |



| <b>Part III Description of Obligations. Complete for the entire issue for which this form is being filed.</b> |                 |                                         |                               |           |
|---------------------------------------------------------------------------------------------------------------|-----------------|-----------------------------------------|-------------------------------|-----------|
| (a) Final maturity date                                                                                       | (b) Issue price | (c) Stated redemption price at maturity | (d) Weighted average maturity | (e) Yield |
| 21 October 1, 2026                                                                                            | \$ 3,100,000    | \$ 3,100,000                            | 12.380 years                  | VR %      |

|                                                                                             |    |        |           |  |
|---------------------------------------------------------------------------------------------|----|--------|-----------|--|
| <b>Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)</b>            |    |        |           |  |
| 22 Proceeds used for accrued interest                                                       |    | 22     |           |  |
| 23 Issue price of entire issue (enter amount from line 21, column (b))                      |    | 23     | 3,100,000 |  |
| 24 Proceeds used for bond issuance costs (including underwriters' discount)                 | 24 | 33,875 |           |  |
| 25 Proceeds used for credit enhancement                                                     | 25 |        |           |  |
| 26 Proceeds allocated to reasonably required reserve or replacement fund                    | 26 |        |           |  |
| 27 Proceeds used to currently refund prior issues                                           | 27 |        |           |  |
| 28 Proceeds used to advance refund prior issues                                             | 28 |        |           |  |
| 29 Total (add lines 24 through 28)                                                          |    | 29     | 33,875    |  |
| 30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here) |    | 30     | 3,066,120 |  |

|                                                                                            |             |
|--------------------------------------------------------------------------------------------|-------------|
| <b>Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)</b> |             |
| 31 Enter the remaining weighted average maturity of the bonds to be currently refunded     | _____ years |
| 32 Enter the remaining weighted average maturity of the bonds to be advance refunded       | _____ years |
| 33 Enter the last date on which the refunded bonds will be called                          | _____       |
| 34 Enter the date(s) the refunded bonds were issued                                        | _____       |

|                                                                                                                                                                                         |     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| <b>Part VI Miscellaneous</b>                                                                                                                                                            |     |
| 35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)                                                                                              | 35  |
| 36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)                                                                | 36a |
| b Enter the final maturity date of the guaranteed investment contract                                                                                                                   |     |
| 37 Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units                                                                            | 37a |
| b If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the name of the issuer _____ and the date of the issue _____ |     |
| 38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box <input checked="" type="checkbox"/>                                    |     |
| 39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box <input type="checkbox"/>                                                                           |     |
| 40 If the issuer has identified a hedge, check box <input type="checkbox"/>                                                                                                             |     |

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Sign Here

*Kathy Manry*  
 Signature of issuer's authorized representative

Date

Kathy Manry, Mayor  
 Type or print name and title

---

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**\$3,100,000**

**THE CITY OF LAKE WALES, FLORIDA  
UTILITY SYSTEM REVENUE NOTE  
SERIES 2006B**

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# Bryant • Miller • Olive

ATTORNEYS AT LAW

May 11, 2006

City Commission  
City of Lake Wales  
Lake Wales, Florida

\$3,100,000

CITY OF LAKE WALES, FLORIDA  
UTILITY SYSTEM REVENUE NOTE, SERIES 2006B

Ladies and Gentlemen:

We have acted as Note Counsel in connection with the issuance by the City of Lake Wales, Florida (the "Issuer") of its \$3,100,000 Utility System Revenue Note, Series 2006B (the "Note") pursuant to the provisions of the Constitution of the State of Florida, the Charter of the City of Lake Wales, Florida, Chapter 166, Part II, Florida Statutes, Resolution No. 96-09, adopted by the City Commission of the City of Lake Wales, Florida (the "City Commission") on April 2, 1996, as amended and supplemented and particularly as amended and supplemented by Resolution No. 2006-14 (herein collectively called the "Resolution") and other applicable provisions of law (collectively, the "Act").

Any capitalized undefined terms used herein shall have the meaning set forth in the Resolution.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Resolution and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation. We have not undertaken an independent audit, examination, investigation or inspection of such matters and have relied solely on the facts, estimates and circumstances described in such proceedings and certifications. We have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

For purposes of this opinion, we have not been engaged or undertaken to review the accuracy, completeness or sufficiency of any offering material relating to the Note. This opinion should not be construed as offering material, an offering circular, prospectus or official statement and is not intended in any way to be a disclosure statement used in connection with the sale or delivery of the Note. Furthermore, we are not passing on the accuracy or sufficiency of any CUSIP numbers appearing on the Note, if any. In addition, we have not been engaged to and, therefore, express no opinion as to compliance by the Issuer or the purchaser with any federal or state statute,

{4404/08/00055647.DOCv2}

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City Commission

May 11, 2006

Page 2

regulation or ruling with respect to the sale and distribution of the Note.

In rendering this opinion, we have examined and relied upon the opinion of even date herewith of Albert C. Galloway, Jr., P.A., City Attorney, as to the due creation and valid existence of the Issuer, the due adoption of the Resolution, and the compliance by the Issuer with all conditions contained in ordinances and resolutions of the Issuer precedent to the issuance of the Note.

Pursuant to the terms, conditions and limitations contained in the Resolution, the Issuer has reserved the right to issue obligations in the future which shall have a lien on the Pledged Revenues equal to that of the Note and the City of Lake Wales, Florida Utility System Refunding Revenue Bonds, Series 1996 and the City of Lake Wales, Florida Utility System Revenue Note, Series 2005.

The Note does not constitute a general obligation or indebtedness of the Issuer within the meaning of any constitutional, statutory or other limitation of indebtedness and the holders thereof shall never have the right to compel the exercise of any ad valorem taxing power of the Issuer or taxation in any form on any real or personal property for the payment of the principal of or interest on the Note.

The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America.

Based on our examination, we are of the opinion, as of the date hereof, as follows:

1. The Resolution constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer in accordance with its terms.
2. The Note is a valid and binding special obligation of the Issuer enforceable in accordance with its terms, payable solely from the sources provided therefor in the Resolution.
3. The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met subsequent to the issuance and delivery of the Note in order that interest on the Note be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the Note to be included in federal gross income retroactive to the date of issuance of the Note, regardless of the date on which such non-compliance occurs or is ascertained. The Issuer has covenanted in the Resolution to comply with such requirements in order to maintain the exclusion from federal gross income of the interest on the Note.

