

RESOLUTION NO. 2020-48

A RESOLUTION OF THE CITY OF VENICE, FLORIDA SUPPLEMENTING RESOLUTION NO. 2012-05, AS PREVIOUSLY AMENDED AND SUPPLEMENTED, WHICH, AMONG OTHER THINGS, AUTHORIZES THE ISSUANCE OF UTILITY SYSTEM REVENUE BONDS FROM TIME TO TIME; AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$19,000,000 AGGREGATE PRINCIPAL AMOUNT OF CITY OF VENICE, FLORIDA TAXABLE UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2020 IN ORDER TO REFUND ALL OF THE CITY'S OUTSTANDING UTILITY SYSTEM REVENUE BONDS, SERIES 2012; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION WITH THE ISSUANCE OF SUCH SERIES 2020 BONDS; AUTHORIZING A NEGOTIATED SALE OF SAID SERIES 2020 BONDS; DELEGATING CERTAIN AUTHORITY TO THE MAYOR FOR THE AUTHORIZATION, EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT WITH RESPECT THERETO, AND THE APPROVAL OF THE TERMS AND DETAILS OF SAID SERIES 2020 BONDS; APPOINTING THE PAYING AGENT AND REGISTRAR FOR SAID SERIES 2020 BONDS AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PAYING AGENT AND REGISTRAR AGREEMENT; AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT WITH RESPECT THERETO; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT AND THE APPOINTMENT OF AN ESCROW AGENT THERETO; AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE CERTIFICATE AND THE APPOINTMENT OF THE DISSEMINATION AGENT WITH RESPECT THERETO; AND PROVIDING AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VENICE, FLORIDA:

SECTION 1. AUTHORITY FOR THIS SUPPLEMENTAL RESOLUTION.

This supplemental resolution is adopted pursuant to the provisions of Chapter 166, Part II, Florida Statutes, the Charter of the Issuer, the Constitution of the State of Florida and other applicable laws.

SECTION 2. DEFINITIONS.

When used in this supplemental resolution, capitalized terms defined in the hereinafter described Resolution shall have the meanings therein stated, except as such terms shall be hereinafter amended and defined.

SECTION 3. FINDINGS.

It is hereby ascertained, determined and declared that:

(A) On May 22, 2012, the City Council (the "Council") of the City of Venice, Florida (the "Issuer") duly adopted Resolution No. 2012-05 (as amended and supplemented, the "Resolution"), authorizing the issuance, from time to time, of Bonds payable from the Net Revenues (as defined in the Resolution) of the Issuer's System (as defined in the Resolution) and other funds described in the Resolution.

(B) Pursuant to the Resolution there have been issued and are outstanding the Issuer's Utility System Revenue Bonds, Series 2012 (the "Series 2012 Bonds"), Utility System Refunding Revenue Note, Series 2013 (the "Series 2013 Note") and Utility System Revenue Bonds, Series 2015 (the "Series 2015 Bonds", and collectively, with the Series 2013 Note, the "Parity Obligations").

(C) The Issuer hereby determines it to be in its best interests to refund all of its outstanding Series 2012 Bonds (the "Refunded Bonds") in order to achieve debt service savings and to release the debt service reserve with respect to the Series 2012 Bonds (the "2012 Reserve").

(D) The Resolution provides for the issuance of Additional Parity Obligations, payable from the Pledged Revenues on a parity basis with the Parity Obligations for the principal purpose of refunding the Refunded Bonds, upon meeting certain requirements set forth in the Resolution.

(E) In order to refund the Refunded Bonds for debt service savings and to release the 2012 Reserve, the Issuer deems it to be in its best interest to issue its City of Venice, Florida Taxable Utility System Refunding Revenue Bonds, Series 2020 (the "Series 2020 Bonds") as Additional Parity Obligations pursuant to the Resolution.

(F) a portion of the proceeds derived from the sale of the Series 2020 Bonds, together with other legally available moneys of the Issuer, shall be deposited to a special escrow deposit trust fund (the "Escrow Fund") to purchase Federal Securities which shall be sufficient, together with the investment earnings therefrom and a cash deposit, if any, to pay the Refunded Bonds as the same become due and payable or are redeemed prior to maturity, all as provided herein and in the hereinafter described Escrow Deposit Agreement.

(G) Due to the potential volatility of the market for municipal obligations such as the Series 2020 Bonds and the complexity of the transactions relating to such Series 2020 Bonds, it is in the best interest of the Issuer to sell the Series 2020 Bonds by a negotiated sale, allowing the Issuer to enter the market at the most advantageous time, rather than at a specified advertised date, thereby permitting the Issuer to obtain the best possible price and interest rate for the Series 2020 Bonds.

(H) The Issuer anticipates receiving a favorable offer to purchase the Series 2020 Bonds from RBC Capital Markets, LLC (the "Underwriter"), all within the parameters set forth herein, and as provided in the hereinafter defined Purchase Agreement.

(I) Inasmuch as the Issuer desires to sell the Series 2020 Bonds at the most advantageous time and not wait for a scheduled meeting of the Council, so long as the herein described

parameters are met, the Issuer hereby determines to delegate the award and sale of the Series 2020 Bonds to the Mayor of the Issuer within such parameters.

(J) The form, terms and details, or parameters with respect thereto, of the Series 2020 Bonds shall be determined in accordance with this supplemental resolution.

(K) The Issuer hereby certifies that it is not in default in performing any of the covenants and obligations set forth in the Resolution and all of the covenants, pledges and conditions in the Resolution shall be applicable to the Series 2020 Bonds herein authorized and said Series 2020 Bonds shall be on a parity with and rank equally in all other respects with the Parity Obligations and any subsequently issued Additional Parity Obligations (as defined in the Resolution) and shall constitute "Bonds" within the meaning of the Resolution and all of the covenants contained in the Resolution will be applicable to the Series 2020 Bonds.

(L) It is now appropriate that the Issuer set forth the parameters and mechanism to determine the terms and details of the Series 2020 Bonds, which terms and details shall be set forth in the hereinafter defined Purchase Agreement.

(M) The Series 2020 Bonds shall be special obligations of the Issuer, payable solely from the Pledged Revenues as provided in the Resolution and shall not constitute an indebtedness, liability, general or moral obligation or a pledge of the faith, credit or taxing power of the Issuer or of the State of Florida or any political subdivision thereof, within the meaning of any constitutional or statutory provisions; neither the State of Florida, nor any political subdivision thereof, nor the Issuer shall be obligated to (i) levy ad valorem taxes on any property to pay the principal of the Series 2020 Bonds, the interest thereon, the reserves therefore or other costs incident thereto, or (ii) pay the same from any other funds of the Issuer except from the Pledged Revenues, in the manner and to the extent provided in the Resolution.

SECTION 4. AUTHORIZATION OF REFUNDING OF REFUNDED BONDS.

The Issuer hereby authorizes the refunding of the Refunded Bonds pursuant to the terms of the Resolution and this supplemental resolution.

SECTION 5. DESCRIPTION OF THE SERIES 2020 BONDS.

The Issuer hereby authorizes the issuance of a series of Bonds in the aggregate principal amount not to exceed \$19,000,000 to be known as the "City of Venice, Florida Taxable Utility System Refunding Revenue Bonds, Series 2020" (or such other series designation as the Mayor may determine), for the principal purpose of refunding the Refunded Bonds. The aggregate principal amount of Series 2020 Bonds to be issued pursuant to the Resolution shall be determined by the Mayor provided such aggregate principal amount does not exceed \$19,000,000. The Series 2020 Bonds shall be dated as of the date of their delivery (or such other date as shall be determined by the Mayor), shall be issued in the form of fully registered Bonds in denominations of \$5,000 or any integral multiple thereof, shall be numbered consecutively from one upward in order of maturity preceded by the letter "R", shall bear interest from their dated date, payable

semi-annually on June 1 and December 1 of each year (each an "Interest Date"), commencing on June 1, 2021 (or such other date as shall be determined by the Mayor). The Series 2020 Bonds shall bear interest computed on the basis of a 360-day year consisting of twelve 30-day months.

Interest on the Series 2020 Bonds shall be payable by check or draft of The Bank of New York Mellon Trust Company, N.A., as Paying Agent, made payable to and mailed to the Bondholder in whose name such Bond shall be registered at the close of business on the date which shall be the fifteenth day (whether or not a Business Day) of the calendar month next preceding the Interest Date, or, at the request of such Bondholder, by bank wire transfer to the account of such Bondholder. Except as otherwise provided in Section 13 hereof, the principal of and premium, if applicable, on the Series 2020 Bonds are payable upon presentation and surrender of the Series 2020 Bonds at the designated corporate trust office of the Paying Agent. All payments of principal, premium, if applicable, and interest on the Series 2020 Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

The Series 2020 Bonds shall bear interest at such rates and yields, shall mature on December 1 of each of the years and in the principal amounts corresponding to such years, and shall have such redemption provisions as determined by the Mayor subject to the conditions set forth in Section 6 hereof. All of the terms of the Series 2020 Bonds will be included in a Bond Purchase Agreement which shall be in substantially the form attached hereto and made a part hereof as Exhibit A (the "Purchase Agreement"). The Mayor is hereby authorized to execute, and the City Clerk is hereby authorized to attest and affix the official seal of the Issuer to, the Purchase Agreement in substantially the form attached hereto as Exhibit A with such modifications as the Mayor deems appropriate upon satisfaction of the conditions described in Section 6 hereof, his execution thereof to be evidence of his approval thereof.

SECTION 6. CONDITIONS TO EXECUTION OF PURCHASE AGREEMENT.

The Purchase Agreement shall not be executed by the Mayor until such time as all of the following conditions have been satisfied:

(A) Receipt by the Mayor of a written offer to purchase the Series 2020 Bonds by the Underwriter substantially in the form of the Purchase Agreement attached hereto as Exhibit A, said offer to provide for, among other things, (i) not exceeding \$19,000,000 aggregate principal amount of Series 2020 Bonds, (ii) an underwriting discount (including management fee and expenses) not in excess of 0.55% of the aggregate par amount of the Series 2020 Bonds, (iii) a true interest cost with respect to the Series 2020 Bonds of no more than 3.50%, (iv) net present value debt service savings with respect to the refunding of the Refunded Bonds of no less than 4.00% of the aggregate principal amount of the Refunded Bonds, and (v) the maturities of the Series 2020 Bonds, with the final maturity of the Series 2020 being not later than December 1, 2042.

(B) With respect to optional redemption terms, if any, for the Series 2020 Bonds, the first optional redemption date may be no later than December 1, 2030 and there shall be no call

premium. Term Bonds and the Amortization Installments thereto may be established by the Mayor upon the advice of the Issuer's financial advisor, Larson Consulting Services, LLC. (the "Financial Advisor").

(C) Receipt by the Mayor of a disclosure statement and a truth-in-bonding statement of the Underwriter dated the date of the Purchase Agreement and complying with Section 218.385, Florida Statutes.

(D) Receipt by the Mayor from the Underwriter of a good faith deposit in an amount at least equal to 1.00% of the preliminary aggregate par amount of the Series 2020 Bonds set forth on the cover page of the hereinafter described Preliminary Official Statement.

(E) The Mayor shall determine, upon the advice of the Financial Advisor, the Reserve Requirement for the Series 2020 Bonds which Reserve Requirement shall comply in all respects with the provisions of the Resolution and may be \$0.00.

Upon satisfaction of all the requirements set forth in this Section 6, the Mayor is authorized to execute and deliver the Purchase Agreement containing terms complying with the provisions of this Section 6 and the Series 2020 Bonds shall be sold to the Underwriter pursuant to the provisions of such Purchase Agreement.

SECTION 7. REDEMPTION PROVISIONS.

(A) The Series 2020 Bonds may be redeemed prior to their respective maturities as may be determined by the Mayor, in his discretion and upon the advice of the Financial Advisor, subject to the conditions contained in Section 6 hereof and as described in the Purchase Agreement.

(B) The Series 2020 Bonds shall be redeemed only in the principal amount of \$5,000 each and integral multiples thereof. The Issuer shall, at least 45 days prior to the redemption date (unless a shorter time period shall be satisfactory to the Registrar), notify the Registrar of such redemption date and of the principal amount of Series 2020 Bonds to be redeemed and, if less than all of the Outstanding Series 2020 Bonds are to be redeemed, the particular maturities and portions thereof to be redeemed. For purposes of any redemption of less than all of the Outstanding Series 2020 Bonds of a single maturity, the particular Series 2020 Bonds or portions of Series 2020 Bonds to be redeemed shall be selected not more than 45 days prior to the redemption date by the Registrar from the Outstanding Series 2020 Bonds of the maturity or maturities designated by the Issuer by such method as the Registrar shall deem fair and appropriate and which may provide for the selection for redemption of Series 2020 Bonds or portions of Series 2020 Bonds in principal amounts of \$5,000 and integral multiples thereof. Notwithstanding the foregoing, if less than all of a Term Bond is to be redeemed the aggregate principal amount to be redeemed shall be allocated to the Amortization Installments on a pro-rata basis unless the Issuer, in its discretion, designates a different allocation.

If less than all of the Outstanding Series 2020 Bonds of a single maturity are to be redeemed, the Registrar shall promptly notify the Issuer and Paying Agent (if the Registrar is not the Paying Agent

for such Bonds) in writing of the Series 2020 Bonds or portions of Series 2020 Bonds selected for redemption and, in the case of any Series 2020 Bond selected for partial redemption, the principal amount thereof to be redeemed.

(C) Notice of any such redemption of the Series 2020 Bonds, which shall specify the Series 2020 Bond or Bonds (or portions thereof) to be redeemed and the date and place for redemption, shall be given by the Registrar on behalf of the Issuer, and (A) shall be filed with the Paying Agent, (B) shall be mailed first class, postage prepaid, not less than 30 days prior to the redemption date to all Holders of Series 2020 Bonds to be redeemed at their addresses as they appear on the registration books kept by the Registrar as of the date of mailing of such notice, and (C) shall be mailed, certified mail, postage prepaid, at least 35 days prior to the redemption date to the registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Series 2020 Bonds and to one or more national information services which disseminate notices of prepayment or redemption of obligations such as the Series 2020 Bonds. Failure to mail such notice to such depositories or services or the Holders of the Series 2020 Bonds to be redeemed, or any defect therein, shall not affect the proceedings for redemption of Series 2020 Bonds as to which no such failure or defect has occurred. Failure of any Holder to receive any notice mailed as herein provided shall not affect the proceedings for redemption of such Holder's Series 2020 Bonds. Notice of optional redemption of Series 2020 Bonds shall only be sent if the Issuer reasonably determines it shall have sufficient funds available to pay the redemption price of and interest on the Series 2020 Bonds called for redemption on the redemption date.

Each notice of redemption shall state: (i) the CUSIP numbers and any other distinguishing number or letter of all Series 2020 Bonds being redeemed, (ii) the original issue date of the Series 2020 Bonds, (iii) the maturity date and rate of interest borne by each Series 2020 Bond being redeemed, (iv) the redemption date, (v) the redemption price, (vi) the date on which such notice is mailed, (vii) if less than all Outstanding Series 2020 Bonds are to be redeemed, the certificate number (and, in the case of a partial redemption of any Series 2020 Bond, the principal amount) of each Series 2020 Bond to be redeemed, (viii) that on such redemption date there shall become due and payable upon each Series 2020 Bond to be redeemed the redemption price thereof, or the redemption price of the specified portions of the principal thereof in the case of Series 2020 Bonds to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable, (ix) that the Series 2020 Bonds to be redeemed, whether as a whole or in part, are to be surrendered for payment of the redemption price at the designated office of the Registrar at an address specified, (x) the name and telephone number of a person designated by the Registrar to be responsible for such redemption, (xi) unless sufficient funds have been set aside by the Issuer for such purpose prior to the mailing of the notice of redemption, that such redemption is conditioned upon the deposit of sufficient funds for such purpose on or prior to the date set for redemption, and (xii) any other conditions that must be satisfied prior to such redemption.

The Issuer may provide that a redemption may be contingent upon the occurrence of certain condition(s) and that if such condition(s) do not occur the notice of redemption will be rescinded,

provided notice of rescission shall be mailed in the manner described above to all affected Series 2020 Bondholders as soon as practicable.

(D) Notice of redemption having been given substantially as aforesaid, the Series 2020 Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Series 2020 Bonds or portions of Series 2020 Bonds shall cease to bear interest. Upon surrender of the Series 2020 Bonds for redemption in accordance with said notice, such Series 2020 Bonds shall be paid by the Registrar and/or Paying Agent at the appropriate redemption price, plus accrued interest. All Series 2020 Bonds which have been redeemed shall be cancelled and destroyed by the Registrar and shall not be reissued.

SECTION 8. EXECUTION OF SERIES 2020 BONDS.

The Series 2020 Bonds shall be executed in the name of the Issuer with the manual or facsimile signature of the Mayor and the official seal of the Issuer shall be imprinted thereon, attested and countersigned with the manual or facsimile signature of the City Clerk. In case any one or more of the officers who shall have signed or sealed any of the Series 2020 Bonds or whose facsimile signature shall appear thereon shall cease to be such officer of the Issuer before the Series 2020 Bonds so signed and sealed have been actually sold and delivered such Series 2020 Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Series 2020 Bonds had not ceased to hold such office. Any Series 2020 Bond may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of such Series 2020 Bond shall hold the proper office of the Issuer, although at the date of such Series 2020 Bond such person may not have held such office or may not have been so authorized. The Issuer may adopt and use for such purposes the facsimile signatures of any such persons who shall have held such offices at any time after the date of the adoption of this Resolution, notwithstanding that either or both shall have ceased to hold such office at the time the Series 2020 Bonds shall be actually sold and delivered.

SECTION 9. AUTHENTICATION.

No Series 2020 Bond shall be secured under the Resolution or entitled to the benefit of the Resolution or shall be valid or obligatory for any purpose unless there shall be manually endorsed on such Series 2020 Bond a certificate of authentication by the Registrar. Such certificate on any Series 2020 Bond shall be conclusive evidence that such Series 2020 Bond has been duly authenticated and delivered under the Resolution. The form of such certificate shall be substantially in the form provided in Section 12 hereof.

SECTION 10. SERIES 2020 BONDS MUTILATED, DESTROYED, STOLEN OR LOST.

In case any Series 2020 Bond shall become mutilated, or be destroyed, stolen or lost, the Issuer may, in its discretion, issue and deliver, and the Registrar shall authenticate, a new Series 2020 Bond of like tenor as the Series 2020 Bond so mutilated, destroyed, stolen or lost, in exchange

and substitution for such mutilated Series 2020 Bond upon surrender and cancellation of such mutilated Series 2020 Bond or in lieu of and substitution for the Series 2020 Bond destroyed, stolen or lost, and upon the Holder furnishing the Issuer and the Registrar proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer and the Registrar may incur. All Series 2020 Bonds so surrendered shall be cancelled by the Registrar. If any of the Series 2020 Bonds shall have matured or be about to mature, instead of issuing a substitute Series 2020 Bond, the Issuer may pay the same or cause the Series 2020 Bond to be paid, upon being indemnified as aforesaid, and if such Series 2020 Bonds be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Series 2020 Bonds issued pursuant to this Section 10 shall constitute original, additional contractual obligations on the part of the Issuer whether or not the lost, stolen or destroyed Series 2020 Bond be at any time found by anyone, and such duplicate Series 2020 Bond shall be entitled to equal and proportionate benefits and rights as to lien on the Pledged Revenues to the same extent as all other Series 2020 Bonds issued under the Resolution.

SECTION 11. INTERCHANGEABILITY, NEGOTIABILITY AND TRANSFER.

Series 2020 Bonds, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing, may, at the option of the Holder thereof, be exchanged for an equal aggregate principal amount of registered Series 2020 Bonds of the same maturity of any other authorized denominations.

The Series 2020 Bonds issued under the Resolution shall be and have all the qualities and incidents of negotiable instruments under the law merchant and the Uniform Commercial Code of the State of Florida, subject to the provisions for registration and transfer contained in the Resolution and in the Series 2020 Bonds. So long as any of the Series 2020 Bonds shall remain Outstanding, the Issuer shall maintain and keep, at the office of the Registrar, books for the registration and transfer of the Series 2020 Bonds.

Each Series 2020 Bond shall be transferable only upon the books of the Issuer, at the office of the Registrar, under such reasonable regulations as the Issuer may prescribe, by the Holder thereof in person or by his attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed and guaranteed by the Holder or his duly authorized attorney. Upon the transfer of any such Series 2020 Bond, the Issuer shall issue, and cause to be authenticated, in the name of the transferee a new Series 2020 Bond or Series 2020 Bonds of the same aggregate principal amount and maturity as the surrendered Series 2020 Bond. The Issuer, the Registrar and any Paying Agent or fiduciary of the Issuer may deem and treat the person in whose name any Outstanding Series 2020 Bond shall be registered upon the books of the Issuer as the absolute owner of such Series 2020 Bond, whether such Series 2020 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or redemption price, if applicable, and interest on such Series 2020 Bond and for all other purposes, and all such payments so made to any such Holder or upon his order

shall be valid and effectual to satisfy and discharge the liability upon such Series 2020 Bond to the extent of the sum or sums so paid and neither the Issuer nor the Registrar nor any Paying Agent or other fiduciary of the Issuer shall be affected by any notice to the contrary.

The Registrar, in any case where it is not also the Paying Agent in respect to the Series 2020 Bonds, forthwith (A) following the fifteenth day prior to an interest payment date for such Series 2020 Bonds; (B) following the fifteenth day next preceding the date of first mailing of notice of redemption of any Series 2020 Bonds; and (C) at any other time as reasonably requested by the Paying Agent, shall certify and furnish to such Paying Agent the names, addresses and holdings of Series 2020 Bondholders and any other relevant information reflected in the registration books. Any Paying Agent of any fully registered Series 2020 Bond shall effect payment of interest on such Series 2020 Bonds by mailing a check or draft to the Holder entitled thereto or may, in lieu thereof, upon the request of such Holder, transmit such payment by bank wire transfer for the account of such Holder.

In all cases in which the privilege of exchanging Series 2020 Bonds or transferring Series 2020 Bonds is exercised, the Issuer shall execute and deliver Series 2020 Bonds and the Registrar shall authenticate such Series 2020 Bonds in accordance with the provisions of the Resolution. Execution of Series 2020 Bonds by the Mayor and City Clerk for purposes of exchanging, replacing or transferring Series 2020 Bonds may occur at the time of the original delivery of the Series 2020 Bonds. All Series 2020 Bonds surrendered in any such exchanges or transfers shall be held by the Registrar in safekeeping until directed by the Issuer to be cancelled by the Registrar. For every such exchange or transfer of Series 2020 Bonds, the Issuer or the Registrar may make a charge sufficient to reimburse it for any tax, fee, expense or other governmental charge required to be paid with respect to such exchange or transfer. The Issuer and the Registrar shall not be obligated to make any such exchange or transfer of Series 2020 Bonds during the 15 days next preceding an Interest Date, or, in the case of any proposed redemption of Series 2020 Bonds, then, for the Series 2020 Bonds subject to redemption, during the 15 days next preceding the date of the first mailing of notice of such redemption and continuing until such redemption date.

SECTION 12. FORM OF SERIES 2020 BONDS.

The text of the Series 2020 Bonds shall be in substantially the form attached hereto as Exhibit B with such omissions, insertions and variations as may be necessary and/or desirable and approved by the Mayor prior to the issuance thereof (which necessity and/or desirability and approval shall be presumed by such officer's execution of the Series 2020 Bonds and the Issuer's delivery of the Series 2020 Bonds to the purchaser or purchasers thereof).

SECTION 13. BOOK-ENTRY.

Notwithstanding the provisions set forth in Section 11 hereof, the Series 2020 Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2020 Bond for each of the maturities of the Series 2020 Bonds. Upon initial issuance, the ownership of each such Series 2020 Bond shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). As long as the Series

2020 Bonds shall be registered in the name of Cede & Co., all payments on the Series 2020 Bonds shall be made by the Paying Agent by check or draft or by bank wire transfer to Cede & Co., as Bondholder of the Series 2020 Bonds.

With respect to Series 2020 Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the Issuer, the Registrar and the Paying Agent shall have no responsibility or obligation to any direct or indirect participant in the DTC book-entry program (a "Participant"). Without limiting the immediately preceding sentence, the Issuer, the Registrar and the Paying Agent shall have no responsibility or obligation with respect to (A) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest on the Series 2020 Bonds, (B) the delivery to any Participant or any other person other than a Series 2020 Bondholder, as shown in the registration books kept by the Registrar, of any notice with respect to the Series 2020 Bonds, or (C) the payment to any Participant or any other person, other than a Series 2020 Bondholder, as shown in the registration books kept by the Registrar, of any amount with respect to principal or interest of the Series 2020 Bonds. The Issuer, the Registrar and the Paying Agent may treat and consider the person in whose name each Series 2020 Bond is registered in the registration books kept by the Registrar as the Bondholder and absolute owner of such Series 2020 Bond for the purpose of payment of principal or interest with respect to such Series 2020 Bond, for the purpose of giving notices and other matters with respect to such Series 2020 Bond, for the purpose of registering transfers with respect to such Series 2020 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal or interest of the Series 2020 Bonds only to or upon the order of the respective Bondholders, as shown in the registration books kept by the Registrar, or their respective attorneys duly authorized in writing, as provided herein and in the Resolution and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal or interest of the Series 2020 Bonds to the extent of the sum or sums so paid. No person other than a Series 2020 Bondholder, as shown in the registration books kept by the Registrar, shall receive a certificated Series 2020 Bond evidencing the obligation of the Issuer to make payments of principal or interest pursuant to the provisions hereof. Upon delivery by DTC to the Issuer of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the words "Cede & Co." in the Resolution shall refer to such new nominee of DTC; and upon receipt of such notice, the Issuer shall promptly deliver a copy of the same to the Registrar and the Paying Agent.

Upon (A) receipt by the Issuer of written notice from DTC (i) to the effect that a continuation of the requirement that all of the outstanding Series 2020 Bonds be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, is not in the best interest of the beneficial owners of the Series 2020 Bonds or (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, or (B) determination by the Issuer, in its sole discretion, that such book-entry only system should be discontinued by the Issuer, the Series 2020 Bonds shall no longer be restricted to being registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, but shall be registered in whatever name or names

Bondholders shall designate, in accordance with the provisions of the Resolution. In such event, the Issuer shall issue and the Registrar shall authenticate, transfer and exchange Series 2020 Bonds consistent with the terms of the Resolution, in denominations of \$5,000 or any integral multiple thereof to the holders thereof. The foregoing notwithstanding, until such time as participation in the book-entry only system is discontinued, the provisions set forth in the existing Blanket Issuer Letter of Representations previously executed by the Issuer and delivered to DTC shall apply to the payment of principal and interest on the Series 2020 Bonds.

SECTION 14. APPLICATION OF SERIES 2020 BOND PROCEEDS.

Subject in all respects to the satisfaction of the conditions set forth in Section 6 hereof, the proceeds derived from the sale of the Series 2020 Bonds shall be applied by the Issuer simultaneously with the delivery thereof as follows:

(A) A sufficient amount of Series 2020 Bond proceeds, together with any other legally available moneys of the Issuer, shall be deposited irrevocably in trust in an escrow deposit trust fund established under the terms and provisions of the hereinafter described Escrow Deposit Agreement and, other than a cash deposit, shall be invested in Federal Securities in the manner set forth in the Escrow Deposit Agreement, which investments shall mature at such times and in such amounts as shall be sufficient, together with such cash deposit, to pay the principal of, premium, if applicable, and interest on the Refunded Bonds as the same mature or are redeemed on their respective redemption dates.

(B) If the Mayor determines pursuant to Section 6 hereof that the Reserve Requirement for the Series 2020 Bonds is greater than \$0.00, a sufficient amount of the Series 2020 Bond proceeds will be deposited to the Series 2020 Subaccount of the Reserve Account established pursuant to Section 20 hereof in order to satisfy such Reserve Requirement.

(C) The remainder of the proceeds of the Series 2020 Bonds shall be applied to the payment of costs and expenses relating to the issuance of the Series 2020 Bonds.

SECTION 15. PRELIMINARY OFFICIAL STATEMENT.

The Issuer hereby authorizes the distribution and use of the Preliminary Official Statement in substantially the form attached hereto as Exhibit C in connection with offering the Series 2020 Bonds for sale. If between the date hereof and the mailing of the Preliminary Official Statement it is necessary to make insertions, modifications or changes in the Preliminary Official Statement, the Mayor is hereby authorized to approve such insertions, changes and modifications. The Mayor, the City Manager and the Finance Director are each hereby authorized to deem the Preliminary Official Statement "final" within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the "Rule") in the form as mailed. Execution of a certificate by the Mayor, the City Manager or the Finance Director deeming the Preliminary Official Statement "final" as described above shall be conclusive evidence of the approval of any insertions, changes or modifications.

SECTION 16. OFFICIAL STATEMENT.

Subject in all respects with the satisfaction of the conditions set forth in Section 6 hereof, the Mayor, the City Manager and the Finance Director are hereby authorized and directed to execute and deliver a final Official Statement, dated the date of the execution of the Purchase Agreement, which shall be in substantially the form of the Preliminary Official Statement, in the name and on behalf of the Issuer, and thereupon to cause such Official Statement to be delivered to the Underwriter with such changes, amendments, modifications, omissions and additions as may be approved by the Mayor. Said Official Statement, including any such changes, amendments, modifications, omissions and additions as approved by the Mayor, and the information contained therein are hereby authorized to be used in connection with the sale of the Series 2020 Bonds to the public. Execution by the Mayor, the City Manager and the Finance Director of the Official Statement shall be deemed to be conclusive evidence of the approval of such changes.

SECTION 17. APPOINTMENT OF PAYING AGENT AND REGISTRAR.

Subject in all respects with the satisfaction of the conditions set forth in Section 6 hereof, The Bank of New York Mellon Trust Company, N.A. is hereby designated Registrar and Paying Agent for the Series 2020 Bonds. The Mayor is hereby authorized to execute and deliver and the City Clerk is authorized to attest a paying agent and registrar agreement, in such form as shall be approved by the Mayor and Bond Counsel to the Issuer (the "Paying Agent Agreement"). Execution by the Mayor of the Paying Agent Agreement shall be deemed to be conclusive evidence of the approval of such Agreement.

SECTION 18. AUTHORIZATION TO EXECUTE ESCROW DEPOSIT AGREEMENT.

Subject in all respects with the satisfaction of the conditions set forth in Section 6 hereof, the City hereby authorizes the Mayor to execute and the City Clerk to attest an Escrow Deposit Agreement (the "Escrow Deposit Agreement") and to deliver the Escrow Deposit Agreement to The Bank of New York Mellon Trust Company, N.A., which is hereby appointed as escrow agent thereunder (the "Escrow Agent"). All of the provisions of the Escrow Deposit Agreement when executed and delivered by the City as authorized herein and when duly authorized, executed and delivered by the Escrow Agent, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein. The Escrow Deposit Agreement shall be in substantially the form attached hereto as Exhibit D, with such changes, amendments, modifications, omissions and additions, including the date of such Escrow Deposit Agreement, as may be approved by the Mayor. Execution by the Mayor of the Escrow Deposit Agreement shall be deemed to be conclusive evidence of the approval of such changes.

SECTION 19. SECONDARY MARKET DISCLOSURE.

Subject in all respects to the satisfaction of the conditions set forth in Section 6 hereof, the Issuer hereby covenants and agrees that, in order to provide for compliance by the Issuer with the secondary market disclosure requirements of the Rule, it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate to be executed by the Issuer and dated the

dated date of the Series 2020 Bonds, as it may be amended from time to time in accordance with the terms thereof. The Continuing Disclosure Certificate shall be substantially in the form of Exhibit E hereto with such changes, amendments, modifications, omissions and additions as shall be approved by the Mayor who is hereby authorized to execute and deliver such Agreement. Notwithstanding any other provision of the Resolution, failure of the Issuer to comply with such Continuing Disclosure Certificate shall not be considered an event of default under the Resolution; provided, however, to the extent permitted by law, the sole and exclusive remedy of any Series 2020 Bondholder for the enforcement of the provisions of the Continuing Disclosure Certificate shall be an action for mandamus or specific performance, as applicable, by court order, to cause the Issuer to comply with its obligations under this Section 19 and the Continuing Disclosure Certificate. For purposes of this Section 19, "Series 2020 Bondholder" shall mean any person who (A) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2020 Bonds (including persons holding such Bonds through nominees, depositories or other intermediaries), or (B) is treated as the owner of any such Bond for federal income tax purposes. Digital Assurance Certification LLC is hereby appointed as the initial dissemination agent with respect to the Series 2020 Bonds.

SECTION 20. ESTABLISHMENT OF SERIES 2020 SUBACCOUNT OF THE RESERVE ACCOUNT.

If the Mayor determines pursuant to Section 6 hereof that the Reserve Requirement will be greater than \$0.00, then there shall be established within the Reserve Account a "Series 2020 Subaccount" that will secure only the Series 2020 Bonds. Such Series 2020 Subaccount, if established, shall be maintained and administered in accordance with the applicable provisions of the Resolution.

SECTION 21. GENERAL AUTHORITY.

The Mayor, the City Manager, the City Clerk, the City Attorney, the Finance Director, and the other officers, attorneys and other agents or employees of the Issuer are hereby authorized to do all acts and things required of them by this supplemental resolution, the Resolution, the Official Statement, the Continuing Disclosure Certificate, the Paying Agent Agreement, the Escrow Deposit Agreement or the Purchase Agreement or desirable or consistent with the requirements hereof or of the Resolution, the Official Statement, the Continuing Disclosure Certificate, the Paying Agent Agreement, the Escrow Deposit Agreement or the Purchase Agreement for the full punctual and complete performance of all the terms, covenants and agreements contained herein or in the Series 2020 Bonds, the Resolution, the Official Statement, the Continuing Disclosure Certificate, the Paying Agent Agreement, the Escrow Deposit Agreement and the Purchase Agreement and each member, employee, attorney and officer of the Issuer is hereby authorized and directed to execute and deliver any and all papers and instruments and to be and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereunder.

SECTION 22. SEVERABILITY AND INVALID PROVISIONS.

If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed severable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Series 2020 Bonds.

SECTION 23. RESOLUTION TO CONTINUE IN FORCE.

Except as herein expressly provided, the Resolution and all the terms and provisions thereof are and shall remain in full force and effect.

[Remainder of page intentionally left blank]

SECTION 24. EFFECTIVE DATE.

This Supplemental Resolution shall become effective immediately upon adoption hereof.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF VENICE, FLORIDA, ON THIS ____ DAY OF _____, 2020.

CITY OF VENICE, FLORIDA

(SEAL)

By: _____
Ron Feinsod, Mayor

ATTEST:

Lori Stelzer, MMC, City Clerk

I, **LORI STELZER**, MMC, City Clerk of the City of Venice, Florida, a municipal corporation in Sarasota County, Florida, do hereby certify that the foregoing is a full and complete, true and correct copy of a Resolution duly adopted by the City Council of said city at a meeting thereof duly convened and held on the ____ day of _____ 2020, a quorum being present.

WITNESS my hand and the official seal of said City this ____ day of _____ 2020.

(SEAL)

Lori Stelzer, MMC, City Clerk

Approved as to form:

Kelly M. Fernandez, City Attorney

EXHIBIT A

FORM OF PURCHASE AGREEMENT

BOND PURCHASE AGREEMENT

\$ _____

CITY OF VENICE, FLORIDA

Taxable Utility System Refunding Revenue Bonds, Series 2020

December __, 2020

City of Venice, Florida
Venice, Florida 34285

Ladies and Gentlemen:

The undersigned, RBC Capital Markets, LLC (the "Underwriter" or "RBC CM"), offers to enter into this Bond Purchase Agreement (this "Agreement") with the City of Venice, Florida (the "Issuer") which, upon the Issuer's written acceptance of this offer, will be binding upon the Issuer and upon the Underwriter. This offer is made subject to the Issuer's written acceptance hereof on or before 11:59 a.m., Eastern Standard Time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon written notice delivered to the Issuer at any time prior to the acceptance hereof by the Issuer. Terms not otherwise defined in this Agreement shall have the same meanings set forth in the Bond Resolution (as defined herein) or in the Official Statement (as defined herein).

