

RESOLUTION NO. 534-09

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ORANGE CITY, FLORIDA, AUTHORIZING THE INTERIM CITY MANAGER TO EXECUTE AN AGREEMENT WITH BRYANT MILLER AND OLIVE P. A. TO SERVE AS THE CITY'S BOND COUNSEL AND TO ASSIST THE CITY AND STAFF WITH FINANCING A PORTION OF THE COSTS OF CERTAIN ONSITE AND OFFSITE ROAD IMPROVEMENTS BENEFITTING THE SPARKMAN RIDGE R-PUD; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council determined that it is in the best interest of its citizens to develop an assessment program to fund infrastructure improvements related to the Sparkman Ridge Residential Planned Unit Development (Sparkman Ridge PUD); and

WHEREAS, it was necessary for the City to retain an attorney to serve as Bond Counsel for the Sparkman Ridge R-PUD project, and

WHEREAS, the City Council has previously utilized Bryant Miller and Olive P. A. as Bond Counsel to provide legal services for the issuance of debt, and

WHEREAS, due to time constraints and the specialized nature of the services provided it was necessary to retain the services of Bryant Miller and Olive P. A., and

WHEREAS, the City Council finds that these unique circumstances warrant the action taken by staff and City Council in retaining Bryant Miller and Olive P. A. as Bond Counsel, pursuant to Section 12.3.33 of the City Code of Ordinances.

NOW, THEREFORE, BE IT RESOLVED AND ENACTED BY THE CITY COUNCIL OF THE CITY OF ORANGE CITY, FLORIDA:

SECTION 1. The City Council of the City of Orange City, Florida hereby authorizes the Interim City Manager to execute an agreement with Bryant Miller and Olive P. A. to serve as Bond Counsel for the Sparkman Ridge R-PUD for financing certain onsite and offsite road improvements.

SECTION 2. A copy of the scope of services for Bryant Miller and Olive P.A is attached to this resolution as Exhibit "A".

SECTION 3. That this resolution shall take effect immediately upon its adoption by the City Council of the City of Orange City, Florida.

ROLL CALL VOTE AS FOLLOWS:

Jim Mahoney yes
Vacant —
Tom Laputka yes
Harley Strickland, Mayor yes

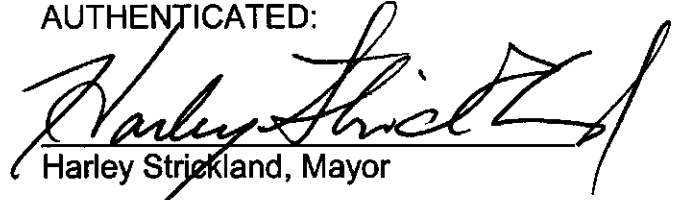
Donald C. Sherrill yes
Tom Abraham yes
Jeff H. Allebach, Vice Mayor yes

ADOPTED THIS 10th DAY OF March, 2009.

ATTEST:


Deborah J. Renner, CMC, City Clerk

AUTHENTICATED:


Harley Strickland, Mayor

This Resolution approved
as to form and legal sufficiency:


W. E. Reischmann, City Attorney

February 19, 2009

Chester Murray
Interim City Manager
City of Orange City
205 E. Graves Avenue
Orange City, Florida 32136

Re: City of Orange City, Florida
\$548,000 Special Assessment Revenue Note, Series 2009

Dear Murray:

The purpose of this letter is to confirm the scope of our legal services we will perform as Bond Counsel for debt to be issued (the "Note") by the City of Orange City, Florida (the "Issuer") to finance a portion of the costs of certain onsite and offsite road and utility improvements (the "Project") benefitting the Sparkman Ridge Residential Planned Unit Development (the "Project Area"), which is located within the City. We understand that the Note will be payable from and secured by certain non-ad valorem special assessments to be levied on benefitted lands within the Project Area and, if necessary, from legally available non-ad valorem revenues budgeted and appropriated by the Issuer.

SCOPE OF ENGAGEMENT

We expect to perform the following duties:

1. Review of proposed financing programs as to legal feasibility, compliance with applicable law and pending or proposed revisions to the law, including United States Treasury regulations.
2. Advice as to structuring procedures, required approvals and filings, schedule of events for timely issuance of the Note, and other legal matters relative to issuance of the Note.
3. Attend meetings with Issuer, City Staff, City Attorney to the Issuer, the Issuer's placement agent, the Issuer's engineers, the original purchaser and others as appropriate for

development of the placement agent materials or dissemination of information in connection therewith.

4. Prepare ordinances or resolutions and any amendments thereto in order to authorize the Note.

5. Prepare the loan agreements and any other agreements or similar documents necessary to issue the Note.

6. Review resolutions prepared by the Issuer's special assessment advisor and Nabors Giblin & Nickerson P.A. related to the levy and imposition of the special assessments.

7. Review the transcripts of all proceedings in connection with the issuance of the Note and indicate any necessary corrective action.

8. Prepare, obtain, deliver and file all closing papers necessary in connection with the Note, including, but not limited to, certified copies of all minutes, ordinances, resolutions and orders; certificates such as officers, seal, incumbency, signature, no prior pledge; and verifications, consents and opinions from accountants, engineers, special consultants and attorneys.