Subject to compliance by the Issuer with the aforementioned covenants, (a) interest on the

City Commission  
May 11, 2006  
Page 3

Subject to compliance by the Issuer with the aforementioned covenants, (a) interest on the Note (including any original issue discount) is excluded from gross income for purposes of federal income taxation, and (b) interest on the Note (including any original issue discount) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. Except as set forth in Paragraph 5 hereof, we express no opinion regarding other federal tax consequences arising with respect to the Note.

4. The Note is exempt from intangible taxes imposed pursuant to Chapter 199, Florida Statutes.

5. The Note is a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code. In rendering this opinion, we have relied on the representations of the Issuer in a certificate delivered on even date herewith.

It is to be understood that the rights of the owners of the Note and the enforceability thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity, to the valid exercise of the sovereign police powers of the State of Florida and of the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

We have not passed upon any matters relating to the business affairs or condition (financial or otherwise) of the Issuer, and no inference should be drawn that we have expressed any opinion on matters relating to the ability of the Issuer to perform its obligations under the Note and the Resolution except as to the enforceability of the Note and the Resolution as expressed herein.

Our opinions expressed herein are predicated upon present law, facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof.

Very truly yours,

BRYANT MILLER OLIVE

*Bryant Miller Olive*

TAX CERTIFICATE AS TO ARBITRAGE AND  
THE PROVISIONS OF SECTIONS 141-150 OF  
THE INTERNAL REVENUE CODE OF 1986, AS AMENDED

\$3,100,000

City of Lake Wales, Florida  
Utility System Revenue Note, Series 2006B)

The undersigned are the Mayor and Finance Director of the City of Lake Wales, Florida (the "City"), being duly charged, with others, with the responsibility for issuing the City's \$3,100,000 Utility System Revenue Note, Series 2006B (the "Note"), HEREBY CERTIFY, pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and Sections 1.148-0 through 1.148-11 of the Income Tax Regulations (the "Regulations"), as of May 11, 2006, as follows:

1. The Note is being issued pursuant to the Constitution and laws of the State of Florida, including Chapter 166, Part II, Florida Statutes, the Charter of the City, and pursuant to the terms of Resolution No. 96-09, adopted by the City Commission of the City on April 2, 1996, as amended and supplemented and particularly as supplemented by Resolution No. 2006-14, adopted by the City Commission on May 2, 2006 (collectively, the "Resolution"). Unless otherwise specifically defined, all capitalized terms used in this Certificate shall have the meanings as those set forth in the Resolution. The proceeds of the Note will be used for the following purposes:


(a) to finance the cost of certain capital improvements to the City's Utility System (the "Project"); and

(b) to pay the costs of issuing the Note (the "Issuance Expenses").

2. On the basis of the facts, estimates and circumstances in existence on the date hereof, we reasonably expect the following with respect to the Note being issued this day and as to the use of the proceeds thereof:

(a) The Note is being issued as a draw-down loan, as described in Section 1.150-1(c)(4)(i) of the Regulations, and the City will draw an amount at least equal to \$50,000 under the Note on the date hereof. Total proceeds in the amount of \$3,100,000 (the "Sale Proceeds") are expected to be derived by the City on a draw-down basis from the sale of the Note to Wachovia Bank, National Association (the "Bank") and are expected to be needed and fully expended as follows:

(i) \$33,875.00 of said proceeds will be used to pay the Issuance Expenses; and



(ii) \$3,066,125.00 of said proceeds will be drawn under the Note and deposited in the 2006B Project Account of the Construction Fund (the "Construction Fund") and expended, together with any investment earnings thereon, within three years from the date hereof to pay Project costs.

(b) The total Sale Proceeds to be received from the sale of the Note to the Bank, together with the investment earnings thereon, do not exceed the amount necessary for the purposes described above.

(c) The City does not expect to sell or otherwise dispose of any property comprising a part of the Project financed with the proceeds of the Note prior to the final maturity date of the Note.

3. Binding contracts or commitments obligating the expenditure of not less than 5 percent of the Sale Proceeds of the Note toward the cost of the Project will be entered into by the City within 6 months from the date hereof. Work on the acquisition and construction of the Project and the allocation of the Sale Proceeds of the Note to the costs of the Project will proceed with due diligence. It is expected that the Project will be completed and at least 85 percent of the Sale Proceeds of the Note will be allocated to Project expenditures within three years of the date hereof.

4. Not more than 50 percent of the proceeds of the Note will be invested in obligations having a substantially guaranteed yield for 4 years or more.

5. The Resolution provides that the City will utilize Pledged Revenues on each payment date on the Note sufficient to pay principal of and interest on the Note. No separate funds or accounts will be held or reserved by the City from which payments of principal and interest on the Note will be made.

6. There are no funds or accounts established pursuant to the Resolution or otherwise which are reasonably expected to be used to pay debt service on the Note, or which are pledged as collateral for the Note (or subject to a negative pledge) and for which there is a reasonable assurance on the part of the Bank that amounts therein will be available to pay debt service on the Note if the City encounters financial difficulties.

7. Except for preliminary expenditures, such as architectural, engineering, surveying, soil testing, and similar costs, proceeds of the Note will not be used to reimburse the City for Project costs paid prior to 60 days before May 2, 2006.

8. In the event that amounts drawn under the Note are not immediately used to pay or reimburse costs of the Project, the following represents the expectations of the City with respect to the investment of such proceeds of the Note:

amounts outstanding, on the second Business Day prior to the first Business Day of each month. Interest will accrue on any day which is not a Business Day at the rate in effect on the immediately preceding Business Day.

Principal of and interest on this Note is payable in lawful money of the United States of America at such place as the Owner may designate to the Issuer in writing.

*Conversion to a Term Loan*

On October 1, 2009, unless prepaid in full, the loan shall convert to a term loan (the "Term Loan") and the principal amount outstanding under the Note shall be amortized over the seventeen (17) year period from October 1, 2009 through October 1, 2026 to provide level annual payments of principal and interest for such period. Principal shall be payable on each October 1, commencing October 1, 2010 and interest shall be payable semi-annually in arrears at a rate equal to the Fixed Rate, on each April 1 and October 1, commencing April 1, 2010. The Fixed Rate shall equal the Applicable Rate plus 95 basis points as of two Business Days prior to October 1, 2009 (the "Fixed Rate"). Upon conversion to the Term Loan, the Owner shall provide the Issuer with an amortization schedule showing all principal amounts due over the life of the Term Loan.

A final payment in the amount of the entire unpaid principal balance, together with all accrued and unpaid interest hereon, shall be due and payable in full on the Maturity Date.