1. Purchase and Sale of the Series 2020 Bonds. (a) Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agree to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriter, all, but not less than all, of the Issuer's Taxable Utility System Refunding Revenue Bonds, Series 2020 (the "Series 2020 Bonds"). Inasmuch as this purchase and sale represents a negotiated transaction, the Issuer acknowledges and agrees that: (i) the transaction contemplated by this Agreement is an arm's-length commercial transaction between the Issuer and the Underwriter in which the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor, or fiduciary to the Issuer; to the Issuer; (ii) the Underwriter has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer on other matters); (iii) the Underwriter is acting solely in its capacity as underwriter for its own account; (iv) the only obligations the Underwriter has to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Agreement and the other Issuer Documents (as defined

herein); and (v) the Issuer has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate. The Underwriter has been duly authorized to execute this Agreement and to act hereunder.

(b) The principal amount of the Series 2020 Bonds to be issued, the dated date therefor, the maturities, sinking fund installments, interest rates per annum, prices and yields, optional redemption and mandatory redemption provisions are set forth in Schedule I hereto. The Series 2020 Bonds shall be as described in, and shall be issued and secured under and pursuant to Chapter 166, Part II, Florida Statutes, the charter of the Issuer, the Constitution of the State of Florida and other applicable provisions of law (collectively, the "Act"), and pursuant to the provisions of Resolution No. 2012-05 adopted by the Issuer on May 22, 2012 as amended and supplemented from time to time, as particularly supplemented by Resolution No. 2020-__ adopted by the Issuer on November __, 2020 (collectively, the "Bond Resolution").

(c) The purchase price for the Series 2020 Bonds shall be \$_____ (\$_____ aggregate principal amount of the Series 2020 Bonds, less an underwriting discount (including expenses) of \$_____ and [plus/less] a net original issue [premium/discount] of \$_____).

(d) Delivered to the Issuer herewith as a good faith deposit is a check payable to the order of the Issuer in clearing house funds in the amount of \$_____. In the event you accept this offer, such check shall be held uncashed by you until the time of Closing, at which time such check shall be returned uncashed to the Underwriter. In the event that the Issuer does not accept this Agreement, such check will be immediately returned to the Underwriter. Should the Issuer fail to deliver the Series 2020 Bonds at the Closing, or should the Issuer be unable to satisfy the conditions of the obligations of the Underwriter to purchase, accept delivery of and pay for the Series 2020 Bonds, as set forth in this Agreement (unless waived by the Underwriter), or should such obligations of the Underwriter be terminated for any reason permitted by this Agreement, such check shall immediately be returned to the Underwriter. In the event that the Underwriter fail (other than for a reason permitted hereunder) to purchase, accept delivery of and pay for the Series 2020 Bonds at the Closing as herein provided, such check shall be cashed and the amount thereof retained by the Issuer as and for fully liquidated damages for such failure of the Underwriter, and, except as set forth in Sections 7, 9 and 11 hereof, no party shall have any further rights against the other hereunder. The Underwriter and the Issuer understand that in such event the Issuer's actual damages may be greater or may be less than such amount. Accordingly, the Underwriter hereby waives any right to claim that the Issuer's actual damages are less than such amount, and the Issuer's acceptance of this offer shall constitute a waiver of any right the Issuer may have to additional damages from the Underwriter.

(e) In connection with the offering of the Bonds, the Underwriter has delivered to the Issuer a letter containing the Disclosure and Truth-In-Bonding information required by Section 218.385, Florida Statutes, as amended, which letter is attached as Schedule II hereto.

2. Public Offering. (a) The Underwriter agrees to make a bona fide public offering of all of the Series 2020 Bonds at prices not to exceed the respective public offering prices set forth on the inside front cover of the Official Statement (the "Offering Prices") and may subsequently change such Offering Prices without any requirement of prior notice. The Underwriter may offer and sell Series 2020 Bonds to certain dealers (including dealers depositing Series 2020 Bonds into investment trusts) and others at prices higher or lower than the Offering Prices.

3. The Official Statement. (a) The Preliminary Official Statement dated November __, 2020 (the "Preliminary Official Statement"), including the cover page and Appendices thereto, of the Issuer relating to the Series 2020 Bonds, as amended to reflect the pricing terms of the Series 2020 Bonds is hereinafter called the "Official Statement."

(b) The Preliminary Official Statement has been prepared by the Issuer for use by the Underwriter in connection with the public offering, sale and distribution of the Series 2020 Bonds. The Issuer hereby represents and warrants that the Preliminary Official Statement was "deemed final" by the Issuer as of its date, except for the omission of such information which is dependent upon the final pricing of the Series 2020 Bonds for completion, all as permitted to be excluded by Section (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule").

(c) The Issuer represents that the form of the Preliminary Offering Statement has been approved by its governing body and hereby authorizes the Official Statement to be used by the Underwriter in connection with the public offering and the sale of the Series 2020 Bonds. The Issuer shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the Issuer's acceptance of this Agreement (but, in any event, not later than within seven business days after the Issuer's acceptance of this Agreement and in sufficient time to accompany any confirmation that requests payment from any customer) copies of the Official Statement which is complete as of the date of its delivery to the Underwriter in such quantity as the Underwriter shall request in order for the Underwriter to comply with Section (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board (the "MSRB"). The Issuer hereby confirms that it does not object to the distribution of the Official Statement in electronic form.

(d) If, after the date of this Agreement to and including the date the Underwriter is no longer required to provide an Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 90 days from the "end of the underwriting period" (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from the MSRB, but in no case less than 25 days after the "end of the underwriting period" for the Series 2020 Bonds), the Issuer becomes aware of any fact or event which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, the Issuer will notify the Underwriter

(and for the purposes of this clause provide the Underwriter with such information as it may from time to time request), and if, in the reasonable opinion of the Underwriter, such fact or event requires preparation and publication of a supplement or amendment to the Official Statement, the Issuer will forthwith prepare and furnish, at the Issuer's own expense (in a form and manner approved by the Underwriter), a reasonable number of copies of either amendments or supplements to the Official Statement so that the statements in the Official Statement as so amended and supplemented will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or so that the Official Statement will comply with law. If such notification shall be subsequent to the Closing, the Issuer shall furnish such legal opinions, certificates, instruments and other documents as the Underwriter may deem reasonably necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement.

(e) The Underwriter hereby agrees to file the Official Statement with the MSRB. Unless otherwise notified in writing by the Underwriter, the Issuer can assume that the "end of the underwriting period" for purposes of the Rule is the date of the Closing.

4. Representations, Warranties, and Covenants of the Issuer. The Issuer hereby represents and warrants to and covenants with the Underwriter that:

(a) The Issuer is validly existing as a municipal corporation of the State of Florida (the "State") duly created, organized and existing under the Act, and has full legal right, power and authority under the Act, and at the date of the Closing will have full legal right, power and authority under the Act and the Bond Resolution (i) to enter into, execute and deliver this Agreement, the Bond Resolution, the resolutions and/or ordinances setting forth the Issuer's current rates, fees and charges (the "Rate Legislation") with respect to the Issuer's System (as defined in the Bond Resolution), the Continuing Disclosure Certificate relating to the Series 2020 Bonds (the "Undertaking"), the Escrow Deposit Agreement between the Issuer and The Bank of New York Mellon Trust Company, N.A. (the "Escrow Agreement"), all documents required hereunder and thereunder to be executed and delivered by the Issuer (this Agreement, the Undertaking and the other documents referred to in this clause are hereinafter referred to as the "Issuer Documents"), (ii) to sell, issue and deliver the Series 2020 Bonds to the Underwriter as provided herein, (iii) to carry out and consummate the transactions contemplated by the Issuer Documents, the Bond Resolution, the Rate Legislation and the Official Statement and (iv) to operate the System, and as of the date hereof, the Issuer has complied in all respects with the terms of the Act, the Bond Resolution, the Rate Legislation and the Issuer Documents as they pertain to such transactions;

(b) By all necessary official action of the Issuer prior to or concurrently with the acceptance hereof, the Issuer has duly authorized all necessary action to be taken by it for (i) the adoption of the Bond Resolution and the Rate Legislation and the issuance and sale of the Series 2020 Bonds, (ii) the approval, execution and delivery of, and the performance by the Issuer of the obligations on its part, contained in the Series 2020 Bonds and the Issuer Documents and

(iii) the consummation by it of all other transactions contemplated by the Official Statement, the Bond Resolution and the Issuer Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the Issuer in order to carry out, give effect to, and consummate the transactions contemplated herein and in the Official Statement, in each case excepting any authorization that cannot be obtained prior to or concurrently with the date of this Agreement;

(c) When executed by the respective parties hereto and thereto, the Issuer reasonably expects as of the date hereof that the Issuer Documents will constitute legal, valid and binding obligations of the Issuer, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; the Series 2020 Bonds, when issued, delivered and paid for, in accordance with the Bond Resolution and this Agreement, will constitute legal, valid and binding obligations of the Issuer entitled to the benefits of the Bond Resolution and enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; upon the issuance, authentication and delivery of the Series 2020 Bonds as aforesaid, the Bond Resolution will provide, for the benefit of the holders, from time to time, of the Series 2020 Bonds, the legally valid and binding pledge of and lien it purports to create as set forth in the Bond Resolution;

(d) The Issuer is lawfully empowered to pledge and grant a lien upon the Pledged Revenues (as defined in the Bond Resolution) for payment of the principal of, redemption premium, if any, and interest on the Series 2020 Bonds pursuant to the Bond Resolution;

(e) The Issuer is not in breach of or default in any material respect under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is or any of its property or assets are otherwise subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the Issuer under any of the foregoing; and when executed by the respective parties hereto and thereto, the Issuer reasonably expects as of the date hereof that execution and delivery of the Series 2020 Bonds, the Issuer Documents and the adoption of the Rate Legislation and the Bond Resolution and compliance with the provisions on the Issuer's part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is or to which any of its property or assets are otherwise subject nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Issuer to be pledged to secure the Series 2020 Bonds or under the terms of any such law, regulation or instrument, except as provided by the Series 2020 Bonds or the Bond Resolution;

(f) Except as expressly disclosed in the Preliminary Official Statement, the Issuer has never failed to comply in any material respect with any prior continuing disclosure obligation arising out of the Rule;

(g) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Issuer of its obligations under the Issuer Documents, and the Series 2020 Bonds have been duly obtained, except for such approvals, consents and orders that may not be obtained until after the date of this Agreement or as may be required under the Blue Sky or securities laws of any jurisdiction in connection with the offering and sale of the Series 2020 Bonds;

(h) The statements and information contained in the Official Statement (including statistics and financial information furnished by the Issuer), to the extent that such statements and information concern the Issuer, its operations, assets, facilities, the Bond Resolution, the Rate Legislation, the Series 2020 Bonds, the System, and the Issuer's participation in the transactions contemplated by and described in the Official Statement, the estimated sources and uses of funds in connection with the Series 2020 Bonds, and litigation (if any) pending or threatened against the Issuer, are, as of the date hereof, true, correct and complete in all material respects; and, with respect to such statements and information, the Official Statement does not contain any untrue statement of a material fact and does not omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect;

(i) As of the date of this Agreement, there is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best knowledge of the Issuer after due inquiry, threatened against the Issuer, affecting the existence of the Issuer or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Series 2020 Bonds or the collection of the Pledged Revenues or operation of the System pursuant to the Bond Resolution or in any way contesting or affecting the validity or enforceability of the Series 2020 Bonds, the Issuer Documents, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of the Issuer or any authority for the operation of the System, the issuance of the Series 2020 Bonds, the adoption of the Rate Legislation or the Bond Resolution or the execution and delivery of the Issuer Documents, nor, to the best knowledge of the Issuer, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Series 2020 Bonds or the Issuer Documents;

(j) As of its date and as of the date thereof, the Preliminary Official Statement did not contain any untrue statement of a material fact or omit to state a material fact required to be

stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(k) At the time of the Issuer's acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to paragraph (d) of Section 3 of this Agreement) at all times subsequent thereto during the period up to and including the date of Closing, the Official Statement does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(l) If the Official Statement is supplemented or amended pursuant to paragraph (d) of Section 3 of this Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the date of Closing the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which made, not misleading;

(m) The Issuer will furnish such information and execute such instruments and take such action in cooperation with the Underwriter as the Underwriter may reasonably request (i) to (A) qualify the Series 2020 Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and (B) determine the eligibility of the Series 2020 Bonds for investment under the laws of such states and other jurisdictions and (ii) to continue such qualifications in effect so long as required for the distribution of the Series 2020 Bonds (provided, however, that the Issuer will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction, or comply with any other requirements reasonably deemed by it to be unduly burdensome) and will advise the Underwriter immediately of receipt by the Issuer of any notification with respect to the suspension of the qualification of the Series 2020 Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

(n) The financial statements of the Issuer and other financial information regarding the Issuer and the System in the Preliminary Official Statement fairly present the financial position and results of the Issuer and the System as of the dates and for the periods therein set forth. Prior to the Closing, there will be no adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the Issuer or of the System that is not disclosed to the Underwriter. The Issuer is not a party to any litigation or other proceeding pending or, to its knowledge, threatened which, if decided adversely to the Issuer, would have a materially adverse effect on the financial condition of the Issuer or of the System;

(o) Prior to the Closing, the Issuer will not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by any of the Pledged Revenues without the prior approval of the Underwriter;

(p) Any certificate, signed by any official of the Issuer authorized to do so in connection with the transactions contemplated by this Agreement, shall be deemed a representation and warranty by the Issuer to the Underwriter as to the statements made therein;

(q) Except as expressly disclosed in the Official Statement, the Issuer neither is nor has been in default any time after December 31, 1975, as to principal or interest with respect to an obligation issued or guaranteed by the Issuer; however, the Issuer has not undertaken an independent review or investigation of securities for which it has served as conduit issuer. The Issuer does not believe that any information about any default on such securities is appropriate and would be considered material by a reasonable investor in the Series 2020 Bonds because the Issuer is not obligated to pay the debt service on any such securities except from payments made to it by the private companies on whose behalf such securities were issued and no funds of the Issuer have been pledged or used to pay such securities or the interest thereon;

(r) The Issuer has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon;

(s) Subsequent to the respective dates as of which information is given in the Official Statement, and prior to the Closing, except as set forth in or contemplated by the Official Statement, unless consented to by the Underwriter, (i) the Issuer has not incurred and shall not have incurred any material liabilities or obligations relating to the System (as defined in the Resolution), direct or contingent, except in the ordinary course of business, and has not entered into and will not have entered into any material transaction relating to the System not in the ordinary course of business, (ii) there has not been and will not have been any material adverse change in the business or financial position or results of operations of the System, (iii) no loss or damage (whether or not insured) to the property of the System has been or will have been sustained which materially and adversely affects the operations of the System, and (iv) no legal or governmental proceedings affecting the System or the transactions contemplated by this Agreement have been or will have been instituted or threatened which is material.

5. Closing. (a) At 1:00 p.m. Eastern Standard Time, on December __, 2020, or at such other time and date as shall have been mutually agreed upon by the Issuer and the Underwriter (the "Closing"), the Issuer will, subject to the terms and conditions hereof, deliver the Series 2020 Bonds to the Underwriter duly executed and authenticated, together with the other documents hereinafter mentioned, and the Underwriter will, subject to the terms and conditions hereof, accept such delivery and pay the purchase price of the Series 2020 Bonds as set forth in Section 1 of this Agreement by a certified or bank cashier's check or checks or wire transfer payable in immediately available funds to the order of the Issuer. Payment for the Series 2020 Bonds as aforesaid shall be made at the offices of the Issuer, or such other place as shall have been mutually agreed upon by the Issuer and the Underwriter.

(b) Delivery of the Series 2020 Bonds shall be made to The Depository Trust Company, New York, New York ("DTC") through its FAST system of registration. The Series

2020 Bonds shall be delivered in definitive fully registered form, bearing CUSIP numbers without coupons, with one Series 2020 Bond for each maturity of the Series 2020 Bonds, registered in the name of Cede & Co., all as provided in the Bond Resolution, and shall be made available to the Underwriter at least one business day before the Closing for purposes of inspection.

6. Closing Conditions. The Underwriter has entered into this Agreement in reliance upon the representations, warranties and agreements of the Issuer contained herein, and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriter's obligations under this Agreement to purchase, to accept delivery of and to pay for the Series 2020 Bonds shall be conditioned upon the performance by the Issuer of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions, including the delivery by the Issuer of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Underwriter:

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

(b) The Issuer shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing;

(c) At the time of the Closing, (i) the Issuer Documents and the Series 2020 Bonds shall be in full force and effect in the form heretofore approved by the Underwriter and shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Underwriter; and (ii) all actions of the Issuer required to be taken by the Issuer shall be performed in order for Bond Counsel and other counsel to deliver their respective opinions referred to hereafter;

(d) At or prior to the Closing, the Bond Resolution and Rate Legislation shall each have been duly adopted by the Issuer and shall remain in full force and effect, and the Issuer shall have duly executed and delivered and the Registrar shall have duly authenticated the Series 2020 Bonds;

(e) At the time of the Closing, there shall not have occurred any change or any development involving a prospective change in the condition, financial or otherwise, or in the revenues or operations of the Issuer or the System, from that set forth in the Official Statement that in the judgment of the Underwriter, is material and adverse and that makes it, in the

judgment of the Underwriter, impracticable to market the Series 2020 Bonds on the terms and in the manner contemplated in the Official Statement;

(f) The Issuer shall not have failed to pay principal or interest when due on any of its outstanding obligations for borrowed money;

(g) All steps to be taken and all instruments and other documents to be executed, and all other legal matters in connection with the transactions contemplated by this Agreement shall be reasonably satisfactory in legal form and effect to the Underwriter;

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

(1) The Official Statement, and each supplement or amendment thereto, if any, executed on behalf of the Issuer by its Mayor, City Manager and Director of Finance, or such other official as may have been agreed to by the Underwriter, and the reports and audits referred to or appearing in the Official Statement;

(2) The Bond Resolution with such supplements or amendments as may have been agreed to by the Underwriter and each of the other Issuer Documents in form satisfactory to the Underwriter;

(3) The Undertaking of the Issuer which satisfies the requirements of Section (b)(5)(i) of the Rule;

(4) A final approving opinion of Nabors, Giblin & Nickerson, P.A., Bond Counsel to the Issuer, with respect to the Series 2020 Bonds, dated the date of closing, in substantially the form attached to the Official Statement as Appendix D;

(5) A letter of Nabors, Giblin & Nickerson, P.A., addressed to the Underwriter and dated the date of Closing, to the effect that their final approving opinion referred to in Section 6(h)(4) hereof may be relied upon by the Underwriter to the same extent as if such opinion were addressed to the Underwriter;

(6) A supplemental opinion of Nabors, Giblin & Nickerson, P.A. addressed to the Underwriter, dated the date of Closing, substantially to the effect that:

(i) the Bond Resolution has been duly adopted and is in full force and effect; and

(ii) the information contained in the Official Statement under the headings "INTRODUCTION, "DESCRIPTION OF THE SERIES 2020 BONDS" (other than the information under the subheading "Book-Entry Only System"), "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" and "APPENDIX C COMPOSITE OF THE RESOLUTION" (other than the financial,

statistical and demographic information included therein, as to all of which no opinion need be expressed), insofar as such statements purport to be summaries of the Bond Resolution or the Series 2020 Bonds, constitutes a fair summary of the information purported to be summarized therein, and that the statements on the cover relating to such counsel's opinion and under the caption "TAX MATTERS" are accurate statements or summaries of the matters set forth therein;

(7) An opinion of Bryant Miller Olive P.A., as Disclosure Counsel, dated the date of the Closing and addressed to the Issuer and the Underwriter, to the effect that:

(i) the Series 2020 Bonds are exempt securities under the 1933 Act and the Trust Indenture Act and it is not necessary, in connection with the offering and sale of the Series 2020 Bonds, to register the Series 2020 Bonds under the 1933 Act and the Bond Resolution need not be qualified under the Trust Indenture Act;

(ii) based upon their participation in the preparation of the Official Statement as disclosure counsel for the Issuer and their discussions with representatives of the Issuer and others at which the Official Statement was discussed, but without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, such counsel has no reason to believe that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except for any financial, forecast, technical and statistical statements and data included in the Official Statement and the information regarding the Depository and its book-entry system, in each case as to which no view need be expressed); and

(iii) the Undertaking satisfies the requirements under the Rule.

(8) An opinion of Persson & Cohen, P.A., Venice, Florida, City Attorney, addressed to the Issuer, Bond Counsel and the Underwriter and dated the date of the Closing in the form set forth in Exhibit A hereto;

(9) A certificate, dated the date of Closing, signed by the Mayor, the City Manager and the Director of Finance of the Issuer, or such other officials satisfactory to the Underwriter, and in form and substance satisfactory to the Underwriter, to the effect that, to the best of their knowledge and belief (i) the representations and warranties of the Issuer contained herein are true and correct in all material respects on and as of the date of Closing as if made on the date of Closing; (ii) no litigation or proceeding or tax challenge against the Issuer is pending or, to their knowledge, threatened in any court or administrative body nor is there a basis for litigation which would (A) contest the right of the members or officials of the Issuer to hold and exercise their respective positions,

(B) contest the due organization and valid existence of the Issuer, (C) contest the validity, due authorization and execution of the Series 2020 Bonds or the Issuer Documents or (D) attempt to limit, enjoin or otherwise restrict or prevent the Issuer or the System from functioning and collecting revenues, including payments on the Series 2020 Bonds, pursuant to the Bond Resolution, and other income or the anticipated receipt of Pledged Revenues pledged to pay the principal of and interest on the Series 2020 Bonds, or the pledge thereof; (iii) the Bond Resolution and the Rate Legislation have been duly adopted by the Issuer, are in full force and effect and have not been modified, amended or repealed, and (iv) to the best of its knowledge, no event affecting the Issuer has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein, in light of the circumstances under which made, not misleading in any respect as of the time of Closing, and the information contained in the Official Statement is correct in all material respects and, as of the date of the Official Statement did not, and as of the date of the Closing does not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(10) A certificate of an authorized representative of The Bank of New York Mellon Trust Company, N.A. (the "Bank"), as Registrar and Paying Agent and as Escrow Agent under the Escrow Agreement, to the effect that (i) the Bank is a national banking association duly organized, validly existing and in good standing under the laws of the United States of America and is duly authorized to exercise trust powers in the State of Florida, (ii) the Bank has all requisite authority, power, licenses, permits and franchises, and has full corporate power and legal authority to execute and perform its functions under the Bond Resolution, the Registrar and Paying Agent Agreement, dated the date of delivery of the Series 2020 Bonds, between the Issuer and the Bank (the "Paying Agent Agreement") and the Escrow Agreement, (iii) the performance by the Bank of its functions under the Bond Resolution, the Paying Agent Agreement and the Escrow Agreement will not result in any violation of the Articles of Association or Bylaws of the Bank, any court order to which the Bank is subject or any agreement, indenture or other obligation or instrument to which the Bank is a party or by which the Bank is bound, and no approval or other action by any governmental authority or agency having supervisory authority over the Bank is required to be obtained by the Bank in order to perform its functions under the Bond Resolution, the Paying Agent Agreement and the Escrow Agreement, (iv) the Paying Agent Agreement and the Escrow Agreement constitute valid and binding obligations of the Bank in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity and (v) to the best of such authorized representative's knowledge, there is no action, suit, proceeding or investigation at law or in equity before any court, public board or body pending or, to his or her knowledge, threatened against

or affecting the Bank wherein an unfavorable decision, ruling or finding on an issue raised by any party thereto is likely to materially and adversely affect the ability of the Bank to perform its obligations under the Bond Resolution, the Paying Agent Agreement and the Escrow Agreement;

(11) A certificate, dated the date of the Closing, signed by Javier A. Vargas, P.E., Director of Utilities Department of the Issuer, to the effect that he has reviewed the information in the Official Statement under the headings "THE SYSTEM" and "RATES, FEES AND CHARGES", such information is accurate and complete, and that the information under such headings does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(12) A signed copy of the letter of representations from the Issuer to DTC;

(13) A certificate of the Mayor or the Director of Finance deeming the Preliminary Official Statement "final" as of its date for the purposes of Rule 15c2-12;

(14) Evidence that the City has complied with Section 16(R) of the Bond Resolution with respect to the issuance of the Series 2020 Bonds as Additional Parity Obligations;

(15) A letter of Moody's Investors Service, Inc., satisfactory to the Underwriter to the effect that the Series 2020 Bonds have a rating of "[Aa2]", a letter of Standard & Poor's Ratings Services satisfactory to the Underwriter to the effect that the Series 2020 Bonds have a rating of "[AA]" (stable outlook), and a letter of Fitch Ratings satisfactory to the Underwriter to the effect that the Series 2020 Bonds have a rating of "[AA]" (stable outlook), and that all such ratings are in effect as of the date of Closing;

(16) Such additional legal opinions, certificates, instruments and other documents as the Underwriter or counsel to the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the Issuer's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Issuer on or prior to the date of the Closing of all the respective agreements then to be performed and conditions then to be satisfied by the Issuer.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriter.

If the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Series 2020 Bonds contained in this Agreement, or if the obligations of the Underwriter to purchase, to accept delivery of and to

pay for the Series 2020 Bonds shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and neither the Underwriter nor the Issuer shall be under any further obligation hereunder, except that the respective obligations of the Issuer and the Underwriter set forth in Sections 1 (with respect to the return of the good faith check only), 7 and 9 hereof shall continue in full force and effect.

7. Indemnification. (a) To the extent allowed by applicable law, the Issuer will indemnify and hold harmless the Underwriter against any losses, claims, damages or liabilities to which the Underwriter may become subject, under federal securities laws, or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Official Statement or Official Statement, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse the Underwriter for any legal or other expenses reasonably incurred by the Underwriter in connection with investigating or defending any such action or claim; provided, however, that the Issuer shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Preliminary Official Statement or Official Statement or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Issuer by the Underwriter expressly for use therein.

(b) The Underwriter will indemnify and hold harmless the Issuer against any losses, claims, damages or liabilities to which the Issuer may become subject, under federal securities laws, or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Underwriting section of the Preliminary Official Statement or Official Statement, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or omission or alleged omission was made in the Underwriting section of the Preliminary Official Statement or Official Statement or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Issuer by the Underwriter expressly for use therein; and will reimburse the Issuer for any legal or other expenses reasonably incurred by the Issuer in connection with investigating or defending any such action or claim.

(c) Promptly after receipt by an indemnified party pursuant to subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under such subsection. In case any such action shall be brought against

any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party or shall otherwise have an actual or potential conflict in such representation), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses or other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation.

(d) If the indemnification provided for in this Section is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then the indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Issuer on the one hand and the Underwriter on the other from the offering of the Series 2020 Bonds. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (c) above, then the indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Issuer on the one hand and the Underwriter on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Issuer on the one hand and the Underwriter on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Issuer bear to the total underwriting discounts and commissions received by the Underwriter. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Issuer on the one hand or the Underwriter on the other and the parties' relative intent, knowledge, access to information and opportunity to correct and to prevent such statement or omission. The Issuer and the Underwriter agree that it would not be just and equitable if contribution pursuant to this subsection (d) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d), the Underwriter shall not be required to contribute any amount in excess of the amount by which the underwriting discount, described in Section 1 hereof, exceeds the amount of any damages which the Underwriter has

otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged untrue statement or omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(e) The obligations of the Issuer under this Section shall be in addition to any liability which the Issuer may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls the Underwriter within the meaning of the 1933 Act. The indemnity and contribution agreements contained in this Section and the representations and warranties of the Issuer contained in this Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of the Underwriter or any person controlling the Underwriter or by or on behalf of the Issuer, its officers or directors or any other person controlling the Issuer and (iii) acceptance of and payment for any of the Series 2020 Bonds.

8. Termination. The Underwriter shall have the right to cancel their obligation to purchase the Series 2020 Bonds if, between the date of this Agreement and the Closing, the market price or marketability of the Series 2020 Bonds shall be materially adversely affected, in the sole judgment of the Underwriter, by the occurrence of any of the following:

(a) Legislation shall be enacted by or introduced in the Florida Legislature, a decision by a court of the United States or of the State shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of a State governmental agency shall be made or proposed, the effect of any or all of which would be to impose, directly or indirectly, additional State income taxation upon interest received on obligations of the general character of the Series 2020 Bonds, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the State income tax consequences of any of the transactions contemplated herein;

(b) Legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Series 2020 Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the 1933 Act, or that the Bond Resolution is not exempt from qualification under or other requirements of the Trust Indenture Act, or that the issuance, offering, or sale of obligations of the general character of the Series 2020 Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect;

(c) Any state Blue Sky or securities commission or other governmental agency or body shall have withheld registration, exemption or clearance of the offering of the Series 2020 Bonds as described herein, or issued a stop order or similar ruling relating thereto;

(d) A general suspension of trading in securities on the New York Stock Exchange or other national securities exchange, the establishment of minimum prices on any such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so;

(e) The New York Stock Exchange or other national securities exchange or any governmental authority, shall impose, as to the Series 2020 Bonds or as to obligations of the general character of the Series 2020 Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, Underwriter;

(f) Any amendment to the federal or state Constitution or action by any federal or state court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the Issuer, its property, income securities or interest thereon;

(g) Any event occurring, or information becoming known which, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(h) There shall have occurred any materially adverse change in the affairs or financial condition of the Issuer or the System;

(i) Between the date hereof and the Closing, the Issuer has, without the prior written consent of the Underwriter, offered or issued any bonds, notes or other obligations for borrowed money, or incurred any material liabilities, direct or contingent, other than as described in the Official Statement, in either case payable from the full faith and credit of the Issuer or any portion of the Pledged Revenues;

(j) The United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or there shall have occurred any other outbreak or escalation of hostilities;

(k) There shall have occurred any national or international calamity or crisis, or escalation thereof, in the financial markets or otherwise of the United States or elsewhere;

(l) Any fact or event shall exist or have existed that, in the Underwriter's sole judgment, requires or has required an amendment of or supplement to the Official Statement and such amendment or supplement has not been made;

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

(n) The purchase of and payment for the Series 2020 Bonds by the Underwriter, or the resale of the Series 2020 Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission; and

(o) the debt ceiling of the United States is such that the Federal Securities required to fund the Escrow Agreement are not available for delivery on the date of the delivery of the Series 2020 Bonds.

9. Expenses. (a) The Underwriter shall be under no obligation to pay, and the Issuer shall pay all expenses incident to the performance of the Issuer's obligations hereunder, including, but not limited to (i) the cost of preparation and printing of the Series 2020 Bonds, Preliminary Official Statement, Official Statement and any amendment or supplement thereto, (ii) the fees and disbursements of Bond Counsel, City Attorney and Disclosure Counsel, if any; (iii) the fees and disbursements of the Financial Advisor to the Issuer; (iv) the fees and disbursements of any Paying Agent or engineers, accountants, and other experts, consultants or advisers retained by the Issuer, if any; and (v) all fees, premiums and expenses in connection with obtaining bond ratings. The Issuer shall also pay for any expenses (included in the expense component of the Underwriter's discount) incurred by the Underwriter which are incidental to implementing this Bond Purchase Agreement and the issuance of the Series 2020 Bonds, including, but not limited to, meals, transportation and lodging, if any, and any other miscellaneous closing costs, subject to approval of the Issuer.

(b) Except as provided for above, the Underwriter shall pay (i) the cost of preparation and printing of this Agreement, any Blue Sky Surveys and/or Legal Investment Memoranda; (ii) all advertising expenses in connection with the public offering of the Series 2020 Bonds; and (iii) all other expenses incurred by them in connection with the public offering of the Series 2020 Bonds, including the fees and disbursements of counsel retained by the Underwriter. In the event that either party shall have paid obligations of the other as set forth in this Section 9, adjustment shall be made at the time of the Closing.

(c) If this Agreement shall be terminated by the Underwriter because of any failure or refusal on the part of the Issuer to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason the Issuer shall be unable to perform its obligations under this Agreement, the Issuer will reimburse the Underwriter for all out-of-pocket expenses

(including the fees and disbursements of counsel to the Underwriter) reasonably incurred by the Underwriter in connection with this Agreement or the offering contemplated hereunder.

(d) The Issuer acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Series 2020 Bonds.

10. Notices. Any notice or other communication to be given to the Issuer under this Agreement may be given by delivering the same in writing to City of Venice, Florida, 401 West Venice Avenue, Venice, Florida 34285, to the attention of Director of Finance, and any notice or other communication to be given to the Underwriter under this Agreement may be given by delivering the same in writing to RBC Capital Markets LLC, 100 Second Avenue South, Suite 800, St. Petersburg, Florida 33701, Attention: Ms. Julie Santamaria.

11. Parties in Interest. This Agreement as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the Issuer and the Underwriter (including successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. This Agreement may not be assigned by the Issuer. All of the Issuer's representations, warranties and agreements contained in this Agreement shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of the Underwriter; (ii) delivery of and payment for the Series 2020 Bonds pursuant to this Agreement; and (iii) any termination of this Agreement.

12. Effectiveness. This Agreement shall become effective upon the acceptance hereof by the Issuer and shall be valid and enforceable at the time of such acceptance.

13. Choice of Law. This Agreement shall be governed by and construed in accordance with the law of the State of Florida.

14. Severability. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

15. Business Day. For purposes of this Agreement, "business day" means any day on which the New York Stock Exchange is open for trading.

16. Section Headings. Section headings have been inserted in this Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Agreement and will not be used in the interpretation of any provisions of this Agreement.

17. Counterparts. This Agreement may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document.

[Remainder of page intentionally left blank]

If you agree with the foregoing, please sign the enclosed counterpart of this Agreement and return it to the Underwriter. This Agreement shall become a binding agreement between you and the Underwriter when at least the counterpart of this letter shall have been signed by or on behalf of each of the parties hereto.

Respectfully submitted,

RBC CAPITAL MARKETS, LLC

By: _____

Name: Julie A. Santamaria

Title: Director

Date: December __, 2020

ACCEPTANCE

ACCEPTED at _____ [a.m./p.m.] Eastern Standard Time this ____ day of December, 2020.

CITY OF VENICE, FLORIDA

By: _____

Name: Ron Feinsod

Title: Mayor

EXHIBIT A

FORM OF OPINION OF CITY ATTORNEY

December __, 2020

Mayor and Members of the City Council
for the City of Venice
Venice, Florida

RBC Capital Markets, LLC
St. Petersburg, Florida

Nabors, Giblin & Nickerson, P.A.,
Tampa, Florida

Re: \$_____ City of Venice, Florida, Taxable Utility System Refunding
Revenue Bonds, Series 2020

Ladies and Gentlemen:

I am the City Attorney for the City of Venice, Florida, (the "City") and have served in such capacity in connection with the City's issuance of the \$_____ City of Venice, Florida, Taxable Utility System Refunding Revenue Bonds, Series 2020 (the "Series 2020 Bonds"). The Series 2020 Bonds are being issued for the primary purpose of paying the costs of refunding all of the City's outstanding Utility System Revenue Bonds, Series 2012 (the "Refunded Bonds"), pursuant to Resolution No. 2012-05 adopted by the City on May 22, 2012, as amended and supplemented from time to time, and as particularly supplemented by Resolution No. 2020-__ adopted by the City on November __, 2020 (collectively, the "Resolution"). All capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Resolution or the Bond Purchase Agreement dated December __, 2020 (the "Agreement") between the City and RBC Capital Markets, LLC (the "Underwriter").

I have examined, among other things, the State of Florida Constitution, Chapter 166, Part II, Florida Statutes, the Charter of the City, and other applicable provisions of law, the Resolution, and the proceedings of the City with respect to the authorization and issuance of the Series 2020 Bonds, and certificates and other documents relating to the City, the Series 2020 Bonds, and the Resolution and have made such other examination of applicable Florida law as I have deemed necessary in giving this opinion.

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

(A) The City is a duly existing municipal corporation of the State of Florida (the "State") and had and has good right and lawful authority under the Constitution and laws of the State to (i) to enter into, execute and deliver the Issuer Documents and all documents required

thereunder to be executed and delivered by the City, (ii) to sell, issue and deliver the Series 2020 Bonds to the Underwriter as provided in the Agreement, (iii) to carry out and consummate the transactions contemplated by the Issuer Documents, and the Official Statement, (iv) to operate the System, and (v) to refund the Refunded Bonds, and the City has complied, and will as of the date hereof be in compliance in all respects, with the terms of the Act and the Issuer Documents as they pertain to such transactions.