9. Render an opinion in written form at the time the Note is issued as Bond Counsel to the Issuer.

Our Bond Opinion will be addressed to the Issuer and to the financial institution purchasing the Note and will be delivered by us on such date (the "Closing").

The Bond Opinion will be based on facts and law existing as of its date. In rendering our Bond Opinion, we will rely on the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation, and we will assume continuing compliance by the Issuer with applicable laws relating to the respective financings. During the course of this engagement, we rely on you to provide us with complete and timely information on all developments pertaining to any aspect of the Project, the financings and the security for the debt. Among other things, we will require the Issuer to execute a certificate of facts relating to the Project, the Note, and the use of proceeds.

Our duties in this engagement are limited to those expressly set forth above. Among other things, our duties do not include:

- (a) Bond validation proceedings and post-closing reinvestment of loan proceeds.

- (b) Preparation of blue sky or investment surveys.
- (c) Investigation or expression of any view as to the creditworthiness of the Issuer, the owner of the lands within the Project Area, any credit enhancement provider, or the Note, or providing services related to hedging or derivative financial products (e.g. "swaps" and related documents or opinions).
- (d) Representation of the Issuer in post-closing regulatory investigation or matters.
- (e) Bankruptcy matters.
- (f) Drafting resolutions related to the levy and imposition of the special assessments.
- (g) Drafting state constitutional or legislative amendments.
- (h) Pursuing test cases or other litigation, such as contested validation proceedings, except as set forth above.
- (i) Assisting in the preparation of, or opining on, a continuing disclosure undertaking pertaining to the financings or, after Closing, providing advice concerning any actions necessary to assure compliance with any continuing disclosure undertaking.
- (j) Representing the Issuer in Internal Revenue Service examinations or inquiries, or Securities and Exchange Commission investigations.
- (k) After Closing, providing continuing advice to the Issuer or any other party concerning any actions necessary to assure that interest paid on the Bond will continue to be excludable from gross income for federal income tax purposes (e.g., our engagement does not include rebate calculations for the financings.)
- (l) Addressing any other matter not specifically set forth above that is not required to render our Bond Opinion.

CONFLICTS

The rules regulating The Florida Bar provide that common representation of multiple parties is permissible where the clients are generally aligned in interest, even though there is

some difference in interest among them. The Firm has disclosed to the Issuer that it has, and may in the future, serve as bond or disclosure counsel to other local governments or otherwise act as original purchaser's counsel on public finance matters in Florida. From time to time, the Firm may represent the firms which may underwrite the Issuer's bonds, notes or other obligations (and other financial institutions hired by the Issuer) on financings for other governmental entities in Florida on unrelated matters. In either case, such representations are standard and customary within the industry and the Firm can effectively represent the Issuer and the discharge of the Firm's professional responsibilities to the Issuer will not be prejudiced as a result, either because such engagements will be sufficiently different or because the potential for such prejudice is remote and minor and outweighed by consideration that it is unlikely that advice given to the other client will be relevant in any respect to the subject matter, and the Issuer expressly consents to such other representations consistent with the circumstances herein described. The Issuer acknowledges and agrees that the Firm's role as Bond counsel, disclosure counsel, or counsel to any local governmental entity or financial institution or in conjunction with public finance transactions is not likely to create or cause any actual conflict, and service as disclosure, Bond, or counsel to other clients of the Firm will not per se be construed as a conflict or be objectionable to the Issuer.

ATTORNEY-CLIENT RELATIONSHIP

In the transaction described herein, the Issuer will be our client and an attorney-client relationship will exist between the Issuer and the Firm. We understand that you have also retained William Reischmann, Jr. of Brown, Garganese, Weiss & D'Agresta, P.A. as City Attorney. In performing our services as Bond Counsel, we will represent the interests of the Issuer. Our representation of the Issuer will not affect, however, our responsibility to render an objective Bond Opinion.

Upon the closing of a transaction, without notice, it will be presumed that the Firm's services on that transaction shall be complete, and the Firm will not be actively providing any services under this letter, until requested again by the Issuer or its counsel.

FEES

Our proposed Bond Counsel fee is \$12,500 which includes our out-of-pocket expenses and is based upon: (i) our current understanding of the terms, structure, size and schedule of the financing; (ii) the duties we will undertake pursuant to our engagement letter with the Issuer as described in this letter; (iii) the time we anticipate devoting to the financing in connection therewith; and (iv) the responsibilities we will assume.

Chester Murray
February 19, 2009
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Exhibit "A"

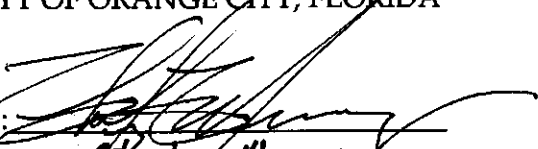
If the foregoing terms are acceptable to you, please so indicate by returning the enclosed copy of this engagement letter dated and signed by an authorized officer, retaining the original letter for your files.

Respectfully submitted,

BRYANT MILLER OLIVE P.A.

Accepted and Approved:

CITY OF ORANGE CITY, FLORIDA

By: 
Name: Chester Murray
Title: Interim City Manager
Date: 3/12/09, 2009