*Optional Prepayment*

**SPECIMEN**

(a) Upon at least seven (7) days prior written notice, the Note shall be subject to prepayment at the option of the Issuer, in whole or in part, on any date on or prior to October 1, 2009, at a price equal to the then outstanding principal amount thereof plus accrued interest to the date fixed for prepayment without premium or Breakage Fee. Notwithstanding any provision of Section (b) below, no Breakage Fee shall become due if the Note is prepaid on or before October 1, 2009.

(b) Upon at least seven (7) days prior written notice, the Note shall be subject to prepayment at the option of the Issuer, in whole or in part, on any date following October 1, 2009, at a price equal to the then outstanding principal amount thereof plus the Breakage Fee plus accrued interest to the date fixed for prepayment.

In addition to principal, interest and any other amounts due hereunder for the Note, the Issuer shall on demand pay to the Owner of the Note any "Breakage Fee" due hereunder for each Break Event. "Break Event" means any voluntary or mandatory prepayment or acceleration, in whole or in part, of principal of the Note occurring prior to the date such principal would, but for that prepayment or acceleration, have become

(6) In determining the amount of any of the payments required to be made pursuant to this Section, credit may be given for all investment income accruing to the respective funds and accounts described herein, except as otherwise provided.

(7) The cash required to be accounted for in each of the funds and accounts described in this Section may be deposited in a single bank account, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the cash on deposit therein for the various purposes of such funds and accounts as herein provided. The designation and establishment of the various funds in and by this Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues and assets of the System for certain purposes and to establish certain priorities for application of such revenues and assets as herein provided.

(C) OPERATION AND MAINTENANCE. The Issuer will maintain the System and all parts thereof in good condition and will operate the same in an efficient and economical manner, making such expenditures for equipment and for renewals, repairs and replacements as may be proper for the economical operation and maintenance thereof.

(D) RATE COVENANT. The Issuer will fix, establish, revise from time to time whenever necessary, maintain and collect ~~always such fees, rates, rentals and other charges~~ for the use of the products, services and facilities of the System which will always provide Net Revenues in each year sufficient to pay the aggregate of one hundred ten percent (110%) of the Bond Service Requirement becoming due in such year on the Outstanding Bonds. Such rates, fees, rentals or other charges shall not be reduced so as to render them insufficient to provide revenues for the purposes provided therefor by this Resolution.

To the extent that the Debt Service Reserve Fund Policy is in effect with respect to the Series 1996 Bonds, reference is made to Section 31(e) hereof.

(E) BOOKS AND ACCOUNTS; AUDIT. The Issuer shall keep proper books, records and accounts, separate and apart from all other records and accounts, showing correct and complete entries of all transactions of the System, and the Holders of any of the Bonds or any duly authorized agent or agents of such Holders shall have the right at any and all reasonable times to inspect such books, records and accounts. The Issuer shall, within one hundred eighty (180) days following the close of each Fiscal Year of the Issuer, cause an audit of such books, records and accounts to be made by an independent firm of certified public accountants.

Copies of each such audit report shall be placed on file with the Issuer and be made available at reasonable times for inspection by Holders of the Bonds.

Attachment 5

Attorney Opinion Letter



**ALBERT C. GALLOWAY, JR., P.A.**

POST OFFICE BOX 3339  
202 EAST STUART AVENUE  
LAKE WALES, FL 33859-3339  
TELEPHONE 863/679-5333  
FAX 863/679-5332  
CHUCK@ACGPA.NET

September 27, 2010

Department of Environmental Protection  
Bureau of Water Facilities Funding  
2600 Blair Stone Road, M.S. 3505  
Tallahassee, Florida 32399-2400

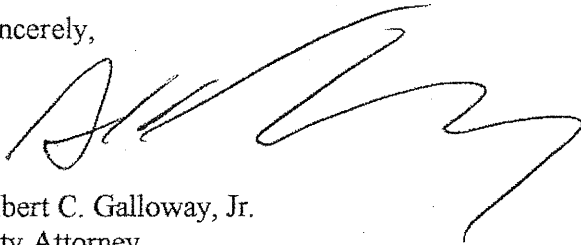
Re: Project Number: WW53030  
Project Name: Lake Wales Treatment and Transmission Facilities

I am the duly appointed City Attorney for the City of Lake Wales. The City proposes to borrow \$3,937,000.00 excluding capitalized interest and loan service fee, from the State Revolving Fund for improvements to the City's wastewater treatment plant and Crooked Lake Park lift station/force main. The loan will be secured by the net operating revenues of the City's water and sewer system and the pledged revenues are available to pledge. The City of Lake Wales has the legal authority to increase rates to ensure repayment of the loan.

The pledge on revenues is subject to a prior lien with the following issues:

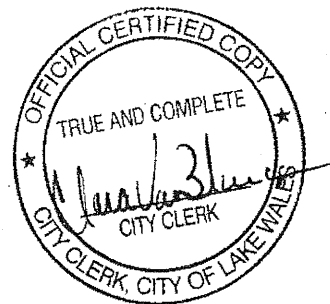
- (1) City of Lake Wales, Florida State Revolving Fund Loan CS12075907P (Reuse Phase I)
- (2) City of Lake Wales, Florida State Revolving Fund Loan CS12075910P (Reuse Phase II)
- (3) City of Lake Wales, Florida State Revolving Fund Loan WVG12075912S (Sludge)
- (4) City of Lake Wales, Florida State Revolving Fund Loan WW75913P (WWTR PreConstr.)
- (5) City of Lake Wales, Florida State Revolving Fund Loan WW759140 (WWTR PreConstr.)
- (6) City of Lake Wales, Florida Capital Improvement Refunding Revenue Note, Series 2003
- (7) City of Lake Wales, Florida Utility System Revenue Note, Series 2005
- (8) City of Lake Wales, Florida System Refunding Revenue Note, Series 2006A
- (9) City of Lake Wales, Florida Utility System Revenue Note, Series 2006B

Sincerely,



Albert C. Galloway, Jr.  
City Attorney

Cc: Judith H. Delmar, City Manager  
Dorothy Pendergrass, Finance Director



Attachment 6

Resolution

RESOLUTION 2010-22

A RESOLUTION OF THE CITY OF LAKE WALES, FLORIDA, RELATING TO THE STATE REVOLVING FUND LOAN PROGRAM; MAKING FINDINGS; AUTHORIZING THE LOAN APPLICATION; AUTHORIZING THE LOAN AGREEMENT; ESTABLISHING PLEDGED REVENUES; DESIGNATING AUTHORIZED REPRESENTATIVES; PROVIDING ASSURANCE; PROVIDING FOR CONFLICTS, SEVERABILITY, AND EFFECTIVE DATE.