(B) The Resolution and the Rate Legislation have been duly adopted, and the Issuer Documents have been executed by the City, and each are in full force and effect and constitute the valid, legal and binding obligations of the City enforceable in accordance with their respective terms.

(C) As of the date hereof, the City has duly performed all obligations to be performed by it pursuant to the Resolution and the Issuer Documents.

(D) The City has the power and authority under applicable law to pledge the Pledged Revenues to secure and pay the Series 2020 Bonds and interest thereon in accordance with the terms of the Resolution, and to use the proceeds of the Series 2020 Bonds as described in the Resolution.

(E) To the best of my knowledge after due inquiry, the adoption of the Resolution and the Rate Legislation and the execution and delivery of the Series 2020 Bonds and the Issuer Documents, and compliance with the provisions thereof, will not conflict with or constitute a material breach of or default under any existing agreement or instrument, or violate any existing law, administrative regulation, court decree, charter provision, or ordinance to which the City is subject.

(F) No litigation or other proceedings are pending or, to the best of my knowledge after due inquiry, threatened in any court or other tribunal of competent jurisdiction, State or Federal, in any way (1) restraining or enjoining the issuance, sale or delivery of the Series 2020 Bonds, the execution or delivery of the Issuer Documents or operation of the System, or (2) questioning or affecting the validity of the Series 2020 Bonds, the Resolution, the Issuer Documents, or any provision for the payment of both principal of and interest on the Series 2020 Bonds from Pledged Revenues as provided in the Resolution; or (3) questioning or affecting the validity of any of the proceedings for the authorization, issuance or delivery of the Series 2020 Bonds and the security therefore or the execution or delivery of the Issuer Documents; or (4) questioning or affecting (a) the organization or existence of the City or the City Council or the title to office of the officers thereof, or (b) the power or authority of the City to collect the Pledged Revenues or (c) the use of the proceeds of the Series 2020 Bonds; or (5) which could materially adversely affect the operations of the City or the financial condition of the City.

(G) To the best of my knowledge after due inquiry, all approvals, consents, authorizations, licenses, permits and orders of any governmental authority or agency having jurisdiction in any matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the City of its obligations under the Issuer Documents and the Series 2020 Bonds or with respect to the refunding of the Refunded Bonds have been obtained and are in full force and effect.

(H) By all necessary official action of the City prior to or concurrently with the date hereof, the City has duly authorized all necessary action to be taken by it for (i) the adoption of the Rate Legislation and the Resolution and the issuance and sale of the Series 2020 Bonds, (ii) the approval, execution and delivery of, and the performance by the City of the obligations on its part, contained in the Series 2020 Bonds and the Issuer Documents, and (iii) the consummation by it of all other transactions contemplated by the Official Statement, the Issuer Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the City in order to carry out, give effect to, and consummate the transactions contemplated herein and in the Official Statement.

(I) The distribution of the Preliminary Official Statement and the Official Statement has been duly authorized by the City.

(J) Based on my examination and participation at conferences at which the Preliminary Official Statement and the Official Statement were discussed, I have no reason to believe that the Official Statement as of its date and as of the date hereof, as to legal matters only, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect (no view is expressed for any financial forecast, technical and statistical data included in the Official Statement, any insurer information, or for information regarding The Depository Trust Company and its book-entry system).

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

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

This opinion is furnished by me as City Attorney and is solely for the benefit of the addressees hereto and is based solely upon the laws of the State of Florida.

Respectfully,

[Persson, Cohen & Mooney, P.A.]

Schedule I

\$ _____

CITY OF VENICE, FLORIDA

Taxable Utility System Refunding Revenue Bonds, Series 2020

MATURITIES, AMOUNTS, INTEREST RATES, PRICES AND YIELDS

<u>Maturity</u> <u>(December 1)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>Yield</u>
--	----------------------	--	---------------------	---------------------

\$ _____ .__% Term Bonds due December 1, 20__; Price ____.[*]; Yield ____%

[*Priced to first optional call date of December 1, 20__]

Optional Redemption

The Series 2020 Bonds maturing on or before December 1, 20__, are not subject to redemption prior to their stated dates of maturity. The Series 2020 Bonds maturing on December 1, 20__ and thereafter shall be subject to redemption prior to their stated dates of maturity at the option of the Issuer, in whole or in part, on December 1, 20__, or any date thereafter, in such order as shall be determined by the Issuer and by lot within a maturity, at the

redemption price of 100% of the principal amount of the Series 2020 Bonds to be redeemed, plus accrued interest to the redemption date.

Mandatory Redemption

The Series 2020 Bonds maturing on December 1, 20__ are subject to mandatory redemption prior to maturity, by lot, in such manner as the Paying Agent may deem appropriate, at 100% of the principal amount of the Series 2020 Bonds so to be redeemed in the following Amortization Installments on December 1 in the years specified:

<u>Year</u>	<u>Amortization Installments</u>
*	

*Final Maturity

[Remainder of page intentionally left blank]

Schedule II

DISCLOSURE STATEMENT AND TRUTH-IN-BONDING STATEMENT

December __, 2020

Mayor and City Council of the City of
Venice, Florida
Venice, Florida

Re: \$_____ City of Venice, Florida Taxable Utility System
Refunding Revenue Bonds, Series 2020

Dear Mayor and Council Members:

In connection with the proposed issuance by the City of Venice, Florida (the "Issuer") of \$_____ in aggregate principal amount of its City of Venice, Florida Taxable Utility System Refunding Revenue Bonds, Series 2020 (the "Series 2020 Bonds"), RBC Capital Markets, LLC (the "Underwriter") is underwriting a public offering of the Series 2020 Bonds.

The purpose of this letter is to furnish, pursuant to the provisions of Section 218.385(6), Florida Statutes, as amended, certain information in respect of the arrangements contemplated for the purchase and sale of the Series 2020 Bonds, as follows:

(a) The nature and estimated amount of expenses to be incurred by the Underwriter in connection with the purchase and re-offering of the Series 2020 Bonds are set forth in Attachment 1 attached hereto.

(b) There are no "finders," as defined in Section 218.386, Florida Statutes, as amended, connected with the sale and purchase of the Series 2020 Bonds.

(c) The underwriting spread, the difference between the price at which the Series 2020 Bonds will be initially offered to the public by the Underwriter and the price to be paid to the Issuer for the Series 2020 Bonds will be \$_.____ per \$1,000 of Series 2020 Bonds issued.

(d) As part of the estimated underwriting spread set forth in paragraph (c) above, the Underwriter will charge a management fee of \$__ per \$1,000 of Series 2020 Bonds issued.

(e) No other fee, bonus or other compensation is estimated to be paid by the Underwriter in connection with the issuance of the Series 2020 Bonds to any person not regularly employed or retained by the Underwriter (including any "finder" as defined in Section 218.386(1)(a), Florida Statutes), except as specifically enumerated as expenses to be incurred by the Underwriter, as set forth in paragraph (a) above.

(f) The name and address of the Underwriter is:

RBC Capital Markets LLC
100 Second Avenue South, Suite 800,
St. Petersburg, Florida 33701

The purpose of the following two paragraphs is to furnish, pursuant to the provisions of Sections 218.385(2) and (3), Florida Statutes, as amended, the truth-in-bonding statement required thereby, as follows:

(a) The Issuer is proposing to issue \$_____ of the Series 2020 Bonds for the principal purposes of (1) refunding outstanding debt of the Issuer, and (2) paying certain costs and expenses relating to the issuance of the Series 2020 Bonds. This obligation is expected to be repaid over a period of approximately ____ years. At a true interest cost of approximately _____%, total interest paid over the life of the Series 2020 Bonds will be \$_____.

(b) On parity with the Parity Obligations (as such term is defined in the Resolution), the source of repayment or security of the Series 2020 Bonds is the Pledged Revenues, which Pledged Revenues include Net Revenues of the System, as such terms are defined in Resolution No. 2012-05 of the Issuer adopted on May 22, 2012, as amended and supplemented from time to time, as particularly amended and supplemented by Resolution No. 2020-__ adopted by the Issuer on November __, 2020 (the "Resolution"). Authorizing this debt will result in an average of \$_____ (average annual debt service) of such Pledged Revenues not being available to finance other services of the Issuer each year for approximately ____ years.

The foregoing is provided for information purposes only and shall not affect or control the actual terms and conditions of the Series 2020 Bonds.

Very truly yours,

RBC CAPITAL MARKETS, LLC

By: _____

Name: Julie Santamaria

Title: Director

ATTACHMENT 1

Underwriter' Estimated Expenses

	<u>Dollar Amount</u>	<u>Per \$1,000</u>
I-Preo Bookrunning	\$	\$
Day Loan		
CUSIP		
DTC		
Miscellaneous		
Underwriter's Counsel		
 TOTAL	 \$	 \$

EXHIBIT B

FORM OF SERIES 2020 BOND

No. R-1

\$ _____

**UNITED STATES OF AMERICA
STATE OF FLORIDA
CITY OF VENICE, FLORIDA
TAXABLE UTILITY SYSTEM REFUNDING REVENUE BONDS,
SERIES 2020**

Interest Rate	Maturity Date	Date of Original Issue	CUSIP
------------------	---------------	---------------------------	-------

Registered Holder: CEDE & CO.

Principal Amount: _____ MILLION _____ THOUSAND AND 00/100
DOLLARS

KNOW ALL MEN BY THESE PRESENTS, that the City of Venice, Florida, a municipal corporation, duly created and existing under the laws of the State of Florida (the "Issuer"), for value received, hereby promises to pay, solely from the Pledged Revenues hereinafter described, to the Registered Holder identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest on such Principal Amount from the Date of Original Issue identified above or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum identified above on June 1 and December 1 of each year commencing June 1, 2021 until such Principal Amount shall have been paid, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be or become applicable hereto.

Such Principal Amount and interest and the premium, if any, on this Bond are payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts. Such Principal Amount and the premium, if any, on this Bond, are payable at the designated corporate trust office of The Bank of New York Mellon Trust Company, N.A. Jacksonville, Florida, as Paying Agent. Payment of each installment of interest shall be made to the person in whose name this Bond shall be registered on the registration books of the Issuer maintained by The Bank of New York Mellon Trust Company, N.A. Jacksonville, Florida, as Registrar, at the close of business on the date which shall be the fifteenth day (whether or not a business day) of the calendar month next preceding each interest payment date and shall be paid by a check or draft of such Paying Agent mailed

to such Registered Holder at the address appearing on such registration books, or, at the request of such Registered Holder, by bank wire transfer to the account of such Holder. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

This Bond is one of an authorized issue of bonds in the aggregate principal amount of \$_____ (the "Bonds") of like date, tenor and effect, except as to maturity date, interest rate, denomination and number, issued to refund all of the Issuer's outstanding Utility System Revenue Bonds, Series 2012, under the authority of and in full compliance with the Constitution and laws of the State of Florida, particularly Chapter 166, Part II, Florida Statutes, the Charter of the Issuer, the Constitution of the State of Florida and other applicable provisions of law (the "Act"), and Resolution No. 2012-05 duly adopted by the City Council of the Issuer on May 22, 2012, as amended and supplemented, particularly as supplemented by Resolution No. 2020-____ adopted by the City Council of the Issuer on November __, 2020 (collectively, the "Resolution"), and is subject to all the terms and conditions of the Resolution.

This Bond and the interest hereon are payable solely from and secured by a lien upon and a pledge of the Net Revenues (as defined in the Resolution) to be derived from the operation of the System (as defined in the Resolution), and until applied as provided in the Resolution, the moneys held in the funds and accounts under the Resolution (except the Rebate Fund established thereunder) and the income on investment thereof, all to the extent and in the manner provided in the Resolution (collectively, the "Pledged Revenues"). The lien on and pledge of the Pledged Revenues for the benefit of the holders of the Bonds shall be on parity in all respects with certain other debt obligations of the Issuer which are now and hereafter outstanding under the Resolution, except as otherwise provided in the Resolution.

It is expressly agreed by the Registered Holder of this Bond that the full faith and credit of the Issuer are not pledged to the payment of the principal of, premium, if any, and interest on this Bond and that such Registered Holder shall never have the right to require or compel the exercise of any taxing power of the Issuer to the payment of such principal, premium, if any, and interest. This Bond and the obligation evidenced hereby shall not constitute a lien upon the System or any other property of the Issuer, but shall constitute a lien only on, and shall be payable solely from, the Pledged Revenues in accordance with the terms of the Resolution.

The Issuer has established a book-entry system of registration for the Bonds. Except as specifically provided otherwise in the Resolution, an agent will hold this Bond on behalf of the beneficial owner hereof. By acceptance of a confirmation of purchase, delivery or transfer, the beneficial owner of this Bond shall be deemed to have agreed to such arrangement.

This Bond is transferable in accordance with the terms of the Resolution and shall be transferable only upon the books of the Issuer, at the office of the Registrar, under

such reasonable regulations as the Issuer may prescribe, by the Registered Holder thereof in person or by his attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed and guaranteed by the Registered Holder or his duly authorized attorney. Upon the transfer of this Bond, the Issuer shall issue, and cause to be authenticated, in the name of the transferee a new Bond of the same aggregate principal amount and maturity. The Bonds are issuable in the form of fully registered Bonds in the denomination of \$5,000 and any integral multiple thereof, not exceeding the aggregate principal amount of the Bonds. The Issuer, the Registrar and any Paying Agent may treat the Registered Holder of this Bond as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary. The Issuer shall not be obligated to make any exchange or transfer of the Bonds during the 15 days next preceding an interest payment date or, in the case of any proposed redemption of the Bonds, then, for the Bonds subject to such redemption, during the 15 days next preceding the date of the first mailing of notice of such redemption and continuing through such redemption date.

[INSERT REDEMPTION PROVISIONS]

Redemption of Bonds under the preceding paragraphs shall be made as provided in the Resolution upon notice given by first class mail sent at least 30 days prior to the redemption date to the Registered Holder hereof at the address shown on the registration books maintained by the Registrar; provided, however, that failure to mail notice to the Registered Holder hereof, or any defect therein, shall not affect the validity of the proceedings for redemption of other Bonds as to which no such failure or defect has occurred. In the event that less than the full principal amount of a Bond shall have been called for redemption, the Registered Holder thereof shall surrender the Bond in exchange for one or more Bonds in an aggregate principal amount equal to the unredeemed portion of principal, as provided in the Resolution.

As long as the book-entry only system is used for determining beneficial ownership of the Bonds, notice of redemption will only be sent to Cede & Co. Cede & Co. will be responsible for notifying the DTC Participants, who will in turn be responsible for notifying the beneficial owners of the Bonds. Any failure of Cede & Co. to notify any DTC Participant, or of any DTC Participant to notify the beneficial owner of any such notice, will not affect the validity of the redemption of the Bonds.

Reference to the Resolution and any and all resolutions supplemental thereto and modifications and amendments thereof and to the Act is made for a description of the pledge and covenants securing this Bond, the nature, manner and extent of enforcement of such pledge and covenants, and the rights, duties, immunities and obligations of the Issuer.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond, exist,

have happened and have been performed, in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, and that the issuance of the Bonds does not violate any constitutional or statutory limitations or provisions.

Neither the members of the City Council of the Issuer nor any person executing this Bond shall be liable personally hereon or be subject to any personal liability or accountability by reason of the issuance hereof.

This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Registrar.

IN WITNESS WHEREOF, the City Council of the City of Venice, Florida has issued this Bond and has caused the same to be executed by the manual or facsimile signature of the Mayor, and attested by the manual or facsimile signature of the City Clerk, and its corporate seal or a facsimile thereof to be affixed or reproduced hereon, all as of the Date of Original Issue.

CITY OF VENICE, FLORIDA

(SEAL)

By: _____
Mayor

ATTEST:

City Clerk

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the Issue described in the within-mentioned Resolution.

DATE OF AUTHENTICATION:

_____, 2020

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.**
Registrar

By: _____
Authorized Officer

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the Issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by the authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

Insert Social Security or Other Identifying Number of Assignee

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____, as attorneys to register the transfer of the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature guaranteed:

NOTICE: Signature must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

NOTICE: The signature to this assignment must correspond with the name of the Registered Holder as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or other identifying number of such assignee must be supplied.

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common

TEN ENT -- as tenants by the entireties

JT TEN -- as joint tenants with right of
survivorship and not as tenants
in common

UNIF TRANS MIN ACT -- _____
(Cust.)

Custodian for _____

under Uniform Transfers to Minors Act of _____
(State)

Additional abbreviations may also be used though not in list above.

EXHIBIT C

FORM OF PRELIMINARY OFFICIAL STATEMENT

NEW ISSUE – BOOK-ENTRY ONLY

RATINGS: S&P: ____ (____ Outlook)

Moody's: ____

Fitch: ____ (____ Outlook)

In the opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, interest on the Series 2020 Bonds is not excludable from gross income of the owners thereof for federal income tax purposes. See "TAX MATTERS" herein for a general discussion of Bond Counsel's opinion and other tax considerations.

[DAC LOGO]

\$18,000,000*

CITY OF VENICE, FLORIDA

TAXABLE UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2020

Dated: Date of Delivery

Due: December 1, as shown on inside cover

The City of Venice, Florida (the "City") will issue its Taxable Utility System Refunding Revenue Bonds, Series 2020 (the "Series 2020 Bonds") as fully registered bonds, without coupons, which initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). Individual purchases will be made in book-entry form only in denominations of \$5,000 and any integral multiple thereof. Purchasers of the Series 2020 Bonds (the "Beneficial Owners") will not receive physical delivery of the Series 2020 Bonds. Transfer of ownership in the Series 2020 Bonds will be effected by DTC's book-entry system as described herein. As long as Cede & Co. is the registered owner as nominee of DTC, principal and interest payments will be made directly to such registered owner which will in turn remit such payments to the DTC Participants (as defined herein) for subsequent disbursement to the Beneficial Owners. Accordingly, principal of and interest on the Series 2020 Bonds will be paid by The Bank of New York Mellon Trust Company, N.A. as paying agent (the "Paying Agent") directly to DTC as the registered owner thereof. Disbursements of such payments to the Direct Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of Direct Participants and Indirect Participants, as more fully described herein. See "DESCRIPTION OF THE SERIES 2020 BONDS" – Book-Entry Only System" herein. The Series 2020 Bonds will bear interest at the fixed rates set forth on the inside cover payable semiannually on each June 1 and December 1, commencing June 1, 2021.

Certain of the Series 2020 Bonds are subject to optional and mandatory redemption prior to maturity as set forth in this Official Statement. See "DESCRIPTION OF THE SERIES 2020 BONDS - Redemption Provisions" herein.

The Series 2020 Bonds are being issued, together with other legally available funds of the City, to (i) refund all of the City's outstanding Utility System Revenue Bonds, Series 2012 and (ii) pay costs of issuance of the Series 2020 Bonds. See "REFUNDING PLAN" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Series 2020 Bonds are being issued pursuant to Chapter 166, Part II, Florida Statutes, the Charter of the City, the Constitution of the State of Florida and other applicable provisions of law (collectively, the "Act"), and pursuant to Resolution No. 2012-05 adopted by the City Council of the City (the "City Council") on May 22, 2012, as amended and supplemented and particularly as supplemented by Resolution No. _____ adopted by the City Council on November __, 2020 (collectively, the

"Resolution"). The Series 2020 Bonds are secured by a pledge of and are payable solely from the Net Revenues (as defined in the Resolution) of the City's water and sewer utility system, and until applied in accordance with the Resolution, the moneys on deposit in the various funds and accounts created pursuant to the Resolution, except for the Rebate Fund, and the income on investments in such funds and accounts (collectively, the "Pledged Revenues"). The lien of the Series 2020 Bonds on the Pledged Revenues is on parity with the lien thereon of the City's Utility System Refunding Revenue Note, Series 2013 currently outstanding in the principal amount of \$1,042,000 and the City's Utility System Revenue Bonds, Series 2015 currently outstanding in the principal amount of \$13,245,000 (collectively, the "Parity Obligations"). See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein and Appendix C hereto.

THE SERIES 2020 BONDS SHALL BE SPECIAL OBLIGATIONS OF THE CITY, PAYABLE SOLELY FROM THE PLEDGED REVENUES AS PROVIDED IN THE RESOLUTION. THE SERIES 2020 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS, LIABILITY, GENERAL OR MORAL OBLIGATION OR A PLEDGE OF THE FAITH, CREDIT OR TAXING POWER OF THE CITY OR OF THE STATE OF FLORIDA (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF NOR THE CITY SHALL BE OBLIGATED (I) TO LEVY AD VALOREM TAXES ON ANY PROPERTY TO PAY THE PRINCIPAL OF THE SERIES 2020 BONDS, THE INTEREST THEREON, THE RESERVES THEREFORE OR OTHER COSTS INCIDENT THERETO, OR (II) TO PAY THE SAME FROM ANY OTHER FUNDS OF THE CITY EXCEPT FROM THE PLEDGED REVENUES, IN THE MANNER PROVIDED IN THE RESOLUTION. THE ACCEPTANCE OF THE SERIES 2020 BONDS BY THE OWNERS FROM TIME TO TIME THEREOF SHALL BE DEEMED AN AGREEMENT BETWEEN THE CITY AND SUCH OWNERS THAT THE BONDS AND THE INDEBTEDNESS EVIDENCED THEREBY SHALL NOT CONSTITUTE A LIEN UPON THE SYSTEM, OR ANY PART THEREOF, OR ANY OTHER PROPERTY OF THE CITY, BUT SHALL CONSTITUTE A LIEN ONLY ON THE PLEDGED REVENUES, IN THE MANNER AND TO THE EXTENT PROVIDED IN THE RESOLUTION.

This cover page contains certain information for quick reference only. It is not a summary of the Series 2020 Bonds. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2020 Bonds are offered when, as and if issued and received by the Underwriter, subject to the receipt of an opinion as to the validity of the Series 2020 Bonds and certain other matters by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel. Certain legal matters incident to the issuance and delivery of the Series 2020 Bonds will be passed on for the City by its counsel, Persson, Cohen & Mooney, P.A., Venice, Florida and Bryant Miller Olive P.A., Tampa, Florida, Disclosure Counsel. Akerman LLP, Jacksonville, Florida is serving as Counsel to the Underwriter. Larson Consulting Services, LLC, Orlando, Florida is serving as Financial Advisor to the City. It is expected that the Series 2020 Bonds will be available for delivery to the Underwriter at the facilities of DTC in New York New York on or about December 15, 2020.

RBC Capital Markets

Dated: _____, 2020

*Preliminary, subject to change.

\$18,000,000*
CITY OF VENICE, FLORIDA
TAXABLE UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2020

MATURITIES, AMOUNTS, INTEREST RATES, PRICES, YIELDS
AND INITIAL CUSIP NUMBERS

\$_____ * Serial Bonds

Maturity (December 1)	Amount	Interest Rate	Price	Yield	Initial CUSIP Number**
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					

\$_____ * ____% Term Bonds due December 1, 2042;* Price _____% Yield _____%, Initial CUSIP No. _____**

* Preliminary, subject to change.

** CUSIP numbers have been assigned by an organization not affiliated with the City and are included in this Official Statement for the convenience of the potential purchasers of the Series 2020 Bonds. The City is not responsible for the selection or uses of CUSIP numbers, nor is a representation made as to their accuracy on the Series 2020 Bonds, or as indicated above.

RED HERRING LANGUAGE:

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Series 2020 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of such jurisdiction. The City has deemed this Preliminary Official Statement "final," except for certain permitted omissions, within the contemplation of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

CITY OF VENICE, FLORIDA

CITY COUNCIL

Ron Feinsod, Mayor
Chuck Newsom, Vice Mayor
Rich Cautero, Council Member
Mitzie Fiedler, Council Member
Helen Moore, Council Member
Dr. Joe Neunder, Council Member
Nick Pachota, Council Member

ADMINISTRATION

Edward F. Lavalley, MPA, City Manager
Len Bramble, P.E., Assistant City Manager
Persson Cohen & Mooney, P.A., City Attorney
Linda Senne, CPA, Finance Director
Javier A. Vargas, P.E., Utilities Director
Lori Stelzer, CMC, City Clerk

BOND COUNSEL

Nabors, Giblin & Nickerson, P.A.
Tampa, Florida

FINANCIAL ADVISOR

Larson Consulting Services, LLC
Orlando, Florida

DISCLOSURE COUNSEL

Bryant Miller Olive P.A.
Tampa, Florida

No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations in connection with the Series 2020 Bonds other than as contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2020 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the City, DTC, and other sources which are believed to be reliable. The information and expressions of opinion stated herein are subject to change, and neither the delivery of this Official Statement nor any sale made hereunder shall create, under any circumstances, any implication that there has been no change in the matters described herein since the date hereof. The Underwriter has reviewed the information in this Official Statement in accordance with and as part of their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

This Official Statement does not constitute a contract between the City or the Underwriter and any one or more owners of the Series 2020 Bonds, nor does it constitute an offer to sell or the solicitation of an offer to buy the Series 2020 Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer in such jurisdiction.

Certain statements contained in this Official Statement do not reflect historical facts, but rather are forecasts and "forward-looking statements." No assurance can be given that the future results discussed herein will be achieved, and actual results may differ materially from the forecasts described herein. In this respect, the words "estimate," "forecast," "project," "anticipate," "expect," "intend," "believe" and other similar expressions are intended to identify forward-looking statements. The forward-looking statements in this Official Statement are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such statements. All estimates, projections, forecasts, assumptions and other forward-looking statements are expressly qualified in their entirety by the cautionary statements set forth in this Official Statement. The City specifically disclaims any obligation to update any forward-looking statements to reflect occurrences or unanticipated events or circumstances after the date of this Official Statement, except as otherwise expressly provided in "CONTINUING DISCLOSURE" herein.

Information on any internet addresses set forth in this Official Statement is not incorporated into this Official Statement and cannot be relied upon to be accurate as of the date of this Official Statement, nor can any such information be relied upon in making investment decisions regarding the Series 2020 Bonds.

All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreements, and all summaries herein of the Series 2020 Bonds are qualified in their entirety by reference to the form thereof included in the aforesaid documents and agreements. The order and placement of materials in this Official Statement, including the Appendices, are not to be deemed to be a determination of relevance, materiality, or importance, and this Official Statement, including the Appendices, must be considered in its entirety. The offering of the Series 2020 Bonds is made only by means of this entire Official Statement.

NO REGISTRATION STATEMENT RELATING TO THE SERIES 2020 BONDS HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION") OR WITH ANY

STATE SECURITIES COMMISSION. IN MAKING ANY INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE CITY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2020 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE COMMISSION OR ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. THE FOREGOING AUTHORITIES HAVE NOT PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("ORIGINAL BOUND FORMAT") OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITE: www.MuniOS.com. THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR AS PRINTED IN ITS ENTIRETY DIRECTLY FROM SUCH WEBSITE.

In making an investment decision, investors must rely on their own examination of the City, and the terms of the offering, including the merits and risks involved. The Series 2020 Bonds have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, other than as expressly provided in certificates to be delivered to the Underwriter in connection with the issuance of the Series 2020 Bonds, the City has not confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary may be a criminal offense.

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OFFICIAL STATEMENT
relating to
\$18,000,000*
CITY OF VENICE, FLORIDA
TAXABLE UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2020

INTRODUCTION

The purpose of this Official Statement, including the cover page and all appendices, is to set forth certain information in connection with the sale by the City of Venice, Florida (the "City") of its \$18,000,000* aggregate principal amount of Taxable Utility System Refunding Revenue Bonds, Series 2020 (the "Series 2020 Bonds").

The Series 2020 Bonds are being issued pursuant to Chapter 166, Part II, Florida Statutes, the Charter of the City, the Constitution of the State of Florida and other applicable provisions of law (collectively, the "Act"), and pursuant to Resolution No. 2012-05 adopted by the City Council of the City (the "City Council") on May 22, 2012, as amended and supplemented and particularly as supplemented by Resolution No. _____ adopted by the City Council on November __, 2020 (collectively, the "Resolution"). The Series 2020 Bonds are secured by a pledge of and are payable solely from the Net Revenues of the City's water and sewer utility system, and until applied in accordance with the Resolution, the moneys on deposit in the various funds and accounts created pursuant to the Resolution, except for the Rebate Fund, and the income on investments in such funds and accounts (collectively, the "Pledged Revenues"). The lien of the Series 2020 Bonds on the Pledged Revenues is on parity with the lien thereon of the City's Utility System Refunding Revenue Note, Series 2013 currently outstanding in the principal amount of \$1,042,000 and Utility System Revenue Bonds, Series 2015 currently outstanding in the principal amount of \$13,245,000 (collectively, the "Parity Obligations"). See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein and APPENDIX C hereto.

THE SERIES 2020 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS, LIABILITY, GENERAL OR MORAL OBLIGATION OR A PLEDGE OF THE FAITH, CREDIT OR TAXING POWER OF THE CITY, OR OF THE STATE OF FLORIDA (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATIONS. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF NOR THE CITY SHALL BE OBLIGATED (I) TO LEVY AD VALOREM TAXES ON ANY PROPERTY TO PAY THE PRINCIPAL OF THE SERIES 2020 BONDS, THE INTEREST THEREON, THE RESERVES THEREFOR OR OTHER COSTS INCIDENT THERETO, OR (II) TO PAY THE SAME FROM ANY OTHER FUNDS OF THE CITY EXCEPT FROM THE PLEDGED REVENUES, IN THE MANNER PROVIDED IN THE RESOLUTION. THE SERIES 2020 BONDS SHALL NOT CONSTITUTE A LIEN UPON THE SYSTEM OR ANY PART THEREOF, OR ON ANY OTHER PROPERTY OF THE CITY, BUT SHALL CONSTITUTE A LIEN ONLY ON THE PLEDGED REVENUES IN THE MANNER PROVIDED IN THE RESOLUTION.

The Series 2020 Bonds are being issued, together with other legally available funds of the City, to (i) refund all of the City's outstanding Utility System Revenue Bonds, Series 2012 (the "Refunded Bonds") and (ii) pay costs of issuance of the Series 2020 Bonds. See "REFUNDING PLAN" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

*Preliminary, subject to change.

The Series 2020 Bonds are issuable only in the form of fully registered bonds in the denominations of \$5,000 or any integral multiple thereof. Interest on the Series 2020 Bonds is payable semi-annually on each June 1 and December 1, commencing June 1, 2021. The Series 2020 Bonds will be initially issued to and registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Series 2020 Bonds. The Series 2020 Bonds will be available to purchasers under the book-entry system maintained by DTC through brokers and dealers who are or act through Direct Participants. Purchasers of beneficial interests in the Series 2020 Bonds will not receive physical delivery of the Series 2020 Bonds, but will be Beneficial Owners (and not registered owners) of the Series 2020 Bonds. For so long as any purchaser is the Beneficial Owner of a Series 2020 Bond, such purchaser must maintain an account with a broker or dealer who is, or acts through, a Direct Participant. The principal and interest on the Series 2020 Bonds will be paid by The Bank of New York Mellon Trust Company, N.A., as paying agent directly to Cede & Co. as the registered owner thereof. Disbursements of such payments to the Direct Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of Direct Participants and Indirect Participants, as more fully described herein. See "DESCRIPTION OF THE SERIES 2020 BONDS – Book-Entry Only System" herein.

This Official Statement speaks only as of its date and the information contained herein is subject to change.

The City has agreed to provide certain continuing and disclosure information with respect to the Series 2020 Bonds pursuant to Rule 15c2-12 promulgated by the Securities and Exchange Commission. See "CONTINUING DISCLOSURE" herein.

Capitalized terms used but not defined herein have the same meanings as when used in the Resolution unless the context clearly indicates otherwise. Complete descriptions of the terms and conditions of the Series 2020 Bonds are set forth in the Resolution, the composite of which is attached to this Official Statement as APPENDIX C. The description of the Series 2020 Bonds, the documents authorizing and securing the same, and the information from various reports and statements contained herein are not comprehensive or definitive. All references herein to such documents, reports and statements are qualified by the entire, actual content of such documents, reports and statements. Copies of such documents, reports and statements referred to herein that are not included in their entirety in this Official Statement may be obtained, after payment of applicable copying and mailing costs, from the City of Venice, 401 West Venice Avenue, Venice, Florida 34285, Attention: Lori Stelzer, CMC, City Clerk.

REFUNDING PLAN

The City has determined that it can achieve present value savings in debt service payments and can release the debt service reserve with respect to the Refunded Bonds by refunding and providing for payment of the Refunded Bonds. Provision for payment will be accomplished through the issuance of the Series 2020 Bonds and the use of a portion of the proceeds thereof, together with other legally available funds, to refund the Refunded Bonds. The Refunded Bonds maturing on December 1, 2023 and thereafter will be redeemed prior to maturity on December 1, 2022 at a redemption price of one hundred percent (100%) of the principal amount thereof, plus accrued interest to the redemption date.

Upon delivery of the Series 2020 Bonds, The Bank of New York Mellon Trust Company, N.A., as escrow agent (the "Escrow Agent") will enter into an Escrow Deposit Agreement (the "Escrow Agreement") with the City to provide for the defeasance of the Refunded Bonds. The Escrow Agreement

will create an irrevocable escrow deposit trust fund (the "Escrow Fund") which will be held by the Escrow Agent. The money and certain noncallable United States Treasury obligations (the "Defeasance Obligations") held in the Escrow Fund are to be applied to the payment of principal of and interest on the Refunded Bonds, as the same become due and payable at maturity or upon redemption prior to maturity. Immediately upon the issuance and delivery of the 2020 Bonds, the City will deposit a portion of the proceeds from the sale of the Series 2020 Bonds into the Escrow Fund, together with any legally available funds provided by the City. Substantially all of such money is expected to be invested in the Defeasance Obligations. The maturing principal amount of and interest on the Defeasance Obligations and any cash held in the Escrow Fund (i) will be sufficient to pay the principal of and interest on the Refunded Bonds to their respective maturity or redemption dates according to the schedules prepared by RBC Capital Markets, LLC and verified by Causey Demgen & Moore, P.C. (the "Verification Agent"), (ii) will be pledged solely for the benefit of the holders of the Refunded Bonds, and (iii) will not be available for payment of debt service on the Series 2020 Bonds. See "VERIFICATION OF ARITHMETICAL COMPUTATIONS" herein.

In reliance upon the above-referenced schedules and the report of the Verification Agent, at the time of delivery of the Series 2020 Bonds, Bond Counsel will deliver to the Underwriter and the City an opinion to the effect that the pledge of and lien on the Pledged Revenues in favor of the Holders of the Refunded Bonds shall be no longer in effect.

DESCRIPTION OF THE SERIES 2020 BONDS

General

The Series 2020 Bonds will be issued as fully registered bonds in denominations of \$5,000 or integral multiples thereof and will be initially registered in the name of Cede & Co., as nominee of DTC, New York, New York, which will act as securities depository for the Series 2020 Bonds. Unless the book-entry system is discontinued, individual purchases of the Series 2020 Bonds will be made in book-entry form only, and the purchasers will not receive physical delivery of the Series 2020 Bonds or any certificate representing their beneficial ownership interests in the Series 2020 Bonds. See "Book-Entry Only System" below.

The Series 2020 Bonds will be dated as of their date of delivery and interest on the Series 2020 Bonds is payable on June 1, 2021 and on each December 1 and June 1 thereafter until maturity or redemption. The Series 2020 Bonds will mature on December 1 in the year and principal amounts as set forth on the inside cover page hereof. Amounts due on the Series 2020 Bonds will be paid to Cede & Co., as nominee for DTC, as registered owner of the Series 2020 Bonds, to be subsequently disbursed to Direct Participants and Indirect Participants and thereafter to the Beneficial Owners of the Series 2020 Bonds.

Book-Entry Only System

THE FOLLOWING INFORMATION CONCERNING THE DEPOSITORY TRUST COMPANY ("DTC") AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE CITY BELIEVES TO BE RELIABLE. THE CITY TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE BONDS, AS NOMINEE OF DTC, CERTAIN REFERENCES IN THIS OFFICIAL STATEMENT TO THE SERIES 2020

BONDHOLDERS OR REGISTERED OWNERS OF THE SERIES 2020 BONDS SHALL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2020 BONDS. THE DESCRIPTION WHICH FOLLOWS OF THE PROCEDURES AND RECORD KEEPING WITH RESPECT TO BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2020 BONDS, PAYMENT OF INTEREST AND PRINCIPAL ON THE SERIES 2020 BONDS TO DIRECT PARTICIPANTS (AS HEREINAFTER DEFINED) OR BENEFICIAL OWNERS OF THE SERIES 2020 BONDS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2020 BONDS, AND OTHER RELATED TRANSACTIONS

BY AND BETWEEN DTC, THE DIRECT PARTICIPANTS AND BENEFICIAL OWNERS OF THE SERIES 2020 BONDS IS BASED SOLELY ON INFORMATION FURNISHED BY DTC. ACCORDINGLY, THE CITY NEITHER MAKES NOR THE UNDERWRITER CAN MAKE ANY REPRESENTATIONS CONCERNING THESE MATTERS.