WHEREAS, Florida Statutes provide for loans to local government agencies to finance the construction of water pollution control facilities; and

WHEREAS, Florida Administrative Code rules require authorization to apply for loans, to establish pledged revenues, to designate an authorized representative; to provide assurances of compliance with loan program requirements; and to enter into a loan agreement; and

WHEREAS, the State Revolving Fund loan priority list designates **Project No. WW53030** as eligible for available funding; and

WHEREAS, the City of Lake Wales, Florida, intends to enter into a loan agreement with the Department of Environmental Protection under the State Revolving Fund for project financing.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF LAKE WALES, POLK COUNTY, FLORIDA, AS FOLLOWS:**

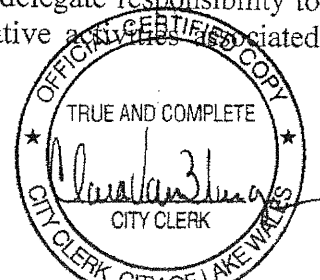
**SECTION 1.** The foregoing findings are incorporated herein by reference and made a part hereof.

**SECTION 2.** The City of Lake Wales, Florida is authorized to apply for a loan to finance the Project.

**SECTION 3.** The revenues pledged for the repayment of the loan are net water and sewer utility system revenues after payment of debt service on the Utility System Refunding Revenue Note, Series 2006A, Utility System Revenue Note, Series 2006B, and other debt obligations as shown in Exhibit "A".

**SECTION 4.** The Mayor is hereby designated as the authorized representative to provide the assurances and commitments required by the loan application.

**SECTION 5.** The Mayor is hereby designated as the authorized representative to execute the loan agreement which will become a binding obligation in accordance with its terms when signed by both parties. The Mayor is authorized to represent the City in carrying out the City's responsibilities under the loan agreement. The Mayor is authorized to delegate responsibility to appropriate City staff to carry out technical, financial, and administrative activities associated with the loan agreement.



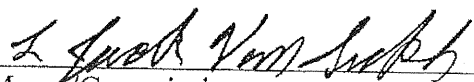
**SECTION 6.** The legal authority for borrowing moneys to construct this Project is Section 166.111 Florida Statutes.

**SECTION 7. Conflicts.** All resolutions or part of Resolutions in conflict with any of the provisions of this Resolution are hereby repealed.

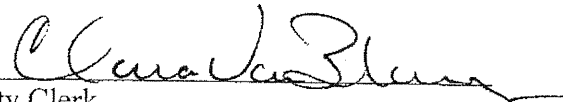
**SECTION 8. Severability.** If any Section or portion of a Section of this Resolution proves to be invalid, unlawful, or unconstitutional, it shall not be held to invalidate or impair the validity, force or effect of any other Section or part of this Resolution.

**SECTION 9. Effective Date.** This Resolution shall become effective immediately upon its passage and adoption.

**APPROVED AND ADOPTED** by the City Commission of the City of Lake Wales, Florida, this 5<sup>th</sup> day of October 2010.

  
\_\_\_\_\_  
Mayor/Commissioner

ATTEST:

  
\_\_\_\_\_  
City Clerk



CITY OF LAKE WALES, FLORIDA  
 RESOLUTION 2010-22  
 EXHIBIT "A"

UTILITY SYSTEM DEBT ISSUES AND OUTSTANDING PRINCIPAL BALANCE AT SEPTEMBER 30, 2010

| Debt Issue                                    | Purpose                                                                        | Maturity | Originally Issued | Outstanding Amount | Interest Rate |
|-----------------------------------------------|--------------------------------------------------------------------------------|----------|-------------------|--------------------|---------------|
| State Revolving Fund Loan - 5907P             | Construction of Reclaimed Water Reuse Facilities                               | 2019     | \$ 1,592,804      | 791,241            | 2.56%         |
| State Revolving Fund Loan - 59110             | Construction of Reclaimed Water Reuse Facilities                               | 2022     | 1,171,882         | 508,370            | 3.05%         |
| State Revolving Fund Loan - 5912S             | Construction of Sludge Dewatering Facilities                                   | 2024     | 1,428,648         | 1,017,105          | 2.14%         |
| State Revolving Fund Loan - 5913P             | Planning and Design of Wastewater Treatment Plant Expansion                    | 2028     | 1,025,345         | 917,158            | 1.88%         |
| State Revolving Fund Loan - 59140             | Planning and Design of Wastewater Treatment Plant Rehabilitation and Expansion | 2032     | 362,200           | 180,000            | 2.30%         |
| Capital Improvement Revenue Note, Series 2003 | Advanced Refund of Capital Improvements Bond for Infrastructure Improvements   | 2017     | 432,610           | 272,499            | 3.84%         |
| Utility System Revenue Note, Series 2005      | Construction of chlorine contact chamber and reuse facilities                  | 2015     | 1,110,000         | 560,931            | 4.20%         |
| Utility System Refunding Note, Series 2006A   | Refund of outstanding 1996 Utility System Improvement Refunding Revenue Bonds  | 2017     | 6,272,220         | 4,894,868          | 4.09%         |
| Utility System Revenue Note, Series 2006B     | Construction of water and wastewater system improvements                       | 2027     | 3,100,000         | 2,550,000          | 1.14%         |

\$ 11,692,172

**CITY OF LAKE WALES, FLORIDA  
RESOLUTION 2010-XX  
EXHIBIT "A"**

**UTILITY SYSTEM DEBT ISSUES AND OUTSTANDING PRINCIPAL BALANCE AT SEPTEMBER 30, 2010**

| Debt Issue                                    | Purpose                                                                        | Maturity | Originally Issued | Outstanding Amount | Interest Rate |
|-----------------------------------------------|--------------------------------------------------------------------------------|----------|-------------------|--------------------|---------------|
| State Revolving Fund Loan - 5907P             | Construction of Reclaimed Water Reuse Facilities                               | 2019     | \$ 1,592,804      | 791,241            | 2.56%         |
| State Revolving Fund Loan - 59110             | Construction of Reclaimed Water Reuse Facilities                               | 2022     | 1,171,882         | 508,370            | 3.05%         |
| State Revolving Fund Loan - 5912S             | Construction of Sludge Dewatering Facilities                                   | 2024     | 1,428,648         | 1,017,105          | 2.14%         |
| State Revolving Fund Loan - 5913P             | Planning and Design of Wastewater Treatment Plant Expansion                    | 2028     | 1,025,345         | 917,158            | 1.88%         |
| State Revolving Fund Loan - 59140             | Planning and Design of Wastewater Treatment Plant Rehabilitation and Expansion | 2032     | 362,200           | 180,000            | 2.30%         |
| Capital Improvement Revenue Note, Series 2003 | Advanced Refund of Capital Improvements Bond for Infrastructure Improvements   | 2017     | 432,610           | 272,499            | 3.84%         |
| Utility System Revenue Note, Series 2005      | Construction of chlorine contact chamber and reuse facilities                  | 2015     | 1,110,000         | 560,931            | 4.20%         |
| Utility System Refunding Note, Series 2006A   | Refund of outstanding 1996 Utility System Improvement Refunding Revenue Bonds  | 2017     | 6,272,220         | 4,894,868          | 4.09%         |
| Utility System Revenue Note, Series 2006B     | Construction of water and wastewater system improvements                       | 2027     | 3,100,000         | 2,550,000          | 1.14%         |

\$ 11,692,172

## Attachment 7

### CAFR 2007'08 & 2008'09

(Due to each report containing 144 pages, a disk has been included which contained pdfs of CAFR 2007'08 & 2008'09. These reports are also on the City's website at [cityoflakewales.com](http://cityoflakewales.com))

Attachment 8

CAFR 2007'08, page 23

&

CAFR 2008'09, page 25



**City of Lake Wales, Florida**  
**Statement of Revenues, Expenses, and Changes in Fund Net Asset**  
**For the Year Ended September 30, 2008**

|                                                  | <u>Public<br/>Utilities<br/>Fund</u> |
|--------------------------------------------------|--------------------------------------|
| <b>Operating revenues:</b>                       |                                      |
| Charges for Services                             | \$ 6,622,986                         |
| Other income                                     | 639,627                              |
| <b>Total operating revenues</b>                  | <u>7,262,613</u>                     |
| <b>Operating expenses:</b>                       |                                      |
| Personal services                                | 1,463,757                            |
| Contractual services                             | 600,524                              |
| Repairs and maintenance                          | 678,525                              |
| Materials and supplies                           | 245,315                              |
| General and administrative                       | 1,006,749                            |
| Depreciation                                     | 699,675                              |
| <b>(Total operating expenses)</b>                | <u>(4,694,545)</u>                   |
| <b>Operating income</b>                          | <u>2,568,068</u>                     |
| <b>Nonoperating revenues (expenses)</b>          |                                      |
| Operating grants                                 | 1,772                                |
| Interest income                                  | 53,833                               |
| Interest expense and fiscal charges              | (491,941)                            |
| Amortization of bond issue costs                 | (7,823)                              |
| Gain (loss) on disposition of capital assets     | -                                    |
| <b>Total nonoperating (expenses)</b>             | <u>(444,159)</u>                     |
| <b>Income before contributions and transfers</b> | <u>2,123,909</u>                     |
| <b>Capital contributions</b>                     |                                      |
| Impact fees                                      | 533,969                              |
| Capital Grants                                   | 632,681                              |
| <b>Total capital contributions</b>               | <u>1,166,650</u>                     |
| <b>Operating transfers</b>                       |                                      |
| Operating transfers in                           | 1,394,976                            |
| Operating transfers out                          | (864,877)                            |
| <b>Total operating transfers</b>                 | <u>530,099</u>                       |
| <b>Change in net assets</b>                      | 3,820,658                            |
| <b>Total net assets, beginning of year</b>       | <u>12,168,059</u>                    |
| <b>Total net assets, end of year</b>             | <u>\$ 15,988,717</u>                 |

The notes to the financial statements are an integral part of this statement.

**City of Lake Wales, Florida**  
**Statement of Revenues, Expenses, and Changes in Fund Net Asset**  
**For the Year Ended September 30, 2009**

|                                           | <b>Public<br/>Utilities<br/>Fund</b> |
|-------------------------------------------|--------------------------------------|
| <b>Operating revenues:</b>                |                                      |
| Charges for Services                      | \$ 6,025,162                         |
| Other income                              | 245,117                              |
| Total operating revenues                  | <u>6,270,279</u>                     |
| <b>Operating expenses:</b>                |                                      |
| Personal services                         | 1,471,008                            |
| Contractual services                      | 324,492                              |
| Repairs and maintenance                   | 764,393                              |
| Materials and supplies                    | 216,862                              |
| General and administrative                | 1,061,217                            |
| Depreciation                              | 744,787                              |
| <b>(Total operating expenses)</b>         | <u>(4,582,759)</u>                   |
| <b>Operating income</b>                   | <u>1,687,520</u>                     |
| <b>Nonoperating revenues (expenses)</b>   |                                      |
| Interest income                           | 9,844                                |
| Interest expense and fiscal charges       | (434,324)                            |
| Amortization of bond issue costs          | (7,823)                              |
| Total nonoperating (expenses)             | <u>(432,303)</u>                     |
| Income before contributions and transfers | <u>1,255,217</u>                     |
| <b>Capital contributions</b>              |                                      |
| Impact fees                               | 126,740                              |
| Capital Grants and contributions          | 32,832                               |
| Total capital contributions               | <u>159,572</u>                       |
| <b>Operating transfers</b>                |                                      |
| Operating transfers in                    | 2,895,352                            |
| Operating transfers out                   | (865,070)                            |
| Total operating transfers                 | <u>2,030,282</u>                     |
| Change in net assets                      | 3,445,071                            |
| Total net assets, beginning of year       | <u>15,945,301</u>                    |
| <b>Total net assets, end of year</b>      | <u><u>\$ 19,390,372</u></u>          |

The notes to the financial statements are an integral part of this statement.