DTC will act as securities depository for the Series 2020 Bonds. The Series 2020 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Series 2020 Bonds as set forth in the inside cover of this Official Statement, in the aggregate principal amount thereof, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Direct Participants and the Indirect Participants are collectively referred to herein as the "DTC Participants." DTC has an S&P Global Ratings ("S&P") rating of AA+. The DTC Rules applicable to its DTC Participants are on file with the Securities and Exchange Commission (the "SEC"). More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2020 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2020 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2020 Bond (each a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations

providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2020 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2020 Bonds, except in the event that use of the book-entry system for the Series 2020 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2020 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2020 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2020 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2020 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2020 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2020 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2020 Bond documents. For example, Beneficial Owners of Series 2020 Bonds may wish to ascertain that the nominee holding the Series 2020 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2020 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2020 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2020 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments and any redemption-proceeds on the Series 2020 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by DTC Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such DTC Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest on the Series 2020 Bonds, as applicable, to Cede & Co. (or such other nominee as may be requested by an authorized

representative of DTC) is the responsibility of the City and/or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2020 Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, 2020 Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

Transfer or Exchange of Series 2020 Bonds

So long as the Series 2020 Bonds are registered in the name of Cede & Co., as the nominee of DTC, the transfer and exchange of any Series 2020 Bonds shall be governed by rules established between DTC and its Participants. See "Book-Entry Only System" above. Upon any discontinuance of the book-entry only registration system for the Series 2020 Bonds, the provisions of the Resolution with respect to registration, transfer and exchange shall apply to the Series 2020 Bonds. See "APPENDIX C – COMPOSITE OF THE RESOLUTION".

Redemption Provisions

Optional Redemption

The Series 2020 Bonds maturing on or before December 1, 2030, are not subject to redemption prior to their stated dates of maturity. The Series 2020 Bonds maturing on December 1, 2031 and thereafter shall be subject to redemption prior to their stated dates of maturity at the option of the City, in whole or in part, on December 1, 2030, or any date thereafter, in such order as shall be determined by the City and by lot within a maturity, at the redemption price of 100% of the principal amount of the Series 2020 Bonds to be redeemed, plus accrued interest to the redemption date.

Mandatory Redemption

The Series 2020 Bonds maturing on December 1, ____ are subject to mandatory redemption prior to maturity, by lot, in such manner as the Paying Agent may deem appropriate, at 100% of the principal amount of the Series 2020 Bonds so to be redeemed in the following Amortization Installments on December 1 in the years specified:

<u>Year</u>	<u>Amortization Installments</u>
	\$
*	

*Maturity

Notice and Effect of Redemption

The Series 2020 Bonds shall be redeemed only in the principal amount of \$5,000 each and integral multiples thereof. The City shall at least 45 days prior to the redemption date (unless a shorter time period shall be satisfactory to the Registrar), notify the Registrar of such redemption date and of the principal amount of Series 2020 Bonds to be redeemed and, if less than all of the Outstanding Series 2020 Bonds are to be redeemed, the particular maturities and portions thereof to be redeemed. For purposes of any redemption of less than all of the Outstanding Series 2020 Bonds of a single maturity, the particular Series 2020 Bonds or portions of Series 2020 Bonds to be redeemed shall be selected not more than 45 days prior to the redemption date by the Registrar from the Outstanding Series 2020 Bonds of the maturity or maturities designated by the City by such method as the Registrar shall deem fair and appropriate and which may provide for the selection for redemption of Series 2020 Bonds or portions of Series 2020 Bonds in principal amounts of \$5,000 and integral multiples thereof. Notwithstanding the foregoing, if less than all of a Term Bond is to be redeemed the aggregate principal amount to be redeemed shall be allocated to the Amortization Installments on a pro-rata basis unless the City, in its discretion, designates a different allocation.

Notice of any redemption of Series 2020 Bonds which shall specify the Series 2020 Bonds (or portion thereof) to be redeemed and place for redemption, shall be given by the Registrar on behalf of the City, and (A) shall be filed with the Paying Agent, (B) shall be mailed first class, postage prepaid, not less than 30 days prior to the redemption date to all Holders of Series 2020 Bonds to be redeemed at their addresses as they appear on the registration books kept by the Registrar as of the date of mailing of such notice, and (C) shall be mailed, certified mail, postage prepaid, at least 35 days prior to the redemption date to the registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Series 2020 Bonds and to one or more national information services which disseminate notices of prepayment or redemption of obligations such as the Series 2020 Bonds. Failure to mail such notice to such depositories or services or the Holders of the Series 2020 Bonds to be redeemed, or any defect therein, shall not affect the proceedings for redemption of Series 2020 Bonds as to which no such failure or defect has occurred. Failure of any Holder to receive any notice mailed as herein provided shall not affect the proceedings for redemption of such Holder's Series 2020 Bonds. Notice of optional redemption of Series 2020 Bonds shall only be sent if the City reasonably determines it shall have sufficient funds available to pay the redemption price of and interest on the Series 2020 Bonds called for redemption on the redemption date.

The City may provide that a redemption may be contingent upon the occurrence of certain condition(s) and that if such condition(s) do not occur the notice of redemption will be rescinded, provided notice of rescission shall be mailed in the manner described above to all affected Holders of Series 2020 Bonds as soon as practicable.

Notice of redemption having been given substantially as aforesaid, the Series 2020 Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Series 2020 Bonds or portions of Series 2020 Bonds shall cease to bear interest.

So long as Cede & Co. is the registered owner of the Series 2020 Bonds, as nominee of DTC, notice of redemption is only required to be given to Cede & Co.

Partial Redemption

If less than all of the Outstanding Series 2020 Bonds of a single maturity are to be redeemed, the Registrar shall promptly notify the City and Paying Agent (if the Registrar is not the Paying Agent for such Series 2020 Bonds) in writing of the Series 2020 Bonds or portions of Series 2020 Bonds selected for redemption and, in the case of any Series 2020 Bond selected for partial redemption, the principal amount thereof to be redeemed.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The payment of the principal of and the interest on the Series 2020 Bonds, the Parity Obligations and any Additional Parity Obligations hereafter issued pursuant to the Resolution (collectively, the "Bonds") are secured equally and ratably by an irrevocable lien on the Pledged Revenues. The City irrevocably pledged in the Resolution such Pledged Revenues to the payment of the principal of and the interest on the Bonds, for the reserves therefore, if any (including Policy Costs, if any), and for all other required payments; provided, however, that the lien upon and pledge of the Pledged Revenues to pay Policy Costs shall, however, be subordinate to the payments from Pledged Revenues to the Holders, as provided in the Resolution. See "No Reserve Funding for the Series 2020 Bonds" below.

"Pledged Revenues" means the Net Revenues and until otherwise applied as provided in the Resolution, the moneys held in the funds and accounts under the Resolution (except the Rebate Fund) and the income on investment thereof.

"Net Revenues" means Gross Revenues less (i) cost of Cost of Operation and Maintenance and (ii) amounts required to be deposited in the Rebate Fund as provided in the Resolution.

"Gross Revenues" or "Revenues" means all moneys, received or receivable by the City or accruing to it in the operation of the System, from rates, fees, rentals or other charges for the services or facilities of the System, including periodic use or consumption charges, tapping charges and service connection charges, such sums as the City shall pay each year for each fire hydrant of the City using the services and facilities of the System and income derived from the investment of funds held under the Resolution (other than amounts on deposit in the Rebate Fund), all calculated in accordance with sound accounting practice. Gross Revenues shall not be deemed to include Special Connection Charges, Capital Charges or any amounts received by the City from state and Federal grants and grants in aid of construction, unless otherwise provided in the Resolution.

"Cost of Operation and Maintenance" of the System means all current expenses, paid or accrued, for the operation, maintenance and repair of all facilities of the System, as calculated in accordance with sound accounting practice, and shall include, without limiting the generality of the foregoing, insurance premiums, administrative expenses of the City related solely to the System, labor, cost of materials and supplies used for current operation, and charges for the accumulation of appropriate reserves for current expenses not annually recurrent but which are such as may reasonably be expected to be incurred in accordance with sound accounting practice, but excluding (i) any reserve for renewals or replacements, (ii) any extraordinary repairs, (iii) any allowance for depreciation or (iv) any costs of issuance incurred in connection with the issuance of Bonds under the Resolution or incurred in connection with the issuance of Subordinated Indebtedness as more fully described in the Resolution.

"System" or "Utility System" means the complete and combined water and sewer system now owned, operated and maintained by the City, together with any and all improvements, extensions and additions thereto hereafter constructed or acquired by the City, together with all lands or interests therein, including plants, buildings, machinery, franchises, pipes, mains, fixtures, equipment and all property, real or personal, tangible or intangible, now or hereafter owned or used in connection therewith, and including any undivided or partial ownership interests therein.

"Special Connection Charges" means amounts derived by the City from special connection charges, main extension fees or other charges, imposed to recover all or a portion of the cost of adding or extending water and sewer lines.

"Capital Charges" means amounts other than Gross Revenues or Special Connection Charges, derived by the City on or after the date of issuance of any Bonds and derived from impact fees or other fees or charges, including fees and charges received pursuant to Ordinance No. 981-83 duly enacted by the City on January 11, 1983, or any amendments or replacements thereof, for capital facilities constituting any portion of a Project and provided to satisfy Increased Capacity Requirements.

"Increased Capacity Requirements" means any increased demand upon or usage of the capital facilities of the System resulting from additional connections thereto, or from substantial changes to or in the use of properties connected thereto.

THE SERIES 2020 BONDS SHALL BE SPECIAL OBLIGATIONS OF THE CITY, PAYABLE SOLELY FROM THE PLEDGED REVENUES AS PROVIDED IN THE RESOLUTION. THE SERIES 2020 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS, LIABILITY, GENERAL OR MORAL OBLIGATION OR A PLEDGE OF THE FAITH, CREDIT OR TAXING POWER OF THE CITY OR OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF NOR THE CITY SHALL BE OBLIGATED (I) TO LEVY AD VALOREM TAXES ON ANY PROPERTY TO PAY THE PRINCIPAL OF THE SERIES 2020 BONDS, THE INTEREST THEREON, THE RESERVES THEREFORE OR OTHER COSTS INCIDENT THERETO, OR (II) TO PAY THE SAME FROM ANY OTHER FUNDS OF THE CITY EXCEPT FROM THE PLEDGED REVENUES, IN THE MANNER PROVIDED IN THE RESOLUTION. THE ACCEPTANCE OF THE SERIES 2020 BONDS BY THE OWNERS FROM TIME TO TIME THEREOF SHALL BE DEEMED AN AGREEMENT BETWEEN THE CITY AND SUCH OWNERS THAT THE BONDS AND THE INDEBTEDNESS EVIDENCED THEREBY SHALL NOT CONSTITUTE A LIEN UPON THE SYSTEM, OR ANY PART THEREOF, OR ANY OTHER PROPERTY OF THE CITY, BUT SHALL CONSTITUTE A LIEN ONLY ON THE PLEDGED REVENUES, IN THE MANNER AND TO THE EXTENT PROVIDED IN THE RESOLUTION.

Flow of Funds

Pursuant to the Resolution, the City covenanted to deposit the entire Gross Revenues, except the income from investments, upon receipt to the Revenue Fund.

All funds at any time remaining on deposit in the Revenue Fund shall be disposed of on or before the fifteenth (15th) day of each month first to deposit to the Rebate Fund in an amount estimated to be sufficient to timely provide for any rebate amount required under the Resolution, and then only in the following manner and in the following order of priority:

(1) Revenues shall first be used to deposit in the "Operation and Maintenance Fund" such sums as, together with the money then on deposit therein, will be sufficient for the Cost of Operation and Maintenance for the next ensuing month.

(2) Revenues shall next be used for deposit into the Interest Account, such sums as will be sufficient to pay one-sixth (1/6) of all interest becoming due on each series of the Bonds on the next applicable semiannual interest payment date; provided, however, deposits into the Interest Account for the purpose of meeting interest payments for any series of Bonds shall be adjusted, as appropriate, to reflect the frequency of interest payment dates applicable to such series.

(3) Revenues shall next be used for deposit into the Principal Account, in any Bond Year in which a Serial Bond matures, such sums as will be sufficient to pay one-twelfth (1/12) of the principal maturing on Serial Bonds in such Bond Year; provided, however, deposits into the Principal Account for the purpose of meeting principal payments for any series of Bonds shall be adjusted, as appropriate, to reflect the frequency of principal payment dates applicable to such series.

(4) On a parity basis with the deposits under paragraph (3) above, Revenues shall next be used for deposit into the Bond Amortization Account in any Bond Year in which an Amortization Installment is due, such sums as will be sufficient to pay one-twelfth (1/12) of the Amortization Installment required to be made in such Bond Year. Such payments shall be credited to a separate special account for each series of Term Bonds Outstanding, and if there shall be more than one stated maturity for Term Bonds of a series, then into a separate special account in the Bond Amortization Account for each such separate maturity of Term Bonds. The funds and investments in each such separate account shall be pledged solely to the payment of principal of the Term Bonds of the series or maturity within a series for which it is established and shall not be available for payment, purchase or redemption of Term Bonds of any other series or within a series, or for transfer to any other account in the Sinking Fund to make up any deficiencies in required payments therein. Upon the sale of any series of Term Bonds, the City shall by resolution, establish the amounts and maturities of such Amortization Installments for each series, and if there shall be more than one maturity of Term Bonds within a series, the Amortization Installments for the Term Bonds of each maturity. In the event the moneys deposited for retirement of a maturity of Term Bonds are required to be invested, in the manner provided below, then the Amortization Installments may be stated in terms of either the principal amount of the investments to be purchased on, or the cumulative amounts of the principal amount of investments required to have been purchased by, the payment date of such Amortization Installment.

Moneys on deposit in each of the separate special accounts in the Bond Amortization Account shall be used for the open market purchase or the redemption of Term Bonds of the series or maturity of Term Bonds within a series for which such separate special account is established or may remain in said separate special account and be invested until the stated date of maturity of the Term Bonds. The resolution establishing the Amortization Installments for any series or maturity of Term Bonds may limit the use of moneys to any one or more of the uses set forth in the preceding sentence.

The required deposits to the Principal Account, Interest Account and Bond Amortization Account shall be adjusted in order to take into account the amount of money currently on deposit therein.

(5) Revenues shall next be applied by the City to maintain in the Reserve Account a sum equal to the Reserve Requirement established for any series of Bonds, which sum shall initially be deposited therein from the proceeds of the sale of each series of the Bonds unless a Reserve Account Insurance Policy has been established therefore, or unless a different method of initial funding is specified for a particular series. The amount required to be on deposit in the Reserve Account shall be recomputed not less than annually, and any surplus may be transferred to the Revenue Fund. In the event any separate subaccounts have been created in the Reserve Account, the Revenues shall be applied *pro rata* to the Reserve Account and the subaccounts therein in proportion to the deficiencies (including outstanding Policy Costs) therein.

(6) Upon the issuance of any Additional Parity Obligations under the terms, limitations and conditions as are provided in the Resolution the payments into the several accounts in the Sinking Fund shall be increased in such accounts as shall be necessary to make the payments for the principal of, interest on and reserves for such Additional Parity Obligations and, if Term Bonds are issued, the Amortization Installments, on the same basis as provided in the Resolution.

The City shall not be required to make any further payments into the Sinking Fund when the aggregate amount of money in the Sinking Fund is at least equal to the total Bond Service Requirement of the Bonds then Outstanding, plus the amount of redemption premium, if any, then due and thereafter to become due on such Bonds then Outstanding by operation of the Bond Amortization Account.

(7) The City shall next apply and deposit the moneys in the Revenue Fund into a special account known as the "Renewal and Replacement Fund." The City shall deposit into such Renewal and Replacement Fund an amount equal to one-twelfth (1/12) of five percent (5%) of the Gross Revenues for the immediately preceding Fiscal Year or such greater amount as may be determined and approved by the governing body of the City, provided that no deposit shall be required to be made so long as there is an amount in the Renewal and Replacement Fund equals to \$1,000,000. The moneys in the Renewal and Replacement Fund shall be used only for the purpose of paying the cost of extensions, enlargements or additions to or the replacement of capital assets of the System and emergency repairs thereto. Such moneys on deposit in such fund shall also be used to supplement the Reserve Account if necessary in order to prevent a default in the payment of the principal or Amortization Installments of and interest on the Bonds.

(8) The City shall next apply the moneys in the Revenue Fund to pay any amount owed to any Municipal Insurers if not paid above.

(9) The City shall next apply and deposit the moneys in the Revenue Fund into the Subordinated Indebtedness Fund. The City shall deposit into the Subordinated Indebtedness Fund a monthly installment amount sufficient to accumulate adequate moneys to pay, when due, the payments in respect of Subordinated Indebtedness, including in particular the City's State Revolving Fund Indebtedness. The insufficiency of Net Revenues to make any such payments shall not constitute a default under the Resolution.

(10) The balance of any moneys remaining in the Revenue Fund after the above required payments have been made may be used by the City for any lawful purpose.

Investments

Moneys on deposit in the Revenue Fund and the Sinking Fund [(except the Reserve Account therein)] may be invested and reinvested in the manner provided by law provided such investments either mature or are redeemable at not less than par at the option of the City not later than the dates on which the moneys on deposit therein will be needed for the purpose of such fund. The moneys in the Reserve Account in the Sinking Fund and in the Renewal and Replacement Fund may be invested and reinvested only in Authorized Investments, in the manner provided by law; provided that investments purchased with moneys in the Reserve Account shall have a term to maturity of not greater than seven (7) years. All income on such investments shall be deposited into the Revenue Fund, except however that investment income earned in the Bond Amortization Account shall remain therein or be transferred to the Principal Account or the Interest Account and used to pay maturing principal, Amortization Installments and interest on the Bonds.

If any investment held in any fund or account under the Resolution shall cease to meet the criteria set forth in the definition of Authorized Investments and such investment, together with all other non-conforming investments under the Resolution exceeds ten percent (10%) of the aggregate funds invested thereunder, such investment shall be sold or liquidated unless otherwise approved in writing by each applicable Municipal Insurer, if any.

Authorized Investments (except investment agreements and United States Treasury Obligations, State and Local Government Series) in the funds and accounts under the Resolution shall be valued at the market value thereof, exclusive of accrued interest, by the City (1) as frequently as reasonably deemed necessary by the applicable Municipal Insurer, if any, but not less often than annually nor more often than monthly and (2) upon any draw upon the Reserve Account. Deficiencies in the amount on deposit in any fund or account held under the Resolution resulting from a decline in market value shall be restored within one year of the valuation date.

Rate Covenant

The City has covenanted to enact a rate ordinance and fix, establish and maintain such rates and collect such fees, rentals and other charges for the services and facilities of the System and revise the same from time to time whenever necessary, as will always provide Gross Revenues in each Fiscal Year sufficient to pay the Cost of Operation and Maintenance of the System in such Fiscal Year and all reserve and other payments required to be made pursuant to the Resolution, and will further be sufficient to provide an amount equal to one hundred and fifteen percent (115%) of the Bond Service Requirement becoming due in such year on all Outstanding Bonds.

The City further covenanted and agreed that the City, within ninety (90) days after adoption of the Annual Budget, will annually revise such fees, rates, rentals and other charges for the use of the product, services and facilities of the System to the extent necessary for the estimated Gross Revenues to be derived from the operation of the System during the next succeeding Fiscal Year to increase so as to be sufficient to pay the estimated expenditures for operation and maintenance of the System during such next succeeding Fiscal Year and otherwise comply with all covenants in the Resolution.

If such annual review of the adequacy of the fees, rates, rentals and other charges indicates that the fees, rates, rentals and other charges are, or will be, insufficient to meet the requirements of the Resolution, the City shall (i) promptly take the necessary action to cure or avoid any such projected deficiency, (ii) diligently pursue the actions necessary to cure or avoid any such deficiency, (iii) not permit any expenditure for the operation and maintenance of the System in any Fiscal Year to be made in excess of the amount provided therefore in the applicable Annual Budget without a finding and recommendation by the duly authorized officer in charge thereof, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and the Governing Body of the City shall have approved such finding and recommendation or until the City has met the rate requirements of the Resolution, and (iv) retain a Consulting Engineer to promptly prepare a report or survey of the System, with respect to the management of the properties thereof, the sufficiency of the rates and charges for services, the proper maintenance of the properties of the System, and the necessity for capital improvements and recommendations therefore. Such a report or survey shall also show any failure of the City to perform or comply with the covenants contained in the Resolution.

No Reserve Funding for the Series 2020 Bonds

The Series 2020 Bonds will not be secured by any amounts on deposit in the Reserve Account created by the Resolution or in any separate reserve fund, reserve account or subaccount therein.

Additional Parity Obligations

Additional Parity Obligations, payable on a parity from the Pledged Revenues in the manner provided in the Resolution, may be issued for the purposes of refunding a part of any Outstanding Bonds or financing the cost of extensions, additions and improvements to the System and in the manner provided in the Resolution. In connection with the issuance of Additional Parity Obligations, the Resolution requires:

(1) There shall have been obtained and filed with the City Clerk of the City a certificate of a qualified and recognized firm of independent certified public accountants stating (a) that the books and records of the City relative to the System have been examined by such firm; (b) the amount of the Net Revenues derived for the Fiscal Year preceding the date of issuance of the proposed Additional Parity Obligations or for any 12 consecutive months during the 18 months immediately preceding the date of the issuance of the Additional Parity Obligations with respect to which such certificate is made, adjusted as below provided; (c) that the aggregate amount of such Net Revenues, as adjusted, for the period for which such Net Revenues are being certified is equal to not less than 150% of the Maximum Bond Service Requirement becoming due in any Fiscal Year thereafter in which any Bonds other than the series of Additional Parity Obligations with respect to which such certificate is made are scheduled to be Outstanding on (i) all Bonds then Outstanding, and (ii) on the Additional Parity Obligations with respect to which such certificate is made.

(2) Upon recommendation of the Consulting Engineers, the Net Revenues described in the previous paragraph may be adjusted for purposes of the issuance of Additional Parity Obligations by including: (a) 100% of the additional Net Revenues which in the opinion of the Consulting Engineer would have been derived by the City from rate increases adopted before the Additional Parity Obligations are issued, if such rate increases had been implemented before the commencement of the period for which such Net Revenues are being certified, and (b) 100% of the additional Net Revenues

estimated by the Consulting Engineer to be derived during the first full twelve month period after the facilities of the System are extended, enlarged, improved or added to with the proceeds of the Additional Parity Obligations with respect to which such certificate is made. The adjustments described in (b) above may only be made if the Net Revenues as adjusted under (a) above for the period for which such Net Revenues are being certified equals at least 1.00 times the Maximum Bond Service Requirement becoming due in any Fiscal Year thereafter on (i) all Bonds then Outstanding, and (ii) on the Additional Parity Obligations with respect to which such certificate is made.

(3) Each resolution authorizing the issuance of Additional Parity Obligations will recite that all of the covenants contained in the Resolution will be applicable to such Additional Parity Obligations.

(4) Immediately following the issuance of such Additional Parity Obligations (i) the City shall not be in default in performing any of the covenants and obligations assumed under the Resolution, and all payments therein required to have been made into the accounts and funds, shall have been made to the full extent required and (ii) unless the applicable Municipal Insurer has otherwise agreed in writing, no Policy Costs shall be outstanding and unpaid.

(5) Notwithstanding the foregoing, the City may issue Additional Parity Obligations for the purpose of refunding any Outstanding Bonds without satisfying the requirements above, provided that upon issuance of such Additional Parity Obligation and the defeasance of the Bonds refunded by such Additional Parity Obligations the Bond Service Requirement is not increased in any year in which Bonds are Outstanding.

(6) As to any series of Bonds the payment of principal and interest on any which is guaranteed by a Municipal Insurer, the Municipal Insurer may consent to the issuance of Additional Parity Obligations upon terms not contemplated in the manner provided in the Resolution provided all Municipal Insurers of any Bonds consent thereto. Any such consent shall be deemed the consent of the Owners of such series of Bonds to the issuance of such Additional Parity Obligations.

Subordinated Indebtedness

Pursuant to the Resolution, the City may issue bonds, notes or other forms of indebtedness designated by the City in the resolution authorizing such as Subordinated Indebtedness payable from amounts on deposit in the Subordinated Indebtedness Fund. The City has two (2) State Revolving Fund ("SRF") Loans with the State of Florida Department of Environmental Protection ("FDEP"). Both such loans are Subordinated Indebtedness within the meaning of the Resolution. One such loan outstanding in the principal amount of \$504,948 as of September 30, 2020 is repayable in 40 equal semi-annual payments beginning July 15, 2018 through January 15, 2038 with no interest. The other loan outstanding in the principal amount of \$4,280,408 as of September 30, 2020 is repayable in 40 equal semi-annual payments beginning October 15, 2018 through April 15, 2038 including interest at a rate of 0.86%.

In the event of a default under the SRF Loans, FDEP has the ability to enforce certain remedies under the SRF Loans, including, but not limited to, acceleration of the repayment schedule, increasing the interest rate on the SRF Loans by as much as 1.667 percent per annum and the appointment of a receiver.

The SRF Loans require that the City maintain rates and charges for the services furnished by System to maintain 1.15 times coverage. Additionally, the SRF Loans contain provisions which require

FDEP's consent to the issuance of additional debt obligations on parity with or senior to such SRF Loans. Such Agreements provides that the City must demonstrate at the time of such issuance, during the period such SRF Loans are outstanding, coverage equals or exceeds 1.15 times the annual combined debt service requirements of such SRF Loans and the obligations proposed to be issued by the City and will satisfy the coverage requirements of all other debt obligations secured by the Pledged Revenues. Notwithstanding the foregoing, FDEP's consent is discretionary and it is possible FDEP may not provide such consent even if the coverage requirement described above has been satisfied. See "—Additional Parity Obligations" above for information about the issuance of Additional Parity Obligations pursuant to the Resolution. The City received the consent of FDEP described above with respect to the issuance of the 2020 Bonds on _____, 2020.

No Mortgage or Sale of the System

The City irrevocably covenanted, bound and obligated itself not to sell, lease encumber or in any manner dispose of the System as a whole until all of the Bonds shall have been paid in full as to both principal and interest, or payment shall have been duly provided for under the Resolution.

The foregoing provision notwithstanding, the City shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System which the City shall hereafter determine, in the manner provided in the Resolution, to be no longer necessary, useful or profitable in the operation of the System. Prior to any such sale, lease or other disposition of said property, if the amount to be received therefore is not in excess of \$50,000, the City Manager of the City or other duly authorized officer in charge thereof shall make a finding in writing determining that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof.

If the amount to be reviewed from such sale, lease or other disposition of said property shall be in excess of \$50,000 but not in excess of \$100,000, the City Manager or other officer shall first make a finding in writing determining that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the governing body of the City shall, by resolution duly adopted, approve and concur in the finding of the City Manager or other officer, and authorize such sale, lease or other disposition of said property.

If the amount to be received from such sale, lease or other disposition of said property shall be in excess of \$100,000 but not in excess of 10% of the value of fixed assets of the System according to the most recent annual audit report, the City Manager or other officer shall first make a finding in writing determining that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Consulting Engineer shall make a finding that it is in the best interest of the System that such property be disposed of, and the governing body of the City shall by resolution, duly adopted, approve and concur in the findings of the City Manager or other officer and of the Consulting Engineer, and shall authorize such sale, lease or other disposition of said property.

No sale or other disposition of said property for a sum in excess of 10% of the value of the fixed assets of the System according to the most recent annual audit and operating report shall be made unless the City Manager and the Consulting Engineer shall make in writing the finding hereinabove referred to, and they shall further find that the estimated Net Revenues to be derived by the City from the System in the five Fiscal Years immediately succeeding the sale or other disposition of such property will be not less than the amount required pursuant to the Resolution, and the governing body of the City shall by

resolution duly adopted, approve and concur in the finding of the City Manager and the Consulting Engineer, and shall authorize such sale or other disposition of said property.

The foregoing provision notwithstanding, the City may sell or dispose of, for fair market value, any properties or parts of the System which the Consulting Engineer shall certify in writing are not necessary for the continued operation of the System and that the sale or disposal of which will not adversely affect the Gross Revenues to be derived from the System to such an extent that the City will fail to comply with the covenants contained in the Resolution.

The proceeds derived from any sale or disposal of any properties or parts of the System as provided for in the above paragraph shall, in the discretion of the City, be (1) deposited in the Renewal and Replacement Fund and used exclusively for the purpose of paying the cost of extensions, enlargements or additions to, or the replacement of capital assets of the System and for unusual or extraordinary repairs thereto, or for the construction or acquisition of additions, extensions and improvements to the System, or (2) for the purchase or retirement of the Bonds then Outstanding. However, if the Consulting Engineer certifies that proceeds are necessary for the purposes stated above, such proceeds shall remain in the Renewal and Replacement Fund until such certified requirements are satisfied, and the proceeds shall not be used for any other purpose allowed by this Resolution.

No Free Service

Except to aid senior citizens, the poor or infirm or to provide for resource conservation, the City will not render or cause to be rendered by its System any free services, nor will any preferential rates be established for users of the same class except to the extent provided by State law with respect to new or expanding customers where such new or expanded use would benefit the community. This covenant shall not prevent individual contracts with other governmental entities for the wholesale delivery of services of the System. Whenever the City, including its departments, agencies and instrumentalities, shall avail itself of the product, facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged to the City and any such department, agency or instrumentality. Such charges shall be paid as they accrue, and the City shall transfer from its general funds to the Revenue Fund sufficient sums to pay such charges. The revenues so received shall be deemed to be Gross Revenues derived from the operation of the System and shall be deposited and accounted for in the same manner as other Gross Revenues derived from such operation of the System.

Enforcement of Collections

The City will diligently impose, assess, enforce and collect all fees, rentals or other charges for the services and facilities of the System pledged in the Resolution and take all reasonable steps, actions and proceedings for the imposition, assessment, enforcement and collection of such rates, fees, rentals or other charges as shall become delinquent to the full extent permitted or authorized by law and will maintain accurate records with respect thereto. All such rates, fees, rentals or other charges and revenues pledged as provided in the Resolution shall, as collected, be held in trust to be applied as provided in the Resolution and not otherwise.

Mandatory Cut Off

Upon failure of any user to pay for services rendered by the System within one hundred twenty (120) days, the City shall shut off the connection of such user and shall not furnish such user or permit such user to receive from the System further service until all obligations owed by such user to the City on account of services shall have been paid in full. This covenant shall not however, prevent the City from causing the System connection to be shut off sooner.

Connections with the Sewer System

The City will, to the full extent required by law, require all lands, buildings and structures within the boundaries of the City which can use the facilities and services of such sewer system of the System to connect with and use the facilities and services of such sewer system and to cease all other means and methods for the collection, purification, treatment and disposal of sewage and wastewater.

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ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of the proceeds to be received from the sale of the Series 2020 Bonds, together with other legally available funds of the City.

Sources of Funds

Principal Amount of Series 2020 Bonds	\$
Plus Other Legally Available Funds	
Plus/Less [Net] Original Issue Premium/Discount	<hr/>
Total Sources of Funds	<hr/> \$

Uses of Funds

Deposit to Escrow Fund	
Costs of Issuance ⁽¹⁾	<hr/>
Total Uses	<hr/> \$

⁽¹⁾ Includes legal and financial advisory fees, paying agent fees, rating agency fees, printing costs and Underwriter's discount.

[Remainder of page intentionally left blank]

DEBT SERVICE SCHEDULE FOR SERIES 2020 BONDS AND PARITY OBLIGATIONS

Year Ending September 30	Series 2020 Bonds			Parity Obligations Debt Service	Total Debt Service
	Principal	Interest	Total		
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					
2042					
2043					
TOTAL					

THE SYSTEM

General

The City of Venice provides potable water, reclaimed water and sanitary sewer services to customers located primarily inside the City limits. The City utility service area covers approximately sixteen (16) square miles and is generally bounded by the Gulf of Mexico to the west and bordered on the north, south and east by unincorporated portions of Sarasota County.

The water system provided potable water service to 12,574 customers as of September 30, 2020. The membrane softening reverse osmosis water treatment plant provides approximately 2.36 million gallons per day (mgd) of finished water that is pumped to the transmission and distribution system.

The advanced wastewater treatment plant processes an average annual daily flow of 3.4 mgd. The wastewater treatment plant includes facilities capable of producing reclaimed water for irrigation purposes to a limited number of customers and public spaces, including the municipal golf course. The reclaimed water system served approximately 3,062 customers as of September 30, 2020.

Utility Management

The City Council, consisting of seven elected members, oversees the management, financing, and operations of the System. The City Manager is appointed by the City Council and is responsible for the day to day management and administration of the City. The Finance Director and the Utilities Director are selected by the City Manager.

Edward F. Lavalley, MPA, ICMA-CM, City Manager. Mr. Lavalley has been the City Manager since March 2012. Prior to his appointment as City Manager of the City, he served terms as Police Administrator, Finance Director, and City Manager of Newport, Rhode Island. Mr. Lavalley has also been a law enforcement instructor for graduate and undergraduate students at colleges and universities for more than 20 years. Mr. Lavalley earned the Credentialed Manager designation from the International City/County Management Association (ICMA). Mr. Lavalley holds a Master in Public Administration from the University of New Haven, Connecticut (graduated number one in his class), a bachelor of Arts in Political Science from the University of Connecticut, and an Associate Degree from Mitchell College, Connecticut.

Linda Senne, CPA, CGFM, is currently Finance Director for the City, having previously served as the Controller for the City. She has responsibility for the City's investment portfolio, debt management, budgeting, accounting, procurement, capital improvement plan, customer service, and annual CAFR. Linda has worked on a number of bank and bond financings, refundings, and recently helped the City obtain AA+/AA1/AA+ underlying credit rating for its two 2017 bond issues. Prior to January 1, 2011, she was the Deputy Financial Services Director/Controller for the City of Cape Coral. Ms. Senne started in 2001 as the Controller for the City of Cape Coral managing the City's Financial Management System. Ms. Senne was the Project Manager for the JD Edwards EnterpriseOne v9.0 Financial Management Software System implementation and the Kronos HRIS/Payroll System implementation. Ms. Senne was also instrumental in leading the Accounting Division in early implementing GASB 34, the biggest change in the history of financial reporting for governmental entities.

Ms. Senne worked for the Office of the State Auditor in North Dakota for 13 years prior to joining the City. While working for the State of North Dakota she was selected by the National Auditor's

Association to be on the quality review team for the State's of Rhode Island and Alabama. Ms. Senne attended Moorhead State University –Minnesota where she earned a B.S. in Accounting and has been a Certified Public Accountant since 1988.