Attachment 9

Total Debt Service, Including Coverage Requirements

City of Lake Wales  
 Projection Data - Debt Service Requirements

|      | Debt Service                                               |                              | Debt Service                                               |                              |
|------|------------------------------------------------------------|------------------------------|------------------------------------------------------------|------------------------------|
|      | Category - Coverage Req. 110%<br>(Excluding Coverage Req.) | Coverage Requirement<br>110% | Category - Coverage Req. 115%<br>(Excluding Coverage Req.) | Coverage Requirement<br>115% |
| 2007 | 699,936                                                    | 769,930                      | 242,228                                                    | 278,562                      |
| 2008 | 1,019,109                                                  | 1,121,020                    | 282,540                                                    | 324,921                      |
| 2009 | 1,012,366                                                  | 1,113,603                    | 303,974                                                    | 349,570                      |
| 2010 | 1,158,828                                                  | 1,274,712                    | 303,974                                                    | 349,570                      |
| 2011 | 1,157,615                                                  | 1,273,377                    | 303,974                                                    | 349,570                      |
| 2012 | 1,158,391                                                  | 1,274,230                    | 315,089                                                    | 362,352                      |
| 2013 | 1,157,121                                                  | 1,272,834                    | 315,089                                                    | 362,352                      |
| 2014 | 1,154,026                                                  | 1,269,429                    | 315,089                                                    | 362,352                      |
| 2015 | 1,066,542                                                  | 1,173,196                    | 315,089                                                    | 362,352                      |
| 2016 | 989,927                                                    | 1,088,920                    | 315,089                                                    | 362,352                      |
| 2017 | 165,011                                                    | 181,512                      | 315,089                                                    | 362,352                      |
| 2018 | 165,001                                                    | 181,501                      | 315,089                                                    | 362,352                      |
| 2019 | 164,992                                                    | 181,491                      | 263,002                                                    | 302,452                      |
| 2020 | 164,982                                                    | 181,480                      | 210,915                                                    | 242,552                      |
| 2021 | 164,972                                                    | 181,469                      | 210,915                                                    | 242,552                      |
| 2022 | 164,962                                                    | 181,458                      | 210,915                                                    | 242,552                      |
| 2023 | 164,951                                                    | 181,446                      | 116,435                                                    | 133,900                      |
| 2024 | 164,941                                                    | 181,435                      | 72,861                                                     | 83,790                       |
| 2025 | 164,931                                                    | 181,424                      | 72,861                                                     | 83,790                       |
| 2026 | 164,920                                                    | 181,412                      | 72,861                                                     | 83,790                       |
| 2027 | -                                                          | -                            | 41,898                                                     | 48,183                       |
| 2028 | -                                                          | -                            | 11,115                                                     | 12,782                       |
| 2029 | -                                                          | -                            | 11,115                                                     | 12,782                       |
|      | 12,223,524                                                 | 13,445,879                   | 4,937,206                                                  | 5,677,787                    |

|      | Total Debt | Total Debt w/ Coverage Requi. |
|------|------------|-------------------------------|
| 2007 | 942,164    | 1,048,492                     |
| 2008 | 1,301,649  | 1,445,941                     |
| 2009 | 1,316,340  | 1,463,173                     |
| 2010 | 1,462,802  | 1,624,282                     |
| 2011 | 1,461,589  | 1,622,947                     |
| 2012 | 1,473,480  | 1,636,582                     |
| 2013 | 1,472,210  | 1,635,186                     |
| 2014 | 1,469,115  | 1,631,781                     |
| 2015 | 1,381,631  | 1,535,548                     |
| 2016 | 1,305,016  | 1,451,272                     |
| 2017 | 480,100    | 543,864                       |
| 2018 | 480,090    | 543,853                       |
| 2019 | 427,994    | 483,943                       |
| 2020 | 375,897    | 424,032                       |
| 2021 | 375,887    | 424,021                       |
| 2022 | 375,877    | 424,010                       |
| 2023 | 281,386    | 315,346                       |
| 2024 | 237,802    | 265,225                       |
| 2025 | 237,792    | 265,214                       |
| 2026 | 237,781    | 265,202                       |
| 2027 | 41,898     | 48,183                        |
| 2028 | 11,115     | 12,782                        |
| 2029 | 11,115     | 12,782                        |
|      | 17,160,730 | 19,123,666                    |

**PART V - SUPPLEMENTAL INFORMATION**

**SCHEDULE OF PRIOR AND PARITY LIENS  
(EXCLUDING SRF LOANS)**

List annual debt service beginning two years before the anticipated loan agreement and continuing at least three additional fiscal years. Use additional pages as necessary.

|                                 |                                                                     |                                                                     |                                                                     |
|---------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------|
|                                 | #1                                                                  | #2                                                                  | #3                                                                  |
| <b>Identify Each Obligation</b> | 2003 SunTrust<br><u>Note</u>                                        | 2005 SunTrust<br><u>Note</u>                                        | 2006A UT Refunding<br><u>Note(Wachovia)</u>                         |
| <b>Coverage</b>                 | 110%                                                                | 110%                                                                | 110%                                                                |
| <b>Insured?</b>                 | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> NO | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> NO | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> NO |

| <b>Fiscal Year</b> | <b>Annual Debt Service (Principal Plus Interest)</b> |           |           | <b>Total Debt Service</b> | <b>Total Debt Service Incl. Coverage</b> |
|--------------------|------------------------------------------------------|-----------|-----------|---------------------------|------------------------------------------|
|                    | <b>#1</b>                                            | <b>#2</b> | <b>#3</b> |                           |                                          |
| 2003               |                                                      |           |           | -                         | -                                        |
| 2004               |                                                      |           |           | -                         | -                                        |
| 2005               |                                                      |           |           | -                         | -                                        |
| 2006               |                                                      |           |           | -                         | -                                        |
| 2007               | 50,600                                               | 137,019   | 464,767   | 652,386                   | 717,625                                  |
| 2008               | 50,600                                               | 137,019   | 791,592   | 979,211                   | 1,077,132                                |
| 2009               | 50,578                                               | 137,019   | 805,434   | 993,031                   | 1,092,334                                |
| 2010               | 50,695                                               | 137,019   | 806,039   | 993,753                   | 1,093,129                                |
| 2011               | 50,522                                               | 137,019   | 805,008   | 992,549                   | 1,091,804                                |
| 2012               | 50,511                                               | 137,019   | 805,804   | 993,334                   | 1,092,667                                |
| 2013               | 50,447                                               | 137,019   | 804,607   | 992,073                   | 1,091,281                                |
| 2014               | 50,553                                               | 137,019   | 801,415   | 988,987                   | 1,087,886                                |
| 2015               | 31,864                                               | 68,520    | 801,128   | 901,512                   | 991,663                                  |
| 2016               | 21,446                                               |           | 803,461   | 824,907                   | 907,398                                  |
| 2017               |                                                      |           |           | -                         | -                                        |
| 2018               |                                                      |           |           | -                         | -                                        |
| 2019               |                                                      |           |           | -                         | -                                        |
| 2020               |                                                      |           |           | -                         | -                                        |
| 2021               |                                                      |           |           | -                         | -                                        |
| 2022               |                                                      |           |           | -                         | -                                        |
| 2023               |                                                      |           |           | -                         | -                                        |
| 2024               |                                                      |           |           | -                         | -                                        |
| 2025               |                                                      |           |           | -                         | -                                        |
| 2026               |                                                      |           |           | -                         | -                                        |
| 2027               |                                                      |           |           | -                         | -                                        |
| 2028               |                                                      |           |           | -                         | -                                        |
| 2029               |                                                      |           |           | -                         | -                                        |