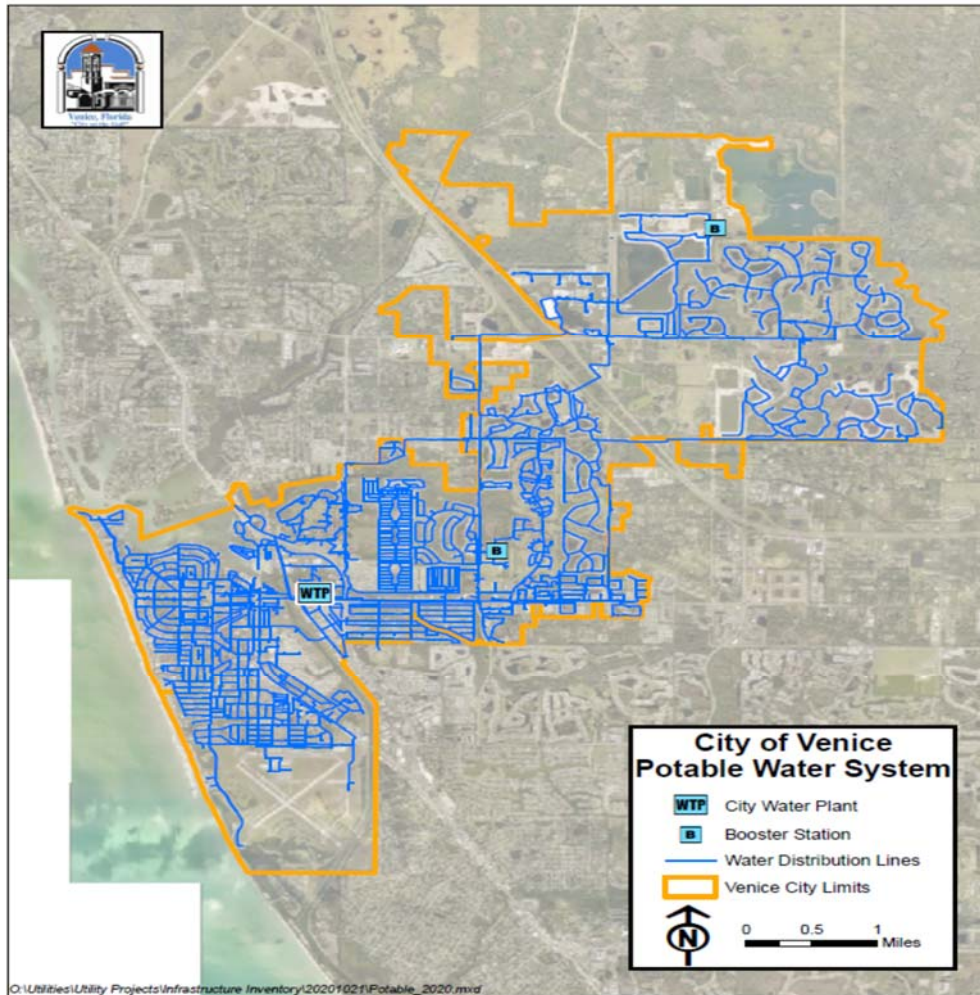
Jaiver A. Vargas, MBA, Utilities Director. Mr. Vargas has been the City's Utilities Director since 2017. He is responsible for the organization, planning, direction and management of all utility divisions and functions to provide an adequate, safe and efficient water supply and wastewater service. As Utilities Director, he is accountable for direction, supervision and evaluation of individuals and projects directed at operation, maintenance, improvement and expansion of water, sewer, reuse water and utilities infrastructure to the residents of the City of Venice. Prior to his service to the City, he served for 21 years with the City of Sarasota in several positions, including Utilities Director. His career also includes 5 years with the City of Palmetto Public Works Department. Throughout his career Mr. Vargas has managed numerous multi-million dollar projects in the areas of reverse-osmosis water purification, advanced wastewater treatment, reclaimed water aquifer storage and recovery system, water resources, and environmental remediation. Mr. Vargas holds a B.S. in Mechanical Engineering from the Universidad Del Callao (Peru) and a Master of Public Administration from the University of South Florida.

Patience S. Anastasio, P.E., is currently the Assistant Utilities Director, previously she was the Utilities Project Manager. Her responsibilities include administering utility operations for the City, including planning, organizing and developing facility systems and planning, directing, and managing implementation of Capital Improvement projects. Prior to her service with the City, she spent 9 years as a consulting engineer. Her career also includes 5 years of service with Manatee County Government as a Sr. Engineering Specialist. Ms. Anastasio holds a B.S. in Civil Engineering from the University of South Florida and is a licensed Professional Engineer.

Existing System

Water System

The City's water system consists of groundwater withdrawals from two municipal wellfields, centralized treatment at a reverse osmosis water treatment plant, ground and elevated storage tanks, booster pump station and transmission/distribution piping network. The potable water system provides high-quality drinking water to approximately 12,574 accounts and services a population of more than 23,000. The system includes fifteen (15) permitted withdrawal points (of which fourteen (14) are operationally available), a 1-million gallon (MG) covered clearwell, a 1.5 MG ground storage tank, and two (2) 300,000 gallon elevated storage tanks. The water service area is largely built-out in the south and west portions thereof, with some opportunity for growth in the northeast region (see the following water infrastructure map below). The raw water source is the Intermediate Aquifer System (IAS). The high-quality finished water produced by the water treatment plant meets or exceeds all federal and state regulatory drinking water standards.



Water Supply

The City's drinking water supply system consists of fifteen wells (14 operational, one additional permitted) drawing water from two brackish raw water wellfields, one reverse osmosis (RO) water treatment plant (WTP), one booster pump station, two elevated storage tanks and approximately 195 miles of distribution piping. The existing RO plant has an operating capacity of 4.48 million gallons per day (mgd) and the wellfields are limited to an average daily permitted withdrawal of 6.86 mgd and a peak monthly withdrawal of 8.24 mgd.

The Southwest Florida Water Management District (SWFWMD) regulates the City's groundwater withdrawal through the issuance of a Water Use Permit (WUP). The water system is currently permitted for an average daily withdrawal of 6.86 mgd and a peak month withdrawal of 8.24 mgd. This withdrawal allocation is permitted from fifteen production wells providing brackish groundwater from the Intermediate Aquifer. Fourteen wells are currently in operation, and the City's WUP provides authorization to construct one additional production well for operational flexibility.

Seven of the production wells are located at the City's Intracoastal Wellfield along the Intracoastal Waterway. The remaining seven operational production wells are located within the Sawgrass Community at the City's Eastern Wellfield. The proposed future permitted well, planned for

construction in FY 2021, will also be located at the Eastern Wellfield. The wells are similar in design and operation, and range in depth from 261 feet to 405 feet. Four of the wells have 10-inch diameter casings and ten wells have 12-inch diameter casings.

The operational production wells are equipped with submersible well pumps, flow-measurement devices, and discharge piping and valves. Each well is powered by the local electric utility company, Florida Power & Light. The emergency generator at the City's water treatment plant can provide power to three production wells in the event of a power outage, and seven production wells are equipped with fixed generators. The remaining wells are configured to receive power from the City's portable generators.

In addition to production wells for potable water supply, the City is a joint permit holder with the Venice Golf Association, Inc. for the three irrigation wells. The wells withdraw water from Production Zone (PZ) 3 of the IAS and are used for augmentation of reuse water. The permitted allocation for these wells is 0.20 mgd for average daily use and 0.96 mgd for peak month.

In 1990, the City initiated a wellfield monitoring system to monitor the pumpage, drawdown, and hours of operation of the production wells. The City's Wellfield Management, Monitoring, and Mitigation Plan includes an extensive network of monitoring wells sampled monthly for water quality, and allows for control and optimization of the production well withdrawals so that the Intermediate Aquifer does not experience the adverse impacts of saltwater intrusion.

Water Treatment Facility

The City owns and operates one water treatment facility. The current reverse osmosis facility includes two parallel RO membrane trains with a combined maximum day treatment capacity of 4.32 mgd. The RO WTP is permitted by The Florida Department of Environmental Protection (FDEP).

Raw water pretreatment includes sand separation, cartridge filtration and anti-scalant addition. After pretreatment, the water is pumped at high pressure across reverse osmosis membranes to remove minerals from the water at a 50 percent recovery rate. The RO treatment is composed of two parallel pumping and membrane train buildings; Phase I placed into service in 1975, and Phase II added in 1990.

Phase I can produce up to 2.16 mgd of potable water and utilizes two 125-horsepower (hp) vertical turbine high pressure pumps. The pumps are operated by variable frequency drives (VFDs) for controlling the speed of the pumps to maintain maximum efficiency. These pumps feed two RO membrane trains. Each train contains 36 pressure vessels that are comprised of six spiral wound membrane elements in a single pass configuration. Phase I operates at 50 percent recovery and averages 110 pounds per square inch (psi) feed pressure, depending on water quality.

Phase II provides an additional 2.16 mgd, bringing the total plant capacity to 4.32 mgd. Phase II utilizes two 125-hp, vertical turbine high-pressure pumps that feed two RO trains. Each train holds 36 pressure vessels loaded with six spiral wound membrane elements in a single pass configuration. Phase II also operates at approximately 50 percent recovery with feed pressures averaging 110 psi, depending on water quality.

A Supervisory Control and Data Acquisition (SCADA) system is used to operate the entire facility. The system allows plant personnel to monitor and adjust all plant operations parameters, raw water well control, distribution flows and pressure, as well as remote booster pumping control.

The water product from both phases are combined and blended with approximately six percent raw well water that is bypassed around the RO process to recharge the finished water with some mineral content. Carbon dioxide is then added to reduce the pH, which allows for the removal of dissolved gases.

Water Transmission and Distribution Facilities

In addition to the 1.0 MG clearwell at the RO WTP, the City's water transmission/distribution system includes two 300,000-gallon steel elevated storage tanks and a 1.5 MG concrete ground storage tank and booster pumping station. The tanks and booster station provide a total storage capacity of 3.1 MG for peak demand and fire flow throughout the utility service area.

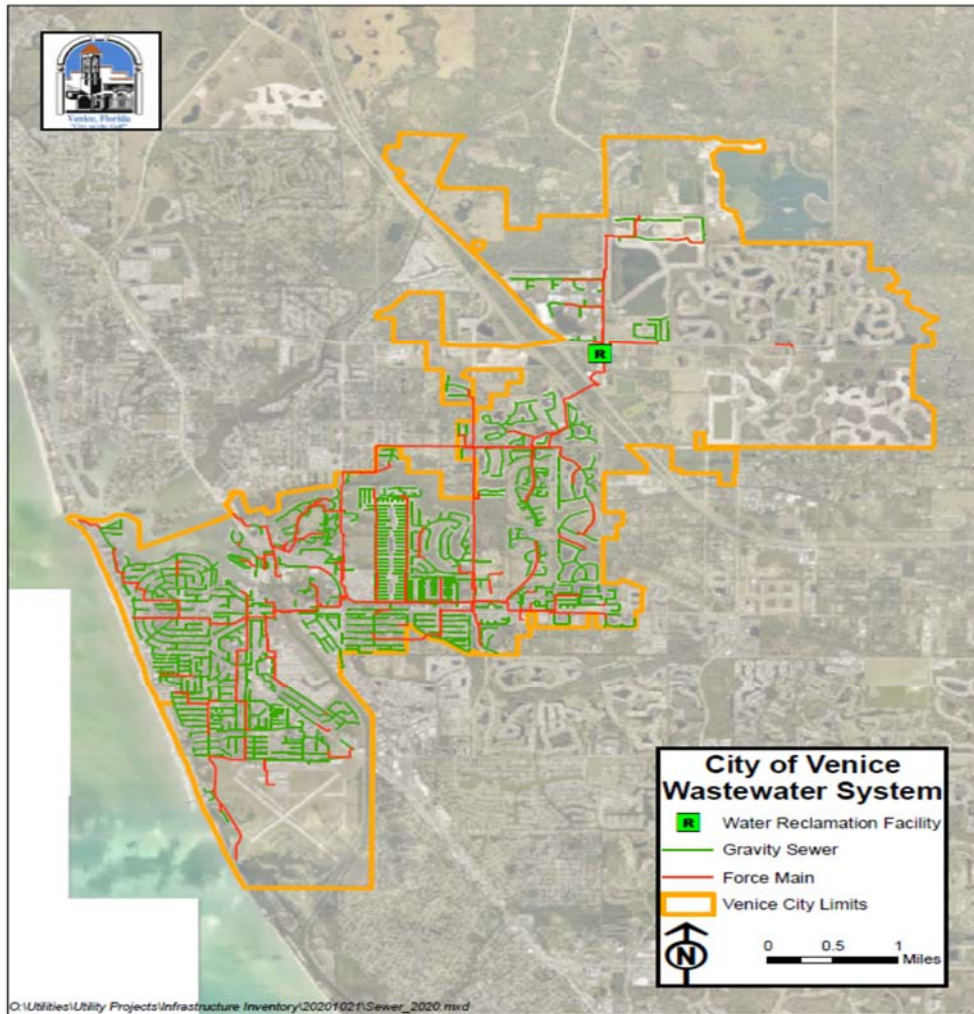
Water is pumped from the on-site clearwell to the distribution system using three 125-hp vertical turbine high service pumps. The booster station connects to the distribution system via a 16-inch water main and utilizes a 100-hp booster pump and 50-hp backup booster pump to increase pressure for peak demand and to provide fire protection to the northeast service area.

The distribution system consists of approximately 195 miles of potable water mains, 8.4 miles of raw water mains, over 1,197 fire hydrants and over 3,652 main line valves. The distribution network includes ductile iron pipe (DIP), polyvinyl chloride (PVC), high-density polyethylene (HDPE), cast iron (CI), and asbestos concrete (AC) piping, some of which date back to the early 1900's. The piping network supplies water to homes, businesses, irrigation meters and fire hydrants throughout the City.

Sanitary Sewer System

The sanitary sewer collection system served 12,228 sewer customers as of September 30, 2020. The advanced wastewater treatment plant processes an average annual daily flow of 3.3 mgd. The wastewater treatment plant includes facilities capable of producing reclaimed water for irrigation purposes to a limited number of customers and public spaces, including the municipal golf course. The reclaimed water system served approximately 3,062 customers as of September 30, 2020.

The City provides sanitary sewer service to the City and certain unincorporated areas within Sarasota County ("County"). All wastewater is collected and directed to the northeast through a system of gravity sanitary sewer mains, lift stations and force mains. The wastewater is received and treated at the Eastside Wastewater Reclamation Facility (the "Eastside WRF"), which operates under an FDEP permit. The Eastside WRF is currently permitted to treat 8.0 mgd based on a three-month average daily flow (TMADF). The sanitary sewer service area (see the following sewer infrastructure map) is largely built-out to the south and west. The City has some opportunity for growth in the northeast region; however, much of this area receives sanitary sewer collection service from the County.



The City and the County have entered into an interlocal agreement for the provision of wholesale or bulk treatment and disposal services by the City to the County on behalf of the customers within the portion of the County's sewer collection service area adjacent to the City as well as in the Curry Creek District. After the most recent expansion of the City's wastewater treatment plant capacity to 8.0 mgd, the County has reserved 3.0 mgd of treatment capacity under this agreement. The term of this agreement extends for as long as the facilities contemplated therein are used or useful.

Per the agreement, as amended, the City charges the County a bulk rate as published in its current rate ordinance, plus a 10% surcharge. Half of the surcharge revenue is to be placed into a County-controlled account, the proceeds of which shall be used solely for the County's proportionate share of any renewal, replacement, or enhancement of the City's wastewater treatment plant, reuse system, or to pay regulatory fines. The remaining 50% of the surcharge revenue is to be held in a similar City-controlled account for the same purpose.

Wastewater Collection System

The wastewater collection system consists of approximately 104 miles of gravity sewer main, 37 miles of force main, 2,430 manholes and 89 lift stations. Since installation of the initial infrastructure, the

City has conducted several modifications and upgrades to the wastewater collection and transmission system including lift station upgrades and manhole rehabilitation, sewer line replacements or lining, and installation of remote telemetry systems and emergency power generators.

Over 70 of the lift stations are monitored by the City's SCADA system, which records operational data such as the number of pump starts and pump run time, and notifies City personnel in the event of a lift station failure. The telemetry system increases system reliability, optimizes aspects of operation, and reduces the potential for sanitary sewer overflows (SSOs) resulting from equipment or power failures.

Wastewater Treatment Facility

The City owns and operates the Eastside WRF, an advanced wastewater treatment facility (AWWTF) with high-level disinfection which treats domestic wastewater received from the City and the County. The Eastside WRF produces high quality effluent which can be safely discharged to Curry Creek under wet conditions, the Intracoastal Waterway or distributed for reuse irrigation. The original facility was put into service in July of 1992, and was expanded in 2016 to its current capacity of 8.0 mgd on a maximum 3-month rolling average. The Eastside WRF is permitted through an FDEP permit. The operating permit was renewed on February 1, 2017 with an expiration date of January 31, 2022.

The expanded facility consists of preliminary treatment followed by dual five-stage Bardenpho process trains for biological nutrient removal, four clarifiers, three dual media automatic backwash traveling bridge filters, and three chlorine contact chambers fitted with a sodium hypochlorite system for disinfection. Waste sludge is processed by four aerated holding tanks and dewatered using two belt filter presses prior to being transported by contract haulers for stabilization and final disposal.

Reclaimed water is stored in either a 3 MG or 7.5 MG above-ground concrete storage tank or a 35 MG on-site lined storage pond. The City has the option to filter and disinfect the water stored in the pond prior to sending it into the reclaimed water distribution system. For disposal, the City has three permitted reuse locations and five permitted surface water locations. Substandard effluent is diverted to a 6 MG clay-lined reject pond, where it can be returned to the headworks of the plant for reprocessing.

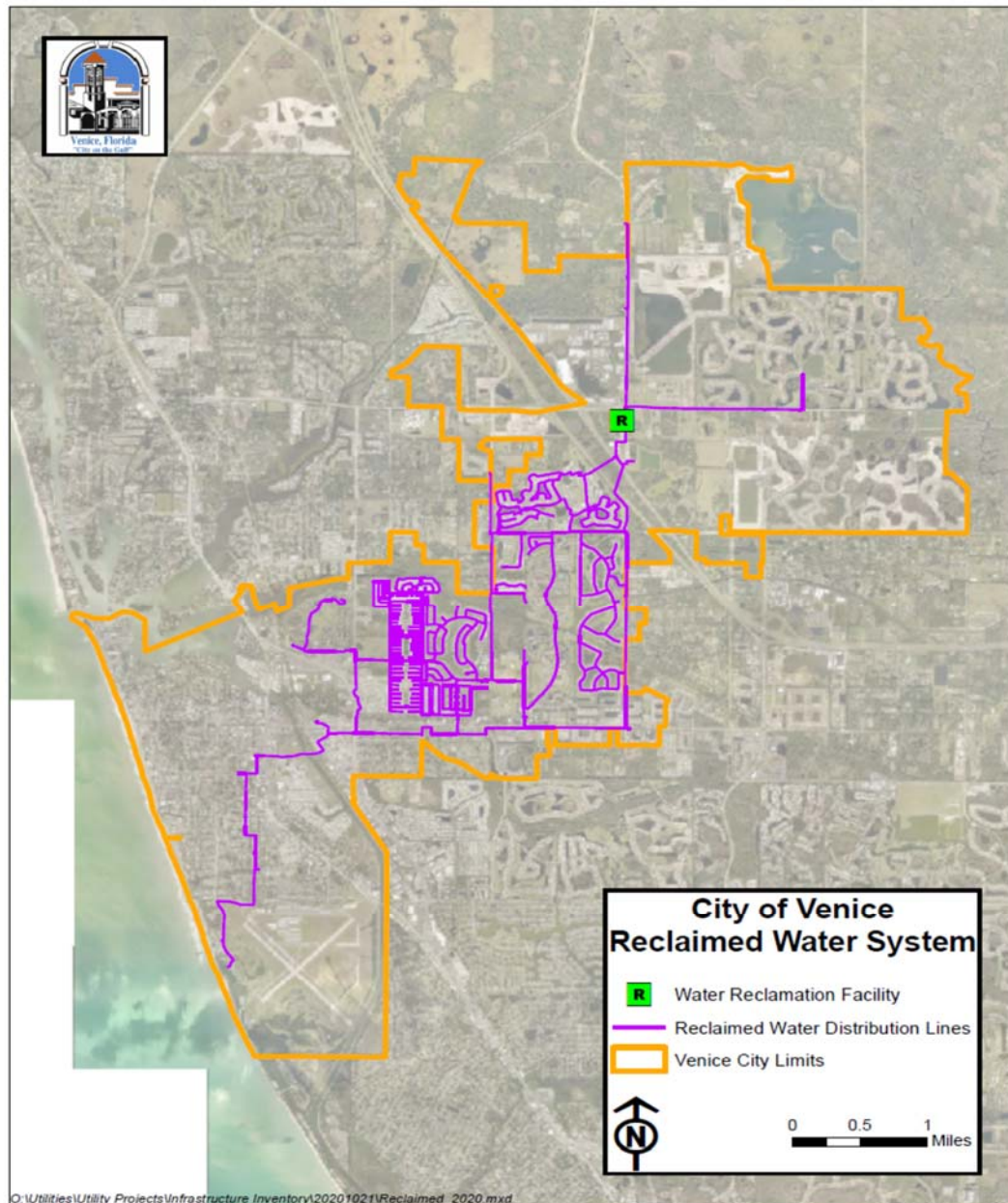
Scheduled equipment maintenance and repairs at the facility are tracked through a computerized maintenance management system (CMMS). Upon implementation of the CMMS, the City programmed the manufacturer's recommended maintenance schedule for each piece of equipment into the software's database. Using this information, the software application automatically generates work orders at scheduled maintenance due dates, which are carried out by City staff. Subsequently, data is re-entered into the program indicating the work done and the date completed, providing a detailed history of repairs and preventative maintenance activities. Utility staff can generate detailed historic maintenance logs for each piece of equipment stored within the application's database.

The FDEP permit establishes maximum contaminant level (MCL) limits for the treated effluent. Adherence to an established operating protocol and routine sampling and reporting ensure that the City consistently meets or exceeds this regulatory treatment level.

Reclaimed Water and Disposal

Reclaimed water is used to provide irrigation water to commercial users, residential users and golf courses within the City's service area and to the County through an interconnect with the County system. The City owns, operates and maintains approximately 52 miles of reclaimed water distribution

mains and 3,062 reclaimed water meters for reuse irrigation service (see reclaimed water infrastructure map). The City also has additional effluent disposal available if reclaimed water production exceeds the reuse demand of the community. The supplementary disposal methods include surface water discharge to Roberts Bay or the Intracoastal Waterway and the use of the County interconnection. All disposal methods for the City's treated effluent are permitted through the FDEP. This diversification of disposal methods provides the City with reliable disposal capacity under varying conditions.



Condition of Facilities

Ongoing renewal and replacement programs for the distribution and collection systems of both the water and wastewater systems, as well as the water and wastewater treatment facilities, ensures that

the systems are kept in good repair, experience minor service interruptions, and are fully compliant with all regulatory permit conditions. The raw water supply wells operate on a wellfield rotation plan, where each well is periodically taken off-line for recovery, refurbishment, and/or general maintenance to ensure production capability and to reduce the potential for saltwater intrusion. Based upon recent master plans and subsequent updates prepared by consulting engineers, the water and wastewater treatment plants are well maintained and have no functional difficulties. Preventive maintenance repairs are scheduled and recorded by the CMMS software application.

The City is committed to continued system improvement, upgrades, rehabilitation and expansion as warranted. Comprehensive utility master plans for the water, wastewater and reclaimed water systems are regularly prepared and updated, and include infrastructure condition assessments, hydraulic system modeling, and future demand and capacity evaluations.

Regulatory Status

The City is in full compliance with all applicable federal and state regulatory requirements relating to the provision of potable water, reclaimed water, and sewer services and there are currently no outstanding consent orders requiring corrective actions that have been issued by any regulatory authority relating to any component of the System. The City is operating its water production facility and wastewater reclamation facility pursuant to the requirements of the permits issued by the requisite regulatory agencies. The City is current on all permit renewals. The water produced by the water system meets all federal and state regulatory drinking water standards, and the reclaimed water produced by wastewater system meets or exceeds all effluent quality parameters for reuse and disposal.

Capital Improvement Program

The City's five-year capital improvement program ("CIP") for the System for the City's fiscal years ending September 30, 2021 through 2025, as set forth in the City's 2021 budget, is \$85,905,000. The funding sources for the CIP are anticipated to include Additional Parity Obligations, operation revenues, reserves, State and Federal grants and State of Florida SRF loans. The major components of the capital improvement program include the relocation of water distribution and collection lines and related assets, a water main replacement program, a water production booster station, a membrane addition to the water treatment plant, an aquifer storage and recovery well and equalization tank for the reclaimed water system.

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Historical Customer Data

The table below provides summary customer data for the City fiscal years 2016 through 2020.

THE SYSTEM - CUSTOMER DATA Customer Accounts and Flows Fiscal Year Ended September 30, 2020

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>Water Accounts</u>					
Residential	10,704	10,835	11,237	11,415	
Commercial	988	1,022	986	991	991
Total	11,692	11,857	12,223	12,406	12,406
% Increase (Decrease)	2.00%	1.41%	3.09%	1.50%	1.50%
Metered Flow (MGD)	1.90	2.10	2.13	2.13	2.13
% Increase (Decrease)	0.00%	5.00%	1.43%	0.00%	0.00%
<u>Sewer Accounts</u>					
Residential	10,428	10,744	10,960	11,172	11,172
Commercial	873	877	879	880	880
Total	11,301	11,621	11,839	12,052	12,052
% Increase (Decrease)	1.44%	2.83%	1.88%	1.80%	1.80%
<u>Reclaimed Water Accounts</u>					
Residential	2,931	2,937	2,927	3,409	3,409
Commercial	113	105	117	162	162
Total	3,044	3,042	3,044	3,571	3,571
% Increase (Decrease)	0.53%	-0.07%	0.07%	17.31%	17.31%
Metered Flow (MGD)	2.98	3.11	3.28	3.16	3.16
% Increase (Decrease)	-13.87%	4.19%	5.73%	-3.75%	-3.75%

Source: City of Venice, Florida Utilities

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Ten Largest Water Customers
Fiscal Year Ended September 30, 2020

	Customer	Usage (gallons)	Usage (Revenue)	Water Readiness to Serve Charges	Total Revenue
1	Venice Regional Medical Center	20,200,000	\$123,828.57	\$72,143.64	\$195,972.21
2	Ridgewood Mobile Home Park	9,100,000	\$48,610.83	\$55,892.76	\$104,503.59
3	PGT Industries	8,700,000	\$56,487.78	\$6,139.80	\$62,627.58
4	Country Club Estates	7,100,000	\$33,008.79	\$109,235.28	\$142,244.07
5	Bay Breeze Healthcare	5,400,000	\$33,047.32	\$4,093.20	\$37,140.52
6	Pinebrook Rehab	5,300,000	\$32,410.49	\$4,093.20	\$36,503.69
7	Harbor Chase	4,800,000	\$29,339.74	\$6,395.76	\$35,735.50
8	HCR Manor Care	4,700,000	\$28,380.71	\$4,093.20	\$32,473.91
9	Sharky's	4,300,000	\$26,549.35	\$2,046.60	\$28,595.95
10	SW Fla Ret Center	4,200,000	\$19,719.06	\$37,616.04	\$57,335.10
	Total of Top Ten Customers	<u>73,800,000</u>	<u>\$431,382.64</u>	<u>\$301,749.48</u>	<u>\$733,132.12</u>
	Total System	<u>701,223,642</u>	<u>\$4,409,518</u>	<u>\$5,090,916</u>	<u>\$9,500,434</u>
	Top Ten Customers as % of Total	<u>11%</u>	<u>10%</u>	<u>6%</u>	<u>8%</u>

Source: City of Venice, Florida Utilities

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Ten Largest Sewer Customers
Fiscal Year Ended September 30, 2020

		Usage	Usage	Sewer Readiness to Serve Charges	Total Revenue
	Customer	(gallons)	(Revenue)		
1	Venice Regional Medical Center	20,200,000	\$143,794.42	\$96,340.56	\$240,134.98
2	Ridgewood Mobile Home Park	9,100,000	\$64,563.84	\$62,457.24	\$127,021.08
3	PGT Industries	8,700,000	\$65,595.75	\$6,861.00	\$72,456.75
4	Country Club Estates	7,100,000	\$50,628.91	\$121,827.24	\$172,456.15
5	Bay Breeze Healthcare	5,400,000	\$38,375.79	\$4,574.04	\$42,949.83
6	Pinebrook Rehab	5,300,000	\$37,636.29	\$4,574.04	\$42,210.33
7	Harbor Chase	4,800,000	\$34,070.41	\$7,146.96	\$41,217.37
8	HCR Manor Care	4,700,000	\$32,956.77	\$4,574.04	\$37,530.81
9	Sharky's	4,300,000	\$30,830.13	\$2,286.96	\$33,117.09
10	SW Fla Ret Center	4,200,000	\$29,935.87	\$42,033.96	\$71,969.83
	Total of Top Ten Customers	73,800,000	\$528,388.18	\$352,676.04	\$881,064.22
	Total System	690,772,829	\$4,429,748	\$4,855,915	\$9,285,663
	Top Ten Customers as % of Total	11%	12%	7%	9%

Source: City of Venice, Florida Utilities

Ten Largest Reclaimed Water Customers
Fiscal Year Ended September 30, 2020

	Customer	Usage (gallons)	Usage/Total Revenue
1	Venetian Golf & River Club	116,295,000	\$19,436.41
2	Lake Venice Golf Club	90,160,500	\$15,507.62
3	Waterford Golf Club	89,220,000	\$14,336.59
4	Bid Bay Golf Course	43,411,000	\$7,137.03
5	Capri Isles Golf Inc - North	34,377,991	\$5,462.19
6	Windwood	20,460,400	\$29,036.95
7	Willow Chase	17,895,418	\$24,772.92
8	Birdle Oaks	14,761,300	\$20,708.13
9	Capri Isles Golf Inc - South	12,930,000	\$2,170.29
10	Wesley Place	9,384,057	\$26,337.91
	Total of Top Ten Customers	\$448,895,666	\$164,906.04
	Total System	904,639,952	\$747,431
	Top Ten Customers as % of Total	50%	22%

Source: City of Venice, Florida Utilities

The historical operational results for the Utility System for fiscal years 2016 through 2020 is set forth below:

System Operating Results and Debt Service Coverage
Fiscal Year Ended September 30,

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Operating Revenues					
Charges for Service	\$21,132,905	\$22,002,940	\$22,743,950	\$22,976,129	
Other Operating Income	<u>1,296,202</u>	<u>1,341,159</u>	<u>1,838,960</u>	<u>1,095,067</u>	
Total Operating Revenues	<u>\$22,429,107</u>	<u>\$23,344,099</u>	<u>\$24,582,910</u>	<u>\$24,071,196</u>	
Interest Earnings (loss)	<u>47,604</u>	<u>290,421</u>	<u>554,172</u>	<u>866,237</u>	
Gross Revenues	<u>\$22,476,711</u>	<u>\$23,634,520</u>	<u>\$25,137,082</u>	<u>\$24,937,433</u>	
Cost of Operation and Maintenance					
Personal Services	3,846,630	5,209,637	5,381,497	5,807,923	
Other Operating Expenses	<u>4,734,556</u>	<u>5,077,138</u>	<u>6,679,474</u>	<u>6,849,914</u>	
Total Cost of Operation and Maintenance	<u>\$8,581,186</u>	<u>\$10,286,775</u>	<u>\$12,060,971</u>	<u>\$12,657,837</u>	
Net Revenues Available for Bond Service	<u>\$13,895,525</u>	<u>\$13,347,745</u>	<u>\$13,076,111</u>	<u>\$12,279,596</u>	
Bond Service Requirement	<u>\$4,892,669</u>	<u>\$2,687,453</u>	<u>\$2,714,416</u>	<u>\$2,716,919</u>	
Bond Service Coverage	<u>2.84</u>	<u>4.97</u>	<u>4.82</u>	<u>4.52</u>	
Non Operating Revenues					
Federal and State Grants	\$-	\$-	\$-	\$31,957	
Disposition of Assets	<u>-</u>	<u>20,058</u>	<u>2,400</u>	<u>12,300</u>	
Transfer in from One Cent Sales Tax Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Non Operating Revenue	<u>\$-</u>	<u>\$20,058</u>	<u>\$2,400</u>	<u>\$44,257</u>	
Non Operating Expenses					
Interest Expenses	\$1,455,914	\$1,361,895	\$1,255,076	\$1,226,338	
Administrative Charge Transfer	1,433,404	1,466,342	1,509,724	1,620,781	
Transfer to Fleet Services	377,440	179,520	1,519,150	251,007	
Cleanup Project	-	1,986,465	2,056,702	-	
Total Non Operating Expenses	<u>\$3,266,758</u>	<u>\$4,994,222</u>	<u>\$6,340,652</u>	<u>\$3,098,126</u>	
Capital Contributions					
Developer Contributions	\$457,417	\$1,204,568	\$43,895	\$840,141	
Federal and State Grants	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000</u>	
Total Capital Contributions	<u>\$457,417</u>	<u>\$1,204,568</u>	<u>\$43,895</u>	<u>\$1,340,141</u>	
Depreciation	<u>\$5,470,683</u>	<u>\$4,599,859</u>	<u>\$5,066,537</u>	<u>\$5,213,864</u>	
Change in Net Position	<u>\$5,615,501</u>	<u>\$4,978,290</u>	<u>\$1,715,217</u>	<u>\$5,352,004</u>	

Source: City of Venice, Florida Utilities

RATES, FEES AND CHARGES

General

On September 11, 2018, the City Council following receipt of a rate study prepared by an outside consultant enacted Ordinance No. 2018-30 modifying the City's utility rates and charges effective October 1, 2018.

Such Ordinance increased the water billing charge for fiscal year 2019 by \$2 to account for the expected annual costs of a City-wide cross connection control program, and ii) adjusted high pressure (i.e. retail) low pressure (i.e. bulk users) reclaimed water rates and water and sewer rates as set forth below.

Service Type	Projected Years				
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Water	0.00%	2.15%	2.15%	2.15%	2.15%
Sewer	0.00%	2.15%	2.15%	2.15%	2.15%
Reclaimed (High Pressure)	5.66%	7.56%	7.29%	7.04%	6.82%
Reclaimed (Low Pressure)	-10.83%	2.15%	2.15%	2.15%	2.15%

The Rate Ordinance provides for the following rates and charges:

- (a) A nonrefundable tap fee shall be paid to the City prior to connection to the city water, wastewater or reclaimed water lines.

Portable, Irrigation and Reclaimed Water Short Service

Meter Size (Inches)	10/01/2018	10/01/2019	10/01/2020	10/01/2021	10/01/2022
5/8 x ¾	\$497.48	\$508.18	\$519.10	\$530.26	\$541.66
1	\$684.95	\$699.68	\$714.72	\$730.09	\$745.78
1 ½	\$1,114.73	\$1,138.70	\$1,163.18	\$1,188.19	\$1,213.73
2	\$1,336.33	\$1,365.06	\$1,394.41	\$1,424.39	\$1,455.01
3 and Larger	A written estimate of costs will be provided by the utilities department, which is to be paid in advance.				

Portable, Irrigation and Reclaimed Water Long Service

Meter Size (Inches)	10/01/2018	10/01/2019	10/01/2020	10/01/2021	10/01/2022
5/8 x ¾	\$832.70	\$850.60	\$868.89	\$887.57	\$906.65
1	\$1,034.15	\$1,056.38	\$1,079.10	\$1,102.30	\$1,126.00
1 ½	\$1,477.36	\$1,509.12	\$1,541.57	\$1,574.71	\$1,608.57
2	\$1,678.81	\$1,714.90	\$1,751.77	\$1,789.44	\$1,827.91
3 and Larger	A written estimate of costs will be provided by the utilities department, which is to be paid in advance.				

Other

	<u>10/01/2018</u>	<u>10/01/2019</u>	<u>10/01/2020</u>	<u>10/01/2021</u>	<u>10/01/2022</u>
Hydrant Meter	\$134.30	\$137.19	\$140.14	\$143.15	\$146.23
Sewer Service	\$78.18*	\$79.86*	\$81.58*	\$83.33*	\$85.12*

*The amount indicated, or the actual cost of material, labor, and equipment, whichever is larger.
A written estimate of costs will be provide by the utilities department, which is to be paid in advance.

Water Service – Monthly Readiness Service Charge

<u>Residential</u>	<u>10/01/2018</u>	<u>10/01/2019</u>	<u>10/01/2020</u>	<u>10/01/2021</u>	<u>10/01/2022</u>
Single-family residential	\$21.32	\$21.78	\$22.25	\$22.72	\$23.21
Condominiums, manufactured homes, and mobile homes (charge per unit, on 5/8 x ¾ inch or greater	\$16.50	\$16.85	\$17.22	\$17.59	\$17.97
Master-metered multifamily, including apartments and any other master- metered residential accounts (charge per unit, on 5/8 x ¾ inch or greater meter)	\$17.71	\$18.09	\$18.48	\$18.88	\$19.28
Nonresidential and all irrigation meters Meter size (inches)					
5/8 x ¾	\$21.32	\$21.78	\$22.25	\$22.72	\$23.21
1	\$53.30	\$54.45	\$55.62	\$56.81	\$58.03
1 ½	\$106.60	\$108.89	\$111.23	\$113.62	\$116.07
2	\$170.55	\$174.22	\$177.96	\$181.79	\$185.70
3	\$341.10	\$348.43	\$355.92	\$363.58	\$371.39
4	\$532.98	\$544.44	\$556.14	\$568.10	\$580.32
6	\$1,065.95	\$1,088.87	\$1,112.28	\$1,136.19	\$1,160.62
8	\$1,705.52	\$1,742.19	\$1,779.65	\$1,817.91	\$1,856.99
Hospital	\$6,011.97	\$6,141.23	\$6,273.26	\$6,408.14	\$6,545.91

Monthly consumption charge (dollars per 1,000 gallons), residential potable water.