**PART V - SUPPLEMENTAL INFORMATION**

**SCHEDULE OF PRIOR AND PARITY LIENS  
(EXCLUDING SRF LOANS)**

List annual debt service beginning two years before the anticipated loan agreement and continuing at least three additional fiscal years. Use additional pages as necessary.

|                                 |                                    |                |                |
|---------------------------------|------------------------------------|----------------|----------------|
|                                 | <b>#1</b>                          | <b>#2</b>      | <b>#3</b>      |
| <b>Identify Each Obligation</b> | 2006B UT Credit Line<br>(Wachovia) | _____          | _____          |
| <b>Coverage</b>                 | 110%                               | 0%             | 0%             |
| <b>Insured?</b>                 | ___ Yes <u>X</u> NO                | ___ Yes ___ NO | ___ Yes ___ NO |

| <b>Fiscal Year</b> | <b>Annual Debt Service (Principal Plus Interest)</b> |           |           | <b>Total Debt Service</b> | <b>Total Debt Service Incl. Coverage</b> |
|--------------------|------------------------------------------------------|-----------|-----------|---------------------------|------------------------------------------|
|                    | <b>#1</b>                                            | <b>#2</b> | <b>#3</b> |                           |                                          |
| 2003               |                                                      |           |           | -                         | -                                        |
| 2004               |                                                      |           |           | -                         | -                                        |
| 2005               |                                                      |           |           | -                         | -                                        |
| 2006               |                                                      |           |           | -                         | -                                        |
| 2007               | 47,550                                               |           |           | 47,550                    | 52,305                                   |
| 2008               | 39,898                                               |           |           | 39,898                    | 43,888                                   |
| 2009               | 19,335                                               |           |           | 19,335                    | 21,269                                   |
| 2010               | 165,075                                              |           |           | 165,075                   | 181,583                                  |
| 2011               | 165,066                                              |           |           | 165,066                   | 181,573                                  |
| 2012               | 165,057                                              |           |           | 165,057                   | 181,563                                  |
| 2013               | 165,048                                              |           |           | 165,048                   | 181,553                                  |
| 2014               | 165,039                                              |           |           | 165,039                   | 181,543                                  |
| 2015               | 165,030                                              |           |           | 165,030                   | 181,533                                  |
| 2016               | 165,020                                              |           |           | 165,020                   | 181,522                                  |
| 2017               | 165,011                                              |           |           | 165,011                   | 181,512                                  |
| 2018               | 165,001                                              |           |           | 165,001                   | 181,501                                  |
| 2019               | 164,992                                              |           |           | 164,992                   | 181,491                                  |
| 2020               | 164,982                                              |           |           | 164,982                   | 181,480                                  |
| 2021               | 164,972                                              |           |           | 164,972                   | 181,469                                  |
| 2022               | 164,962                                              |           |           | 164,962                   | 181,458                                  |
| 2023               | 164,951                                              |           |           | 164,951                   | 181,446                                  |
| 2024               | 164,941                                              |           |           | 164,941                   | 181,435                                  |
| 2025               | 164,931                                              |           |           | 164,931                   | 181,424                                  |
| 2026               | 164,920                                              |           |           | 164,920                   | 181,412                                  |
| 2027               |                                                      |           |           | -                         | -                                        |
| 2028               |                                                      |           |           | -                         | -                                        |
| 2029               |                                                      |           |           | -                         | -                                        |

**PART V - SUPPLEMENTAL INFORMATION**

**SCHEDULE OF PRIOR AND PARITY LIENS  
(EXCLUDING SRF LOANS)**

List annual debt service beginning two years before the anticipated loan agreement and continuing at least three additional fiscal years. Use additional pages as necessary.

| Identify Each Obligation | #1<br>Reuse - I<br>CS12075907P | #2<br>Reuse - II<br>CS120759110 | #3<br>Sludge<br>WWG12075912S | #4<br>WWTR PreConstr.<br>WW75913P | #5<br>WWTR PreConstr.<br>WW759140 |
|--------------------------|--------------------------------|---------------------------------|------------------------------|-----------------------------------|-----------------------------------|
| Coverage                 | 115%                           | 115%                            | 115%                         | 115%                              | 115%                              |
| Insured?                 | ___ Yes <u>X</u> NO            | ___ Yes <u>X</u> NO             | ___ Yes <u>X</u> NO          | ___ Yes <u>X</u> NO               | ___ Yes <u>X</u> NO               |

| Fiscal Year | Annual Debt Service (Principal Plus Interest) |        |        |        |        | Total Debt Service | Total Debt Service w/ Coverage |
|-------------|-----------------------------------------------|--------|--------|--------|--------|--------------------|--------------------------------|
|             | #1                                            | #2     | #3     | #4     | #5     |                    |                                |
| 2003        |                                               |        |        |        |        | -                  | -                              |
| 2004        |                                               |        |        |        |        | -                  | -                              |
| 2005        |                                               |        |        |        |        | -                  | -                              |
| 2006        |                                               |        |        |        |        | -                  | -                              |
| 2007        | 104,174                                       | 50,907 | 87,147 | -      |        | 242,228            | 278,562                        |
| 2008        | 104,174                                       | 50,907 | 87,147 | 40,312 |        | 282,540            | 324,921                        |
| 2009        | 104,174                                       | 50,907 | 87,147 | 61,746 |        | 303,974            | 349,570                        |
| 2010        | 104,174                                       | 50,907 | 87,147 | 61,746 |        | 303,974            | 349,570                        |
| 2011        | 104,174                                       | 50,907 | 87,147 | 61,746 |        | 303,974            | 349,570                        |
| 2012        | 104,174                                       | 50,907 | 87,147 | 61,746 | 11,115 | 315,089            | 362,352                        |
| 2013        | 104,174                                       | 50,907 | 87,147 | 61,746 | 11,115 | 315,089            | 362,352                        |
| 2014        | 104,174                                       | 50,907 | 87,147 | 61,746 | 11,115 | 315,089            | 362,352                        |
| 2015        | 104,174                                       | 50,907 | 87,147 | 61,746 | 11,115 | 315,089            | 362,352                        |
| 2016        | 104,174                                       | 50,907 | 87,147 | 61,746 | 11,115 | 315,089            | 362,352                        |
| 2017        | 104,174                                       | 50,907 | 87,147 | 61,746 | 11,115 | 315,089            | 362,352                        |
| 2018        | 104,174                                       | 50,907 | 87,147 | 61,746 | 11,115 | 315,089            | 362,352                        |
| 2019        | 52,087                                        | 50,907 | 87,147 | 61,746 | 11,115 | 263,002            | 302,452                        |
| 2020        |                                               | 50,907 | 87,147 | 61,746 | 11,115 | 210,915            | 242,552                        |
| 2021        |                                               | 50,907 | 87,147 | 61,746 | 11,115 | 210,915            | 242,552                        |
| 2022        |                                               | 50,907 | 87,147 | 61,746 | 11,115 | 210,915            | 242,552                        |
| 2023        |                                               |        | 43,574 | 61,746 | 11,115 | 116,435            | 133,900                        |
| 2024        |                                               |        |        | 61,746 | 11,115 | 72,861             | 83,790                         |
| 2025        |                                               |        |        | 61,746 | 11,115 | 72,861             | 83,790                         |
| 2026        |                                               |        |        | 61,746 | 11,115 | 72,861             | 83,790                         |
| 2027        |                                               |        |        | 30,783 | 11,115 | 41,898             | 48,183                         |
| 2028        |                                               |        |        |        | 11,115 | 11,115             | 12,782                         |
| 2029        |                                               |        |        |        | 11,115 | 11,115             | 12,782                         |

Attachment 10  
Utility Fund Forecast



City of Lake Wales  
Public Utility Fund - 403  
Expenditures by Function - Forecast

Revenues & Other Financing Sources:

Charges for Service & Misc. Revenue:  
Charges For Services - Existing Customer  
Charges For Services - Projected Sunrise Apartments  
Charges For Services - Projected Crooked Lake Park  
Charges For Services - Projected LWCC Golf Course

Interest Income

Misc. - Other Revenues

Misc. - Settlements

Misc. Revenues

Operating Grants

Total Charges for Service & Misc. Revenue

Total Operating Expenses (Excluding Interest Expense,  
Depreciation & Other Non-Cash Items)

Net Revenue

Debt Service:

Debt Service - Existing (Coverage Req. 110%)

Debt Service - Existing (Coverage Req. 115%)

Total Debt Service - Principal & Amortization - Existing

Revenue Available for this SRF Loan

Assumptions:

Revenues:

The City expects additional utility revenue from 1) New Sunrise Apartment Complexes, 2) Crooked Lake Park Sewerage Company, & 3) Reuse services provided to LWCC Golf Course  
The City has an annual utility rate increased based on June's annual CPI or 2.5%, whichever is greater, without further need for commission approval.

Expenditures:

Expenditures have been forecasted with an annual increase ranging from 3.1% to 3.3%.

|           | Actual For<br>Year 2007'08 | Actual For<br>Year 2008'09 | Projected<br>Year 2009'10 | Approved<br>Budget<br>Year 2010'11 | Projected<br>Year 2011'12 | Projected<br>Year 2012'13 | Projected<br>Year 2013'14 | Projected<br>Year 2014'15 | Projected<br>Year 2015'16 |
|-----------|----------------------------|----------------------------|---------------------------|------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| 6,622,986 | 6,023,162                  | 6,169,450                  | 6,146,000                 | 6,296,700                          | 6,454,118                 | 6,615,470                 | 6,780,857                 | 6,950,379                 |                           |
|           |                            |                            |                           | 53,346                             | 109,360                   | 147,922                   | 151,620                   | 155,411                   |                           |
|           |                            |                            |                           | 110,000                            | 110,000                   | 112,750                   | 115,569                   | 118,458                   |                           |
|           |                            |                            |                           |                                    | 19,162                    | 19,641                    | 20,132                    | 20,635                    |                           |
| 6,622,986 | 6,023,162                  | 6,169,450                  | 6,146,000                 | 6,460,046                          | 6,692,640                 | 6,895,783                 | 7,068,178                 | 7,244,883                 |                           |
| 51,833    | 9,844                      | 54,000                     | 21,500                    | 21,500                             | 21,500                    | 21,500                    | 21,500                    | 21,500                    |                           |
| 233,989   | 212,551                    | 205,000                    | 205,000                   | 231,630                            | 231,630                   | 231,630                   | 205,000                   | 205,000                   |                           |
| 405,638   | 32,566                     | 32,566                     | 32,566                    | 32,566                             | 32,566                    | -                         | -                         | -                         |                           |
| 639,627   | 245,117                    | 237,566                    | 237,566                   | 264,196                            | 264,196                   | 231,630                   | 205,000                   | 205,000                   |                           |
| 1,772     |                            |                            |                           |                                    |                           |                           |                           |                           |                           |
| 7,318,218 | 6,280,123                  | 6,461,016                  | 6,405,066                 | 6,745,742                          | 6,978,336                 | 7,148,913                 | 7,294,678                 | 7,471,383                 |                           |
| 3,994,870 | 3,837,972                  | 3,941,269                  | 3,551,558                 | 3,717,759                          | 3,832,927                 | 3,954,054                 | 4,081,438                 | 4,215,461                 |                           |
| 3,323,348 | 2,442,151                  | 2,519,747                  | 2,853,508                 | 3,027,983                          | 3,145,408                 | 3,194,860                 | 3,213,240                 | 3,255,921                 |                           |
| 1,121,020 | 1,113,603                  | 1,274,712                  | 1,273,377                 | 1,274,230                          | 1,272,834                 | 1,269,429                 | 1,173,196                 | 1,088,920                 |                           |
| 324,921   | 349,570                    | 349,570                    | 349,570                   | 362,352                            | 362,352                   | 362,352                   | 362,352                   | 362,352                   |                           |
| 1,445,941 | 1,463,173                  | 1,624,282                  | 1,622,947                 | 1,636,582                          | 1,635,186                 | 1,631,781                 | 1,535,548                 | 1,451,272                 |                           |
|           |                            |                            |                           |                                    | 1,510,222                 | 1,563,079                 | 1,677,692                 | 1,804,649                 |                           |