<u>Usage (gallons)</u>	<u>10/01/2018</u>	<u>10/01/2019</u>	<u>10/01/2020</u>	<u>10/01/2021</u>	<u>10/01/2022</u>
0 to 2,000	\$4.61	\$4.71	\$4.81	\$4.91	\$5.02
2,001 to 5,000	\$7.11	\$7.26	\$7.42	\$7.58	\$7.74
5,001 to 10,000	\$8.88	\$9.07	\$9.27	\$9.47	\$9.67
>10,000	\$11.09	\$11.33	\$11.57	\$11.82	\$12.07

Monthly Readiness for Service Charge Sewer

<u>Residential</u>	<u>10/01/2018</u>	<u>10/01/2019</u>	<u>10/01/2020</u>	<u>10/01/2021</u>	<u>10/01/2022</u>
Single-family residential	\$23.82	\$24.33	\$24.86	\$25.39	\$25.94
Condominiums, manufactured homes, and mobile homes (charge per unit, on 5/8 x 3/4 inch or greater	\$18.43	\$18.83	\$19.23	\$19.64	\$20.07
Master-metered multifamily, including apartments and any other master-metered residential accounts (charge per unit, on 5/8 x 3/4 inch or greater meter)	\$19.79	\$20.22	\$20.65	\$21.09	\$21.55
Nonresidential and all irrigation meters					
Meter size (inches)					
5/8 x 3/4	\$23.82	\$24.33	\$24.86	\$25.39	\$25.94
1	\$59.56	\$60.84	\$62.15	\$63.48	\$64.85
1 1/2	\$119.12	\$121.68	\$124.30	\$126.97	\$129.70
2	\$190.58	\$194.68	\$198.86	\$203.14	\$207.51
3	\$381.17	\$389.37	\$397.74	\$406.29	\$415.02
4	\$595.58	\$608.38	\$621.47	\$634.83	\$648.48
6	\$1,191.15	\$1,216.76	\$1,242.92	\$1,269.64	\$1,296.94
8	\$1,905.85	\$1,946.83	\$1,988.68	\$2,031.44	\$2,075.12
Hospital	\$8,028.38	\$8,200.99	\$8,377.31	\$8,557.42	\$8,741.41

Monthly consumption charge sewer (dollar per 1,000 gallons), all users.

Monthly Consumption Charges Sewer (dollar per 1,000 gallons)					
<u>Usage (gallons)</u>	<u>10/01/2018</u>	<u>10/01/2019</u>	<u>10/01/2020</u>	<u>10/01/2021</u>	<u>10/01/2022</u>
All	\$7.13	\$7.28	\$7.44	\$7.60	\$7.76

RISK FACTORS

The purchase of the Series 2020 Bonds involves a degree of risk, as is the case with all investments. Factors that could affect the City's ability to perform its obligations under the Resolution, including the timely payment of principal of and interest on the Series 2020 Bonds, include, but are not limited to, the following:

1. The Utility System may need additional repair and improvements beyond those projected by the City. The cost of additional repairs would have to be financed through either additional payments from the Renewal and Replacement Fund or the issuance of Additional Parity Obligations or Subordinated Indebtedness. Any of these alternatives could potentially require an increase in the rates, fees and charges of the Utility System.

2. There is no assurance that permits for operation of major components of the Utility System will be renewed or can be renewed without the expenditure of moneys from the Renewal and Replacement Fund or the issuance of Additional Parity Obligations or Subordinated Indebtedness. Further, there is no assurance that the requirements for renewal of the permits will remain the same prior to the time that renewal is mandatory; a change in requirements could require additional expenditures for improvements.

3. There is no assurance that any rating assigned to the Series 2020 Bonds by the rating agencies will continue for any given period of time or that any such rating will not be lowered or withdrawn entirely by such rating agency, if in its judgment, circumstances warrant. A downgrade change in or withdrawal of any rating may have an adverse effect on the market price of the Series 2020 Bonds.

4. In the event of a default in the payment of principal of and interest on the Series 2020 Bonds, the remedies of the owners of the Series 2020 Bonds are limited under the Resolution.

5. The future financial condition of the Utility System could be affected adversely by, among other things, legislation, environmental and other regulatory actions, changes in demand for services, demographic changes, natural disasters and weather events, and litigation. Some of the possible changes in the future may include, but not be limited to, the following:

(a) The Utility System's wastewater treatment and potable water production facilities are subject to regulation and control by numerous federal, state and local governmental agencies. The City cannot predict future policies such agencies may adopt. Future changes could result in the City having to discontinue or change operations at certain facilities or to make significant capital expenditures;

(b) The City's capital improvement cost projections are based in part on preliminary design estimates for work for which construction or acquisition bids have not yet been received. Unforeseen events could result in increases in costs and delays in completion. Increased costs could have an adverse effect on the City's ability to complete capital improvements within the projected costs, and delays in completion could adversely affect the City's ability to generate sufficient Gross Revenues to meet its obligations under the Resolution.

(c) The possible investment earnings and accumulation of certain fund balances that have been estimated are based on assumed earnings rates. While these assumptions are believed to be reasonable, there is no assurance that such rates will be available in the future nor is there any assurance that the potential accumulations shown will actually be realized;

(d) The State of Florida is naturally susceptible to the effects of extreme weather events and natural disasters including floods, droughts, and hurricanes, which could result in negative economic impacts on communities including the City. Such effects can be exacerbated by a longer term shift in the climate over several decades (commonly referred to as climate change, generally discussed in (e) below), including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events could damage local infrastructure that provides essential services to the City, including the Utility System. The economic impacts resulting from such extreme weather events could include a loss of revenue, interruption of service, and escalated recovery costs;

(e) Numerous scientific studies on climate change show that, among other effects on the global ecosystem, sea levels may rise, extreme temperatures may become more common, and extreme weather events may become more frequent as a result of increasing global temperatures attributable to atmospheric pollution. Sea levels may continue to rise in the future due to the increasing temperature of the oceans causing thermal expansion and growing ocean volume from glaciers and ice caps melting into the ocean. Coastal areas like the City are at risk of substantial flood damage over time, affecting private development and public infrastructure, including roads, utilities, emergency services, schools, and parks. As a result, the City could lose considerable tax revenues and many residents, businesses, and

governmental operations along the waterfront could be displaced, and the City could be required to mitigate these effects at a potentially material cost. The City is unable to predict whether sea level rise or other impacts of climate change will occur, when they may occur, and if any such events occur, whether they will have a material adverse effect on the business operations or financial condition of the City. Additionally, climate change concerns have led, and may continue to lead, to new laws and regulations at the federal and state levels (including but not limited to air, water, hazardous substances and waste regulations) that could have a material adverse effect on the operations and/or financial condition of the City;

(f) Computer networks and systems used for data transmission and collection are vital to the efficient operations of the City. City systems provide support to departmental operations and constituent services by collecting and storing sensitive data, including intellectual property, security information, proprietary business process information, information applying to suppliers and business partners, and personally identifiable information of customers, constituents and employees. The secure processing, maintenance and transmission of this information is critical to department operations and the provision of citizen services. Increasingly, governmental entities are being targeted by cyberattacks (including, but not limited to, hacking, viruses, malware and other attacks on computers and other sensitive digital networks and systems) seeking to obtain confidential data or disrupt critical services. A rapidly changing cyber risk landscape may introduce new vulnerabilities and avenues that attackers/hackers can exploit in attempts to cause breaches or service disruptions. Employee error and/or malfeasance may also contribute to data loss or other system disruptions. Additionally, the City's computer networks and systems routinely interface and rely on third party systems that are also subject to the risks previously described. Any such breach could compromise networks and the confidentiality, integrity and availability of systems and the information stored there. The potential disruptions, access, modification, disclosure or destruction of data could result in interruption of the efficiency of City commerce, initiation of legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, disruptions in operations and the services provided, and the loss of confidence in City operations, ultimately adversely affecting City revenues. The City has established various procedures and systems to mitigate the risk and vulnerability of cyberattacks and threats. However, no assurances can be given that any cyberattacks, if successful, will not have a material adverse effect on the operations or financial condition of the City.

(g) The City's financial results could be harmed by a national or localized outbreak of a highly contagious, epidemic or pandemic disease. Specifically, there can be no assurances that the spread of the novel strain of coronavirus called COVID-19, or other highly contagious or epidemic or pandemic diseases, will not adversely impact any of the City's finances and/or its financial position, including pension funding and property tax valuations. COVID-19 is expected to have a negative financial impact on local, state and national economies, in a manner that could adversely affect the amount of revenues received by the City as well as the amount of property taxes received by the City. The severity of these effects is unknown at this time.

The outbreak of COVID-19, a respiratory virus first reported in China, has since spread to other countries, including the United States, is considered a Public Health Emergency of International Concern by the World Health Organization. The United States State Department and the Center for Disease Control, as well as other governmental authorities, nations and airlines have issued travel restrictions and warnings for a number of countries in Asia and Europe. The spread of COVID-19 has led to quarantine and other "social distancing" measures throughout the United States. These measures have included

recommendations and warnings to limit non-essential travel and promote telecommuting. The State and local governments within the State, such as the City, are heavily reliant upon tourism, which may be negatively impacted by travel restrictions and the spread of COVID-19. As a result of the spread of COVID-19, the Governor of Florida declared a state of emergency on March 9, 2020. On March 15, 2020, the City Administrator issued a state of emergency for the City. On March 27, 2020, the Governor issued an executive order suspending vacation rentals operations prohibiting owners from making new reservations or accepting new guests for check-in for the duration of the order. On April 1, 2020 the Governor issued a mandatory "safer at home" order for the entire State effective April 3, 2020 through April 30, 2020. On April 29, 2020, the Governor announced the first phase of reopening businesses which began on May 4, 2020 and allowed for certain businesses to open at 25% capacity, which includes, but is not limited to restaurants, retail stores, museums and libraries. On May 15, 2020, the Governor announced an expanded phase one opening which allowed for gyms, fitness centers and studios to open and allowed restaurants and retail businesses to increase seating/occupancy capacity from 25% to 50% (which also applied to museums and libraries so long as approved by local governments). The only businesses not allowed to reopen in the State that were included in the White House phase one reopening guidelines are movie theaters. On May 22, 2020, the Governor announced that youth activities, including summer camps and organized sports, were allowed to reopen. On June 3, 2020, the Governor announced most of the State would enter phase two of reopening effective June 5, 2020 which allowed bars and pubs to operate at a seated capacity of 50% inside and full seated capacity outside, movie theaters, bowling alleys and concert halls could open at 50% capacity, pari-mutual facilities would reopen with strict health and safety guidelines, and restaurants, retail and gyms continued to operate at 50% capacity; provided, however, that restaurants were able to serve at bars with chairs properly social distanced. On June 26, 2020, as a result of spikes in COVID-19 cases, the Department of Business and Professional Regulation ordered all businesses that derive more than 50% of their revenue from alcohol sales must stop selling alcohol to customers on their premises. Although, bars can still sell alcohol in to-go containers and restaurants that do not rely on alcohol sales for a majority of their revenue can continue to serve alcohol to seated customers on site. On September 14, 2020, the Department of Business and Professional Regulation rescinded their order and bars were allowed to reopen at 50% capacity. On September 25, 2020, the Governor announced the State would enter phase three of reopening effective immediately which effectively lifts all COVID-19 restrictions on restaurants and other businesses.

[Insert disclosure regarding suspension of mandatory cut offs, if applicable.]

While the effects of COVID-19 may be temporary, it has altered the behavior of businesses and people in a manner resulting in negative impacts on global and local economies. The continued spread of COVID-19, and measures taken to prevent or reduce it, are anticipated to adversely impact state, national and global economic activities and, accordingly, adversely impact the financial condition and performance of the State and the City, and the extent of that impact could be material. While the long-term impacts of COVID-19 on the City is uncertain at this time, the City is monitoring the impacts and will address such impacts, as necessary. Due to the unprecedented nature of the spread of COVID-19, the duration and extent of the impact of COVID-19 on the City's revenues, expenses and cash flow or ratings are uncertain and cannot be quantified at this time. See "RATINGS" below and "APPENDIX B – Audited Basic Financial Statements of the City for the Fiscal Year ended September 30, 2019" attached hereto.

LEGAL MATTERS

Certain legal matters in connection with the authorization, issuance and sale of the Series 2020 Bonds are subject to the approval of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, whose approving opinion will be available at the time of delivery of the Series 2020 Bonds.

The proposed form of Bond Counsel opinion is attached hereto as APPENDIX D and reference is made to such form of opinion for the complete text thereof. The actual legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of the Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion subsequent to its date.

Bond Counsel has not been engaged to, nor has it undertaken to, review (1) the accuracy, completeness or sufficiency of this Official Statement or any other offering material relating to the Series 2020 Bonds; provided, however, that Bond Counsel will render an opinion to the Underwriter and the City relating to the accuracy of certain statements contained hereunder under the heading "TAX MATTERS" and certain statements which summarize provisions of the Resolution and the Series 2020 Bonds, and (2) the compliance with any federal or state law with regard to the sale or distribution of the Series 2020 Bonds.

Certain letters matters will be passed upon for the City by Persson Cohen & Mooney, P.A., Venice, Florida, City Attorney and Bryant Miller Olive P.A., Tampa, Florida, Disclosure Counsel. Akerman LLP, Jacksonville, Florida, is serving as counsel to the Underwriter.

LITIGATION

[There is no pending or, to the knowledge of the City, any threatened litigation against the City of any nature whatsoever which in any way questions or affects the validity of the Series 2020 Bonds, or any proceedings or transactions relating to their issuance, sale, execution, or delivery, or the adoption of the Resolution, or the pledge of the Pledged Revenues. Neither the creation, organization or existence, nor the position of the present members of the City Council or Charter officers of the City is being contested.]

The City experiences routine litigation and claims incidental to the conduct of its affairs. In the opinion of the City Attorney, there are no actions presently pending or threatened, the adverse outcome of which would have a material adverse effect on the availability of the Pledged Revenues or the ability of the City to pay the Series 2020 Bonds from the Pledged Revenues. From time to time, the City is party to other various legal proceedings which individually are not expected to have a material adverse effect on the operations or financial condition of the City or the System, but may, in the aggregate, have a material impact thereon. However, in the opinion of the City Attorney, the City and/or its insurance carrier will either successfully defend such actions or otherwise resolve such matters without any material adverse consequences.]

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Pursuant to Section 517.051, Florida Statutes, as amended, no person may directly or indirectly offer or sell securities of the City except by an offering circular containing full and fair disclosure of all defaults as to principal or interest on its obligations since December 31, 1975, as provided by rule of the Office of

Financial Regulation within the Florida Financial Services Commission (the "FFSC"). Pursuant to administrative rulemaking, the FFSC has required the disclosure of the amounts and types of defaults, any legal proceedings resulting from such defaults, whether a trustee or receiver has been appointed over the assets of the City, and certain additional financial information, unless the City believes in good faith that such information would not be considered material by a reasonable investor. The City is not and has not been in default on any bond issued since December 31, 1975 that would be considered material by a reasonable investor.

The City has not undertaken an independent review or investigation of securities for which it has served as conduit issuer. The City does not believe that any information about any default on such securities is appropriate and would be considered material by a reasonable investor in the 2020 Bonds because the City would not have been obligated to pay the debt service on any such securities except from payments made to it by the private companies on whose behalf such securities were issued and no funds of the City would have been pledged or used to pay such securities or the interest thereon.

TAX MATTERS

In the opinion of Bond Counsel, the form of which is included as APPENDIX D hereto, the interest on the Series 2020 Bonds is not excludable from gross income of the owners thereof for federal income tax purposes. Interest on the Series 2020 Bonds may also be subject to state or local income taxation under applicable state or local laws. Purchasers of the Series 2020 Bonds should consult their own tax advisors as to the income tax status of interest on the Series 2020 Bonds in their particular state or local jurisdiction.

Except as provided above, Bond Counsel is not rendering any opinion regarding tax consequences of owning the Series 2020 Bonds. There are several tax-related issues attendant with ownership of the Series 2020 Bonds, including, but not limited to, treatment of original issue discount or premium, if any, treatment of secondary market discount or premium, if any, reporting requirements and possible application of backup withholding tax, determination of an owner's tax basis and gains or losses in connection with sales, exchanges or other dispositions of the Series 2020 Bonds, foreign ownership, ownership by certain employee benefit plans and other retirement plans and other issues. Many of the rules related to these issues are complicated and purchasers of the Series 2020 Bonds should consult their own tax advisors and professionals as to the tax consequences of the purchase, ownership and disposition of the Series 2020B Bonds under federal, state, local, foreign and other tax laws.

RATINGS

Fitch Ratings, Inc. ("Fitch"), S&P Global Ratings ("S&P") and Moody's Investors Service, Inc. ("Moody's") have assigned ratings of "___" (stable outlook), "___" (stable outlook) and "___", respectively, to the Series 2020 Bonds. The ratings reflect only the views of said rating agencies and an explanation of the ratings may be obtained only from said rating agencies. There is no assurance that such ratings will continue for any given period of time or that they will not be lowered or withdrawn entirely by the rating agencies, or any of them, if in their judgment, circumstances so warrant. A downward change in or withdrawal of any of such ratings, may have an adverse effect on the market price of the Series 2020 Bonds. An explanation of the significance of the ratings can be received from the rating agencies, at the following addresses: S&P Global Ratings, 55 Water Street, New York, New York 10041, Moody's Investors Service, 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007, and Fitch Ratings, 33 Whitehall Street, New York, New York 10004.

FINANCIAL ADVISOR

The City has retained Larson Consulting Services, LLC, Orlando, Florida, as Financial Advisor (the "Financial Advisor") in connection with preparation of the City's plan of financing and with respect to the authorization and issuance of the Series 2020 Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in the Official Statement. Larson Consulting Services, LLC is an independent SEC and MSRB registered financial advisory and consulting organization and is not engaged in the business of underwriting, marketing or trading of municipal securities or any other negotiable instruments.

INVESTMENT POLICY

Pursuant to Resolution 2006-34 of the City Council adopted on November 28, 2006, the Director of Finance of the City is authorized to invest and reinvest surplus funds in certain authorized investments consisting of:

1. The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperative Act as provided in Section 163.01, F.S.;
2. Direct obligations of the U.S. Government;
3. Obligations guaranteed by the U.S. Government as to principal and interest;
4. Time deposits and savings accounts in banks and savings and loan associations, organized under the laws of Florida or the United States and doing business and situated in Florida, provided that any such deposits are secured by collateral as prescribed by Chapter 280, F.S.;
5. Obligations of the Federal Farm Credit Banks; the Federal Home Loan Mortgage Corporation, including Federal Home Loan Mortgage Corporation Participation Certificates; or the Federal Home Loan Bank or its district banks or obligations guaranteed by the Government National Mortgage Association;
6. Obligations of the Federal National Mortgage Association, including Federal National Mortgage Association Participation Certificates and mortgage pass-through certificates guaranteed by the Federal National Mortgage Association;
7. Repurchase and reverse repurchase agreements done through a commercial bank or government securities dealer, the underlying collateral of which shall be any U.S. government security described under 2 above in which the market value is equal to the full amount of the agreement, in accordance with the City's master repurchase agreement. Investment in repurchase agreements is limited to transactions in which the proceeds are intended to provide liquidity and for which the City has sufficient resources. A Master Repurchase Agreement shall be executed with each counter party detailing the requests of all authorized institutions/dealers involved in repurchase agreements on behalf of the City.

8. Securities and Exchange Commission registered money market funds with the highest credit rating from a nationally recognized rating agency;
9. Bankers' Acceptances issued by a domestic bank or a federally chartered domestic office of a foreign bank, which are eligible for purchase by the Federal Reserve System, at the time of purchase, the short-term paper is rated at least "MIG-1" by Moody's, "SP-1" by Standards and Poor's and "F-1" by Fitch for short-term debt.
10. State and/or Local Government, either taxable or tax-exempt, Debt rated at least "AA" by Moody's, "AA" by Standards & Poor's, and "AA" by Fitch for long-term debt, or rated at least "MIG-1" by Moody's, "SP-1" by Standards and Poor's and "F-1" by Fitch for short-term debt.

The Finance Director is to prepare periodic annual reports for submission to City Council, which shall include securities in the portfolio by class or type, book value, income earned, and market value as of the report date, and an independent auditor is to review such report and address the City's adherence to such policy on an annual basis as part of the financial audit.

The City's investment policy may be modified by the City Council from time to time.

DEBT MANAGEMENT AND INTERFUND LOAN POLICY

Pursuant to Resolution No. 2008-21, the City Council has established a debt management policy for the City which includes the following provisions.

1. The City will consider the use of debt financing only for capital assets and improvement projects and only under the following circumstances:

- When the project's useful life will exceed the term of the financing.
- When project revenues or specific resources will be sufficient to service the long-term debt.
- Debt financing will be used for major, non-recurring items with a minimum of four years of useful life.

General-purpose annual debt service payments should generally not exceed 10% of General Fund revenues, and in no case should they exceed 15%.

Bond sales shall be structured to achieve level debt service payments to the extent possible taking into consideration the costs of such financings. Scheduling larger payments during the later years (back loading of debt payments) shall be avoided.

2. Interfund Borrowing. The City may issue interfund loans rather than outside debt instruments to meet short-term cash flow needs. Interfund loans will be permitted only if an analysis of the affected fund indicates excess funds are available and the use of these funds will not impact the fund's current operations. The prevailing interest rate, as established by the Director of Finance, will be paid to the lending fund.

3. Variable Rate Debt. The City may issue securities that pay a rate of interest that varies according to pre-determined formula or results from a periodic remarketing of the securities, consistent with state law and covenants of pre-existing bonds, and depending on market conditions. The City will have no more than 15% of its outstanding bonds in variable rate form.

4. Short-term Debt. Short term obligations may be issued to finance projects or portions of projects for which the City ultimately intends to issue long term debt; i.e., it will be used to provide interim financing which will eventually be refunded with the proceeds of long term obligations with a tax or revenue pledge or a pledge of other available resources. The amount of short-term obligations due to mature in a year shall not exceed 5% of outstanding long-term debt.

The City goal is to maintain a minimum ratio of utility revenue to debt service of 1.6/1 to ensure debt coverage in times of revenue fluctuations attributable to weather or other causes and to ensure a balanced pay-as-you-go-capital improvement plan.

The City's debt management policy may be modified by the City Council from time to time.

FUND BALANCE POLICY

The City's fund balance policy establishes fund balance and working capital related policies for the City's general fund and for enterprise funds. Such policy provides that the targeted assigned and unassigned fund balance in the general fund is three to six months of annual expenses. In the enterprise funds, including the Utilities Fund, the targeted balance is also three to six months of annual expenses.

The City is currently in compliance with its Investment Policy, Debt Management and Interfund Loan Policy and Fund Balance Policy.

THE CITY

The City, incorporated during 1927, is located in Sarasota County, in the southwestern part of the state. The City provides a full range of services that include public safety, construction and maintenance of streets and other infrastructure, solid waste services, a general aviation airport, recreational activities, and cultural events. The City also provides utilities for water, wastewater, and stormwater runoff services.

The City has operated under the Council-Manager form of government since incorporation in 1927. Policy making and legislative authority are vested in a City Council consisting of the Mayor and six other members. For additional information regarding the City please refer to Appendices A and B hereto..

FINANCIAL STATEMENTS

The Audited Basic Financial Statements of the City for the Fiscal Year ended September 30, 2019, and report thereon of the City's independent certified public accountant (the "Independent Certified Public Accountants") are attached hereto as "APPENDIX B — Audited Basic Financial Statements of the City for Fiscal Year Ended September 30, 2019". Such statements speak only as of September 30, 2019 and have been included in this Official Statement as public documents and the consent of the Independent Certified Public Accountants to include such documents herein was not requested. The Independent

Certified Public Accountants were not requested nor did they perform any procedures with respect to the preparation of this Official Statement or the information presented herein.

The Series 2020 Bonds are payable solely from the Pledged Revenues in the manner and to the extent provided in the Resolution. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 BONDS" herein. The audited basic financial statements are presented for general information purposes only.

VERIFICATION OF ARITHMETICAL COMPUTATIONS

At the time of the delivery of the 2020 Bonds, the Verification Agent will deliver a report on the mathematical accuracy of the computations contained in schedules provided to them and prepared by _____ on behalf of the City relating to the sufficiency of the anticipated cash and maturing principal amounts and interest on Defeasance Obligations to pay, when due, the principal, whether at maturity or upon prior redemption, interest and call premium requirements, if any, of the Refunded Bonds considered by Bond Counsel in connection with its opinion that the 2020 Bonds have been legally defeased in accordance with the Resolution.

UNDERWRITING

The Series 2020 Bonds will be purchased by RBC Capital Markets, LLC (the "Underwriter") at an aggregate purchase price of \$_____ (which includes a net original issue premium of \$_____ and Underwriter's discount of \$_____). The Underwriter's obligation is subject to certain conditions precedent, and they will be obligated to purchase all of the Series 2020 Bonds if any Series 2020 Bonds are purchased. The Series 2020 Bonds may be offered and sold to certain dealers (including dealers depositing such Series 2020 Bonds into investment trusts) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriter.

The Underwriter and its respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market marking, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriter and its affiliates may have certain creditor and/or other rights against the City and its affiliates in connection with such activities. In the various course of their various business activities, the Underwriter and its respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the City (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the city. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

CONTINGENT FEES

The City has retained Bond Counsel, the Financial Advisor and Disclosure Counsel with respect to the authorization, sale, execution and delivery of the Series 2020 Bonds. Payment of the fees of such professionals and a discount to the Underwriter (including the fees of its counsel) are each contingent upon the issuance of the Series 2020 Bonds.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Series 2020 Bonds upon an event of default under the Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically the Federal Bankruptcy Code, the remedies specified by the Resolution and the Series 2020 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2020 Bonds (including Bond Counsel's approving opinion) will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. See "APPENDIX C – Composite of the Resolution" attached hereto for a description of events of default and remedies.

CONTINUING DISCLOSURE

The City has covenanted for the benefit of the Series 2020 Bondholders to provide certain financial information and operating data relating to the City and the Series 2020 Bonds in each year, and to provide notices of the occurrence of certain enumerated material events. Such covenant shall only apply so long as the Series 2020 Bonds remain outstanding under the Resolution. The City has agreed to file itself or through its dissemination agent annual financial information and operating data and its audited financial statements with the Municipal Securities Rule Ranking through its Electronic Municipal Access System. The City has also agreed to file notices of certain enumerated material events, when and if they occur, either itself or through its dissemination agent. Currently, the City's dissemination agent is Digital Assurance Certification, L.L.C. ("DAC"), who was engaged in August, 2011.

The specific nature of the financial information, operating data, and of the type of events which trigger a disclosure obligation, and other details of the undertaking are described in "APPENDIX E - Form of Continuing Disclosure Certificate" attached hereto. The Continuing Disclosure Certificate shall be executed by the City prior to the issuance of the Series 2020 Bonds. These covenants have been made in order to assist the Underwriter in complying with the continuing disclosure requirements of the Rule.

With respect to the Series 2020 Bonds, no party other than the City is obligated to provide, nor is expected to provide, any continuing disclosure information with respect to the Rule. **[Continuing disclosure review ongoing – any findings will be disclosed here.]**

ACCURACY AND COMPLETENESS OF OFFICIAL STATEMENT

The references, excerpts, and summaries of all documents, statutes, and information concerning the City and certain reports and statistical data referred to herein do not purport to be complete, comprehensive and definitive and each such summary and reference is qualified in its entirety by reference to each such document for full and complete statements of all matters of fact relating to the

Series 2020 Bonds, the security for the payment of the Series 2020 Bonds and the rights and obligations of the owners thereof and to each such statute, report or instrument.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the owners of the Series 2020 Bonds.

The appendices attached hereto are integral parts of this Official Statement and must be read in their entirety together with all foregoing statements.

AUTHORIZATION OF OFFICIAL STATEMENT

The execution and delivery of this Official Statement has been duly authorized and approved by the City. At the time of delivery of the Series 2020 Bonds, the City will furnish a certificate substantially to the effect that nothing has come to their attention which would lead them to believe that the Official Statement (other than information herein related to DTC, the book-entry only system of registration and the information contained under the caption "TAX MATTERS" as to which no opinion shall be expressed), as of its date and as of the date of delivery of the Series 2020 Bonds, contains an untrue statement of a material fact or omits to state a material fact which should be included therein for the purposes for which the Official Statement is intended to be used, or which is necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

CITY OF VENICE, FLORIDA

By: _____
Mayor

By: _____
City Manager

By: _____
Finance Director

APPENDIX A

General Information Concerning the City

APPENDIX A

General Information Concerning the City

General

The City of Venice, Florida (the "City") was incorporated during 1927. Venice is located in Sarasota County, in the southwestern part of the state, and is about an hour drive south of Tampa. Venice is one of four incorporated municipalities within Sarasota County. Venice, well known for its beaches, enjoys a semi-tropical climate with an average summer temperature of approximately 83.5 degrees, and an average winter temperature of approximately 63.6 degrees. The City currently occupies a land area of 16.73 square miles and serves a population of approximately 23,315, of which more than half are over the age of 65.

The economy of the City and Sarasota County is a blend of tourist and retirement industries, related service industries, light manufacturing and construction. The number of tourists visiting the County generally exceeds one million annually.

The combination of cultural and recreational facilities, together with the continuing expansion of programs and facilities, makes Venice and Sarasota County an ideal retirement area. Retirees contribute an important stabilizing effect on the City's economy since their incomes are affected very little by the cyclical nature of the economy and by unemployment levels.

The population of Venice has increased over the past ten years from 22,146 in 2009 to an estimated 2019 population of 23,315, as of April 1, 2019. The population increase is due primarily to net migration versus natural increases.

Government

The City has operated under the council-manager form of government since 1927. Policy-making and legislative authority are vested in a City Council consisting of the Mayor and six other Council members. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City Manager, City Attorney, and City Clerk. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments. The Council is elected on a non-partisan basis. The Mayor and Council members serve three-year staggered terms.

The City provides a full range of services that include public safety, the construction and maintenance of streets and other infrastructure, solid waste collection and disposal services, recreational activities, and cultural events. The City also provides utilities for water, wastewater, and stormwater and has a municipal airport.

The annual budget serves as the foundation for the City's financial planning and control. All agencies of the City are required to submit requests for appropriation to the City Manager in April of each year. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the Council for review prior to July 31. The

Council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than September 30, which is the close of the City's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). The City Manager may make transfers of appropriations within a fund. Transfers of appropriations between funds, however, require the approval of the City Council.

Air Transportation

Venice Municipal Airport ("VNC"), a general aviation airport owned by the City, is home to approximately 200 aircraft and had approximately 60,000 takeoffs and landings for the year ending September 30, 2019. The airport is its own enterprise fund, has a significant impact on the local economy, and provides convenient access to the community for residents, businesses and visitors. VNC has two 5,000-foot runways and traffic consists of almost equal amounts of general aviation and transit general aviation use. VNC does not intend to add scheduled airline service or cargo service.

The Sarasota-Bradenton International Airport is located about 40 minutes north of the City.

Education

The Sarasota County School System operates as a separate political entity with its own taxing authority. The Sarasota County School Board is an elected body of five members which establishes educational policy. An appointed superintendent reports to the Sarasota County School Board and is responsible for the administration of the system.

Three four-year colleges and universities serve Sarasota County: New College of Florida, University of South Florida Sarasota-Manatee, and Ringling College of Art and Design.

Cultural and Recreational Facilities

Venice has been listed in many publications as being the "Shark's Tooth Capital of the World." It hosts an annual festival, the Shark's Tooth Festival, to celebrate the abundance of fossilized shark's teeth that can be found on its coastal shores.

Venice has more than 30 parks ranging in size from tiny pocket parks to the beach along the Gulf of Mexico. Many of the parks are dog friendly, Venetian Waterway Park, a linear park that parallels both sides of the Intracoastal Waterway, provides almost 10 miles of waterfront view for exercise and recreational use. The Venice Train Depot renovated in 2002-03 is at the northeast end of the park and is home to a Sarasota County Area Transit bus system hub. More history is available at the Historic Spanish Point in Osprey, an attraction that provides insight into the life and times of early pioneers.

Sarasota, about 30 minutes north of the City, is the home of the Sarasota Opera, the Ringling the State Art Museum of Florida, the Sarasota Ballet, Sarasota Orchestra, Asolo Repertory Theatre and numerous other theatres, art and other cultural venues. Venice Theatre is one of the largest community theatres in the U.S.

Sport fishing attracts numerous enthusiasts to the area.

Tax and Demographic Statistics

The following is information on the City's tax and demographic profile. Unless otherwise indicated the source of each of the following is the City's Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2019.

Assessed Value and Estimated Actual Value of Taxable Property Last Ten Fiscal Years

Fiscal Year Ended 09/30	Real Property	Personal Property	Less Tax-Exempt Property	Total Taxable Assessable Value	Total Direct Tax Rate
2019	\$4,581,568,812	\$211,641,179	\$737,407,454	\$4,055,802,537	4.338
2018	4,323,513,339	213,745,524	717,323,755	3,819,935,108	4.278
2017	4,026,844,232	203,020,521	682,711,628	3,547,153,125	3.766
2016	3,643,753,887	195,366,001	610,975,231	3,228,144,657	3.277
2015	3,417,689,098	192,979,601	586,116,448	3,024,552,251	3.292
2014	3,213,484,644	189,768,403	578,857,865	2,824,395,182	3.302
2013	3,123,945,509	180,194,496	604,960,792	2,699,179,213	3.227
2012	3,132,796,468	178,139,329	600,923,287	2,710,012,510	3.195
2011	3,320,275,654	180,426,958	639,821,153	2,860,881,459	3.004
2010	3,868,939,303	188,981,800	888,744,784	3,169,176,319	3.004

Note: The basis of assessed value required by the state is 100% of actual value. For each fiscal year ending September 30, property is valued as of the preceding January 1st.

Source: Sarasota County Property Appraiser.

**Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years**

Fiscal Year Ended 09/3	City of Venice			Overlapping Rates			Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage	Sarasota County	School District	SWFWMD	
				Total County Millage	Total School Millage	Total SWFWMD Millage	
2019	3.700	0.638	4.338	5.133	7.003	0.296	16.770
2018	3.600	0.678	4.278	5.133	7.209	0.313	16.933
2017	3.600	0.166	3.766	5.143	7.433	0.332	16.674
2016	3.100	0.177	3.277	5.143	7.763	0.349	16.532
2015	3.100	0.192	3.292	5.177	7.777	0.366	16.612
2014	3.100	0.202	3.302	5.177	7.970	0.382	16.831
2013	2.965	0.262	3.227	5.177	7.816	0.393	16.613
2012	2.935	0.260	3.195	5.124	7.635	0.393	16.347
2011	2.779	0.225	3.004	5.273	7.901	0.377	16.555
2010	2.779	0.225	3.004	5.272	7.427	0.387	16.091

Source: City of Venice, Florida Comprehensive Annual Financial Report for Fiscal Year ended September 30, 2019.

**Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended 09/30	Total Tax Levy for Fiscal Year	Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2019	\$17,594,071	\$16,986,409	96.5%	\$22,301	\$17,008,710	96.7%
2018	16,341,682	15,748,855	96.4	16,779	15,765,634	96.5
2017	13,348,579	12,850,227	96.2	8,254	12,858,481	96.3
2016	10,578,630	10,244,464	96.8	1,963	10,246,427	96.9
2015	9,956,826	9,601,711	96.4	7,385	9,609,096	96.5
2014	9,326,153	8,934,711	95.8	3,066	8,937,777	95.8
2013	8,710,251	8,390,344	96.3	23,551	8,431,895	96.6
2012	8,658,490	8,333,156	96.2	56,412	8,389,568	96.9
2011	8,594,088	8,249,561	96.0	5,183	8,254,744	96.1
2010	9,520,206	9,190,963	96.5	5,183	9,196,146	96.6

Source: City of Venice, Florida Comprehensive Annual Financial Report for Fiscal Year ended September 30, 2019.

Property taxes are levied on November 1 of each year, and are due and payable upon receipt of the notice of the levy. A 4% discount is allowed if the taxes are paid in November, with the discount declining by 1% each month thereafter. Accordingly, taxes collected will not be 100% of the tax levy. Taxes become delinquent on April 1 of each year, and tax certificates for the full amount of any unpaid taxes are sold at public auction prior to June 1 each year, and the proceeds collected are remitted to the City.

**Demographic and Economic Statistics
Last Ten Years**

Fiscal Year	Population ⁽¹⁾	Personal Income ⁽²⁾	Per Capita Personal Income ⁽³⁾	Unemployment Rate ⁽⁴⁾
2019	23,315	\$993,079,110	\$42,594	2.9%
2018	22,781	970,333,914	42,594	2.9
2017	22,306	945,216,750	42,375	3.3
2016	21,849	899,829,216	41,184	4.7
2015	21,418	852,821,924	39,818	5.0
2014	21,188	795,863,656	37,562	6.0
2013	21,117	761,310,084	36,052	6.8
2012	20,918	747,295,550	35,725	8.9
2011	20,752	725,884,208	34,979	11.0
2010	22,176	749,526,624	33,799	12.5

(1) Bureau of Economic and Business Research, University of Florida. Resident population used by the City's Planning and Zoning Department.

(2) Determined by multiplying population by per capita personal income.

(3) U.S. Census Bureau - American FactFinder, 2013-2017 5-year American Community Survey (in 2017 inflation-adjusted dollars)

(4) U.S. Department of Labor, Bureau of Labor Statistics - Local Area Unemployment Statistics.

NOTES: Statistics for unemployment rate are not available for City of Venice. Therefore, figures from North Port-Bradenton-Sarasota, Florida Metropolitan Statistical Area were used.

Source: City of Venice, Florida Comprehensive Annual Financial Report for Fiscal Year ended September 30, 2019.

**Principal Property Taxpayers
Current Fiscal Year and Nine Years Ago**

<u>Taxpayer</u>	2019			2010		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	Percentage of Total Taxable Assessed Value	<u>Taxable Assessed Value</u>	<u>Rank</u>	Percentage of Total Taxable Assessed Value
MHC Bay Indies LLC	\$72,122,160	1	1.78%	\$38,762,800	2	1.22%
AG (Aston Gardens) Venice Senior Housing LLC	47,446,200	2	1.17	25,559,200	3	0.81
Venice HMA, LLC (Venice Regional Medical Center)	41,367,200	3	1.02	40,854,700	1	1.29
Southwest Florida Retirement Center, Inc.	34,193,000	4	0.84	11,905,933	6	0.38
PGT Industries, Inc.	19,094,400	5	0.47	15,825,300	4	0.50
Tuscan Gardens Venice	19,045,200	6	0.47	-	-	-
Publix Supermarkets Inc.	14,571,130	7	0.36	-	-	-
DR Horton	14,037,521	8	0.35	-	-	-
Real Sub LLC	11,460,000	9	0.28	-	-	-
Neal Communities	9,369,678	10	0.23			
Csh-ing Bella Vita LP (Bella Vita Arv)	-		-	14,112,800	5	0.45
Waterford at Laurel Park N, LLC	-		-	10,812,800	7	0.34
WCI Communities, Inc.	-		-	10,682,700	8	0.78
Healthcare Realty Trust, Inc.	-	-	-	8,588,500	9	0.27
Venice Plaza Shopping Ctr. Ltd.	-	-	-	8,050,500	10	0.39
Totals	\$282,707,759		6.97%	\$185,155,233		5.85%
Total taxable assessed value – City of Venice	\$4,055,802,537			\$3,169,176,319		

Source: City of Venice, Florida Comprehensive Annual Financial Report for Fiscal Year ended September 30, 2019.

Total taxable assessed value of Venice for 2019 - \$4,055,802,537

Total taxable assessed value of Venice for 2010 - \$3,169,176,319

**Principal Employers
Current Year and Nine Years Ago**

<u>Employer</u>	2019			2010		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
School Board of Sarasota County	5,808	1	3.13%	5,618	1	3.84%
Sarasota Memorial Hospital	3,977	2	2.15	3,024	3	2.07
Publix Super Markets	3,802	3	2.05	1,519	4	1.04
Sarasota County Government	3,656	4	1.97	3,276	2	2.24
PGT Innovations	1,851	5	1.00	724	6	0.49
Venice Regional Medical Center	1,100	6	0.59	871	5	0.60
Doctors Hospital of Sarasota	856	7	0.46	-	-	-
Helios Technologies, Inc.	729	8	0.39	590	9	0.40
Florida Resource Management LLC	500	9	0.27	-	-	-
FCCI Insurance Group, Inc.	400	10	0.22	680	7	0.46
City of Sarasota	-		-	619	8	0.42
Comcast Cablevision	-		-	529	10	0.36
	<u>22,679</u>		<u>12.23%</u>	<u>17,450</u>		<u>11.92%</u>
Total Sarasota County Employment:	<u>185,329</u>			<u>146,285</u>		

Source: City of Venice, Florida Comprehensive Annual Financial Report for Fiscal Year ended September 30, 2019.

Note: Statistics are for Sarasota County; not available for City of Venice.

Pension and OPEB Plans Obligations

Annual pension cost to the City for 2019 was \$9.0 Million. At September 30, 2019, the City's net pension liabilities totaled \$47.6 million. In addition, the City Other Post Employment Benefits ("OPEB") liability was \$10.8 million. To address some of these obligations, on October 1, 2014, the City closed its firefighters' and police officers' pension plans (the Plans) to new entrants. New hires after that date enroll in the Florida Retirement System, like other City employees. Active Plan members were given the option to transfer to FRS. In addition, the City no longer subsidizes the cost of health insurance for employees who retire on or after January 1, 2016 (except for an implicit subsidy that the cost to retirees is no greater than the cost to active City employees.) The following is a summary of the pension plans available to City employees and the OPEB Plan more information about these plans can be found in Appendix B particularly Notes H & I to such audited financial statements.

The Florida Retirement System

The information relating to the Florida Retirement System ("FRS") contained herein has been obtained from the FRS Annual Reports available at www.dms.myflorida.com and the Florida Comprehensive Annual Financial Reports available at www.myfloridacfo.com/aadir/statewide_financial_reporting. No representation is made by the Town as to the accuracy or adequacy of such information or that there has not been any material adverse change in such information subsequent to the date of such information.

General Information. Substantially all full-time employees of the Town are eligible to participate in the FRS. The FRS is a cost-sharing multiple-employer public-employee retirement system with two primary plans – the FRS defined benefit pension plan (the "FRS Pension Plan") and the FRS defined contribution plan (the "FRS Investment Plan"). The FRS Pension Plan was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees.

Florida Retirement System Pension Plan

Membership. FRS membership is compulsory for all employees filling a regularly established position in a state agency, county agency, state university, state community college, or district school board. Participation by cities, municipalities, special districts, charter schools, and metropolitan planning organizations, although optional, is generally irrevocable after election to participate is made. Members hired into certain positions may be eligible to withdraw from the FRS altogether or elect to participate in the non-integrated optional retirement programs in lieu of the FRS except faculty of a medical college in a state university who must participate in the State University System Optional Retirement Program.

There are five general classes of membership, as follows:

- *Regular Class* - Members of the FRS who do not qualify for membership in the other classes.
- *Senior Management Service Class (SMSC)* - Members in senior management level positions in state and local governments as well as assistant state attorneys, assistant statewide prosecutors, assistant public defenders, assistant attorneys general, deputy court administrators, assistant capital collateral representatives, and judges of compensation claims.

- *Special Risk Class* - Members who are employed as law enforcement officers, firefighters, firefighter trainers, fire prevention officers, state fixed-wing pilots for aerial firefighting surveillance, correctional officers, emergency medical technicians, paramedics, community-based correctional probation officers, youth custody officers (from July 1, 2001 through June 30, 2014), certain health-care related positions within state forensic or correctional facilities, or specified forensic employees of a medical examiner's office or a law enforcement agency, and meet the criteria to qualify for this class.

- *Special Risk Administrative Support Class* - Former Special Risk Class members who are transferred or reassigned to nonspecial risk law enforcement, firefighting, emergency medical care, or correctional administrative support positions within an FRS special risk-employing agency.

- *Elected Officers' Class (EOC)* - Members who are elected state and county officers and the elected officers of cities and special districts that choose to place their elected officials in this class. Members of the EOC may elect to withdraw from the FRS or participate in the SMSC in lieu of the EOC.

Beginning July 1, 2001 through June 30, 2011, the FRS Pension Plan provided for vesting of benefits after six years of creditable service for members initially enrolled during this period. Members not actively working in a position covered by the FRS Pension Plan on July 1, 2001, must return to covered employment for up to one work year to be eligible to vest with less service than was required under the law in effect before July 1, 2001. Members initially enrolled on or after July 1, 2001 through June 30, 2011, vest after six years of service. Members initially enrolled on or after July 1, 2011, vest after eight years of creditable service. Members are eligible for normal retirement when they have met the requirements listed below. Early retirement may be taken any time after vesting within 20 years of normal retirement age; however, there is a 5% benefit reduction for each year prior to the normal retirement age.

- *Regular Class, SMSC, and EOC Members* – For members initially enrolled in the FRS Pension Plan before July 1, 2011, six or more years of creditable service and age 62, or the age after completing six years of creditable service if after age 62. Thirty years of creditable service regardless of age before age 62. For members initially enrolled in the FRS Pension Plan on or after July 1, 2011, eight or more years of creditable service and age 65, or the age after completing eight years of creditable service if after age 65. Thirty-three years of creditable service regardless of age before age 65.

- *Special Risk Class and Special Risk Administrative Support Class Members* – For members initially enrolled in the FRS Pension Plan before July 1, 2011, six or more years of Special Risk Class service and age 55, or the age after completing six years of Special Risk Class service if after age 55. Twenty-five years of special risk service regardless of age before age 55. A total of 25 years of service including special risk service and up to four years of active duty wartime service and age 52. Without six years of Special Risk Class service, members of the Special Risk Administrative Support Class must meet the requirements of the Regular Class. For members initially enrolled in the FRS Pension Plan on or after July 1, 2011, eight or more years of Special Risk Class service and age 60, or the age after completing eight years of Special Risk Class service if after age 60. Thirty years of special risk service regardless of age before age 60.

Without eight years of Special Risk Class service, members of the Special Risk Administrative Support Class must meet the requirements of the Regular Class.

Benefits. Benefits under the FRS Pension Plan are computed on the basis of age, average final compensation, creditable years of service, and accrual value by membership class. Members are also eligible for in-line-of-duty or regular disability and survivors' benefits. Pension benefits of retirees and annuitants are increased each July 1 by a cost-of-living adjustment. If the member is initially enrolled in the FRS Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. FRS Pension Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

The Deferred Retirement Option Program ("DROP") became effective July 1, 1998, subject to provisions of Section 121.091(13), Florida Statutes. FRS Pension Plan members who reach normal retirement are eligible to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in the DROP for a maximum of 60 months. Authorized instructional personnel employed with a district school board, the Florida School for the Deaf and the Blind or a developmental research school of a state university may be allowed to extend their DROP participation for up to an additional 36 months beyond their initial 60-month participation period. Monthly retirement benefits remain in the FRS Trust Fund during DROP participation and accrue interest. As of June 30, 2019, the FRS Trust Fund held \$2,542,917,693 in accumulated benefits for 33,490 DROP participants. Of these 33,490 DROP participants, 31,749 were active in the DROP with balances totaling \$2,277,211,830. The remaining participants were no longer active in the DROP and had balances totaling \$265,705,863 to be processed after June 30, 2019.

Administration. The Department of Management Services, Division of Retirement administers the FRS Pension Plan. The State Board of Administration (the "SBA") invests the assets of the FRS Pension Plan held in the FRS Trust Fund. Costs of administering the FRS Pension Plan are funded from earnings on investments of the FRS Trust Fund. Reporting of the FRS Pension Plan is on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the obligation is incurred.

Contributions. All participating employers must comply with statutory contribution requirements. Section 121.031(3), Florida Statutes, requires an annual actuarial valuation of the FRS Pension Plan, which is provided to the Legislature as guidance for funding decisions. Employer and employee contribution rates are established in Section 121.71, Florida Statutes. Employer contribution rates under the uniform rate structure (a blending of both the FRS Pension Plan and FRS Investment Plan rates) are recommended by the actuary but set by the Legislature. Statutes require that any unfunded actuarial liability ("UAL") be amortized within 30 plan years. Pursuant to Section 121.031(3)(f), Florida Statutes, any surplus amounts available to offset total retirement system costs are to be amortized over a 10-year rolling period on a level-dollar basis. The balance of legally required reserves for all defined benefit pension plans at June 30, 2019, was \$163,573,726,217. These funds were reserved to provide for total current and future benefits, refunds, and administration of the FRS Pension Plan.

Effective July 1, 2011, both employees and employers of the FRS are required to make contributions to establish service credit for work performed in a regularly established position. Effective

July 1, 2002, the Florida Legislature established a uniform contribution rate system for the FRS, covering both the FRS Pension Plan and the FRS Investment Plan. The uniform rates for Fiscal Year 2018-19 are as follows:

<u>Membership Class</u>	<u>Employee Contribution Rate</u>	<u>Employer Contribution Rate⁽¹⁾</u>	<u>Total Contribution Rate</u>
Regular	3.00%	6.54%	9.54%
Special Risk	3.00	22.78	25.78
Special Risk Administrative Support	3.00	33.26	36.26
Elected Officers – Judges	3.00	39.05	42.05
Elected Officers -			58.03
Legislators/Attorneys/Cabinet	3.00	55.03	
Elected Officers – County, City, Special Districts	3.00	46.98	49.98
Senior Management Service	3.00	22.34	25.34
Deferred Retirement Option Program	N/A	12.37	12.37

⁽¹⁾ These rates include the normal cost and unfunded actuarial liability contributions but do not include the 1.66% contribution for the Retiree Health Insurance Subsidy ("HIS") and the fee of 0.06% for administration of the FRS Investment Plan and provision of educational tools for both plans.

Source: Florida Retirement System Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2019.

The contributions of the County are established and may be amended by the State Legislature. The consolidated County's contributions to the FRS Pension Plan totaled \$703,612 for the Fiscal Year ended September 30, 2019.

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Pension Amounts for the FRS Pension Plan.

Schedule of Changes in Net Pension Liability and Related Ratios
(in thousands)

Total Pension Liability	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>
Service cost	\$2,073,754	\$2,423,987	\$2,523,070
Interest on total pension liability	12,484,167	12,847,930	13,194,902
Effect of plan changes	92,185	-	11,404
Effect of economic/demographic (gains) or losses	1,412,462	554,811	247,482
Effect of assumption changes or inputs	10,398,344	2,235,654	1,585,626
Benefit payments	<u>(9,859,319)</u>	<u>(10,377,575)</u>	<u>(10,867,549)</u>
Net change in total pension liability	16,601,593	7,684,807	6,694,935
 Total pension liability, beginning	<u>167,030,999</u>	<u>183,632,592</u>	<u>191,317,399</u>
Total pension liability, ending (a)	<u>\$183,632,592</u>	<u>191,317,399</u>	<u>198,012,334</u>
 Fiduciary Net Position			
Employer contributions	\$2,603,246	\$2,849,920	\$3,100,721
Member contributions	744,839	746,370	752,813
Investment income net of investment expenses	18,801,917	13,955,233	9,410,440
Benefit payments	(9,859,319)	(10,377,575)	(10,867,549)
Administrative expenses	<u>(18,340)</u>	<u>(20,178)</u>	<u>(19,580)</u>
Net change in plan fiduciary net position	12,272,342	7,153,770	2,376,845
 Fiduciary net position, beginning	<u>141,780,921</u>	<u>154,043,111</u>	<u>161,196,881</u>
Fiduciary net position, ending (b)	<u>\$154,053,263⁽¹⁾</u>	<u>\$161,196,881</u>	<u>\$163,573,726</u>
 Net pension liability, ending = (a) – (b)	\$29,579,329	\$30,120,518	\$34,438,608
 Fiduciary net position as a % of total pension liability	83.89%	84.26%	82.61%
 Covered payroll	\$33,775,800	\$34,675,000	\$35,571,200
 Net pension liability as a % of covered payroll	87.58%	86.87%	96.82%

⁽¹⁾ Reflects restatement of beginning net position at July 1, 2017, due to implementation of GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

Source: Florida Retirement System Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2019.

Actuarial Methods and Assumptions for the FRS Pension Plan. The total pension liability was determined by an actuarial valuation as of the valuation date of July 1, 2019, calculated based on the discount rate and actuarial assumptions below:

	June 30, 2018	June 30, 2019
Discount rate	7.00%	6.90%
Long-term expected rate of return, net of investment expense	7.00%	6.90%
Bond Buyer General Obligation 20-Year Bond Municipal Bond Index	N/A	N/A

Source: Florida Retirement System Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2019.

The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees in determining the projected depletion date. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

The actuarial assumptions used to determine the total pension liability as of June 30, 2019, were based on the results of an actuarial experience study for the period July 1, 2013 - June 30, 2018.

Valuation Date	July 1, 2019
Measurement Date	June 30, 2019
Asset Valuation Method	Fair Market Value
Inflation	2.60%
Salary increase including inflation	3.25%
Mortality	PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2018
Actuarial cost method	Individual Entry Age Normal

Source: Florida Retirement System Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2019.

Sensitivity Analysis for the FRS Pension Plan. The following presents the net pension liability of the FRS, calculated using the discount rate of 6.90%, as well as what the FRS's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.90%) or one percentage point higher (7.90%) than the current rate.

	1% Decrease 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
Total pension liability	\$223,106,611,000	\$198,012,334,000	\$177,054,368,000
Fiduciary net position	<u>163,573,726,217</u>	<u>163,573,726,217</u>	<u>163,573,726,217</u>
Net pension liability	\$59,532,884,783	\$34,438,607,783	\$13,480,641,783

Source: Florida Retirement System Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2019.

Retiree Health Insurance Subsidy Program

The HIS Program is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Department of Management Services. For the fiscal year ended June 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

The HIS Program is funded by required contributions from FRS participating employers as set by the Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2019, the contribution rate was 1.66% of payroll pursuant to Section 112.363, Florida Statutes. HIS contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, the legislature may reduce or cancel HIS payments.

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Pension Amounts for the HIS.

**Schedule of Changes in Net Pension Liability and Related Ratios
(in thousands)**

Total Pension Liability	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Service cost	\$256,710	\$304,537	\$258,450	\$232,118
Interest on total pension liability	390,757	337,486	389,705	418,157
Effect of plan changes	0	0	0	0
Effect of economic/demographic (gains) or losses	(30,826)	0	188,173	0
Effect of assumption changes or inputs	1,352,459	(1,073,716)	(398,996)	516,083
Benefit payments	(449,857)	(465,980)	(491,528)	(491,890)
Net change in total pension liability	1,519,243	(897,673)	(54,196)	674,468
Total pension liability, beginning	10,249,201	11,768,445	10,870,772	10,816,576
Total pension liability, ending (a)	\$11,768,445	\$10,870,772	\$10,816,576	11,491,044
Fiduciary Net Position				
Employer contributions	\$512,564	\$529,229	\$542,303	\$555,291
Member contributions	0	0	237	195
Investment income net of investment expenses	565	1,380	3,311	6,181
Benefit payments	(449,857)	(465,980)	(491,531)	(491,890)
Administrative expenses	(188)	(177)	(168)	(195)
Net change in plan fiduciary net position	63,084	64,452	(54,152)	69,582
Fiduciary net position, beginning	50,774	113,859	178,311	232,463
Fiduciary net position, ending (b)	\$113,859	\$178,311	\$232,463	\$302,045
Net pension liability, ending = (a) – (b)	\$11,654,586	\$10,692,461	\$10,584,113	\$11,188,999
Fiduciary net position as a % of total pension liability	0.97%	1.64%	2.15%	2.63%
Covered payroll	\$30,875,274	\$31,885,633	\$32,670,918	\$33,452,626
Net pension liability as a % of covered payroll	37.75%	33.53%	32.40%	33.45%

Source: Florida Retirement System Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2019.

Actuarial Methods and Assumptions for the HIS. The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and then was projected to the measurement date. Any significant changes during this period have been reflected as prescribed by GASB 67. The same demographic and economic assumptions that were used in the Florida Retirement System Actuarial Valuation as of July 1, 2019 ("funding valuation") were used for the HIS Program, unless otherwise noted. In a given membership

class and tier, the same assumptions for both FRS Investment Plan members and for FRS Pension Plan members were used.

	<u>June 30, 2018</u>	<u>June 30, 2019</u>
Discount rate	3.87%	3.50%
Long-term expected rate of return, net of investment expense	N/A	N/A
Bond Buyer General Obligation 20-Year Bond Municipal Bond Index	3.87%	3.50%

Source: Florida Retirement System Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2019.

In general, the discount rate for calculating the total pension liability under GASB 67 is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The discount rate used in the 2019 valuation was updated from 3.87% to 3.50%, reflecting the change in the Bond Buyer General Obligation 20-Year Bond Municipal Bond Index as of June 30, 2019.

The actuarial assumptions used to determine the total pension liability as of June 30, 2019, were based on the results of an actuarial experience study for the period July 1, 2008 - June 30, 2013.

Valuation Date	July 1, 2018
Measurement Date	June 30, 2019
Inflation	2.60%
Salary increase including inflation	3.25%
Mortality	Generational RP-2000 with Projection Scale BB
Actuarial cost method	Individual Entry Age

Source: Florida Retirement System Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2019.

Sensitivity Analysis for the HIS. The following presents the net pension liability of the HIS, calculated using the discount rate of 3.50%, as well as what the HIS's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.50%) or one percentage point higher (4.50%) than the current rate.

	<u>1% Decrease 2.50%</u>	<u>Current Discount Rate 3.50%</u>	<u>1% Increase 4.50%</u>
Total pension liability	\$13,074,860,670	\$11,491,043,673	\$10,171,903,430
Fiduciary net position	<u>302,044,388</u>	<u>302,044,388</u>	<u>302,044,388</u>
Net pension liability	\$12,772,816,282	\$11,188,999,285	\$9,869,859,042

Source: Florida Retirement System Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2019.

FRS Investment Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The Florida Legislature establishes and amends the benefit terms of the plan. Retirement benefits are based upon the value of the member's account upon retirement. The FRS Investment Plan provides vesting after one year of service regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the FRS Investment Plan, the years of service required for vesting under the FRS Pension Plan (including the service credit represented by the transferred funds) is required to be vested for these funds and the earnings on the funds. The employer pays a contribution as a percentage of salary that is deposited into the individual member's account. Effective July 1, 2011, there is a mandatory employee contribution of 3.00%. The FRS Investment Plan member directs the investment from the options offered under the plan. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer assessment of payroll and by forfeited benefits of plan members. After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the FRS Investment Plan, receive a lump-sum distribution, or leave the funds invested for future distribution. Disability coverage is provided; the employer pays an employer contribution to fund the disability benefit which is deposited in the FRS Trust Fund. The member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the FRS Investment Plan and rely upon that account balance for retirement income.

GASB 68/71

The Governmental Accounting Standards Board (GASB) issued Statement No. 68, "Accounting and Financial Reporting for Pensions" – an amendment to GASB Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers", which was subsequently amended by GASB No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date" (collectively, "GASB No. 68/71"), which was effective for the County's fiscal year ended September 30, 2016. As a participating employer, the County implemented GASB No. 68/71, which requires an employer participating in a cost-sharing multiple-employer defined benefit pension plans to report the employer's proportionate share of the net pension liabilities of the defined benefit pension plans. The greatest impact of GASB No. 68/71 to the County is the inclusion of the County's proportionate share of the FRS Net Pension Liability (the "County's Net Pension Liability"), which reduced the County's Unrestricted Net Position and Total Net Position. Additionally, pension expense is no longer equal to pension contributions made, but instead is equal to the change in net pension liability from year to year, with adjustments for deferred amounts. The County is also now required to include more extensive footnote disclosures and supplementary schedules. All of these decreases are accrual based accounting changes, and do not represent decreases in cash or liquidity positions.

Multiple Employer Defined Benefit Retirement Plan

As provided by Chapters 121 and 112, *Florida Statutes*, the FRS provides two cost-sharing, multiple-employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan and HIS. Under Section 121.4501, *Florida Statutes*, the FRS also provides a defined contribution plan FRS Investment Plan alternative to the FRS Pension Plan, which is administered by the SBA. As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county

government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000 or from the website: www.dms.myflorida.com/workforce_operations/retirementpublications.

Employee Retirement Systems

The City maintains two single-employer, public employee retirement systems. Assets are held separately and may be used only for the payment of benefits to the members of the respective plans. Each plan is accounted for as a pension trust fund in the City's financial statements, which are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee contributions are due and a formal commitment has been made by the employer. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. The Firefighters' and Police Officers' Pension Plans issue financial reports that include financial statements and required supplementary information. The reports may be obtained from the City of Venice Finance Director.

Firefighters' Pension Plan - General Information about the Firefighters' Pension Plan

Plan Description

The City's Municipal Firefighters' Pension Plan (the "Plan"), a single employer defined benefit public employee retirement plan, is administered in accordance with the City Charter and Florida Statute 175. The Plan is administered by a Board of Trustees comprised of:

- (a) Two City Council appointees who are City residents,
- (b) Two elected members of the City's fire department, and
- (c) A fifth member elected by the other four and appointed by Council.

Eligible members of the Plan have full-time employment with the City as a firefighter. The Plan is closed to firefighters hired after September 30, 2014. Members active on September 30, 2014, were given the option of participating prospectively in the Florida Retirement System.

Following is a brief description of the changes in benefit terms and/or actuarial assumptions during the year ended September 30, 2019:

Benefit Changes

- None

Changes in Actuarial Assumptions

- None

Plan Membership as of October 1, 2018 (latest valuation)

Inactive Plan members or beneficiaries currently receiving benefits	42
Inactive Plan members entitled to but not yet receiving benefits	15
Active Plan members	<u>22</u>
Total	79

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

Normal Retirement

Eligibility: Earlier of age 55 and 10 years of credited service, or 25 years of credited service, regardless of age.

Benefit Amount: 3.50% of average final compensation times years of credited service, plus \$175 per month for members eligible for normal retirement as of October 1, 2014. The benefit accrual rate is 2.75% for rendered service on and after October 1, 2014 for members not eligible for normal retirement as of that date.

Early Retirement

Eligibility: Earlier of age 50 and 10 years of credited service, or the completion of 20 years of credited service regardless of age for members with 10 or more years of credited service as of October 1, 2014. Early retirement is not available for members with less than 10 years of credited service as of that date.

Benefit: Deferred benefit payable at normal retirement date or reduced 2% per year and payable immediately.

Disability

Eligibility: Total and permanent as determined by the Board. Members are covered from date of employment for service-incurred disabilities and after five years of service for non-service disabilities.

Benefit: Greater of 2% times average final compensation times credited service, or 50% of average final compensation. Benefits are payable as a 100% joint and survivor annuity to spouse or children. Optional forms are available.

Pre-Retirement Death

Eligibility: Coverage in effect from date of employment for service-incurred death and after five years of service for non-service incurred death.

Benefit: 50% of average final compensation paid to spouse until death, if service incurred, or until death or remarriage, if non-service incurred.

Minimum Benefit for Vested Members: Accrued benefit, less any spouse or surviving children benefits payable.

Cost-of-Living Adjustment

Normal and early service retirees who retire after October 1, 1998 receive a 3.0% increase each year after retirement through age 65. For members not eligible for normal retirement as of October 1, 2014, no cost-of-living adjustments are applicable to benefits based on credited service after that date.

Vesting (Termination)

Less than 10 years of contributing service: Refund of member contributions.
10 years or more: Accrued benefit payable at early retirement age or later if member contributions left in Plan; otherwise, refund of member contributions. Additionally, members are 100% vested for benefits accrued prior to October 1, 2014, regardless of accrued service as of that date.

Contributions

Employee: Required to contribute 7.00% of salary to the Plan.

State of Florida: 1.85% property insurance premium tax.

City of Venice: Remaining amount necessary for payment of normal (current year's) cost and amortization of the accrued past service liability, as provided in Part VII of Florida Statutes Chapter 112.

During the year ended September 30, 2019, contributions totaling \$2,671,243 were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of October 1, 2017. The City contributed \$2,372,720, members contributed \$125,174, and the State contributed \$173,349.

Net Pension Liability of the City (Firefighter's Plan)

The measurement date for the total/net pension liability is September 30, 2019, same as the reporting date. The measurement period for pension expense was October 1, 2018 to September 30, 2019. The components of the City's net pension liability at September 30, 2019, related to the Firefighters' Plan, were as follows:

Total pension liability	\$42,695,317
Plan fiduciary net position	<u>(26,316,843)</u>
City's net pension liability	<u>\$16,378,474</u>
Plan fiduciary net position as a percentage of total pension liability	61.64%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2019, using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	Service based
Discount Rate	7.00%
Investment Rate of Return	7.00%

Mortality Rate Healthy Lives

- Female: RP2000 Generational, 100% White Collar, Scale BB.
- Male: RP2000 Generational, 10% White Collar/90% Blue Collar, Scale BB.

Mortality Rate Disabled Lives

- Female: 60% RP2000 Disabled Female set forward two years/40% Annuitant White Collar with no setback, no projection scale.
- Male: 60% RP2000 Disabled Male setback four years/40% Annuitant White Collar with no setback, no projection scale.

The most recent actuarial experience study used to review the other significant assumptions was dated May 3, 2010.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. For 2019, the inflation rate assumption of the investment advisor was 2.5%. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of September 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	45%	7.50%
International Equity	15	8.50
Broad Market Fixed Income	25	2.50
Global Fixed Income	5	3.50
Real Estate	<u>10</u>	4.50
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability was 7.00%, same as the prior year. The projection of cash flows used to determine the discount rate assumed that Plan member contributions

will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability (Firefighters' Plan)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at September 30, 2018	\$41,841,542	\$25,635,236	\$16,206,306
<i>Changes for the Year:</i>			
Service cost	763,821		763,821
Interest	2,897,034		2,897,034
Change in excess State money	(8,861)		(8,861)
Differences between expected and actual experience	4,431		4,431
Changes of assumptions	(382,046)		(382,046)
Changes of benefit terms			
Contributions - employer			
Contributions - State		2,372,720	(2,372,720)
Contributions - employee		173,349	(173,349)
Net investment income		125,174	(125,174)
Benefit payments, including refunds of employee contributions		485,854	(485,854)
Administrative expense	(2,420,604)	(2,420,604)	
Accrual adjustments		(57,886)	57,886
Net Changes	853,775	678,607	175,168
Balances at September 30, 2019	\$42,695,317	\$26,313,843	\$16,381,474

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following table presents the net pension liability calculated using the discount rate of 7.00%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.00%) or one percentage-point higher (8.00%) than the current rate:

	1% Decrease	Current	1% Increase
	(6.00%)	(7.00%)	(8.00%)
City's net pension liability – Firefighters' Pension	\$21,381,369	\$16,378,474	\$12,202,925

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Firefighters' Pension Plan

For the year ended September 30, 2019 the City recognized pension expense of \$1,959,954 for the Firefighters' Plan. At September 30, 2019, the City has deferred outflows of resources and deferred inflows of resources related to the Plan as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$0	\$(191,023)
Net difference between projected and actual earnings on Plan investments	<u>493,692</u>	<u>-</u>
Total	<u>\$493,692</u>	<u>\$(191,023)</u>

Net deferred outflows/inflows of resources shown above will be amortized to pension expense in the following years:

<u>Year ended September 30:</u>	
2020	\$(173,165)
2021	25,649
2022	187,071
2023	<u>263,114</u>
Total	<u>\$302,669</u>

Police Officers' Pension Plan - General Information about the Police Officers' Pension Plan

Plan Description

The City of Venice, Municipal Police Officers' Pension Plan (the Plan), a single-employer defined benefit public employee retirement plan, is administered in accordance with the City Charter and Florida Statute 185. The Plan is administered by a Board of Trustees comprised of:

- (a) Two City Council appointees who are City residents,
- (b) Two elected members of the City's police department, and
- (c) A fifth member elected by the other four and appointed by Council.

Eligible members of the Plan have full-time employment with the City as a sworn police officer. The Plan is closed to police officers hired after September 30, 2014. Members active on September 30, 2014, were given the option of participating prospectively in the Florida Retirement System.

Following is a brief description of the changes in benefit terms and/or actuarial assumptions during the year ended September 30, 2019:

Benefit Changes

- None

Changes in Actuarial Assumption

- None

Plan Membership as of October 1, 201

Inactive Plan members or beneficiaries currently receiving benefits	57
Inactive Plan members entitled to but not yet receiving benefits	32
Active Plan members	<u>5</u>
Total	94

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

Normal Retirement

Eligibility: Earlier of age 52 and 10 years of credited service, or 25 years of credited service, regardless of age.

Benefit Amount: 3.50% of average final compensation times credited service through September 30, 2014, plus 2.75% of average final compensation times credited service on and after October 1, 2014, plus \$175 per month supplement. Members eligible for normal retirement as of October 1, 2014 will continue to accrue benefits under Plan provisions in effect prior to Ordinance No. 2014-23.

Early Retirement

Eligibility: 20 years of credited service, regardless of age. There is no early retirement option for members with less than 10 years of credited service as of October 1, 2014.

Benefit: Accrued benefit, reduced 2% per year preceding normal retirement date.

Disability

Eligibility: Total and permanent as determined by the Board.

Service Incurred: Covered from date of employment.

Non-Service Incurred: Covered after 5 years of credited service.

Benefit: 62.5% (service incurred), or 50% (non-service incurred) of salary (base hourly pay, plus shift differential plus incentive pay) at time of disability plus \$175 per month. Benefits are paid as a 100% joint and survivor annuity.

Pre-Retirement Death Benefits

Service Incurred: Covered from date of employment. 62.5% of earnings paid to spouse until death, or if no spouse, in equal shares to dependent children.

Non-Service Incurred: Eligible after 5 years of credited service. 50% of earnings paid to spouse until death or remarriage, or if no spouse, in equal shares to dependent children.

Vesting (Termination)

Members are 100% vested for benefits accrued prior to October 1, 2014.

Contributions

Employee: Required to contribute 7.00% of their salary to the Plan.

State of Florida: 0.85% casualty insurance premium tax.

City of Venice: Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, over 30 years. In no event will City contributions be less than 12% of the total salary of the members.

During the year ended September 30, 2019, contributions totaling \$1,745,976 were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of October 1, 2017. The City contributed \$1,498,868, members contributed \$26,716, and the State contributed \$220,392.

Net Pension Liability of the City (Police Officers' Plan)

The measurement date for the total/net pension liability is September 30, 2019, same as the reporting date. The measurement period for pension expense was October 1, 2018 to September 30, 2019. The components of the City's net pension liability at September 30, 2019, related to the Police Officers' Plan, were as follows:

Total pension liability	\$43,667,030
Plan fiduciary net position	<u>(37,905,895)</u>
City's net pension liability	<u>\$5,761,135</u>
Plan fiduciary net position as a	
Percentage of total pension liability	86.81%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2019, using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	5.50% - 10.00%
Discount Rate	7.00%
Investment Rate of Return	7.00%

Mortality Rate Healthy Lives

- Female: RP2000 Generational, 100% White Collar, Scale BB.
- Male: RP2000 Generational, 10% White Collar/90% Blue Collar, Scale BB.

Mortality Rate Disabled Lives

- Female: 60% RP2000 Disabled Female set forward two years/40% Annuitant White Collar with no setback, no projection scale.
- Male: 60% RP2000 Disabled Male setback four years/40% Annuitant White Collar with no setback, no projection scale.

The most recent actuarial experience study used to review the other significant assumptions was dated December 9, 2011.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. For 2019, the inflation rate assumption of the investment advisor was 2.5%. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of September 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	50%	7.50%
International Equity	15	8.50
Broad Market Fixed Income	25	2.50
Real Estate	<u>10</u>	4.50
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability was 7.00%, same as the prior year. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to

the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability (Police Officers' Plan)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at September 30, 2018	\$44,273,781	\$38,966,127	\$5,307,654
<i>Changes for the Year:</i>			
Service cost	98,766		98,766
Interest	2,981,724		2,981,724
Differences between expected and actual experience	(134,263)		(134,263)
Changes of assumptions			
Changes of benefit terms			
Contributions - employer		1,498,868	(1,498,868)
Contributions - State		220,392	(220,392)
Contributions - employee		26,716	(26,716)
Net investment income		824,171	(824,171)
Benefit payments, including refunds of employee contributions	(3,552,978)	(3,552,978)	
Administrative expense	-	(77,401)	77,401
Accrual adjustments	(606,751)	(1,060,232)	453,481
Net Changes	\$43,667,030	\$37,905,895	\$5,761,135
Balances at September 30, 2019	\$44,273,781	\$38,966,127	\$5,307,654

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following table presents the net pension liability, calculated using the discount rate of 7.00%, as well as what the Police Officers' Plan's net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.00%) or one percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's net pension liability – Police Officers' Pension	\$10,517,962	\$5,761,135	\$1,798,471

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Police Officers' Pension Plan

For the year ended September 30, 2019 the City recognized pension expense of \$432,527. At September 30, 2019 the City has deferred outflows of resources and deferred inflows of resources related to the Police Officers' Plan as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on Plan investments	<u>\$0</u>	<u>\$(886,261)</u>
Total	<u>\$0</u>	<u>\$(886,261)</u>

Net deferred outflows/inflows of resources shown above will be amortized to pension expense in the following years:

<u>Year ended September 30:</u>	
2020	\$(699,335)
2021	(481,276)
2022	(73,151)
2023	<u>367,501</u>
Total	<u>\$(886,261)</u>

Effective October 1, 2014, the City elected to join the Florida Retirement System for firefighters and police officers. Consequently, the City closed both the Municipal Firefighters' Pension Trust Fund and the Municipal Police Officers' Pension Trust Fund to new members effective October 1, 2014, and all firefighters and police officers hired on or after October 1, 2014, shall become members of the FRS in accordance with applicable state law and rules of the Florida Division of Retirement.

Other Post-Employment Benefits

Plan Description

The City administers a single-employer defined benefit healthcare plan (the "OPEB Plan") available to retirees and their spouse/dependents. To be eligible for participation in the OPEB Plan, the employee must:

- (1) Retire under the Florida Retirement System, the City of Venice, Municipal Police Officers' Pension Plan or the Municipal Firefighters' Pension Plan, and
- (2) Attain the minimum service requirements under the OPEB Plan, and
- (3) Elect to continue medical coverage by paying the applicable monthly premium.

The City does not issue a stand-alone financial report on the OPEB Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Employees Covered by Benefit Terms

The following employees were covered by the benefit terms as of October 1, 2018, the latest actuarial valuation date:

Retirees and beneficiaries	
currently receiving benefits	129
Active employees	<u>277</u>
Total	<u>406</u>

Benefits Provided

Participants in the City's OPEB Plan become participants in the City's group health self-insurance program, and receive the healthcare benefits of that program for themselves and their dependents. (Pursuant to Section 112.0801, Florida Statutes, the City is required to offer participation in such a program at a cost to the retiree that is no greater than the cost at which coverage is available to active City employees i.e., the average blended cost. In other words, the premium payments to the group health self-insurance program cannot be age-adjusted, and there is therefore an implicit subsidy of retirees by the City and its active employees.) As an alternative, the City also offers retirees or their spouse/dependents the option to purchase a reduced level of coverage under a Medicare supplement plan.

Contributions

The OPEB Plan is not currently funded. Contributions to the OPEB Plan and payments of premiums to the City's self-insurance fund are made on a pay-as-you go ("PAYGO") basis.

Contributions to the OPEB Plan are shared by the retiree and the City. OPEB Plan participants who retire on or after January 1, 2016, must reimburse the City for the City's average blended cost (the City provides the implicit subsidy). OPEB Plan participants who retired prior to January 1, 2016, may continue coverage under the OPEB Plan at 50% of the average blended cost (the City pays the other 50%, plus the implicit subsidy). The monthly average blended costs of the various options for calendar year 2019 were \$735 for individual coverage, \$1,471 for individual plus one, \$2,280 for family coverage, and \$327 for the Medicare supplement plan.

Total OPEB Liability of the City

The measurement date for the total/net pension liability is September 30, 2019, same as the reporting date. The measurement period for pension expense was October 1, 2018 to September 30, 2019. The components of the City's net pension liability at September 30, 2019, related to the Firefighters' Plan, were as follows:

Total OPEB liability	\$10,830,001
OPEB Plan fiduciary net position	<u>-</u>
City's net OPEB liability	<u>\$10,830,001</u>
 OPEB Plan fiduciary net position as a percentage of total pension liability	 0.00%

Actuarial Assumptions

The total OPEB liability at September 30, 2019 was based on an actuarial valuation as of October 1, 2018, using the following actuarial assumptions:

Inflation	2.50% per annum
Discount Rate	2.66% Bond Buyer's 20-Bond GO Index (September 2019)
Investment Rate of Return	4.50% per annum (including inflation of 2.5%)

Mortality rates for police officers and firefighters were based on the Group Annuity 1983 Mortality Table. Mortality rates for other employees were based on the 2018 PPA Mortality Table (RP-2014 mortality, base year 2006, adjusted to 2018 with Mortality Improvement Scale MP-2016).

An experience study was not done, as it was not considered necessary to support the actuarial results.

Discount Rate

The discount rate used to measure the total OPEB liability at September 30, 2019 was 2.66%. The discount rate used to measure the total OPEB liability at September 30, 2018 was 4.24%. Because the City's OPEB costs are essentially funded on a pay-as-you-go funding structure, a municipal bond rate was used to determine the total pension liability for the Program. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted for this purpose (September 2019).

Changes in the Total Liability

	Total Pension Liability (a)
Balances at September 30, 2018	\$41,841,542
<i>Changes for the Year:</i>	
Service cost	763,821
Interest	2,897,034
Change in excess State money	(8,861)
Differences between expected and actual experience	4,431
Benefit payments	
Implicit rate subsidy	(2,420,604)
Balances at September 30, 2019	\$42,695,317

Sensitivity of the OPEB Liability to Changes in the Discount Rate

The following table presents the total OPEB liability, calculated using the discount rate of 2.66%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (1.66%) or one percentage-point higher (3.66%) than the current discount rate:

	1% Decrease (1.66%)	Current Discount Rate (2.66%)	1% Increase (3.66%)
Total OPEB liability	\$12,146,036	\$10,830,001	\$9,824,989

Sensitivity of the OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following table presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage-point lower (3.50%) or one percentage-point higher (5.50%) than the current discount rate:

	1% Decrease (3.50%)	Current Discount Rate (4.50%)	1% Increase (5.50%)
Total OPEB liability	\$9,785,242	\$10,830,001	\$12,164,000

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2019, the City recognized negative OPEB expense of \$740,628. At September 30, 2019, the City has deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$1,228,489	\$(670,104)
Total	<u>\$1,228,489</u>	<u>\$(670,104)</u>

Deferred inflows of resources shown above will be recognized in OPEB expense in the following years:

<u>Year ended September 30:</u>	
2020	\$47,185
2021	109,472
2022	290,047
2023	<u>111,681</u>
Total	<u>\$558,385</u>

APPENDIX B

Audited Basic Financial Statements of the City for the Fiscal Year Ended September 30, 2019

APPENDIX C

Composite of the Resolution

APPENDIX D

Form of Bond Counsel Opinion

APPENDIX E

Form of Continuing Disclosure Certificate

EXHIBIT D

FORM OF ESCROW DEPOSIT AGREEMENT

ESCROW DEPOSIT AGREEMENT

ESCROW DEPOSIT AGREEMENT, dated as of December __, 2020, by and between the **CITY OF VENICE, FLORIDA**, a municipal corporation organized and existing under the laws of the State of Florida (the "City"), and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.** (the "Escrow Agent"), a national banking association organized and existing under the laws of the United States of America, having a corporate trust office in Jacksonville, Florida, as escrow agent hereunder.

WHEREAS, the City has heretofore issued its City of Venice, Florida Utility System Revenue Bonds, Series 2012 (the "Series 2012 Bonds"), pursuant to Resolution No. 2012-05, adopted on May 22, 2012, as amended and supplemented (the "Resolution"), particularly as supplemented by Resolution No. 2012-15, adopted on October 23, 2012 (the "2012 Series Resolution"); and

WHEREAS, the City has determined to exercise its option under the Resolution to refund all of the outstanding Series 2012 Bonds (the "Refunded Bonds"), as described in Schedule A hereto; and

WHEREAS, the City has determined to issue \$_____ aggregate principal amount of its Taxable Utility System Refunding Revenue Bonds, Series 2020 (the "Series 2020 Bonds"), a portion of the proceeds of which Series 2020 Bonds will be used to provide payment for the Refunded Bonds and to discharge and satisfy the pledges, liens and other obligations of the City under the Resolution in regard to such Refunded Bonds; and

WHEREAS, the issuance of the Series 2020 Bonds, the purchase by the Escrow Agent of the hereinafter defined Escrow Securities, the deposit of such Escrow Securities into an escrow deposit trust fund to be held by the Escrow Agent and the discharge and satisfaction of the pledges, liens and other obligations of the City under the Resolution in regard to the Refunded Bonds shall occur as a simultaneous transaction; and

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

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

SECTION 1. PREAMBLES. The City represents that the recitals stated above are true and correct, and the same are incorporated herein.

SECTION 2. RECEIPT OF RESOLUTION AND VERIFICATION REPORT. Receipt of a true and correct copy of the above-mentioned Resolution and this Agreement is hereby acknowledged by the Escrow Agent. The applicable and necessary provisions of the Resolution, including, without limitation, Section 19 thereof and Section

11 of the 2012 Series Resolution, are incorporated herein by reference. The Escrow Agent also acknowledges receipt of the verification report of Causey Demgen & Moore, P.C., a firm of independent certified public accountants, dated December __, 2020 (the "Verification Report"). Reference herein to or citation herein of any provisions of the Resolution or the Verification Report shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if the same were fully set forth herein.

SECTION 3. DISCHARGE OF PLEDGE OF HOLDERS OF REFUNDED BONDS. In accordance with Section 19 of the Resolution, the City by this writing exercises its option to have the pledge of and lien on the Pledged Revenues in favor of the holders of the Refunded Bonds to no longer be in effect.

SECTION 4. ESTABLISHMENT OF ESCROW FUND. There is hereby created and established with the Escrow Agent a special, segregated and irrevocable escrow deposit trust fund designated the "City of Venice, Florida Utility System Revenue Bonds, Series 2012 Escrow Deposit Trust Fund" (the "Escrow Fund"). The Escrow Fund shall be held in the custody of the Escrow Agent as a trust fund for the benefit of the holders of the Refunded Bonds, separate and apart from other funds of the City and the Escrow Agent. The Escrow Agent hereby accepts the Escrow Fund and acknowledges the receipt of and deposit to the credit of the Escrow Fund the sum of \$_____received from proceeds of the Series 2020 Bonds (the "Bond Proceeds") and the sum of \$_____ received from the City from moneys on deposit in certain funds and accounts allocable to the Refunded Bonds (the "City Moneys").

SECTION 5. DEPOSIT OF MONEYS AND SECURITIES IN ESCROW FUND. The City hereby directs and the Escrow Agent represents and acknowledges that, concurrently with the deposit of the proceeds of the Series 2020 Bonds (the "Bond Proceeds") and the City moneys (the "City Moneys") under Section 4 above, it has used all of the Bond Proceeds and \$_____ of the City Moneys to purchase on behalf of and for the account of the City certain [United States Treasury obligations - State and Local Government Series] (collectively, together with any other securities which may be on deposit, from time to time, in such Escrow Fund, the "Escrow Securities"), which are described in Schedule B hereto, and the Escrow Agent will deposit such Escrow Securities and \$___ in cash (the "Cash Deposit") in the Escrow Fund as shown in Schedule B. All Escrow Securities shall be noncallable Federal Securities (as defined in the Resolution).

In the event any of the Escrow Securities described in Schedule B hereto are not available for delivery on December __, 2020, the Escrow Agent may, upon the written direction of Bond Counsel, upon which the Escrow Agent shall conclusively rely, substitute other Federal Securities and shall credit such other obligations to the Escrow Fund and hold such obligations until the aforementioned Escrow Securities have been delivered. Any substitution of such obligations shall require a revised Verification Report in regard to the adequacy of the Escrow Securities and the Cash Deposit, taking into

account the substituted obligations to pay the Refunded Bonds in accordance with the terms hereof. The Escrow Agent shall in no manner be responsible or liable for failure or delay of Bond Counsel or the City to promptly approve the substitutions of other Escrow Securities for the Escrow Fund.

SECTION 6. SUFFICIENCY OF ESCROW SECURITIES AND CASH DEPOSIT. In reliance upon the Verification Report, the City represents that the interest on and the principal amounts successively maturing on the Escrow Securities in accordance with their terms (without consideration of any reinvestment of such maturing principal and interest), together with the Cash Deposit, are sufficient such that moneys will be available to the Escrow Agent in amounts sufficient and at the times required to pay the amounts of principal of, redemption premium, if any, and interest due and to become due on the Refunded Bonds as described in Schedule C attached hereto. If the Escrow Securities and Cash Deposit shall be insufficient to make such payments, the City shall timely deposit to the Escrow Fund, solely from legally available funds of the City, such additional amounts as may be required to pay the Refunded Bonds as described in Schedule C hereto. Notice of any insufficiency shall be given by the Escrow Agent to the City as promptly as possible, but the Escrow Agent shall in no manner be responsible for the City's failure to make such deposits.

SECTION 7. ESCROW SECURITIES AND CASH DEPOSIT IN TRUST FOR HOLDERS OF REFUNDED BONDS. The deposit of the Escrow Securities and Cash Deposit in the Escrow Fund shall constitute an irrevocable deposit of Defeasance Obligations (as defined in the Resolution) and cash in trust solely for the payment of the principal, redemption premium, if any, and interest on the Refunded Bonds at such times and in such amounts as set forth in Schedule C hereto, and the principal of and interest earnings on the Escrow Securities and the Cash Deposit shall be used solely for such purpose.

SECTION 8. ESCROW AGENT TO PAY REFUNDED BONDS FROM ESCROW FUND. The City hereby directs, and the Escrow Agent hereby agrees, that it will take all actions required to be taken by it under the provisions of the Resolution, including the timely transfer of money to the Paying Agent (as defined in the Resolution and identified in Section 17 hereof) for the Refunded Bonds as provided in the Resolution, in order to effectuate this Agreement and to pay the Refunded Bonds in the amounts and at the times provided in Schedule C hereto. The Escrow Securities and Cash Deposit shall be used to pay the principal of, redemption premium, if any, and interest on the Refunded Bonds as the same may mature or be redeemed. If any payment date shall be a day on which either the holders of the Refunded Bonds or the Escrow Agent is not open for the acceptance or delivery of funds, then the Escrow Agent may make payment on the next business day. The liability of the Escrow Agent for the payment of the principal of, redemption premium, if any, and interest on the Refunded Bonds pursuant to this Agreement shall be limited to the application of the Escrow Securities and the interest

earnings thereon, together with the Cash Deposit, available for such purposes in the Escrow Fund.

SECTION 9. REINVESTMENT OF MONEYS AND SECURITIES IN ESCROW FUND. Moneys deposited in the Escrow Fund shall be invested only in the Escrow Securities listed in Schedule B hereto and, except as provided in Sections 5 hereof and this Section 9, neither the City nor the Escrow Agent shall otherwise invest or reinvest any moneys in the Escrow Fund.

Except as provided in Section 5 hereof and in this Section 9, the Escrow Agent may not sell or otherwise dispose of any or all of the Escrow Securities in the Escrow Fund and reinvest the proceeds thereof in other securities nor may it substitute securities for any of the Escrow Securities, except upon written direction of the City and where, prior to any such reinvestment or substitution, the Escrow Agent has received from the City the following:

(a) a written Verification Report by a firm of independent certified public accountants to the effect that after such reinvestment or substitution the principal amount of the Escrow Securities, together with the interest thereon and the Cash Deposit, will be sufficient to pay the Refunded Bonds as described in Schedule C hereto (such verification shall not be necessary in the event the City shall determine to reinvest cash in Escrow Securities which mature on or before the next principal and/or interest payment date for the Refunded Bonds); and

(b) a written opinion of nationally recognized Bond Counsel (as defined in the Resolution) to the effect that such investment does not violate any provision of Florida law or of the Resolution.

The above-described verification need not be provided in the event the City purchases Escrow Securities with the proceeds of maturing Escrow Securities, and such purchased Escrow Securities mature on or before the next interest payment date for the applicable Refunded Bonds. All Escrow Securities into which moneys are reinvested pursuant to the terms of this Section 9 shall be Federal Securities.

In the event the above-referenced verification concludes that there are surplus moneys in the Escrow Fund, such surplus moneys shall be released to the City upon the written direction of the City Manager or such other City official authorized by resolution to provide such direction. The Escrow Fund shall continue in effect until the date upon which the Escrow Agent makes the final payment to the Paying Agent for the holders of the Refunded Bonds in an amount sufficient to pay the Refunded Bonds, as described in Schedule C hereto, whereupon the Escrow Agent shall sell or redeem any Escrow Securities remaining in the Escrow Fund and shall remit to the City the proceeds thereof, together with all other money, if any, then remaining in the Escrow Fund.

SECTION 10. REDEMPTION OF REFUNDED BONDS. The City hereby irrevocably instructs the Escrow Agent to file or cause the Registrar (as defined in the Resolution and identified in Section 17 hereof) for the Refunded Bonds to give, on behalf of the City, at the appropriate times the notice or notices required by the 2012 Series Resolution in connection with the redemption of the Refunded Bonds. The Refunded Bonds maturing on or after December 1, 2023 shall be redeemed on December 1, 2022 at a redemption price equal to 100% of the principal amount thereof, plus accrued interest. The Refunded Bonds maturing on or before December 1, 2022 shall be paid at their respective maturities. The Escrow Agent shall file, or cause the Registrar for the Refunded Bonds to file, the notice of redemption with the Electronic Municipal Market Access System within ten business days of the redemption of the portion of the Refunded Bonds being redeemed.

SECTION 11. DEFEASANCE NOTICE TO HOLDERS OF REFUNDED BONDS. Concurrently with the deposit of the Escrow Securities and Cash Deposit set forth in Section 5 hereof, the Refunded Bonds shall be deemed to have been paid within the meaning and with the effect expressed in Section 19 of the Resolution. Within ten business days of the deposit of the Escrow Securities and Cash Deposit into the Escrow Fund, the Escrow Agent, on behalf of the City, shall cause the Registrar for the Refunded Bonds to mail to the holders of the Refunded Bonds the appropriate notice substantially in the form provided in Schedule D attached hereto, as applicable. The Escrow Agent shall file such defeasance notice with the Electronic Municipal Market Access System within ten business days of it being so given.

SECTION 12. ESCROW FUND IRREVOCABLE. The Escrow Fund hereby created shall be irrevocable and the holders of the Refunded Bonds shall have an express lien on the Cash Deposit and all Escrow Securities deposited in the Escrow Fund pursuant to the terms hereof and the interest earnings thereon until paid out, used and applied in accordance with this Agreement and the Resolution. Neither the City nor the Escrow Agent shall cause nor permit any other lien or interest whatsoever to be imposed upon the Escrow Fund.

SECTION 13. AMENDMENTS TO AGREEMENT. This Agreement is made for the benefit of the City and the holders from time to time of the Refunded Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such holders and the written consent of the Escrow Agent; provided, however, that the City and the Escrow Agent may, without the consent of, or notice to, such holders, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;

(b) to grant, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and

(c) to subject to this Agreement additional funds, securities or properties.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized Bond Counsel with respect to compliance with this Section 13, including the extent, if any, to which any change, modification or addition affects the rights of the holders or insurer, if any, of the Refunded Bonds, or that any instrument executed hereunder complies with the conditions and provisions of this Section 13.

SECTION 14. FEES AND EXPENSES OF ESCROW AGENT; INDEMNIFICATION; LIABILITY. In consideration of the services rendered by the Escrow Agent under this Agreement, the City agrees to and shall pay to the Escrow Agent the fees and expenses as shall be agreed to in writing by the parties hereto. The Escrow Agent shall have no lien or right of set-off whatsoever upon any of the Escrow Securities or Cash Deposit in said Escrow Fund for the payment of such proper fees and expenses. The City further agrees to indemnify and save the Escrow Agent harmless, to the extent allowed by law, against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to the Escrow Agent's gross negligence or misconduct. Indemnification provided under this Section 14 shall survive the termination of this Agreement or the earlier resignation or removal of the Escrow Agent.

Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the City. The Escrow Agent may conclusively rely, as to the correctness of statements, conclusions and opinions therein, upon any certificate, report, opinion or other document furnished to the Escrow Agent pursuant to any provision of this Agreement; the Escrow Agent shall be protected and shall not be liable for acting or proceeding, in good faith, upon such reliance; and the Escrow Agent shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument. The Escrow Agent may consult with counsel, who may be counsel to the City or independent counsel, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith in accordance herewith. Prior to retaining such independent counsel, the Escrow Agent shall notify the City of its intention to retain counsel. It is expressly understood and agreed that the Escrow Agent's duties and obligations in connection with this Agreement are confined to those expressly defined herein and no additional covenants or obligations shall be read into this Agreement against the Escrow Agent.

The Escrow Agent shall not be liable in connection with the performance of its duties hereunder except for its own gross negligence or misconduct. The Escrow Agent shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Escrow Agent shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of moneys and of the principal amount of the Cash Deposit, Escrow Securities and the earnings thereon, to pay the Refunded Bonds. No provisions of this Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

SECTION 15. REPORTING REQUIREMENTS OF ESCROW AGENT.

As soon as practicable after each June 1 and December 1, commencing June 1, 2021, the Escrow Agent shall forward in writing to the City a statement in detail of the activity of the Escrow Fund since the last reporting date.

SECTION 16. RESIGNATION OR REMOVAL OF ESCROW AGENT.

The Escrow Agent, at the time acting hereunder, may at any time resign and be discharged from the duties and obligations hereby created by giving not less than 60 days written notice to the City and mailing notice thereof, specifying the date when such resignation will take effect to the holders or insurer, if any, of the Refunded Bonds, but no such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the holders or insurer, if any, of the Refunded Bonds or by the City as hereinafter provided and such successor Escrow Agent shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent.

The Escrow Agent may be replaced at any time by an instrument or concurrent instruments in writing, delivered to the Escrow Agent at least 60 days prior to the scheduled replacement date, and signed by either the City, the holders or the insurer, if any, of the Refunded Bonds. Such instrument shall provide for the appointment of a successor Escrow Agent, which appointment shall occur simultaneously with the removal of the Escrow Agent.

In the event the Escrow Agent hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case the Escrow Agent shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the holders or insurer, if any, of the Refunded Bonds by an instrument or concurrent instruments in writing, signed by such holders or insurer, if any, or by their attorneys in fact, duly authorized in writing; provided, nevertheless, that in any such event, the City shall appoint a temporary Escrow Agent to fill such vacancy until a successor Escrow Agent shall be appointed by the holders or insurer, if any, of the Refunded Bonds in the manner above provided, and any such temporary Escrow Agent so appointed by the City shall immediately and without further act be superseded by the Escrow Agent so appointed by such holders or insurer, if any. The City shall mail notice of any such appointment made by it at the times and in the manner described in the first paragraph of this Section 16.

In the event that no appointment of a successor Escrow Agent or a temporary successor Escrow Agent shall have been made by such holders, insurer, if any, or the City pursuant to the foregoing provisions of this Section 16 within 60 days after written notice of resignation of the Escrow Agent has been given to the City, the holders of the Refunded Bonds or any retiring Escrow Agent may apply to any court of competent jurisdiction for the appointment of a successor Escrow Agent, and such court may thereupon, after such notice, if any, as it shall deem proper, appoint a successor Escrow Agent.

In the event of replacement or resignation of the Escrow Agent, the Escrow Agent shall remit to the City the prorated portion of prepaid fees not yet incurred or payable, less any termination fees and expenses at the time of discharge, the City shall pay all accrued and unpaid fees and expenses of the Escrow Agent and the Escrow Agent shall have no further liability hereunder and the City shall indemnify and hold harmless Escrow Agent, to the extent allowed by law, from any such liability, including costs or expenses incurred by the Escrow Agent or its counsel.

No successor Escrow Agent shall be appointed unless such successor Escrow Agent shall be a corporation with trust powers organized under the banking laws of the United States or any State, and shall have at the time of appointment capital and surplus of not less than \$50,000,000.

Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the City an instrument in writing accepting such appointment hereunder and thereupon such successor Escrow Agent, without any further act, deed or conveyance, shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor; but such predecessor shall nevertheless, on the written request of such successor Escrow Agent or the City execute and deliver an instrument transferring to such successor Escrow Agent all the estates, properties, rights, powers and trust of such predecessor hereunder; and every predecessor Escrow Agent shall

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

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

SECTION 17. PAYING AGENT AND REGISTRAR. The Paying Agent and Registrar for the Refunded Bonds is The Bank of New York Mellon Trust Company, N.A.

SECTION 18. TERMINATION OF AGREEMENT. Except for provisions hereof which are stated to survive the termination hereof, this Agreement shall terminate when all transfers and payments required to be made by the Escrow Agent under the provisions hereof shall have been made. Upon such termination, all moneys remaining in the Escrow Fund shall be released to the City.

SECTION 19. GOVERNING LAW. This Agreement shall be governed by the applicable laws of the State of Florida, without regard to conflict of law principles.

SECTION 20. SEVERABILITY. If any one or more of the covenants or agreements provided in this Agreement on the part of the City or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 21. COUNTERPARTS. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

SECTION 22. NOTICES. Any notice, authorization, request or demand required or permitted to be given in accordance with the terms of this Agreement shall be in writing and sent by registered or certified mail addressed to:

City of Venice, Florida
401 West Venice Avenue
Venice, Florida 34285
Attn: Finance Director

The Bank of New York Mellon Trust Company, N.A.
2001 Bryan Street, 11th Floor
Dallas, Texas 75201
Attn: Corporate Trust Services

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

CITY OF VENICE, FLORIDA

(SEAL)

Mayor

ATTEST:

City Clerk

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

By: _____
Authorized Signatory

SCHEDULE A**DESCRIPTION OF THE REFUNDED BONDS**

Maturity (December 1)	Principal Amount	Interest Rate
2021	\$ 325,000	3.000
2021	185,000	5.000
2022	535,000	5.000
2023	560,000	5.000
2024	590,000	5.000
2025	615,000	3.000
2026	635,000	3.125
2029*	2,025,000	3.125
2032*	2,235,000	3.500
2034*	1,630,000	3.500
2036*	1,775,000	5.000
2042*	6,240,000	3.625

*Term Bonds

SCHEDULE B

ESCROW SECURITIES

SCHEDULE C

DEBT SERVICE REQUIREMENTS FOR REFUNDED BONDS

SCHEDULE D

NOTICE OF DEFEASANCE AS TO THE CITY OF VENICE, FLORIDA UTILITY SYSTEM REVENUE BONDS, SERIES 2012

Notice is hereby given pursuant to Section 19 of Resolution No. 2012-05 of the City Council of City of Venice, Florida (the "City"), adopted on May 22, 2012, as amended and supplemented from time to time (the "Resolution"), that the outstanding City of Venice, Florida Utility System Revenue Bonds, Series 2012 described below (the "Refunded Bonds") are deemed to be paid within the meaning of the Resolution and shall no longer be secured from the revenues and other moneys and funds and accounts provided in the Resolution and shall be secured solely from the irrevocable deposit of cash and U.S. Treasury obligations made by the City with The Bank of New York Mellon Trust Company, N.A., Jacksonville, Florida, as Escrow Agent, in accordance with Section 19 of the Resolution. The Refunded Bonds maturing on or after December 1, 2023 shall be redeemed on December 1, 2022 at a price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date. The Refunded Bonds maturing on or before December 1, 2022 shall be paid through their maturity.

<u>Maturity Date</u> <u>(December 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>CUSIP</u>
2021	\$ 325,000	3.000%	922690FY3
2021	185,000	5.000	922690GJ5
2022	535,000	5.000	922690FZ0
2023	560,000	5.000	922690GA4
2024	590,000	5.000	922690GB2
2025	615,000	3.000	922690GC0
2026	635,000	3.125	922690GD8
2029*	2,025,000	3.125	922690GE6
2032*	2,235,000	3.500	922690GF3
2034*	1,630,000	3.500	922690GK2
2036*	1,775,000	5.000	922690GG1
2042*	6,240,000	3.625	922690GH9

*Term Bonds

EXHIBIT E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by City of Venice, Florida (the "Issuer") in connection with the issuance of its \$_____ Taxable Utility System Refunding Revenue Bonds, Series 2020 (the "Bonds"). The Bonds are being issued pursuant to Resolution No. 2012-05 adopted by the City Council of the City (the "City Council") on May 22, 2012, as amended and supplemented and particularly as supplemented by Resolution No. _____ adopted by the City Council on November __, 2020 (collectively, the "Resolution").

SECTION 1. PURPOSE OF THE DISCLOSURE CERTIFICATE. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders and Beneficial Owners (defined below) of the Bonds and in order to assist the Participating Underwriters in complying with the continuing disclosure requirements of the Rule (defined below).

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

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

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

"Dissemination Agent" shall mean initially, Digital Assurance Certification LLC, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access web portal of the MSRB, located at <http://www.emma.msrb.org>.

"Event of Bankruptcy" shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Obligated Person" shall mean any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity or credit facilities).

"Participating Underwriters" shall mean the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean each entity authorized and approved by the Securities and Exchange Commission from time to time to act as a repository for purposes of complying with the Rule. As of the date hereof, the Repository recognized by the Securities and Exchange Commission for such purpose is the MSRB, which currently accepts continuing disclosure submissions through EMMA.

"Rule" shall mean the continuing disclosure requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of Florida.

SECTION 3. PROVISION OF ANNUAL REPORTS.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than each April 30th, commencing April 30, 2021 with respect to the report for the 2020 fiscal year, provide to any Repository in the electronic format as required and deemed acceptable by such Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date provided, further, in such event unaudited financial statements are required to be delivered as part of the Annual Report in accordance with Section 4(a) below. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5.

(b) If on the fifteenth (15th) day prior to the annual filing date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Issuer by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 3(a). Upon such reminder, the Issuer shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report no later than two (2) business days prior to the annual filing date, or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Certificate, state the date by which the Annual Report for such year will be provided and instruct the Dissemination Agent that a failure to file has occurred and to immediately send a notice to the Repository in substantially the form attached as Exhibit A, accompanied by a cover sheet completed by the Dissemination Agent in the form

set forth in Exhibit B.

- (c) The Dissemination Agent shall:
 - (i) determine each year prior to the date for providing the Annual Report the name and address of any Repository;
 - (ii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing any Repository to which it was provided; and
 - (iii) if the Dissemination Agent has not received an Annual Report by 6:00 p.m. Eastern time on the annual filing date (or, if such annual filing date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a failure to file shall have occurred and the Issuer irrevocably directs the Dissemination Agent to immediately send a notice to the Repository in substantially the form attached as Exhibit A without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Dissemination Agent in the form set forth in Exhibit B.

SECTION 4. CONTENT OF ANNUAL REPORTS. The Issuer's Annual Report shall contain or include by reference the following:

- (a) the audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement dated _____, 2020 (the "Official Statement"), and the audited financial statements shall be filed in the same manner as the Annual Report when they become available; and
- (b) updates of historical financial information and operating data set forth in the tables contained in the Official Statement under the caption "THE SYSTEM – Historical Customer Data."

The information provided under Section 4(b) may be included by specific reference to documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the Repository's Internet website or filed with the Securities and Exchange Commission.

The Issuer reserves the right to modify from time to time the specific types of information provided in its Annual Report or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Issuer; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule.

SECTION 5. REPORTING OF SIGNIFICANT EVENTS.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds. Such notice shall be given in a timely manner not in excess of ten (10) business days after the occurrence of the event, with the exception of the event described in number 17 below, which notice shall be given in a timely manner:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. modifications to rights of the holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. defeasances;
10. release, substitution, or sale of property securing repayment of the Bonds, if material;
11. ratings changes;
12. an Event of Bankruptcy or similar event of an Obligated Person;
13. the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. incurrence of a Financial Obligation of the Issuer or Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other

similar terms of a Financial Obligation of the Issuer or Obligated Person, any of which affect security holders, if material;

16. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the Issuer or Obligated Person, any of which reflect financial difficulties; and
17. notice of any failure on the part of the Issuer to meet the requirements of Section 3 hereof.

(b) The notice required to be given in paragraph 5(a) above shall be filed with any Repository, in electronic format as prescribed by such Repository

SECTION 6. IDENTIFYING INFORMATION. In accordance with the Rule, all disclosure filings submitted pursuant to this Disclosure Certificate to any Repository must be accompanied by identifying information as prescribed by the Repository. Such information may include, but not be limited to:

- (a) the category of information being provided;
- (b) the period covered by any annual financial information, financial statement or other financial information or operation data;
- (c) the issues or specific securities to which such documents are related (including CUSIPs, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate);
- (d) the name of any Obligated Person other than the Issuer;
- (e) the name and date of the document being submitted; and
- (f) contact information for the submitter.

SECTION 7. TERMINATION OF REPORTING OBLIGATION. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, so long as there is no remaining liability of the Issuer, or if the Rule is repealed or no longer in effect. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5.

SECTION 8. DISSEMINATION AGENT. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be Digital Assurance Certification, L.L.C.

SECTION 9. AMENDMENT; WAIVER. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

- (a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

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

Notwithstanding the foregoing, the Issuer shall have the right to adopt amendments to this Disclosure Certificate necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time.

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

SECTION 10. ADDITIONAL INFORMATION. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. DEFAULT. The continuing disclosure obligations of the Issuer set forth herein constitute a contract with the holders of the Bonds. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate; provided, however, the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with the provisions of this Disclosure Certificate shall be an action to compel performance. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution.

SECTION 12. DUTIES, IMMUNITIES AND LIABILITIES OF DISSEMINATION AGENT.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Dissemination Agent as required by this Disclosure Certificate. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Certificate. The Dissemination Agent may conclusively rely upon certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Certificate shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

[Remainder of page intentionally left blank]

SECTION 13. BENEFICIARIES. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated as of _____, 2020

CITY OF VENICE, FLORIDA

By: _____

ACKNOWLEDGED BY:

DIGITAL ASSURANCE CERTIFICATION L.L.C.,
as Dissemination Agent

By: _____

Name: _____

Title: _____

EXHIBIT A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Issuer: _____

Obligated Person: _____

Name(s) of Bond Issue(s): _____

Date(s) of Issuance: _____

Date(s) of Disclosure
Certificate: _____

CUSIP Number: _____

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate between the Issuer and Digital Assurance Certification, L.L.C., as Dissemination Agent. [The Issuer has notified the Dissemination Agent that it anticipates that the Annual Report will be filed by_____].

Dated:_____

Digital Assurance Certification, L.L.C., as Dissemination
Agent, on behalf of the Issuer

cc:

EXHIBIT B
EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

Number of pages attached: ____

____ Description of Notice Events (Check One):

1. ____ "Principal and interest payment delinquencies;"
2. ____ "Non-Payment related defaults, if material;"
3. ____ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. ____ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. ____ "Substitution of credit or liquidity providers, or their failure to perform;"
6. ____ "Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;"
7. ____ "Modifications to rights of securities holders, if material;"
8. ____ "Bond calls, if material, and tender offers;"
9. ____ "Defeasances;"
10. ____ "Release, substitution, or sale of property securing repayment of the Bonds, if material;"
11. ____ "Rating changes;"
12. ____ "An Event of Bankruptcy or similar event of an Obligated Person;"
13. ____ "The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;"
14. ____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material."
15. ____ "Incurrence of a Financial Obligation of the Issuer or Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or Obligated Person, any of which affect security holders, if material;" and
16. ____ "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the Issuer or Obligated Person, any of which reflect financial difficulties."

____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street, Suite 300
Orlando, Florida 32801
407-515-1100

Date: