

PRELIMINARY OFFICIAL STATEMENT DATED MARCH __, 2016

NEW ISSUE – BOOK-ENTRY ONLY

RATINGS:

Fitch: "[]"

Moody's: "[]"

S&P: "[]"

See "RATINGS" herein

In the opinion of Bond Counsel, assuming compliance by the City with certain covenants, under existing statutes, regulations, and judicial decisions, the interest on the Series 2016 Bonds will be excluded from gross income for federal income tax purposes of the holders thereof and will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, interest on the Series 2016 Bonds is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations. See "TAX MATTERS" herein for a description of other tax consequences to holders of the Series 2016 Bonds.

\$ _____^{*}
**CITY OF ORLANDO, FLORIDA
CAPITAL IMPROVEMENT REFUNDING
SPECIAL REVENUE BONDS,
SERIES 2016B**

\$ _____^{*}
**CITY OF ORLANDO, FLORIDA
CAPITAL IMPROVEMENT SPECIAL
REVENUE BONDS,
SERIES 2016C**

Dated: Date of Delivery

Due: As shown on inside cover.

The City of Orlando, Florida (the "City") will be issuing its \$ _____^{*} Capital Improvement Refunding Special Revenue Bonds, Series 2016B (the "Series 2016B Bonds") and its \$ _____^{*} Capital Improvement Special Revenue Bonds, Series 2016C (the "Series 2016C Bonds") and together with the Series 2016B Bonds, the "Series 2016 Bonds"). The Series 2016B Bonds are being issued to provide funds to (a) advance refund the Refunded 2007B Bonds (as defined herein), the Refunded 2009A Bonds (as defined herein) and the Refunded 2010C Bonds (as defined herein), (b) pay the costs of issuance related to the Series 2016B Bonds, **[and (c) make a deposit to the Series 2016 Bonds Reserve Subaccount (as defined herein) equal to the Reserve Requirement for the Series 2016 Bonds]**. See "PLAN OF REFUNDING" and "ESTIMATED SOURCES AND USES OF FUNDS" herein. The Series 2016C Bonds are being issued to provide funds to (a) pay a portion of the Costs of the Series 2016 Project (as defined herein), (b) pay the costs of issuance related to the Series 2016C Bonds, (c) pay interest due on the Series 2016C Bonds through October 1, 201[] **[and (d) make a deposit to the Series 2016 Bonds Reserve Subaccount (as defined herein) equal to the Reserve Requirement for the Series 2016C Bonds]**. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS" herein. All capitalized terms used in this Official Statement and not otherwise defined herein have the meanings set forth under "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF THE COVENANT ORDINANCE – Definitions of Certain Terms" attached hereto or, if not defined therein, will have the same meanings ascribed to such terms in the Ordinance bearing Documentary No. 25329, which was enacted on December 9, 1991, by the

^{*} Preliminary, subject to change.

City, as supplemented and amended, including with respect to the Series 2016 Bonds, by a Resolution bearing Documentary No. [] adopted on March 14, 2016 (collectively, the "Covenant Ordinance").

The Series 2016 Bonds are being issued in book-entry only form as fully registered bonds in denominations of \$5,000 and integral multiples thereof, in the principal amount of each maturity of each series set forth on the inside cover and when issued, shall, as described herein, be registered in the name of Cede & Co., as Bondholder and securities depository nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases of beneficial interests in the Series 2016 Bonds will be made in book-entry form only through DTC Participants in the principal amount of \$5,000 or any integral multiple thereof. Purchasers of beneficial interests in the Series 2016 Bonds will not receive physical delivery of bond certificates. Interest on the Series 2016 Bonds will be paid semi-annually on April 1 and October 1 of each year, commencing October 1, 2016 (each, an "Interest Payment Date"). Payments of principal of and interest on the Series 2016 Bonds will be made to purchasers of beneficial interests in the Series 2016 Bonds by DTC Participants. See "DESCRIPTION OF THE SERIES 2016 BONDS – Book-Entry Only System" herein. Wells Fargo Bank, N.A., Jacksonville, Florida, will serve as registrar and paying agent for the Series 2016 Bonds.

The Series 2016 Bonds are subject to redemption prior to their stated dates of maturity. See "DESCRIPTION OF THE SERIES 2016 BONDS – Redemption Provisions."

The Series 2016 Bonds are limited obligations of the City payable from the Covenant Revenues (as defined herein) and other legally available revenues of the City budgeted and appropriated and deposited into the funds and accounts established under the Covenant Ordinance in the manner and to the extent provided therein. The Series 2016 Bonds will not be secured by a lien on the Covenant Revenues or any other revenues of the City until such funds are actually budgeted and appropriated therefor and deposited in the funds and accounts under the Covenant Ordinance. See "SECURITY FOR THE SERIES 2016 BONDS – Limited Obligations" herein. The obligation of the City to budget, appropriate and make payments from Covenant Revenues is subject to the availability of Covenant Revenues in the General Fund and the Utilities Services Tax Fund after the satisfaction of the funding requirements for obligations having an express lien on or pledge of such revenues and the funding requirements for essential governmental services of the City. Payment of the Series 2016 Bonds from Covenant Revenues is on a parity with other Outstanding Bonds issued under the Covenant Ordinance. In addition to the Series 2016 Bonds, the City also has certain other obligations which are payable from Covenant Revenues, all as described herein. See "OBLIGATIONS PAYABLE FROM COVENANT REVENUES" and "SECURITY FOR THE SERIES 2016 BONDS" herein.

The Series 2016 Bonds shall not be deemed to constitute a general or moral obligation or indebtedness of the City, or of the State of Florida (the "State") or any political subdivision thereof within the meaning of the Constitution and laws of the State. Neither the City nor the State nor any political subdivision thereof, shall be obligated to pay the principal of or the interest on the Series 2016 Bonds except from the revenues and funds herein described, and neither the faith and credit nor any taxing power of the City or the State or any political subdivision thereof, nor any ad valorem tax proceeds are pledged

to the payment of the principal of or interest on the Series 2016 Bonds or other costs incident thereto. The City is not obligated to maintain or continue any activities that generate Covenant Revenues.

The City currently expects to issue: (i) its Capital Improvement Refunding Special Revenue Bonds, Series 2016A, on or before **[March 31, 2016]**, for the purpose of refunding its outstanding Series 2007A Bonds (as defined herein) and Series 2010A Bonds (as defined herein). See "OBLIGATIONS PAYABLE FROM COVENANT REVENUES – Outstanding Bonds; Additional Bonds" herein.

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

*The Series 2016 Bonds are offered for delivery when, as and if issued by the City and received by the Underwriters (as defined herein), subject to the delivery of an approving opinion as to the legality of the Series 2016 Bonds by Bryant Miller Olive P.A., Orlando, Florida, Bond Counsel. Certain legal matters will be passed upon for the City by its Co-Disclosure Counsel, Greenberg Traurig, P.A., and D. Seaton and Associates, P.A., both of Orlando, Florida. Certain other legal matters will be passed upon for the City by its Special Legal Counsel, Shutts & Bowen LLP, Orlando, Florida, and the City Attorney's Office. Certain legal matters will be passed upon for the Underwriters by its Counsel, Marchena and Graham, P.A., Orlando, Florida. Public Financial Management, Inc., Orlando, Florida, is serving as Financial Advisor to the City. It is expected that the Series 2016 Bonds will be available for delivery through the facilities of DTC in New York, New York, on or about **[May __, 2016]**.*

STIFEL

Blaylock Robert Van, LLC

Ramirez & Co., Inc.

Dated: **[_____]**, 2016

**MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST RATES,
PRICES, YIELDS AND INITIAL CUSIP NUMBERS**

\$ _____^{*}
**CITY OF ORLANDO, FLORIDA
CAPITAL IMPROVEMENT REFUNDING
SPECIAL REVENUE BONDS,
SERIES 2016B**

\$ _____^{*} Serial Series 2016B Bonds

<u>MATURITY (OCTOBER 1)</u>	<u>AMOUNT[*]</u>	<u>INTEREST RATE</u>	<u>PRICE</u>	<u>YIELD</u>	<u>INITIAL CUSIP NO.⁺</u>
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					

\$ _____^{*} – ____% Term Bonds due October 1, 20[____] – Price _____ – Yield ____% – Initial CUSIP No. _____⁺

\$ _____^{*} – ____% Term Bonds due October 1, 20[____] – Price _____ – Yield ____% – Initial CUSIP No. _____⁺

^{*} Preliminary, subject to change.

⁺ The City is not responsible for the use of the CUSIP numbers referenced herein nor is any representation made by the City as to their correctness; such CUSIP numbers are included solely for the convenience of the readers of this Official Statement.

**MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST RATES,
PRICES, YIELDS AND INITIAL CUSIP NUMBERS**

\$ _____^{*}
CITY OF ORLANDO, FLORIDA
CAPITAL IMPROVEMENT SPECIAL REVENUE BONDS,
SERIES 2016C

\$ _____^{*} Serial Series 2016C Bonds

MATURITY (OCTOBER 1)	AMOUNT[*]	INTEREST RATE	PRICE	YIELD	INITIAL CUSIP NO.⁺
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					

\$ _____^{*} – ____% Term Bonds due October 1, 20[] – Price _____ – Yield ____% – Initial CUSIP No. _____⁺

\$ _____^{*} – ____% Term Bonds due October 1, 20[] – Price _____ – Yield ____% – Initial CUSIP No. _____⁺

^{*} Preliminary, subject to change.

⁺ The City is not responsible for the use of the CUSIP numbers referenced herein nor is any representation made by the City as to their correctness; such CUSIP numbers are included solely for the convenience of the readers of this Official Statement.

THE CITY OF ORLANDO, FLORIDA
One City Commons
400 South Orange Avenue
Orlando, Florida 32801

COMMISSIONERS OF THE CITY COUNCIL

	Buddy Dyer, Mayor	
Jim Gray		Patty Sheehan
Tony Ortiz		Regina I. Hill
Robert F. Stuart		Samuel B. Ings

CITY OFFICIALS

Chief Executive Officer

Buddy Dyer, Mayor

Chief Financial Officer

Rebecca W. Sutton*

Deputy Chief Financial Officer

Christopher P. McCullion*

Deputy Chief Financial Officer

Brian C. Battles

Treasurer

Katrina Laudeman

City Attorney

Mayanne Downs, Esq.

Assistant City Attorney

Wesley C. Powell, Esq.

CONSULTANTS

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Orlando, Florida

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Greenberg Traurig, P.A.
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Special Legal Counsel

Shutts & Bowen LLP
Orlando, Florida

Financial Advisor

Public Financial Management, Inc.
Orlando, Florida

* Ms. Sutton announced plans to retire effective July 1, 2016. On February 29, 2016, the City Council approved the Mayor's appointment of Mr. McCullion to be the City's new Chief Financial Officer upon Ms. Sutton's retirement.

This Official Statement does not constitute a contract between the City and any one or more owners of Series 2016 Bonds nor does it constitute an offer to sell or the solicitation of an offer to buy the Series 2016 Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer in such jurisdiction. No dealer, salesman or any other person has been authorized by the City to give any information or to make any representations, other than those contained herein, in connection with the offering of the Series 2016 Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by the City or any other person. The information set forth herein, including in the appendices, has been obtained from the City and other sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create the implication that there has been no change in the matters described herein since the date hereof.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2016 BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2016 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE SERIES 2016 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE COVENANT ORDINANCE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2016 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE SERIES 2016 BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2016 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

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

All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreements in full, and all summaries herein of the Series 2016 Bonds are qualified in their entirety by reference to the form thereof included in the aforesaid documents and agreements.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS IN EITHER BOUND OR PRINTED FORMAT ("ORIGINAL BOUND

FORMAT"), OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITE: WWW.MUNIOS.COM. PROSPECTIVE PURCHASERS MAY RELY ON THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT IN EITHER THE ORIGINAL BOUND FORMAT OR THE ELECTRONIC FORMAT, PROVIDED, HOWEVER THAT PROSPECTIVE PURCHASERS MUST READ THE ENTIRE OFFICIAL STATEMENT (INCLUDING THE COVER PAGE AND ALL APPENDICES ATTACHED HERETO) TO OBTAIN ALL OF THE INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

REFERENCES TO WEBSITE ADDRESSES PRESENTED HEREIN, INCLUDING THE CITY'S WEBSITE OR ANY OTHER WEBSITE CONTAINING INFORMATION ABOUT THE CITY, ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER'S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEBSITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS OFFICIAL STATEMENT FOR ANY PURPOSE INCLUDING FOR PURPOSES OF RULE 15C2-12 PROMULGATED BY THE SECURITIES AND EXCHANGE COMMISSION.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE CITY FOR PURPOSES OF RULE 15c2-12 PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15c2-12(b)(1).

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OFFICIAL STATEMENT

relating to

\$ _____^{*}
CITY OF ORLANDO, FLORIDA
CAPITAL IMPROVEMENT REFUNDING
SPECIAL REVENUE BONDS,
SERIES 2016B

\$ _____^{*}
CITY OF ORLANDO, FLORIDA
CAPITAL IMPROVEMENT SPECIAL
REVENUE BONDS,
SERIES 2016C

INTRODUCTION

The purpose of this Official Statement, which includes the cover page, and the appendices attached hereto, is to furnish information in connection with the sale by the City of Orlando, Florida (the "City") of its \$ _____^{*} Capital Improvement Refunding Special Revenue Bonds, Series 2016B (the "Series 2016B Bonds") and its \$ _____^{*} Capital Improvement Special Revenue Bonds, Series 2016C (the "Series 2016C Bonds" and together with the Series 2016B Bonds, the "Series 2016 Bonds"). The Series 2016 Bonds are being issued pursuant to the Constitution and laws of the State of Florida, particularly Section 159.11 and Chapter 166, Florida Statutes, and Article VIII, Section 2 of the Constitution of the State of Florida (collectively, the "Act") and an Ordinance bearing Documentary No. 25329 enacted on December 9, 1991, as supplemented and amended, including with respect to the Series 2016 Bonds, by a Resolution bearing Documentary No. [_____] adopted on March 14, 2016 (collectively, the "Covenant Ordinance").

All capitalized terms used in this Official Statement and not otherwise defined herein have the meanings set forth under "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF THE COVENANT ORDINANCE – Definitions of Certain Terms" attached hereto or, if not defined therein, will have the same meanings ascribed to such terms in the Covenant Ordinance.

This Official Statement and the appendices attached hereto contain descriptions of the Series 2016 Bonds, the Covenant Ordinance and the City. Such information, descriptions and summaries do not purport to be complete or definitive, and reference is made to each such document in full for the complete details of all the terms and conditions thereof. All references herein to the Series 2016 Bonds and the Covenant Ordinance are qualified in their entirety by such documents, copies of which may be obtained from the Chief Financial Officer of the City, One City Commons, 400 South Orange Avenue, 4th Floor, Orlando, Florida 32801, telephone number (407) 246-2341.

The Series 2016 Bonds

The Series 2016 Bonds are being issued in book-entry only form as fully registered bonds in denominations of \$5,000 and integral multiples thereof, in the principal amount of each maturity of each series set forth on the inside cover and when issued, shall, as described herein, be registered in the name of Cede & Co., as Bondholder and securities depository nominee of

^{*} Preliminary, subject to change.

The Depository Trust Company, New York, New York ("DTC"). Individual purchases of beneficial interests in the Series 2016 Bonds will be made in book-entry form only through Direct Participants, as described herein. See "DESCRIPTION OF THE SERIES 2016 BONDS – Book-Entry Only System" herein. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months, from the dated date of the Series 2016 Bonds, payable on each April 1 and October 1 commencing on October 1, 2016.

Purpose of Series 2016 Bonds

The Series 2016B Bonds are being issued to provide funds to (a) advance refund the Refunded 2007B Bonds (as defined herein), the Refunded 2009A Bonds (as defined herein) and the Refunded 2010C Bonds (as defined herein), (b) pay the costs of issuance related to the Series 2016B Bonds, **[and (c) make a deposit to the Series 2016 Bonds Reserve Subaccount (as defined herein) equal to the Reserve Requirement for the Series 2016 Bonds]**. See "PLAN OF REFUNDING" and "ESTIMATED SOURCES AND USES OF FUNDS" herein. The Series 2016C Bonds are being issued to provide funds to (a) pay a portion of the Costs of the Series 2016 Project (as defined herein), (b) pay the costs of issuance related to the Series 2016C Bonds, (c) pay interest due on the Series 2016C Bonds through October 1, 201[] **[and (d) make a deposit to the Series 2016 Bonds Reserve Subaccount (as defined herein) equal to the Reserve Requirement for the Series 2016C Bonds]**. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Security for the Series 2016 Bonds

The Series 2016 Bonds are being issued as Additional Bonds under and pursuant to the Covenant Ordinance. The Series 2016 Bonds are limited obligations of the City payable from the Covenant Revenues and other legally available revenues of the City budgeted and appropriated and deposited into the funds and accounts created and established pursuant to the Covenant Ordinance, all in the manner and to the extent provided in the Covenant Ordinance. The Series 2016 Bonds will not be secured by a lien on the Covenant Revenues or any other revenues of the City until such funds are actually budgeted and appropriated therefor and deposited in the funds and accounts under the Covenant Ordinance. See "SECURITY FOR THE SERIES 2016 BONDS – Limited Obligations" herein. The obligation of the City to budget, appropriate and make payments from Covenant Revenues is subject to the availability of Covenant Revenues in the General Fund and the Utilities Services Tax Fund after the satisfaction of the funding requirements for obligations having an express lien on or pledge of such revenues and the funding requirements for essential governmental services of the City. Payment of the Series 2016 Bonds from Covenant Revenues budgeted and appropriated and deposited into the funds and accounts under the Covenant Ordinance is on a parity with other Outstanding Bonds issued under the Covenant Ordinance, except as described herein with respect to the subaccounts in the Reserve Account. In addition to the Bonds, the City also has certain other debt obligations which are payable from Covenant Revenues (referred to herein as the "Covenant Obligations"), all as described herein. See "SECURITY FOR THE SERIES 2016 BONDS" and "OBLIGATIONS PAYABLE FROM COVENANT REVENUES" herein.

The Series 2016 Bonds and the indebtedness represented thereby shall not constitute a lien upon any property of the City or any part thereof. None of the officials of the City or any persons executing the Series 2016 Bonds are liable personally on the Series 2016 Bonds.

The Series 2016 Bonds shall not be deemed to constitute a general or moral obligation or indebtedness of the City, or the State or any political subdivision thereof within the meaning of the Constitution and laws of the State. Neither the City nor the State nor any political subdivision thereof, shall be obligated to pay the principal of or the interest on the Series 2016 Bonds except from the revenues and funds herein described, and neither the faith and credit nor any taxing power of the City or the State or any political subdivision thereof, nor any ad valorem tax proceeds are pledged to the payment of the principal of or interest on the Series 2016 Bonds or other costs incident thereto. The City is not obligated to maintain or continue any activities that generate Covenant Revenues.

The City

The City was incorporated on July 31, 1875 and is centrally located in the State of Florida, approximately 150 miles south of the Florida-Georgia state line, 50 miles west of the Atlantic Ocean and 75 miles east of the Gulf of Mexico. The City covers an area of 110 square miles and had an estimated 2015 population* of approximately 262,949. The Orlando Metropolitan Statistical Area (the "Orlando MSA") consisting of Lake, Orange, Osceola, and Seminole Counties has an estimated 2015 population* of approximately 2,320,195.

For an overview of the City and certain general, demographic and other statistical matters concerning the City see "CITY ADMINISTRATION" herein and "APPENDIX C – GENERAL INFORMATION – THE CITY OF ORLANDO, FLORIDA" attached hereto.

PLAN OF FINANCE

A portion of the Series 2016C Bonds will be issued to provide funds for the purpose of: (a) making a deposit to the Series 2016C Construction Subaccount to be applied to the payment of the Costs of the Series 2016 Project, (b) pay the costs of issuance related to the Series 2016C Bonds, (c) pay interest due on the Series 2016C Bonds through October 1, 201[] **[and (d) make a deposit to the Series 2016 Bonds Reserve Subaccount (as defined herein) equal to the Reserve Requirement for the Series 2016C Bonds].** See "ESTIMATED SOURCES AND USES OF FUNDS" herein.

As used herein, "Series 2016 Project" refers to the acquisition, construction, equipping and installation of municipal capital improvements of the City, including a public safety computer-aided dispatch system and such other municipal capital projects as shall be approved by the City.

* Estimates and projections from BEBR, Florida Population Studies, Bulletin 171, April 2015.

PLAN OF REFUNDING

The City has previously issued its Capital Improvement Special Revenue Bonds, Series 2007B dated October 23, 2007 (the "Series 2007B Bonds") to finance the acquisition and construction of capital improvements for public safety and other municipal purposes of the City. The Series 2007B Bonds were originally issued in \$58,905,000 original aggregate principal amount and are currently Outstanding in \$49,800,000 aggregate principal amount. The Series 2007B Bonds maturing on or after October 1, 2018 in the aggregate principal amount of \$46,970,000 will be refunded upon the issuance of the Series 2016B Bonds (the "Refunded 2007B Bonds"). The City has previously issued its Capital Improvement Special Revenue Bonds, Series 2009A dated September 16, 2009 (the "Series 2009A Bonds") to finance a portion of the acquisition, construction and development of a structured parking facility and other public improvements related to the Amway Center. The Series 2009A Bonds were originally issued in \$11,950,000 original aggregate principal amount and are currently Outstanding in \$9,570,000 aggregate principal amount. The Series 2009A Bonds maturing on or after October 1, 2020 in the aggregate principal amount of \$4,470,000 will be refunded upon the issuance of the Series 2016B Bonds (the "Refunded 2009A Bonds"). The City has previously issued its Capital Improvement Refunding Special Revenue Bonds, Series 2010C dated October 5, 2010 (the "Series 2010C Bonds") to refund prior City indebtedness, which initially funded various capital improvements. The Series 2010C Bonds were originally issued in \$40,260,000 original aggregate principal amount and are currently Outstanding in \$29,060,000 aggregate principal amount. The Series 2010C Bonds maturing on or after October 1, 2021 in the aggregate principal amount of \$17,880,000 will be refunded upon the issuance of the Series 2016B Bonds (the "Refunded 2010C Bonds," and together with the Refunded 2007B Bonds and the Refunded 2009A Bonds, the "Refunded Bonds").

The City is issuing its Series 2016B Bonds as Additional Bonds under the Covenant Ordinance, and will apply a portion of the proceeds of the Series 2016B Bonds, together with other legally available funds, to effect the advance refunding of the Refunded Bonds.

The City will enter into an Escrow Deposit Agreement (the "2007B Escrow Deposit Agreement"), dated **[May __, 2016]**, with U.S. Bank National Association, as Escrow Agent (the "2007B Escrow Agent"). Pursuant to the terms of the 2007B Escrow Deposit Agreement, on the date of delivery of the Series 2016B Bonds, the City will deposit a portion of the proceeds of the Series 2016B Bonds, together with other legally available funds, into the Escrow Deposit Fund held by the 2007B Escrow Agent for the refunding and defeasance of the Refunded 2007B Bonds (the "2007B Escrow Deposit Fund"). On the date of delivery of the Series 2016B Bonds, amounts deposited in the 2007B Escrow Deposit Fund **[will be used to purchase Government Obligations. The maturing principal of the Government Obligations, together with the interest earned thereon, and any uninvested cash balance remaining in the 2007B Escrow Deposit Fund will be sufficient to pay all principal of and interest on the Refunded 2007B Bonds when due or upon redemption on October 1, 2017].**

The City will enter into an Escrow Deposit Agreement (the "2009A/2010C Escrow Deposit Agreement"), dated **[May __, 2016]**, with Wells Fargo Bank, N.A., as Escrow Agent (the "2009A/2010C Escrow Agent"). Pursuant to the terms of the 2009A/2010C Escrow Deposit Agreement, on the date of delivery of the Series 2016B Bonds, the City will deposit a portion of

the proceeds of the Series 2016B Bonds, together with other legally available funds, into the Escrow Deposit Fund held by the 2009A/2010C Escrow Agent for the refunding and defeasance of the Refunded 2009A Bonds and the Refunded 2010C Bonds (the "2009A/2010C Escrow Deposit Fund"). On the date of delivery of the Series 2016B Bonds, amounts deposited in the 2009A/2010C Escrow Deposit Fund **[will be used to purchase Government Obligations. The maturing principal of the Government Obligations, together with the interest earned thereon, and any uninvested cash balance remaining in the 2009A/2010C Escrow Deposit Fund will be sufficient to pay all principal of and interest on the Refunded 2009A Bonds and Refunded 2010C Bonds when due or upon redemption on October 1, 2019 and October 1, 2020, respectively].**

The 2007B Escrow Deposit Agreement and the 2009A/2010C Escrow Deposit Agreement are collectively referred to herein as the "Escrow Deposit Agreements."

By deposit of a portion of the proceeds of the Series 2016B Bonds, together with other legally available funds of the City, and the Government Obligations and initial cash deposits, and the giving of certain instructions and notices as required by the Covenant Ordinance, the City will have effected the defeasance of the Refunded Bonds, under the Covenant Ordinance. On the date of delivery of the Series 2016B Bonds, Bryant Miller Olive, P.A., Orlando, Florida, Bond Counsel, will render an opinion (in reliance upon various certifications and reports, including the Verification Report dated **[May __, 2016]** prepared by BondResource Partners, LP (the "Verification Agent"), that as a result of the defeasance, the right, title and interest of the Holders of the Refunded Bonds under the Covenant Ordinance and the pledge and lien created by the Covenant Ordinance and the covenant of the City under the Covenant Ordinance with respect to the Holders of the Refunded Bonds shall cease and become void. The Verification Agent will be responsible for verifying the final numbers prepared by Stifel, Nicolaus & Company, Incorporated. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS" herein. **[The Government Obligations, the interest earned thereon and any uninvested cash balance]** held in the 2007B Escrow Deposit Fund will only be for the payment of the principal of and interest on the Refunded 2007B Bonds to and upon redemption on October 1, 2017, and will not be available to pay debt service on the Series 2016B Bonds. **[The Government Obligations, the interest earned thereon and any uninvested cash balance]** held in the 2009A/2010C Escrow Deposit Fund will only be for the payment of the principal of and interest on the Refunded 2009A Bonds and Refunded 2010C Bonds to and upon redemption on October 1, 2019 and October 1, 2020, respectively, and will not be available to pay debt service on the Series 2016B Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	Series 2016B Bonds	Series 2016C Bonds	Total
Par Amount			
[Plus/Minus [Net] Bond Premium/Discount]			
Transfer from funds related to Refunded Bonds			
Total Sources			
Uses:			
Deposit to 2007B Escrow Deposit Fund	-		
Deposit to 2009A/2010C Escrow Deposit Fund			
Deposit to Series 2016C Construction Subaccount			
Capitalized Interest through October 1, 201[]			
[Deposit to Series 2016 Bonds Reserve Subaccount]			
Cost of Issuance ⁽¹⁾			
Total Uses			

⁽¹⁾ Includes, among other things, Underwriters' discount, and legal, financial and administrative expenses with respect to the Series 2016 Bonds.

DESCRIPTION OF THE SERIES 2016 BONDS

General Description

The Series 2016 Bonds are being issued as Additional Bonds under and pursuant to the Covenant Ordinance. The Series 2016 Bonds will bear interest at the rates, calculated on the basis of a 360-day year consisting of twelve 30-day months, and mature on the dates and in the amounts shown on the inside cover page of this Official Statement.

The Series 2016 Bonds will be dated the date of delivery, and will bear interest from such date. Interest on all Series 2016 Bonds will be payable semiannually on April 1 and October 1 of each year, commencing on October 1, 2016. Wells Fargo Bank, N.A., Jacksonville, Florida, will serve as registrar and paying agent for the Series 2016 Bonds (the "Registrar" and "Paying Agent").

The Series 2016 Bonds are being issued in book-entry only form as fully registered bonds in denominations of \$5,000 and integral multiples thereof, in the principal amount of each maturity of each series shown on the inside cover page in book-entry form only as described below under "DESCRIPTION OF THE SERIES 2016 BONDS – Book-Entry Only System."

So long as the Series 2016 Bonds are registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), the City, the Registrar and the Paying Agent will have no responsibility or obligation to any

Direct Participant or Indirect Participant (each as defined herein). Without limiting the immediately preceding sentence, the City, the Registrar and the Paying Agent will have no responsibility or obligation to any Direct Participant, Indirect Participant or the Beneficial Owners, as defined herein, with respect to: (1) the accuracy of any records maintained by DTC or any Direct Participant or Indirect Participant, (2) the payment by DTC or any Direct Participant or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal of and interest on the Series 2016 Bonds, (3) the delivery or timeliness of delivery by DTC or any Direct Participant or Indirect Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Covenant Ordinance to be given to Bondholders, or (4) any consent given or other action taken by DTC, or its nominee, Cede & Co., as Bondholders. The City, the Registrar and the Paying Agent may treat and consider the person in whose name each Series 2016 Bond is registered in the registration books kept by the Registrar as the absolute owner of such Series 2016 Bond for the purpose of payment of principal of and interest with respect to such Series 2016 Bond, for the purpose of giving notices and other matters with respect to such Series 2016 Bond, for the purpose of registering transfers with respect to such Series 2016 Bond, and for all other purposes whatsoever. The Paying Agent will pay all principal of and interest on the Series 2016 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 in the Covenant Ordinance, and all such payments will be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of and interest on the Series 2016 Bonds to the extent of the sum or sums so paid. No person other than an owner, as shown in the registration books kept by the Registrar, will receive a certificated Bond evidencing the obligation of the City to make payments of principal and interest pursuant to the provisions of the Covenant Ordinance.

Redemption Provisions

Optional Redemption. The Series 2016B Bonds maturing prior to October 1, 20[] are not subject to optional redemption prior to maturity. The Series 2016B Bonds maturing on and after October 1, 20[] shall be subject to redemption prior to their stated dates of maturity, at the option of the City, in whole or in part, on any date on or after October 1, 20[], in such maturities as the City shall in its discretion select by lot within a maturity if less than a full maturity, at a redemption price equal to 100% of the principal amount of the Series 2016B Bonds to be redeemed plus accrued interest to the redemption date, without premium.

The Series 2016C Bonds maturing prior to October 1, 20[] are not subject to optional redemption prior to maturity. The Series 2016C Bonds maturing on and after October 1, 20[] shall be subject to redemption prior to their stated dates of maturity, at the option of the City, in whole or in part, on any date on or after October 1, 20[], in such maturities as the City shall in its discretion select by lot within a maturity if less than a full maturity, at a redemption price equal to 100% of the principal amount of the Series 2016C Bonds to be redeemed plus accrued interest to the redemption date, without premium.

Mandatory Redemption. The Series 2016B Bonds maturing on October 1, 20[], are subject to mandatory redemption, prior to maturity in part, by lot on October 1, 20[] and on each October 1 thereafter, at a redemption price equal to the principal amount of such Series

2016B Bonds or portions thereof to be redeemed, plus interest accrued thereon to the redemption date, on October 1 in the following years and in the following Amortization Installments:

**Series 2016B Term Bond
Maturing October 1, 20[]**

Year	Amortization Installments
-------------	--------------------------------------

* Final Maturity.

The Series 2016C Bonds maturing on October 1, 20[], are subject to mandatory redemption, prior to maturity in part, by lot on October 1, 20[] and on each October 1 thereafter, at a redemption price equal to the principal amount of such Series 2016C Bonds or portions thereof to be redeemed, plus interest accrued thereon to the redemption date, on October 1 in the following years and in the following Amortization Installments:

**Series 2016C Term Bond
Maturing October 1, 20[]**

Year	Amortization Installments
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* Final Maturity.

Notice of Redemption. Notice of redemption will be given by deposit in the U.S. mails of a copy of said redemption notice, postage prepaid, at least thirty (30) and not more than sixty (60) days before the redemption date, to all Registered Owners of the Series 2016 Bonds or portions thereof to be redeemed at their addresses as they appear on the registration books maintained by the Registrar. Failure to mail any such notice to a Registered Owner of a Series 2016 Bond, or any defect therein, shall not affect the validity of the proceedings for the redemption of any such Series 2016 Bonds or any portion thereof with respect to which no failure or defect occurred.

Each notice will set forth the date fixed for redemption, the redemption price to be paid, that the applicable Series 2016 Bonds will be due and payable on the date fixed for redemption, the place for payment of the applicable Series 2016 Bonds, that all interest and, if applicable, principal, on such Series 2016 Bonds, or portions thereof so to be redeemed, will cease to accrue on and after such date and, if less than all of the applicable series of Series 2016 Bonds then outstanding shall be called for redemption, the distinctive numbers and letters, if any, including

CUSIP Numbers, of such Series 2016 Bonds to be redeemed and, in the case of Series 2016 Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Series 2016 Bond is to be redeemed in part only, the notice of redemption which relates to such Series 2016 Bond will also state that on or after the redemption date, upon surrender of such Series 2016 Bond, new Series 2016 Bond or Bonds in a principal amount equal to the unredeemed portion of such Series 2016 Bond will be issued. Any notice of optional redemption of Series 2016 Bonds may provide that such optional redemption is subject to such conditions or to withdrawal by the City as shall be provided in such notice of redemption.

Effect of Notice of Redemption. Notice having been given in the manner and under the conditions described above, the applicable Series 2016 Bonds or portions thereof so called for redemption shall (subject to such conditions as shall be provided in the redemption notice), on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such Series 2016 Bonds or portions thereof on such date. On the date so designated for redemption, moneys for payment of the redemption price being held in separate accounts by the Paying Agent in trust for the Registered Owners of the Series 2016 Bonds or portions thereof to be redeemed, as provided in the Covenant Ordinance, and upon satisfaction of any conditions to such redemption, interest on the Series 2016 Bonds or portions thereof so called for redemption shall cease to accrue, such Series 2016 Bonds and portions thereof shall cease to be entitled to any lien, benefit or security under the Covenant Ordinance, and the Registered Owners of such Series 2016 Bonds or portions thereof shall have no right in respect thereof, except to receive payment of the redemption price thereof and, to the extent provided in the Covenant Ordinance, to receive Series 2016 Bonds for any unredeemed portions of Series 2016 Bonds.

Book-Entry Only System

The information in this caption concerning DTC and DTC's book entry system has been obtained from DTC and neither the City nor the Underwriters make any representation or warranty or take any responsibility for the accuracy or completeness of such information.

DTC will act as securities depository for the Series 2016 Bonds. The Series 2016 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Series 2016 Bond certificate will be issued for each maturity of each series of the Series 2016 Bonds, each in the aggregate principal amount of such maturity of each series, 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"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2016 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2016 Bonds on DTC's records. The ownership interest of each actual purchaser of each series of Series 2016 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2016 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2016 Bonds, except in the event that use of the book entry system for the Series 2016 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2016 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2016 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2016 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2016 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2016 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2016 Bonds, such as redemptions, defaults, and proposed amendments to the Special Revenue Bond Ordinance. For example, Beneficial Owners of Series 2016 Bonds may wish to ascertain that the nominee holding the Series 2016 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative,

Beneficial Owners may wish to provide their names and addresses to the Registrar and Paying Agent 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 2016 Bonds of a maturity of a series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity and series to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2016 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2016 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of the principal of, redemption premium, if any, and interest on the Series 2016 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Registrar and Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registrar and Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of the principal of, redemption premium, if any, and interest on the Series 2016 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Registrar and Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2016 Bonds at any time by giving reasonable notice to the City or the Registrar and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Series 2016 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, Series 2016 Bond certificates will be printed and delivered to the Registrar and Paying Agent.

SECURITY FOR THE SERIES 2016 BONDS

The Series 2016 Bonds are being issued as Additional Bonds under and pursuant to the Covenant Ordinance. The Series 2016 Bonds and other Bonds Outstanding under the Covenant Ordinance from time to time shall be payable from the Covenant Revenues and other legally available revenues actually budgeted and appropriated and deposited into the funds and accounts created and established pursuant to and in the manner provided in the Covenant Ordinance. Until actually deposited into the funds and accounts created under the Covenant Ordinance,

Covenant Revenues are not pledged for the payment of the Series 2016 Bonds and the Holders of the Series 2016 Bonds will not have a lien thereon. The City has covenanted to the extent permitted by and in accordance with applicable law and budgetary processes, to prepare, approve and appropriate in its annual budget for each Fiscal Year, by amendment if necessary, and deposit to the credit of the Revenue Account established pursuant to the Covenant Ordinance, Covenant Revenues in an amount which together with other legally available revenues budgeted and appropriated for such purpose are equal to the Debt Service Requirement with respect to all Bonds Outstanding under the Covenant Ordinance (excluding any other Non-Self Sufficient Debt) for the applicable Fiscal Year, plus an amount sufficient to satisfy all other payment obligations of the City under the Covenant Ordinance for the applicable Fiscal Year, including, without limitation, the obligations of the City to fund and cure deficiencies in any subaccounts in the Reserve Account created under the Covenant Ordinance. Such covenant and agreement on the part of the City to budget and appropriate sufficient amounts of Covenant Revenues shall be cumulative, and shall continue until such Covenant Revenues in amounts, together with any other legally available revenues budgeted and appropriated for such purposes, sufficient to make all required payments under the Covenant Ordinance as and when due, including any delinquent payments, shall have been budgeted, appropriated and actually paid into the appropriate funds and accounts under the Covenant Ordinance.

The covenant described above does not create a lien, either legal or equitable, on any of the City's Covenant Revenues or other revenues, nor shall it preclude the City from pledging in the future any of its Covenant Revenues or other revenues to other obligations, nor shall it give the Bondholders a prior claim on the Covenant Revenues. All obligations of the City under the Covenant Ordinance shall be payable only from the Covenant Revenues and other legally available revenues actually budgeted and appropriated and deposited into the funds and accounts created under the Covenant Ordinance, as provided for therein. The City may not expend monies not appropriated or in excess of its current budgeted revenues.

The obligation of the City to budget, appropriate and make payments thereunder from its Covenant Revenues is subject to the availability of Covenant Revenues in the General Fund and the Utilities Services Tax Fund of the City after satisfying funding requirements for obligations having an express lien on or pledge of such revenues and after satisfying funding requirements for essential governmental services of the City.

The City has not covenanted to maintain any programs or other activities which generate Covenant Revenues.

Because Holders of the Bonds are not entitled to a lien on the Covenant Revenues until such revenues are deposited into the funds and accounts created under the Covenant Ordinance in favor of the Holders of the Bonds, the City is free to grant liens on the Covenant Revenues to secure other obligations. The exercise of remedies by the holders of other Non-Self Sufficient Debt (whether or not secured by a lien) that is not issued as Bonds under the Covenant Ordinance, including judgment creditors, may result in the payment of debt service on some Non-Self Sufficient Debt prior to the payment of debt service on other Non-Self Sufficient Debt, including the Bonds.

The City has covenanted and agreed in the Covenant Ordinance that for so long as any Bonds are Outstanding under the Covenant Ordinance, the City shall continue to deposit to the credit of the City's General Fund and Utilities Services Tax Fund those revenue sources that were deposited to the credit of the General Fund and Utilities Services Tax Fund as provided in the City's Annual Budget for Fiscal Year 1991-92, excluding, however, any increases or expansions in rates or levies enacted after the effective date of the Covenant Ordinance with respect to such revenue sources that are designated by the City to be deposited other than in the General Fund or the Utilities Services Tax Fund. However, the City has not covenanted to maintain any programs or other activities which generate Covenant Revenues.

Reserve Account

In each supplemental ordinance or resolution authorizing the issuance of a Series of Bonds under the Covenant Ordinance, the City is required to designate the Reserve Requirement, if any, with respect to such Series of Bonds and establish a separate subaccount in the Reserve Account if needed. Bonds of each Series shall be secured only by the subaccount in the Reserve Account created and established with respect to such Series of Bonds and shall have no lien on or right to payment from any other subaccount in the Reserve Account. Funds on deposit in the separate subaccounts in the Reserve Account, if any, shall be used only for the purpose of curing deficiencies in the Debt Service Account with respect to the Series of Bonds to which such subaccount pertains after application of funds on deposit in the Stabilization Reserve Account, if any, and for no other purpose. In no event shall monies in a subaccount in the Reserve Account be used or available for the payment of principal of or interest on or any other payments with respect to Bonds of any Series not secured by such subaccount. If funds on deposit in the applicable subaccount in the Reserve Account for a particular Series of Bonds exceed, in the aggregate, the Reserve Requirement with respect to such Series of Bonds (other than due to the substitution of a Reserve Product as described below), the excess funds shall be deposited into the Revenue Account for the benefit of all Bonds issued under the Covenant Ordinance.

The City has, pursuant to the Covenant Ordinance, created and established the "Series 2016 Bonds Reserve Subaccount" in the Reserve Account. **[Pursuant to the Covenant Ordinance, the City designated the Reserve Requirement with respect to the Series 2016 Bonds to be equal to [\$_____].]**

Limited Obligations

All obligations of the City under the Covenant Ordinance shall be payable only from the Covenant Revenues and other legally available revenues actually budgeted and appropriated and deposited into the funds and accounts created pursuant to the Covenant Ordinance, as provided for therein. Nothing in the Covenant Ordinance shall be deemed to create a pledge of or lien on the Covenant Revenues (other than Covenant Revenues budgeted and appropriated and deposited in the funds and accounts established under the Covenant Ordinance), the ad valorem tax revenues of the City or any other revenues of the City or to permit or constitute a mortgage or lien upon any assets owned by the City. No Bondholder shall ever have the right to compel any exercise of the ad valorem taxing power of the City or the use or application of ad valorem tax proceeds for any purpose, including, without limitation, to pay the principal of or interest on the Bonds or to make any other

payment required thereunder or to maintain or continue any of the activities of the City which generate user service charges, regulatory fees or any other Covenant Revenues, nor shall the Bonds constitute a charge, lien or encumbrance, either legal or equitable, on any property, assets or funds of the City.

The obligation of the City to budget, appropriate and make payments required by the Covenant Ordinance from its Covenant Revenues is subject to the availability of Covenant Revenues in the General Fund and the Utilities Services Tax Fund after the satisfaction of the funding requirements for obligations having an express lien on or pledge of such revenues and the funding requirements for essential governmental services of the City.

The Series 2016 Bonds and the indebtedness represented thereby shall not be secured by any proceeds from the sale, lease or other disposition, if any, of property financed or refinanced by proceeds of the Series 2016 Bonds. The Series 2016 Bonds and the indebtedness represented thereby shall not constitute a lien upon any property of the City. None of the officials of the City or any persons executing the Series 2016 Bonds are liable personally on the Series 2016 Bonds.

FLOW OF FUNDS

The Covenant Ordinance establishes the "Capital Improvement Special Revenue Bond Fund" and the following accounts therein to be known as: the "Construction Account," the "Revenue Account," the "Debt Service Account," the "Fee and Expense Account," the "Reserve Account," and the "Rebate Account." The Covenant Ordinance also creates a special reserve account in the City's General Fund known as the "Stabilization Reserve Account." The Capital Improvement Special Revenue Bond Fund and all accounts therein and the Stabilization Reserve Account shall constitute trust funds for the purposes provided in the Covenant Ordinance, shall be delivered to and held, in the case of the Reserve Account and the Stabilization Reserve Account (as defined in the Covenant Ordinance), by an Authorized Depository and in the case of all other funds and accounts, by the Chief Financial Officer (or an Authorized Depository designated by the Chief Financial Officer), in each case who shall act as trustee of such funds for the purposes of the Covenant Ordinance, shall be subject to a lien and charge in favor of the Holders and Registered Owners of the Bonds, and shall at all times be kept separate and distinct from all other funds of the City and used only as provided in the Covenant Ordinance. With respect to each Series of Bonds issued under the Covenant Ordinance for which the City elects to fund a subaccount in the Reserve Account, the City shall designate an Authorized Depository which shall, pursuant to a written agreement executed and effective as of the delivery of such Series of Bonds, agree to hold all funds deposited to the credit of the subaccount in the Reserve Account with respect to such Series of Bonds in trust for the sole and exclusive benefit of the Bondholders of such Series of Bonds in accordance with the provisions of the Covenant Ordinance.

Construction Account. The City has, pursuant to the Covenant Ordinance, created and established the "Series 2016C Construction Subaccount" in the Construction Account. Amounts held in the Series 2016C Construction Subaccount shall be held by the City and applied to pay

the Costs of the Series 2016 Project in accordance with the provisions of the Covenant Ordinance; including, without limitation, payment of capitalized interest on the Series 2016C Bonds. Proceeds of the Series 2016C Bonds deposited into the Series 2016C Construction Subaccount are subject to a lien in favor of the Holders of all Bonds Outstanding under the Covenant Ordinance until such funds have been applied to the Cost of the Series 2016 Project in accordance with the provisions of the Covenant Ordinance.

Revenue Account. On or before the 15th day of each month, there shall be deposited to the credit of the Revenue Account from Covenant Revenues budgeted and appropriated for such purposes amounts which, together with funds on deposit therein, will be sufficient to satisfy the cumulative deposit requirements described in subparagraphs (a) through (e) below. Funds on deposit in the Revenue Account shall be disbursed in the following order and priority:

(a) First, by deposit into the Debt Service Account an amount which, together with any other amounts required to be deposited therein pursuant to the Covenant Ordinance, will equal (i) one-sixth (1/6th) of the interest maturing on the Bonds on the next semiannual interest payment date, with respect to Bonds that bear interest payable semiannually, (ii) the amount of interest next becoming due or maturing on Bonds that bear interest payable monthly, (iii) the amount of interest accruing in such month on Bonds that bear interest payable on other than a monthly or semiannual basis (other than Bonds that bear interest payable only on maturity or redemption), (iv) one-twelfth (1/12th) of all principal and, with respect to Bonds that bear interest payable only upon maturity or redemption, principal and accreted interest, maturing or becoming due during the current Bond Year on the various Series of Serial Bonds that mature annually, (v) one-sixth (1/6th) of all principal and, with respect to Bonds that bear interest payable only upon maturity or redemption, principal and accreted interest, maturing on the next maturity date in such Bond Year on the various Series of Serial Bonds that mature semiannually, and (vi) one-twelfth (1/12th) of the Amortization Installments and unamortized principal balances of Term Bonds coming due during the current Bond Year with respect to the Bonds, until there are sufficient funds then on deposit equal to the sum of the interest, principal and redemption payments due on the Bonds on the next interest, principal and redemption dates in such Bond Year.

Deposits shall be increased or decreased to the extent required to pay principal and interest coming due, after making allowance for any accrued and capitalized interest and taking into account deficiencies in prior months' deposits. Additionally, if Bonds constituting Variable Rate Debt are outstanding on the 15th day of such month, unless the City shall establish a different procedure for the payment of monthly interest on Bonds constituting Variable Rate Debt, the City shall deposit into the Debt Service Account in lieu of the monthly interest deposit or the one-sixth (1/6th) semiannual interest deposit described above, the interest actually accruing on such Bonds for such month (plus any deficiencies in interest deposits for the preceding month), assuming the interest rate thereon on the 15th day of such month will continue through the end of such month. On or before each interest payment date, the City shall make up any deficiencies in such interest deposit, based on the actual interest accruing through such date, from and to the extent of the funds remaining on deposit in the Revenue Account or from other Covenant Revenues budgeted and appropriated and available for such purpose.

(b) Second, by deposit to the credit of the Fee and Expense Account, an amount which, together with amounts then on deposit therein, shall be sufficient to pay all fees, expenses and other amounts payable (excluding reimbursements for amounts advanced for the payment of principal of or interest or premiums on the Bonds to the extent such reimbursements are payable from amounts deposited in the Debt Service Account pursuant to subparagraph (a) above) due or to become due and payable in such month to any credit or liquidity facility providers, trustees, paying agents, registrars, tender agents, remarketing agents, indexing agents, auction agents or escrow agents with respect to the Bonds and any similar fees and expenses incurred with respect to the Bonds or the administration thereof.

(c) Third, by deposit pro rata into the separate subaccounts in the Reserve Account, an amount which, together with funds currently deposited therein, will be sufficient to make the funds on deposit therein, except as otherwise provided in the Covenant Ordinance, equal to the Reserve Requirement, if any, for each applicable Series of Bonds. If the City shall determine, or be required, to fund a subaccount in the Reserve Account with respect to a Series of Bonds; notwithstanding the foregoing, the City shall not be required to fully fund such subaccount in the Reserve Account if (i) at the time of issuance of such Series of Bonds under the Covenant Ordinance the City provides by supplemental ordinance or resolution pursuant to which such Series of Bonds is issued, subject to the limits described below, to fully fund the applicable subaccount in the Reserve Account over a period specified in such supplemental ordinance or resolution not to exceed sixty (60) months, during which it shall make substantially equal monthly installments in order that the amounts on deposit therein at the end of such period shall equal the Reserve Requirement with respect to such Series of Bonds, or (ii) provides at any time with respect to such Series of Bonds, in lieu of such funds a Reserve Product issued by a Reserve Product Provider in an amount equal to the difference between the Reserve Requirement with respect to such Series of Bonds and the sums then on deposit (or required to be on deposit over a specified period as authorized above) in the applicable subaccount in the Reserve Account. Such Reserve Product as provided above must provide for payment on any interest or principal payment date (provided adequate notice is given) on which a deficiency exists (or is expected to exist) in monies held under the Covenant Ordinance for payment with respect to Bonds of the Series secured thereby which cannot be cured by funds in any other account held pursuant to the Covenant Ordinance and available for such purpose, and which shall name the trustee for the benefit of the Bondholders of such Series as the beneficiary thereof. In no event shall the use of such Reserve Product be permitted if it would cause an impairment in any existing rating on the Bonds or any Series thereof. If the City elects to substitute a Reserve Product for amounts previously deposited to the credit of a subaccount in the Reserve Account, upon the effectiveness of such Reserve Product, the amounts held in such subaccount in the Reserve Account for which the Reserve Product is substituted shall first be applied to cure any deficiencies in the Funds and Accounts created pursuant to the Covenant Ordinance and then shall be released to the City for use for any lawful purposes that, in the opinion of Bond Counsel, shall not cause any Bonds outstanding under the Covenant Ordinance (other than Bonds issued as Taxable Debt) to become includable in gross income for federal income tax purposes. If the Reserve Account is to be funded in installments pursuant to clause (i) above upon the issuance of any Additional Bonds, the deposits required pursuant to the foregoing may be limited to the amount which will be sufficient to pay the required monthly installments specified in such supplemental indentures, plus an additional amount necessary to make up any deficiency caused by withdrawals or resulting from the semiannual valuation of the funds on deposit therein. If a disbursement is

made from a Reserve Product as provided pursuant to clause (ii) above, the City shall be obligated to reinstate the maximum limits of such Reserve Product immediately following such disbursement or to replace such Reserve Product by depositing into the applicable subaccount in the Reserve Account from the first Covenant Revenues budgeted and appropriated under the Covenant Ordinance and available for deposit pursuant to this subparagraph (c), funds in the maximum amount originally payable under such Reserve Product, plus amounts necessary to reimburse the Reserve Product Provider for previous disbursements made pursuant to such Reserve Product, or a combination of such alternatives, and for purposes of this subparagraph (c), amounts necessary to satisfy such reimbursement obligation and other obligations of the City to such a Reserve Product Provider shall be deemed required deposits into the Reserve Account but shall be used by the City to satisfy its obligations to the Reserve Product Provider.

(d) Then, to the Stabilization Reserve Account, the amount, if any, required to be deposited therein as described below.

(e) Then, to the Rebate Account an amount which, together with other amounts then on deposit therein, shall equal the Rebate Amount as of the most recent calculation date.

(f) Then, by payment to the City to be used for any lawful purpose.

Debt Service Account.

(a) Monies on deposit in the Debt Service Account shall be used solely for the payment of principal of, interest on and any redemption premiums required with respect to the Bonds; provided, however, that if such principal and interest payments, or a portion thereof, have been made on behalf of the City by an insurer, credit facility issuer or other entity insuring, guaranteeing or providing for the payment of Bonds, or any Series thereof, monies on deposit therein and allocable to such Series shall be paid to such insurer, credit facility issuer or entity having theretofore made a corresponding payment.

(b) At the maturity date of each Bond and at the due date of each Amortization Installment and installment of interest on each Bond, the City shall transfer from the Debt Service Account to the Paying Agents for such Bonds sufficient monies to pay all principal of, redemption premium, if any, and interest then due and payable with respect to such Bonds. Interest accruing with respect to any fully registered Bond shall be paid by check or draft of the Paying Agent to the Registered Owner thereof.

(c) Monies deposited in the Debt Service Account for the redemption of Bonds shall be applied to the retirement of Bonds issued under the provisions of the Covenant Ordinance and then outstanding in the following order:

(i) The City shall first endeavor to purchase outstanding Term Bonds of each Series redeemable from Amortization Installments, and pro rata (based on the principal amount of the Amortization Installments due in such Bond Year for each such Series of Term Bonds) among all such Bonds if more than one Series of such Term Bonds are outstanding, or if no such Term Bonds are outstanding, Serial Bonds, whether or not such Bonds shall then be subject to redemption, but only to the extent monies are available therefor, at the most advantageous price obtainable, such price not to exceed the principal

of such Bonds plus accrued interest (or with respect to Bonds constituting Capital Appreciation Debt, the Accreted Value of such Bonds), but no such purchase shall be made by the City within a period of thirty (30) days next preceding any interest payment date on which such Bonds are subject to call for redemption under the provisions of the Covenant Ordinance;

(ii) Then, to the extent monies remain on deposit in the Debt Service Account that are held for the redemption of Bonds, the City shall call for redemption on each interest payment date on which Bonds are subject to redemption, with or without premium, from such monies, such amount of Term Bonds subject to the Amortization Installments for such Bond Year that have not been purchased pursuant to clause (a) above; and

(iii) Then, to the extent monies remain on deposit in the Debt Service Account that were deposited therein pursuant to the Covenant Ordinance for the purpose of redeeming Bonds, the City shall call any remaining Bonds then subject to redemption, in such order and by such selection method as the City, in its discretion, may determine, from such funds as will exhaust the money then held for the redemption of such Bonds as nearly as may be possible.

If Term Bonds are purchased or redeemed in excess of the Amortization Installments for such Bond Year, such excess principal amount of such Term Bonds so purchased or redeemed shall be credited against subsequent Amortization Installments for Bonds in such Series in such Bond Year or Years as the City may determine and as may be reflected in the City's permanent accounting records. Such election shall be included in the annual audited reports of the City.

Fee and Expense Account. Amounts deposited to the credit of the Fee and Expense Account shall be withdrawn and applied by the City from time to time to pay the fees, expenses and other amounts for the payment of which such amounts were deposited.

Stabilization Reserve Account.

(a) If in any Fiscal Year the unreserved fund balances of the City's General Fund and Utilities Services Tax Fund are, in the aggregate, less than ten percent of the City's Aggregate Budgeted Expenditures therefrom for such Fiscal Year (the "Stabilization Reserve Threshold"), the City shall be obligated to fund the Stabilization Reserve Account in an amount equal to the Stabilization Reserve Requirement in the manner set forth in the Covenant Ordinance.

(b) Beginning in the first Fiscal Year for which the unreserved fund balances of the City's General Fund and Utilities Services Tax Fund are, in the aggregate, less than the Stabilization Reserve Threshold, the City shall make monthly deposits to the credit of the Stabilization Reserve Account in an amount which shall be sufficient to fully fund the Stabilization Reserve Account in substantially equal monthly installments over a period not to exceed 36 months, and to make up any deficiencies in the amounts required to be deposited therein according to such schedule due to withdrawals, investment losses or deficiencies in previous months' deposits.

(c) Amounts on deposit in the Stabilization Reserve Account, until released to the City pursuant to paragraph (d) below, shall be used solely for the purpose of curing deficiencies in the Debt Service Account.

(d) If for any two consecutive Fiscal Years after the City is required to fund the Stabilization Reserve Account, the unreserved fund balances of the City's General Fund and Utilities Services Tax Fund, together with amounts then on deposit in the Stabilization Reserve Account, in the aggregate, exceed the Stabilization Reserve Threshold and if the City is not in default of any of its obligations under the Covenant Ordinance, the obligation of the City to fund and maintain the Stabilization Reserve Account shall be released (unless and until the unreserved fund balances of the City's General Fund and Utilities Services Tax Fund again fall below the Stabilization Reserve Threshold) and any amounts then on deposit in the Stabilization Reserve Account shall be released to the City for use for any lawful purpose, free and clear of any lien created by the Covenant Ordinance. If, after being released from its obligation to fund and maintain the Stabilization Reserve Account pursuant to this paragraph (d), the unreserved fund balances of the City's General Fund and Utilities Services Tax Fund in any Fiscal Year again fall below the Stabilization Reserve Threshold, the City shall be obligated to fund the Stabilization Reserve Account in the manner provided above.

Withdrawal of Monies. No less frequently than once every 12 months, amounts deposited in the Revenue Bond Fund and not credited to one of the accounts created therein pursuant to the Ordinance shall be withdrawn by the City and used for any lawful purpose.

COVENANT REVENUES

Covenant Revenues are defined in the Covenant Ordinance as those revenues of the City that are deposited to the credit of the City's General Fund or Utilities Services Tax Fund derived from any source whatsoever that are legally available for the payment of the obligations of the City under the Covenant Ordinance, inclusive of operating transfers from other funds into the General Fund and exclusive of (a) revenues derived from ad valorem taxation, and (b) internal transfers between the General Fund and the Utilities Services Tax Fund (to eliminate double counting). Pursuant to the Covenant Ordinance, it shall be assumed for purposes of calculating Covenant Revenues and Self Sufficient Debt that amounts required to be transferred from the City's General Fund to community redevelopment trust funds pursuant to Section 163.387, Florida Statutes are deemed to be revenues derived from ad valorem taxation and not Covenant Revenues. For the calculation of Covenant Revenues for the past five Fiscal Years, see the table entitled "Calculation of Covenant Revenues and Anti-Dilution Test Limitation" under "ADDITIONAL BONDS – Calculation of Covenant Revenues and Anti-Dilution Test Limitation" herein.

General Fund

The following is a statement of revenues, expenditures and changes in fund balance which provides a history of revenues and transfers which have been deposited in the General Fund for the past five Fiscal Years. This table does not represent revenues which will necessarily be available for payment of debt service on the Bonds. Revenues which are not

available for debt service include, but are not limited to, property taxes (revenues derived from ad valorem taxation). The following table shows all revenues and expenditures of the General Fund.

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CITY OF ORLANDO, FLORIDA
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR FISCAL YEARS ENDED SEPTEMBER 30, 2011 THROUGH 2015⁽¹⁾

Revenues	2011⁽¹⁾	2012⁽¹⁾	2013⁽¹⁾	2014⁽¹⁾	2015⁽¹⁾
Property Taxes⁽²⁾					
Real and Personal Property	\$102,038,441	\$ 98,911,357	\$ 98,611,877	\$101,938,268	\$127,943,732
Interest on Delinquent Taxes	262,823	231,972	169,971	172,684	189,919
Total Property Taxes	\$102,301,264	\$ 99,143,329	\$ 98,781,848	\$102,110,952	\$128,133,651
Local Business Taxes and Franchise Fees					
Local Business Taxes	\$ 8,296,804	\$ 8,127,299	\$ 8,919,725	\$ 8,101,419	\$ 8,434,995
Franchise Fees ⁽³⁾	34,065,382	34,506,814	48,210,195	44,592,547	45,299,179
Total Local Business Taxes and Franchise Fees	\$42,362,186	\$ 42,634,113	\$57,129,920	\$ 52,693,966	\$ 53,734,174
Intergovernmental					
Orlando Utilities Commission Contribution	\$47,976,000	\$ 47,161,000	\$47,000,000	\$ 48,622,308	\$ 53,211,000
State Revenue Sharing	8,826,154	9,241,612	9,697,571	10,505,778	11,525,845
State Sales Tax	29,800,754	30,998,163	33,414,836	35,612,928	37,903,686
Insurance Premium Taxes ⁽²⁾	4,215,657	4,227,746	4,542,017	4,565,336	4,246,980
Other State Shared Revenues	878,354	863,901	571,355	— ^(A)	— ^(A)
Other Intergovernmental ⁽⁴⁾	2,625,904	2,674,233	2,115,084	2,501,073	2,538,341
Total Intergovernmental	\$94,322,823	\$ 95,166,655	\$97,340,863	\$101,807,423	\$ 109,425,852
Permits and Fees					
Building Inspection and Permits	\$ 2,130,654	\$ 3,260,622	\$ 2,844,541	\$ 4,311,446	\$ 4,556,680
Police Fees	1,510,571	1,544,369	1,437,687	— ^(B)	— ^(B)
Recreation and Other Fees	10,730,362	20,875,647 ⁽⁵⁾	28,946,805 ⁽⁶⁾	1,214,120 ^(C)	1,357,571 ^(C)
Total Permits and Fees	\$14,371,587	\$ 25,680,638	\$ 33,229,033	\$ 5,525,566	\$ 5,914,251
Charges for Services					
EMS Transport Fees	-	-	-	\$ 19,235,379	\$ 13,915,146
Administrative Services	-	-	-	15,227,543	14,636,204
Other Charges for Services	-	-	-	24,057,718	27,370,181
Total Charges for Services	-	-	-	\$ 58,520,640	\$ 55,921,531
Fines and Forfeitures	\$ 3,461,252	\$ 3,358,691	\$ 3,599,662	\$ 3,081,960	\$ 3,274,638
Other Revenue					
Income (Loss) on Investments	\$ 5,481,698	\$ 10,297,351	\$ (1,116,525)	\$ 3,750,419	\$ 1,548,800
Rent	1,086,246	1,073,928	1,143,831	— ^(B)	— ^(B)
Administrative Services	16,442,544	17,332,593	15,144,607	— ^(D)	— ^(D)
Miscellaneous Revenues	13,735,399	11,933,269	12,512,458	1,873,863	5,406,970
Total Other Revenues	\$ 36,745,887	\$ 40,637,141	\$ 27,684,371	\$ 5,624,282	\$ 6,955,770
Total Revenues	\$293,564,999	\$306,620,567	\$317,765,697	\$329,364,789	\$ 363,359,867

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- (1) All numbers for Fiscal Years ended September 30, 2011 through September 30, 2014 have been audited and were extracted from the City's audited financial statements for each such Fiscal Year. Numbers for Fiscal Year ended September 30, 2015 are unaudited.
- (2) The City's Covenant Revenues in the General Fund do not include Property Taxes. In addition, Insurance Premium Taxes are required to be used solely to fund pension benefits pursuant to Chapters 175 and 185, Florida Statutes and may not be used for debt service.
- (3) Beginning in Fiscal Year 2013 all communications services tax revenues are now deposited in the General Fund. Prior to Fiscal Year 2013, a portion of the local communications services tax revenues were deposited in the Utilities Services Tax Fund.
- (4) A small portion of intergovernmental revenues may represent grants which are limited for use for specific purposes.
- (5) Includes EMS transport fees of \$10,058,968.
- (6) Includes EMS transport fees of \$18,412,585
- (A) Included under Other Intergovernmental.
- (B) Included under Other Charges for Services.
- (C) EMS Transport Fees were previously reported under Recreation and Other Fees but have been moved to a separate line item.
- (D) Included under Charges for Services.

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	2011 ⁽¹⁾	2012 ⁽¹⁾	2013 ⁽¹⁾	2014 ⁽¹⁾	2015 ⁽¹⁾
Expenditures					
Current Operating:					
Executive Offices	\$18,127,633	\$18,264,492	\$19,392,510	\$19,365,906	\$ 19,674,875
Housing and Community Development	283,370	234,106	294,469	204,170	350,756
Economic Development	12,658,111 ⁽⁷⁾	12,876,685	13,205,778	13,530,052	13,755,441
Public Works	21,728,515 ⁽⁷⁾	20,295,800	18,548,667	18,523,028	18,325,601
Families, Parks and Recreation	28,519,123	27,809,959	30,242,460	30,200,977	31,119,021
Police	111,894,842	112,389,179	117,412,091	122,160,967	129,115,490
Fire	78,453,498	87,414,936 ⁽⁹⁾	105,348,765 ⁽⁹⁾	107,176,643 ⁽⁹⁾	106,421,406 ⁽⁹⁾
Business and Financial Services	27,361,591	26,539,626	24,048,040	26,319,158	27,296,834
Orlando Venues	540,835	525,659	506,643	504,749	777,994
Debt Service	15,190,766	12,751,071	16,873,332	14,818,913	15,440,743
Other Expenditures	14,388,885	13,675,325	12,567,016	14,646,673	16,756,417
Total Expenditures	\$329,147,169	\$332,776,838	\$358,439,771	\$367,451,236	\$ 379,034,578
Excess (Deficiency) of Revenues over Expenditures	\$(35,582,170)	\$(26,156,271)	\$(40,674,074)	\$(38,086,447)	\$ (15,674,711)
Other Financing Sources and (Uses)					
Operating Transfers In	\$67,202,660 ⁽⁷⁾	\$48,945,715	\$34,071,024	\$31,022,749	\$ 35,472,766
Operating Transfers (Out)	(14,350,536)	(15,175,246)	(15,614,267)	\$(15,210,671)	\$ (18,330,757)
Sale of Capital Assets	-	-	-	3,250,376	-
Bond and Loan Proceeds	2,400,000	2,000,000	-	210,953	4,872,896
Total Other Financing Sources and (Uses)	\$55,252,124	\$34,770,469	\$18,456,757	\$19,273,407	\$ 22,014,905
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other (Uses)	\$19,669,954	\$8,614,198	\$(22,217,317)	\$(18,813,040)	\$ 6,340,194
Fund Balance at Beginning of Year As Restated	\$100,988,240⁽⁸⁾	\$120,658,194	\$129,272,392	\$107,055,075	\$ 88,242,035
Fund Balance at End of Year	\$ 120,658,194	\$129,272,392	\$107,055,075	\$88,242,035	\$94,582,229

⁽⁷⁾ The increase in Operating Transfers In is due to the transfer of accumulated surplus fund balance from the Utility Services Tax Fund.

⁽⁸⁾ In 2011, beginning fund balance was restated due to the implementation of GASB Statement 54.

⁽⁹⁾ Includes the EMS Transport Fund (which was classified as a non-major special revenue fund in 2011).

Utilities Services Tax Fund

The Utilities Services Tax is defined in the Covenant Ordinance as the taxes imposed, levied and collected by the City pursuant to Section 166.231, Florida Statutes, and other applicable provisions of law, on the purchase of electricity, fuel oil, metered or bottled gas (natural liquefied petroleum gas or manufactured), water service, and other services on which a tax may be imposed by law. The City deposits Utilities Services Taxes in the Utilities Services Tax Fund. The City has previously issued its wastewater system revenue bonds, currently outstanding in the principal amount of \$33,610,000 (the "Wastewater Bonds"). The Wastewater Bonds are primarily paid by the City's wastewater system revenues but Bondholders also have a prior lien on Utilities Services Taxes deposited in the Utilities Services Tax Fund to the extent pledged wastewater system revenues are insufficient.

Florida law authorizes any municipality in the State to levy a utilities service tax on the purchase within such municipality of electricity, metered natural gas, liquefied petroleum gas either metered or bottled, manufactured gas either metered or bottled, water service and fuel oil as well as any services competitive with those specifically enumerated. This tax may not exceed 10% of the payments received by the sellers of such utilities services from purchasers (except in the case of fuel oil, for which the maximum tax is four cents per gallon). The purchase of natural gas or fuel oil by a public or private utility either for resale or for use as fuel in the generation of electricity, or the purchase of fuel oil or kerosene for use as an aircraft engine fuel or propellant or for use in internal combustion engines, is exempt from the levy of such tax.

Pursuant to the Constitution of the State of Florida, Florida Statutes and the Code of the City (the "City Code"), the City levies a Utilities Services Tax, also referred to herein as Public Services Tax, within the incorporated area of the City at the rate of 10% on sales of all utility services for which it is allowed to tax, except telecommunications service, and with the restriction that the tax on fuel oil cannot exceed four cents per gallon. The City Code exempts from levy of such Utilities Services Tax (a) purchases of special fuels for use as airplane engine fuel or propellant, (b) purchases of special fuels to be used as raw material in a manufacturing process or a cleaning agent or solvent, (c) purchases of special fuels for use in an internal combustion engine to propel any form of vehicle, and (d) "fuel adjustment charges," which means any increases in the cost of utility service to the ultimate consumer resulting from an increase in the cost of fuel to the utility subsequent to October 1, 1973.

Florida law provides that a municipality may exempt from the utilities services tax the first 500 kilowatts of electricity per month purchased for residential use. The City has not adopted such an exemption but it does exempt purchases by the United States Government, the State, the County, the City and its agencies, boards, commissions and authorities from the levy of such tax. In addition, the City exempts purchases used exclusively for church purposes by any State recognized church.

The Utilities Services Tax must be collected by the seller from purchasers at the time of sale and remitted to the Chief Financial Officer as prescribed by the City Code. Such tax will appear on a periodic bill rendered to consumers for electricity, metered and bottled gas, water service and fuel oil. A failure by a consumer to pay that portion of the bill attributable to the utilities services tax may result in a suspension of the utility service involved in the same fashion as the failure to pay that portion of the bill attributable to the particular utility service.

The following table is a statement of revenues, expenditures and changes in fund balance which provides a history of revenues which have been deposited in the Utilities Services Tax Fund for the past five Fiscal Years.

**CITY OF ORLANDO, FLORIDA
UTILITIES SERVICES TAX FUND
STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR FISCAL YEARS ENDED SEPTEMBER 30, 2011 THROUGH 2015⁽¹⁾**

	<u>2011⁽¹⁾</u>	<u>2012⁽¹⁾</u>	<u>2013⁽¹⁾</u>	<u>2014⁽¹⁾</u>	<u>2015⁽¹⁾</u>
Revenue					
Electric	\$29,941,145	\$28,970,349	\$27,786,533	\$28,938,917	\$ 28,958,143
Communications Services Tax	13,946,582	12,665,167	⁽³⁾	⁽³⁾	⁽³⁾
Other	686,616	798,367	957,029	1,175,701	1,383,103
Total Utilities Service Taxes	<u>\$44,574,343</u>	<u>\$42,433,883</u>	<u>\$28,743,562</u>	<u>\$30,114,618</u>	<u>\$ 30,341,246</u>
Income (Loss) on Investments	277,974	377,480	(12,665)	87,566	45,766
Total Revenues	<u>\$44,852,317</u>	<u>\$42,811,363</u>	<u>\$28,730,897</u>	<u>\$30,202,184</u>	<u>\$ 30,387,012</u>
Expenditures					
Other	<u>(1,036,385)</u>	<u>(86,032)</u>	<u>(67,597)</u>	<u>(303,382)</u>	<u>(394,483)</u>
Operating Transfers					
Transfers to other funds	<u>(64,315,932)⁽²⁾</u>	<u>(42,725,331)</u>	<u>(33,161,653)</u>	<u>(28,764,016)</u>	<u>(28,990,265)</u>
Excess (Deficiency) of Revenues Over Expenditures and Operating Transfers	(20,500,000)	-	(4,498,353)	1,134,786	1,002,264
Beginning Fund Balance	<u>28,658,951</u>	<u>8,158,951</u>	<u>8,158,951</u>	<u>3,660,598</u>	<u>4,795,384</u>
Ending Fund Balance	<u>\$ 8,158,951</u>	<u>\$ 8,158,951</u>	<u>\$ 3,660,598</u>	<u>\$ 4,795,384</u>	<u>\$ 5,797,648</u>

⁽¹⁾ All numbers for Fiscal Years ended September 30, 2011 through September 30, 2014 have been audited and were extracted from the City's audited financial statements for each such Fiscal Year. Numbers for Fiscal Year ended September 30, 2015 are unaudited.

⁽²⁾ Accumulated surplus fund balance was transferred to the General Fund.

⁽³⁾ Beginning in Fiscal Year 2013, all communications services tax revenue is being deposited into the General Fund.

Stabilization Reserve Account

The Covenant Ordinance requires the City to fund, over a period of not to exceed 36 months, the Stabilization Reserve Account in an amount equal to the Stabilization Reserve Requirement, if the unreserved fund balances of the City's General Fund and Utilities Services Tax Fund are, in the aggregate, less than 10% of the City's Aggregate Budgeted Expenditures therefrom for such Fiscal Year.

Pursuant to the Covenant Ordinance, "Stabilization Reserve Requirement" is defined as an amount equal to 100% of the Average Annual Debt Service Requirement with respect to all Bonds Outstanding under the Covenant Ordinance calculated as of the date the requirement to fund the Stabilization Reserve Account arises pursuant to the Covenant Ordinance and recalculated annually upon the completion of the audit required pursuant to the Covenant Ordinance and as of the date of issuance of any Additional Bonds, so long as such requirement remains effective. "Aggregate Budgeted Expenditures" is defined in the Covenant Ordinance to mean for any Fiscal Year, the aggregate of the budgeted total expenditures, plus transfers out of the General Fund and Utilities Services Tax Fund, less internal transfers between the General Fund and Utilities Services Tax Fund as provided in the Annual Budget for such Fiscal Year.

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The following table shows that for the past five Fiscal Years the City has not been required to deposit any money in the Stabilization Reserve Account and there are currently no moneys on deposit in the Stabilization Reserve Account.

**CITY OF ORLANDO, FLORIDA
STABILIZATION RESERVE ACCOUNT
STABILIZATION RESERVE ACCOUNT REQUIREMENT
HISTORICAL PERSPECTIVE
FOR FISCAL YEARS ENDED SEPTEMBER 30, 2011 THROUGH 2015⁽¹⁾**

	<u>2011⁽¹⁾</u>	<u>2012⁽¹⁾</u>	<u>2013⁽¹⁾</u>	<u>2014⁽¹⁾</u>	<u>2015⁽¹⁾</u>
Calculation of Appropriate Reserve⁽²⁾					
General Fund					
Reserved Fund					
Balance	\$ 5,624,392	\$6,783,508	\$ 6,242,063	\$7,221,501	\$ 6,483,381
Unreserved Fund					
Balance	115,033,802	122,488,884	100,813,012	81,020,534	88,098,848
Total Fund Balance	<u>\$120,658,194</u>	<u>\$129,272,392</u>	<u>\$107,055,075</u>	<u>\$88,242,035</u>	<u>\$ 94,582,229</u>
Utilities Services Tax Fund					
Unreserved Fund					
Balance	\$8,158,951	\$8,158,951	\$3,660,598	\$4,795,384	\$ 5,797,648
Total Fund Balance	<u>\$8,158,951</u>	<u>\$8,158,951</u>	<u>\$3,660,598</u>	<u>\$4,795,384</u>	<u>\$ 5,797,648</u>
Unreserved Fund Balance					
General Fund	\$115,033,802	\$122,488,884	\$100,813,012	\$81,020,534	\$ 88,098,848
Utilities Services Tax Fund	<u>8,158,951</u>	<u>8,158,951</u>	<u>3,660,598</u>	<u>4,795,384</u>	<u>5,797,648</u>
Total Unreserved Fund Balances General Fund and Utilities Services Tax Fund	<u><u>\$123,192,753</u></u>	<u><u>\$130,647,835</u></u>	<u><u>\$104,473,610</u></u>	<u><u>\$85,815,918</u></u>	<u><u>\$ 93,896,496</u></u>
Comparison to Minimum Reserve Covenant⁽³⁾					
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund Budgeted Expenditures	\$347,241,867	\$354,292,717	\$357,397,560	\$372,084,536	\$401,607,332
10% Aggregate Fund Balance Requirement	\$ 34,724,187	\$35,429,272	\$35,739,756	\$37,208,454	\$ 40,160,733
Actual Appropriable Reserve	\$123,192,753	\$130,647,835	\$104,473,610	\$85,815,918	\$ 93,896,496
Actual Percentage	35.48%	36.88%	29.23%	23.06%	23.38%

(1) All numbers for Fiscal Years ended September 30, 2011 through September 30, 2014 have been audited and were provided by the City. Numbers for Fiscal Year ended September 30, 2015 are unaudited.

(2) During Fiscal Year 2011, the City implemented GASB 54 "Fund Balance Reporting and Governmental Fund Type Definitions" ("GASB 54"). GASB 54 changed the fund balance classifications from reserved and unreserved to nonspendable, restricted, committed, and unassigned based on constraints on how the fund balance can be expended. The Covenant Ordinance refers to reserved and unreserved fund balance. For purposes of documenting compliance with the requirements of the Covenant Ordinance, beginning with Fiscal Year 2011 the reserved fund balance is calculated as the sum of nonspendable, restricted and committed fund balances for each respective fund, and unreserved fund balance is calculated as the sum of assigned and unassigned fund balance for each respective fund.

(3) Comparing beginning of the year Fund Balances to the final budgeted General Fund expenditures.

OBLIGATIONS PAYABLE FROM COVENANT REVENUES

Outstanding Bonds; Additional Bonds

The City has previously issued the following Bonds pursuant to the Covenant Ordinance, which prior to the issuance of the Series 2016 Bonds are Outstanding in the indicated amounts: (a) \$4,780,000 original principal amount of Capital Improvement Special Revenue Bonds, Series 2007A (the "Series 2007A Bonds"), of which \$3,530,000 are Outstanding¹; (b) \$58,905,000 original principal amount of the Series 2007B Bonds, of which \$49,800,000 are Outstanding, and \$46,970,000² of which constitute Refunded 2007B Bonds; (c) \$11,950,000 original principal amount of Capital Improvement Special Revenue Bonds, Series 2009A (the "Series 2009A Bonds"), of which \$9,570,000 are Outstanding and \$4,470,000² of which constitute Refunded 2009A Bonds; (d) \$15,965,000 original principal amount of Capital Improvement Refunding Special Revenue Bonds, Series 2009B (the "Series 2009B Bonds"), all of which are Outstanding; (e) \$40,000,000 original principal amount of Taxable Capital Improvement Special Revenue Bonds, Series 2009C (Direct Subsidy Build America Bonds) (the "Series 2009C Bonds"), all of which are Outstanding; (f) \$9,160,000 original principal amount of Capital Improvement Refunding Special Revenue Bonds, Series 2010A (the "Series 2010A Bonds"), of which \$4,160,000 are Outstanding¹; (g) \$17,650,000 original principal amount of Capital Improvement Refunding Special Revenue Bonds, Series 2010B (the "Series 2010B Bonds"), of which \$17,475,000 are Outstanding; (h) \$40,260,000 original principal amount of the Series 2010C Bonds, of which \$29,060,000 are Outstanding, and \$17,880,000² of which constitute Refunded 2010C Bonds; (i) \$9,000,000 original principal amount of Capital Improvement Refunding Special Revenue Bonds, Series 2011A (the "Series 2011A Bonds"), all of which are Outstanding; (j) \$9,965,000 original principal amount of Capital Improvement Refunding Special Revenue Bonds, Series 2012A (the "Series 2012A Bonds"), all of which are Outstanding; (k) \$6,205,000 original principal amount of Capital Improvement Refunding Special Revenue Bonds, Series 2014A (the "Series 2014A Bonds"), all of which are Outstanding; (l) \$62,205,000 original principal amount of Capital Improvement Special Revenue Bonds, Series 2014B (the "Series 2014B Bonds"), all of which are Outstanding; (m) \$10,355,000 original principal amount of Capital Improvement Refunding Special Revenue Bonds, Series 2014C (the "Series 2014C Bonds"), of which \$9,655,000 are Outstanding; (n) \$12,450,000 original principal amount of Capital Improvement Refunding Special Revenue Bonds, Series 2014D (the "Series 2014D Bonds"), of which \$11,710,000 are Outstanding; and (o) \$5,705,000 original principal amount of Capital Improvement Special Revenue Refunding Bonds, Series 2015A (the "Series 2015A Bonds"), all of which are Outstanding. The Series 2007A Bonds¹, the Series 2007B Bonds², the Series 2009A Bonds², the Series 2009B Bonds, the Series 2009C Bonds, the Series 2010A Bonds¹, the Series 2010B Bonds, the Series 2010C Bonds², the Series 2011A Bonds, the Series 2012A Bonds, the Series 2014A Bonds, the Series 2014B Bonds, the Series 2014C Bonds, the Series 2014D Bonds and the Series 2015A Bonds are collectively referred to herein as the "Outstanding Bonds."

¹ The City expects to refund the Outstanding Series 2007A Bonds and Series 2010A Bonds with a portion of the proceeds of its Capital Improvement Refunding Special Revenue Bonds, Series 2016A (the "Series 2016A Bonds"), which the City expects to issue on or before [March 31, 2016].

² Preliminary, subject to change.

Pursuant to the Covenant Ordinance, the City has reserved the right to issue Additional Bonds. The Covenant Ordinance provides for the issuance of both Additional Bonds (which shall be payable on a parity with the Outstanding Bonds) and other Non-Self Sufficient Debt. The Covenant Ordinance allows the City to issue Non-Self Sufficient Debt for which there may be granted a prior lien on all or a portion of the Covenant Revenues, provided the City first complies with the requirements of the Anti-Dilution Test provided in the Covenant Ordinance. The Outstanding Bonds, the Series 2016 Bonds, any Additional Bonds, and the Covenant Obligations described below under the subheading " – Covenant Obligations" are all Non-Self-Sufficient Debt payable from the Covenant Revenues.

The Series 2016 Bonds are being issued as Additional Bonds under the Covenant Ordinance. See "ADDITIONAL BONDS AND OTHER NON-SELF SUFFICIENT DEBT" herein.

Covenant Obligations

In addition to the Outstanding Bonds, the City currently has the following outstanding Covenant Obligations payable from Covenant Revenues, which also constitute Non-Self Sufficient Debt under the Covenant Ordinance.

Sunshine State Loans. The City has previously borrowed and has outstanding an aggregate principal amount of \$112,038,000 from the Sunshine State Governmental Financing Commission ("Sunshine State") through the Sunshine State Commercial Paper Program (the "Series H Sunshine State Loans"). The Series H Sunshine State Loans, together with any other loans hereafter obtained from the Sunshine State, are collectively referred to herein as the "Sunshine State Loans." The City's obligation to repay the Sunshine State Loans is secured by a covenant of the City to budget and appropriate from amounts that also constitute Covenant Revenues.

SunRail. As part of the effort to implement the commuter rails system known as "SunRail," the City, together with the Florida Department of Transportation ("FDOT") and Orange, Osceola, Seminole and Volusia Counties (such counties, together with the City are referred to collectively as the "Local Government Partners") developed financing and operating plans for the acquisition, construction and operation of SunRail. The financing and operating plan for SunRail is being implemented pursuant to an Interlocal Funding Agreement for Acquisition and Construction of the Central Florida Commuter Rail System entered into among FDOT and the Local Government Partners (the "Interlocal Funding Agreement"), and an Interlocal Governance Agreement for the Creation of the Central Florida Commuter Rail Commission entered into among the Local Government Partners (the "Interlocal Governance Agreement").

To fund its initial capital contribution under the Interlocal Funding Agreement, the City entered into a loan agreement with the State of Florida Infrastructure Bank Loan Program (the "SIB Loan"). The SIB Loan currently has \$8,046,205 outstanding. Repayment of the outstanding amounts is expected to continue through Fiscal Year 2021. The City's obligation to repay the SIB Loan is secured by a covenant of the City to budget and appropriate from amounts that also constitute Covenant Revenues.

Pursuant to the Interlocal Governance Agreement each Local Government Partner is required to pay its "Share of Local Operating Support" to fund operating deficits of SunRail, commencing seven years after SunRail was placed in service, which occurred in May 2014. Each Local Government Partner's Share of Local Operating Support will be calculated pursuant to a formula based upon the number of passengers embarking and disembarking at stations located in its jurisdiction. The City has covenanted in the Interlocal Governance Agreement, to budget and appropriate Covenant Revenues in each year sufficient to pay its Share of Local Operating Support. However, the City's obligation to pay its Share of Local Operating Support is not indebtedness and does not constitute Non-Self Sufficient Debt.

Contract TDT Revenue Bonds. The City previously issued its Contract Tourist Development Tax Revenue Bonds, Series 2014A (the "Contract TDT Revenue Bonds"), which are primarily secured by payments received by the City from the County of an incremental portion of tourist development tax revenues above an ascending base amount (the "Contract TDT Revenue Payments") pursuant to the terms of an Amended and Restated Orlando/Orange County Interlocal Agreement, among the City, the County and the City of Orlando, Florida Community Redevelopment Agency (the "Contract TDT Interlocal Agreement"). In the event the Contract TDT Revenue Payments, and the various liquidity and reserve accounts established for the benefit of the Contract TDT Revenue Bonds, are insufficient to pay debt service on the Contract TDT Revenue Bonds, the Contract TDT Revenue Bonds are additionally secured by a covenant of the City to budget and appropriate Covenant Revenues. Amounts collected and currently on deposit in the various liquidity and reserve accounts are sufficient to make scheduled debt service payments on the Contract TDT Revenue Bonds through November 1, 2022. The Contract TDT Revenue Bonds constitute Non-Self Sufficient debt and currently have \$236,290,000 in aggregate principal amount outstanding. To date, no such insufficiency has occurred requiring the use of Covenant Revenues to pay debt service on the Covenant TDT Revenue Bonds.

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The following table provides the estimated debt service schedule for all of the City's Outstanding Bonds and other Non-Self Sufficient Debt as of September 30, 2015, and prior to the issuance of the Series 2016 Bonds and the refunding of the Refunded Bonds.

CITY OF ORLANDO, FLORIDA
SCHEDULE OF ESTIMATED DEBT SERVICE FOR OUTSTANDING BONDS
AND OTHER NON-SELF SUFFICIENT DEBT

Year Ending September 30	Designated Maturity Debt ⁽¹⁾	Series 2007A and 2007B Bonds, Series 2009A, 2009B and 2009C Bonds, Series 2010A, 2010B and 2010C Bonds, Series 2014A, 2014B, 2014C and 2014D Bonds and Series 2015A Bonds ⁽²⁾	Sunshine State Governmental Financing Commission ⁽³⁾⁽⁴⁾		Other Non-Self Sufficient Debt ⁽⁵⁾	Total	Contract TDT Revenue Bonds ⁽⁶⁾	Total Including Contract TDT Revenue Bonds
			Taxable Series H Sunshine State Loans	Tax-Exempt Series H Sunshine State Loans				
2016	\$1,043,450	\$ 19,237,111	\$ 444,645	\$ 6,873,341	\$ 1,729,450	\$ 29,327,998	\$ 11,900,363	\$ 41,228,360
2017	830,437	23,781,817	2,196,564	6,785,419	1,729,450	35,323,687	12,880,363	48,204,050
2018	671,137	25,543,936	2,085,403	6,697,496	1,729,450	36,727,423	13,810,363	50,537,785
2019	594,407	25,437,230	1,974,242	6,609,574	1,729,450	36,344,902	14,715,363	51,060,264
2020	594,407	25,300,430	1,863,081	6,521,651	1,729,454	36,009,022	16,029,863	52,038,884
2021	594,407	25,118,855	-	6,433,729	1,729,337	33,876,327	16,012,863	49,889,189
2022	594,407	26,962,180	-	6,345,806	-	33,902,393	16,014,488	49,916,880
2023	2,009,407	25,552,909	-	6,257,884	-	33,820,199	16,004,363	49,824,561
2024	3,227,852	21,783,346	-	6,169,961	-	31,181,159	15,996,488	47,177,646
2025	3,168,423	17,907,443	-	13,061,250	-	34,137,115	15,990,488	50,127,603
2026	3,103,993	16,423,339	-	12,633,750	-	32,161,082	15,973,319	48,134,401
2027	3,044,675	14,788,095	-	12,206,250	-	30,039,020	15,968,463	46,007,483
2028	2,990,357	14,635,869	-	11,778,750	-	29,404,976	15,956,806	45,361,782
2029	2,930,928	14,462,695	-	11,351,250	-	28,744,873	15,947,563	44,692,435
2030	2,871,498	12,109,199	-	10,923,750	-	25,904,447	15,939,681	41,844,128
2031	2,817,069	12,046,700	-	10,496,250	-	25,360,019	15,927,244	41,287,262
2032	2,757,528	11,987,973	-	10,068,750	-	24,814,250	15,919,200	40,733,450
2033	1,282,987	10,437,628	-	9,641,250	-	21,361,864	15,909,369	37,271,233
2034	-	10,371,710	-	9,213,750	-	19,585,460	15,896,700	35,482,160
2035	-	10,298,318	-	-	-	10,298,318	15,885,013	26,183,330
2036	-	10,221,745	-	-	-	10,221,745	15,885,375	26,107,120
2037	-	10,141,163	-	-	-	10,141,163	15,872,750	26,013,913
2038	-	10,065,450	-	-	-	10,065,450	15,859,750	25,925,200
2039	-	6,464,488	-	-	-	6,464,488	15,845,125	22,309,613
2040	-	6,371,295	-	-	-	6,371,295	15,827,625	22,198,920
2041	-	2,964,875	-	-	-	2,964,875	15,815,750	18,780,625
2042	-	2,960,000	-	-	-	2,960,000	15,798,000	18,758,000
2043	-	2,964,500	-	-	-	2,964,500	15,782,875	18,747,375
2044	-	2,958,125	-	-	-	2,958,125	15,763,750	18,721,875
2045	-	2,950,875	-	-	-	2,950,875	15,744,000	18,694,875
2046	-	2,952,250	-	-	-	2,952,250	-	-
2047	-	2,946,875	-	-	-	-	-	-
Totals:	\$35,127,364	\$428,148,419	\$8,563,935	\$170,069,861	\$10,376,590	\$631,588,669	\$466,873,356	\$1,113,260,401

Numbers may not add due to rounding.

- (1) Estimated. **The Series 2007A Bonds, the Series 2010A Bonds, the Series 2011A Bonds and the Series 2012A Bonds are Designated Maturity Debt under the Covenant Ordinance. As of the date of this Preliminary Official Statement, there are three outstanding maturities of the Designated Maturities (2016, 2017 and 2018), which are anticipated to be rolled over, with final maturities in the years 2023 through 2033.** The interest rate for all subsequent maturities of Designated Maturity Debt is estimated at **[2.36]%**, which is based upon the yield of the 10-year "AA" rated bond as published by Municipal Market Data, as of September 30, 2015. See "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF THE COVENANT ORDINANCE – Definitions of Terms" attached hereto for the definition of Designated Maturity Debt. The City expects to refund the Outstanding Series 2007A Bonds and the Series 2010A Bonds with the proceeds of its Series 2016A Bonds, which it expects to issue on or before **[March 31, 2016]**. Upon the refunding of the Series 2007A Bonds and the Series 2010A Bonds only the Series 2011A Bonds and Series 2012A Bonds will be Designated Maturity Debt under the Covenant Ordinance. The Series 2011A Bonds and Series 2012A Bonds have maturities in 2017 and 2018, respectively.
- (2) Interest on the Series 2009C Bonds does not include credit for any Build America Bonds Cash Subsidy Payment expected to be received by the City.
- (3) The estimated interest rates used to compute the interest on the variable rate debt are as follows:

	Series H Taxable	Series H Tax-Exempt
Interest	4.90	3.50
LOC/Liquidity	1.10	1.10
Remarketing	0.10	0.10
Other	0.05	0.05
Total	6.15	4.75

- (4) With regard to the covenant program's variable rate debt which is not required by authorizing resolution to be amortized, the City has covenanted to amortize the obligation over a minimum of the last one third of the nominal (normally 30 years) maturity.
- (5) Represents estimated loan repayments on the City's SIB Loan. The SIB Loan bears interest at 2.45%. See "OBLIGATIONS PAYABLE FROM COVENANT REVENUES – Covenant Obligations" herein.
- (6) The City previously issued its Contract TDT Revenue Bonds which are primarily secured by the Contract TDT Revenue Payments pursuant to the Contract TDT Interlocal Agreement. In the event the Contract TDT Revenue Payments, and the various liquidity and reserve accounts established for the benefit of the Contract TDT Revenue Bonds, are insufficient to pay debt service on the Contract TDT Revenue Bonds, the Contract TDT Revenue Bonds are additionally secured by a covenant of the City to budget and appropriate Covenant Revenues.

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ADDITIONAL BONDS AND OTHER NON-SELF SUFFICIENT DEBT

General

The Covenant Ordinance provides for the issuance of both Additional Bonds (which shall be payable on a parity with the Outstanding Bonds) and other Non-Self Sufficient Debt. The Covenant Ordinance allows the City to issue Non-Self Sufficient Debt (other than Additional Bonds) for which there may be granted a prior lien on all or a portion of the Covenant Revenues, provided the City first complies with the requirements described below. The Covenant Ordinance does not provide any restrictions on the issuance of Self Sufficient Debt. The Series 2016 Bonds, the Additional Bonds, and the Covenant Obligations are all Non-Self Sufficient Debt payable from the Covenant Revenues.

"Non-Self Sufficient Debt" is defined in the Covenant Ordinance as any indebtedness of the City for the payment of borrowed money other than Self Sufficient Debt. "Self Sufficient Debt" is defined in the Covenant Ordinance as any indebtedness of the City for borrowed money that is either (a) secured by or payable exclusively from a source of revenues other than Covenant Revenues, or (b) primarily payable from revenues of the type described in clause (a) above and secondarily from Covenant Revenues if the Covenant Revenues have not been used (or, as provided below, deemed to have been used) to pay any portion of such indebtedness for the three Fiscal Years preceding the date of determination and if the City projects that the Covenant Revenues will not be so used during the next two Fiscal Years; and either (c) that is secured by a revenue source that has been in effect for at least three Fiscal Years and that would have provided coverage of at least 125% of the average annual debt service on such obligations secured by such revenue source in each of the three preceding Fiscal Years, or (d) if the revenue source has not been in existence for at least three Fiscal Years, that is secured by a revenue source that would have provided coverage of at least 150% of the average annual debt service on such obligations secured by such revenue source in at least the last full Fiscal Year preceding the issuance of such obligations and that is projected to provide at least 150% debt service coverage (based on revenue and debt service projections of the City) in each of the three ensuing Fiscal Years; and (e) in any such case, in the three preceding Fiscal Years, no debt service of which has been paid (or, as provided below, deemed to have been paid) from Covenant Revenues deposited in the General Fund or the Utilities Services Tax Fund. For purposes of calculating the coverage requirements described in this paragraph, the historical and projected receipts of a particular revenue source shall be adjusted retroactively to the initial date of the calculation period to reflect changes in rates, levies or impositions enacted prior to the date of calculation. For purposes of this definition, Covenant Revenues will be deemed to have been used to pay debt service on any debt if Covenant Revenues have been transferred in the relevant period, other than pursuant to a Capital Transfer, to a fund or account used to pay debt service on such debt. Pursuant to the Covenant Ordinance, a "Capital Transfer" means any Interfund transfer from the City's General Fund or the Utilities Services Tax Fund to another fund of the City, designated for a specific capital project (and not for debt service with respect to debt incurred for such capital project).

Non-Self Sufficient Debt – Anti-Dilution Test

(a) The City has covenanted in the Covenant Ordinance not to issue any Non-Self Sufficient Debt (including Designated Maturity Debt) unless there shall be filed with the City a report by an independent certified public accountant or such other party as the Rating Agency shall approve without withdrawing or reducing the rating then applicable to the Bonds outstanding under the Covenant Ordinance¹ projecting that for each of the three Fiscal Years following the Fiscal Year in which such Non-Self Sufficient Debt is issued, the following two tests will be met:

(i) If maximum annual debt service on all then outstanding Non-Self Sufficient Debt and the Non-Self Sufficient Debt proposed to be issued, occurs more than six years from the date of calculation, then the maximum annual debt service on all then outstanding Non-Self Sufficient Debt and the Non-Self Sufficient Debt proposed to be issued cannot exceed 35% of Covenant Revenues for each of the three following Fiscal Years; or if maximum annual debt service on all then outstanding Non-Self Sufficient Debt and the Non-Self Sufficient Debt proposed to be issued, occurs less than six years from the date of calculation, then the maximum annual debt service on all then outstanding Non-Self Sufficient Debt and the Non-Self Sufficient Debt proposed to be issued cannot exceed 25% of Covenant Revenues for each of the three following Fiscal Years; and

(ii) The higher of (A) the Average Annual Debt Service Requirement with respect to all Non-Self Sufficient Debt then outstanding and the Non-Self Sufficient Debt proposed to be issued, or (B) the aggregate annual debt service with respect to all such Non-Self Sufficient Debt then outstanding including the Non-Self Sufficient Debt proposed to be issued for the Fiscal Year following the year in which the calculation is made, will not exceed 25% of the Covenant Revenues for each such Fiscal Year forecasted by the City.

(b) Concurrently with the issuance of Non-Self Sufficient Debt, the Mayor or Mayor Pro Tem of the City shall certify (i) the dates and the principal amounts of such Non-Self Sufficient Debt (other than Designated Maturity Debt) that will be paid or redeemed in advance of the final maturity thereof to the extent that (A) separate serial maturities or Amortization Installments have not been established for such Non-Self Sufficient Debt and (B) amortization of such debt is otherwise required pursuant to the Covenant Ordinance, as discussed under "ADDITIONAL BONDS – Amortization of Variable Rate Bonds and Designated Maturity Debt," herein, and (ii) with respect to Designated Maturity Debt, the principal amortization for each series thereof is in accordance with the Covenant Ordinance, as discussed under "ADDITIONAL BONDS – Amortization of Variable Rate Bonds and Designated Maturity Debt," herein, assuming that the final maturity of each series of Designated Maturity Debt shall be no later than thirty years from the date of original issuance thereof. Each proposed Amortization Installment set forth in such certificate shall be on a date which is on or after the first optional redemption date for such Non-Self Sufficient Debt.

¹ The ratings agencies have approved provision of the report by the City rather than by an independent certified public accountant.

(c) The City may, from time to time, amend the amortization certificate requirements established pursuant to paragraph (b) above if the new amortization schedule would not cause the City to violate the amortization requirements set forth in paragraph (a) above and the amortization requirements of Variable Rate Bonds and Non-Self Sufficient Debt as set forth in the Covenant Ordinance, as discussed under "ADDITIONAL BONDS – Amortization of Variable Rate Bonds and Designated Maturity Debt," herein, as re-calculated on the date of amendment to such amortization schedule.

(d) The certificate of amortization provided pursuant to paragraph (b) above, as amended from time to time as provided in paragraph (b) above, shall not create an enforceable right or expectation of Bondholders to have Bonds redeemed or retired in accordance therewith but is intended to document the City's ability and intent to comply with the requirements of the Covenant Ordinance.

Issuance of Additional Bonds

The City may not issue any obligations payable from the amounts deposited in the funds and accounts created under the Covenant Ordinance, or voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge having priority to or being on a parity with the lien of any Bonds issued pursuant to the Covenant Ordinance upon such funds and accounts, except under the conditions and in the manner described below.

Except as otherwise provided in the Covenant Ordinance, no series of Additional Bonds may be issued under the Covenant Ordinance unless the City shall have first complied with the requirements set forth below, among others:

(a) There shall have been obtained and filed with the Governing Body the report required for the issuance of such Additional Bonds as Non-Self Sufficient Debt as described under paragraphs (a) and (b) above under " – Non-Self Sufficient Debt – Anti-Dilution Test."

(b) In addition to the foregoing, the City may issue at any time and from time to time Additional Bonds for the purpose of refunding any series of Bonds, or any maturity of Bonds within a series, without the necessity of complying with the requirements contained in subparagraph (a) above, provided that prior to the issuance of such Bonds there shall be filed with the Governing Body of the City a certificate from an independent certified public accountant to the effect that (i) the net proceeds from such Additional Bonds will be sufficient to cause the lien created by the Covenant Ordinance with respect to the Bonds to be refunded to be defeased and (ii) the Debt Service Requirement with respect to such Additional Bonds in each bond year following the issuance thereof shall be equal to or less than the Debt Service Requirement for such bond year with respect to the Bonds which would have been outstanding in that bond year had the same not been refunded pursuant to the Covenant Ordinance. In addition, prior to the issuance of such Bonds, there shall be filed with the Governing Body of the City an opinion of Bond Counsel to the effect that (i) the proceeds from the sale of such Additional Bonds have been set aside in irrevocable escrow for the payment of the Bonds to be refunded in the manner described in the Covenant Ordinance and (ii) the issuance of such Additional Bonds and the use of the proceeds thereof as described above will not have the effect of causing the interest on any Bond then outstanding under the Covenant Ordinance (other than Bonds issued as

Taxable Debt), including the Bonds to be refunded, to become includable in the gross income of the owner thereof for federal income tax purposes.

Bonds issued pursuant to the terms and conditions of the Covenant Ordinance shall be deemed on a parity with all Bonds then outstanding, and all of the covenants and other provisions of the Covenant Ordinance shall be for the equal benefit, protection and security of the Holders of any Bonds originally authorized and issued pursuant to the Covenant Ordinance and the Holders of any Bonds evidencing additional obligations subsequently created within the limitations of and in compliance with the Covenant Ordinance; provided, however, that separate subaccounts in the Reserve Account created pursuant to the Covenant Ordinance shall secure only the series of Bonds with respect to which such subaccount was created. Bonds may be issued only for the purpose of financing one or more Projects, or for the purpose of refunding any obligations theretofore issued for such purposes.

Amortization of Variable Rate Bonds and Designated Maturity Debt

The City has covenanted that it will not issue Bonds constituting variable rate debt under the terms of the Covenant Ordinance unless the maximum interest rate payable on such Bonds does not exceed 15% per annum.

With respect to each series of Non-Self Sufficient Debt issued on or after the date of issuance of the first series of Bonds issued under the Covenant Ordinance, the City covenants to refund or redeem Bonds or other Non-Self Sufficient Debt of such series in such amounts and at such times as shall cause the original principal (or, with respect to Capital Appreciation Debt, Accreted Value at maturity) of such series of Bonds or other Non-Self Sufficient Debt to be amortized (by payment or defeasance) no less quickly than in equal annual installments over at least the last one-third of the original stated term to maturity (or with respect to Designated Maturity Debt, over the last one-third of the amortization schedule with respect to such Designated Maturity Debt as set forth in the Amortization Certificate). Pursuant to the Covenant Ordinance, "Designated Maturity Debt" means all Non-Self Sufficient Debt of a Series, or a particular maturity thereof, with a stated maturity of fifteen (15) years or less, designated as such by supplemental ordinance or resolution of the City adopted prior to the issuance thereof, for which either (a) no Serial maturities or Amortization Installments or mandatory sinking fund redemption installments (with respect to other Non-Self Sufficient Debt) have been established or (b) the aggregate of such Serial maturities and Amortization Installments or mandatory sinking fund redemption installments that have been established is less than the principal amount of such Non-Self Sufficient Debt. As of the date of this Preliminary Official Statement, the Series 2007A Bonds, the Series 2010A Bonds, the Series 2011A Bonds, and the Series 2012A Bonds have been designated by the City as Designated Maturity Debt for purposes of the Covenant Ordinance. The City expects to refund the Outstanding Series 2007A Bonds and the Series 2010A Bonds with the proceeds of its Series 2016A Bonds, which it expects to issue on or before **[March 31, 2016]**. Upon the refunding of the Series 2007A Bonds and the Series 2010A Bonds, only the Series 2011A Bonds and Series 2012A Bonds will be Designated Maturity Debt under the Covenant Ordinance.

Calculation of Covenant Revenues and Anti-Dilution Test Limitation

As stated in the Covenant Ordinance, the City may issue Non-Self Sufficient Debt (including Additional Bonds) if it has complied with the requirements of the Covenant Ordinance. The following table shows the Maximum Annual Debt Service of the City's Non-Self Sufficient Debt (which includes Outstanding Bonds and Covenant Obligations), as a percentage of Covenant Revenues for each of the past five Fiscal Years ended September 30th of the applicable years.

CITY OF ORLANDO, FLORIDA CALCULATION OF COVENANT REVENUES AND ANTI-DILUTION TEST LIMITATION

	2011 ⁽¹⁾	2012 ⁽¹⁾	2013 ⁽¹⁾	2014 ⁽¹⁾	2015 ⁽¹⁾
COVENANT REVENUES					
General Fund Revenue	\$293,564,999	\$306,620,567	\$317,765,697	\$329,364,789	\$363,359,867
Interfund Transfer In	67,202,660	48,945,715	34,071,024	31,022,749	35,472,766
Utilities Services Tax Fund Revenue ⁽²⁾	44,852,317	42,811,363	28,730,897	30,202,184	30,387,012
Total Revenues	<u>\$405,619,976</u>	<u>\$398,377,645</u>	<u>\$380,567,618</u>	<u>\$390,589,722</u>	<u>\$429,219,645</u>
Less:					
Ad-valorem Tax Revenues	\$102,301,264	\$99,143,329	\$98,781,848	\$102,110,952	\$128,133,651
Revenues Not Legally Available for Debt Service ⁽²⁾	4,215,657	4,227,746	4,542,016	4,565,335	4,246,980
Internal Transfer ⁽³⁾	64,315,932	42,725,331	33,161,653	28,764,016	28,990,265
Total Covenant Revenues	<u>\$234,787,123</u>	<u>\$252,281,239</u>	<u>\$244,082,101</u>	<u>\$255,149,419</u>	<u>\$267,848,749</u>
25% Limitation ⁽⁴⁾	\$58,696,781	\$63,070,310	\$61,020,525	\$63,787,355	\$66,962,187
Maximum Annual Debt Service on Non-Self Sufficient Debt ⁽⁵⁾	\$33,004,686	\$32,595,393	\$32,650,904	\$47,943,362	\$52,038,884
% of Limit	56.23%	51.68%	53.51%	75.16%	77.71%
% of Covenant Revenues	14.06%	12.92%	13.38%	18.79%	19.43%

⁽¹⁾ All numbers for Fiscal Years ended September 30, 2011 through September 30, 2014 have been audited and were provided by the City. Numbers for Fiscal Year ended September 30, 2015 are unaudited.

⁽²⁾ Represents amounts that the City believes are not legally available for debt service. There are no assurances that in future years the percentage of revenues not legally available for debt service will not increase.

⁽³⁾ To alleviate duplicate counting, revenues are reduced by the amount transferred into the General Fund from the Utility Services Tax Fund.

⁽⁴⁾ Defined as 25% of the Covenant Revenues if the year in which the maximum annual debt service on Non-Self Sufficient Debt occurs is less than six years from the date of calculation. The percentage is 35% if the year in which the maximum annual debt service on Non-Self Sufficient Debt occurs is more than six years from the date of calculation.

⁽⁵⁾ The estimated rates to compute the debt service were as follows:

	Series H Taxable	Series H Tax-Exempt
Interest	4.90	3.50
LOC/Liquidity	1.10	1.10
Remarketing	0.10	0.10
Other	0.05	0.05
Total	<u>6.15</u>	<u>4.75</u>

CITY ADMINISTRATION

Management of the City

The City operates under a mayor-council form of government. The Mayor is the City's Chief Executive Officer, elected for a term of four years. In addition to serving as presiding officer and as a voting member of the City Council, the Mayor's responsibilities include the enforcement of laws, control of City departments and divisions, appointment and removal of officers and employees, supervision of City property and negotiations of contracts. The Mayor makes recommendations for creation of ordinances and resolutions to the City Council and presents the annual budget for approval.

The City Council is the legislative branch of City government and is responsible for taxation, finances, zoning regulation and boundaries. The City Council (consisting of, the Mayor elected at large as Chairman and six district commissioners) reviews plans and specifications for public improvements, enacts legislation governing City operations and approves the City budget. Commissioners are elected on a district-wide basis for four-year terms on a two-year staggered basis.

The Mayor is the Chief Executive Officer with eight departments reporting to him: Business & Financial Services; Economic Development; Families, Parks and Recreation; Fire; Housing and Community Development; Orlando Venues; Police; and Public Works. The Mayor is assisted in the day-to-day oversight of city operations by the Chief Administrative Officer. Separately, under the Mayor's Chief of Staff, there are five offices: the City Clerk; Communications and Neighborhood Relations; Community Affairs; Constituent Relations; and Intergovernmental Relations.

Mayor Buddy Dyer is a native of Central Florida, born in Orlando and raised in the nearby City of Kissimmee. Following graduation from high school, he was awarded a scholarship to Brown University where his studies were concentrated on civil engineering. Upon graduation, Mayor Dyer returned to Orlando to work as an environmental engineer, later enrolling in the University of Florida Law School, where he was named editor-in-chief of the University of Florida Law Review. Following graduation from law school, Mayor Dyer began his legal career with the Orlando law firm of Winderweede, Haines, Ward & Woodman. Prior to becoming Mayor, Buddy Dyer served the Orlando area for ten years as a State Senator in the Florida Legislature. Mayor Dyer was first elected in 2003 to fill an unexpired term and was subsequently re-elected to full-four year terms commencing in 2004, 2008, 2012 and 2016.

Financial and Budgetary Support Systems

The Chief Financial Officer ("CFO") is responsible for the oversight of the City's financial affairs. This includes the functions of accounting, accounts payable, accounts receivable, operating and capital budgeting, fleet management, facilities management, real estate management, financial forecasting, financial reporting, debt management, grants management, investment management, investor relations, payroll, pension management, purchasing, risk management, and technology management. In addition, the CFO provides counseling to various departments and business units and is an active participant in strategic planning activities.

The City has gained recognition for its Comprehensive Annual Financial Report. A Certificate of Achievement for Excellence in Financial Reporting has been awarded to the City by the Government Finance Officers Association of the United States and Canada ("GFOA") for each Fiscal Year since 1978. The City was also an early participant in the GFOA's Distinguished Budget Presentation Awards program and received the budget award for its budget document for Fiscal Years 1984 through 1989. Due to perceived problems with consistency in the budget awards program at the time, the City elected to discontinue participation but maintain internally the high standards which had been recognized. In light of substantial changes to the program, the City resumed its participation beginning with its Fiscal Year 2004 Budget document. The City has been awarded the Distinguished Budget Presentation Award for each Fiscal Year since 2004.

Rebecca W. Sutton* was appointed Chief Financial Officer on December 5, 2005. Before joining the City, she served the State of Florida as its Deputy Chief Financial Officer from September 2002 to December 2005; and as Deputy Secretary/CIO for the Department of Management Services from December 2001 to September 2002. Prior to her service with the State, Ms. Sutton worked for American Management Systems (AMS) implementing ERP-like system projects for large state and local governments. Before joining AMS, she served as the Controller for the City of Dallas and the Director of Finance for Carrollton, Texas. Ms. Sutton began her career as an auditor for state and local governments for a worldwide accounting firm. She holds a Bachelor of Business Administration from Texas Tech University and a Master of Business Administration from the University of Florida.

Christopher P. McCullion* was appointed Deputy Chief Financial Officer on February 16, 2015. Prior to his appointment, Mr. McCullion served as the City Treasurer for the City of Orlando. He has served in various positions in municipal government since 2000 in the areas of operating and capital budgeting, investment management, debt management and economic development. He holds a Bachelor of Science in Business Administration, a Bachelor of Arts in Political Science, and a Master of Business Administration, all from the University of Florida.

Brian C. Battles was appointed Deputy Chief Financial Officer on February 16, 2015. Prior to his appointment, Mr. Battles served as the Budget Division Manager for the City of Orlando. He has served in various positions within higher education, state and local government since 2002 in the areas of financial management, governmental affairs, debt management and operating and capital budgeting. He holds a Bachelor of Science in Business Administration with a focus on Finance and Economics from the University of Central Florida as well as a Master of Science in Political Science from Florida State University.

Katrina Laudeman was appointed City Treasurer on May 11, 2015. Prior to her appointment, Ms. Laudeman was Treasury Manager and has held various positions within the Treasury Division, primarily focusing on investments and debt management. Ms. Laudeman holds a Bachelor of Science in Business Administration from the University of Central Florida.

* Ms. Sutton announced plans to retire effective July 1, 2016. On February 29, 2016, the City Council approved the Mayor's appointment of Mr. McCullion to be the City's new Chief Financial Officer upon Ms. Sutton's retirement.

City Budget Policy

The City Council annually adopts a budget resolution for all operating funds of the City except for certain restricted accounts of propriety funds and pension trust funds. Budgetary control is legally maintained at the fund level. The City's budget resolution provides transfer authority to (a) the Mayor and the Chief Financial Officer within and between departments and funds as long as the total budget of the City (net of Interfund transfers) is not increased, (b) the Chief Financial Officer to implement grant budgets as the grant applications are accepted by the City and (c) the Chief Financial Officer to amend (reappropriate) each new budget to the extent of outstanding encumbrances at year end. City Council action is required for the (a) use of budgeted Council contingency and (b) approval of a supplemental budget.

MANAGEMENT DISCUSSION AND ANALYSIS

Fiscal Year 2012-2013

On September 20, 2012, the City Council adopted a balanced budget of \$354.3 million. The approved millage rate remained the same at 5.65 mills and ad valorem tax revenue remained flat from Fiscal Year 2011-2012, with overall property values increasing only 0.56%. While the growth in total value was small, it was the first overall increase in four years, which was a positive indicator for the City. The overall budget increased \$7.1 million from the adopted Fiscal Year 2011-2012 budget, primarily through the budgeted use of excess reserves amounts.

The Fiscal Year 2012-2013 operating budget continued to fund operations at a consistent level of service. There were no positions added nor were there any substantive operational changes. The only significant change to the operating budget from Fiscal Year 2011-2012 was the addition of funding to acquire a five-acre parcel of land in the southeast corner of Lake Eola Park, the City's iconic central park, to protect that land from potential future development. The City continued to make its required annual contribution for all three defined benefit pension plans as well as the other post-employment benefit plan for retiree healthcare.

The Fiscal Year 2012-2013 budget projected the use of \$29.5 million of reserves that were from unspent appropriations from prior Fiscal Years, and were in excess of the City's 25% maximum reserve target. The City's actual results show that only \$23.4 million of such reserves was needed. Revenue exceeded budget estimates by \$10.2 million and expenditures were \$2.4 million below appropriations.

Fiscal Year 2013-2014

On September 23, 2013, the City Council adopted a balanced budget of \$357.4 million, which was a \$3.1 million increase from the Fiscal Year 2012-2013 adopted budget. The millage rate remained constant at 5.65 mills and ad valorem tax revenue increased by \$3.4 million or 3.4%, which was attributed solely to the growth in the City's tax base.

Again, the operating budget funded operations at existing levels of service and no new positions were added. The Fiscal Year 2013-2014 budget continued to commit funding to make

the required annual contributions to all three defined benefit pension plans and the other post-employment benefit plan.

The City budgeted \$29.5 million of reserves to balance the Fiscal Year 2013-2014 budget. Of that amount \$15.1 million was derived from unspent appropriations from prior Fiscal Years and was in excess of the City's 25% reserve target. The actual amount of reserves used was \$21.4 million, which was significantly less than the budgeted \$29.5 million.

Fiscal Year 2014-2015

On September 15, 2014, the City Council adopted a balanced budget of \$372.1.4 million, which was a \$14.5 million increase from the Fiscal Year 2013-2014 adopted budget. The City's millage rate was increased from 5.65 mills to 6.65 mills, and the growth in the City's tax base was 7.5%. Those two factors combined to generate an additional \$26.0 million in revenues. This was only the second increase in the City's millage rate since Fiscal Year 1990. For the first time in over ten years, the City's adopted budget did not require the use of reserves. Further, based on unaudited financial statements, the General Fund reserve increased slightly in Fiscal Year 2015 by approximately \$6 million to 23.4% of the following year's budget, approaching the City's targeted maximum level of 25% and well above the minimum requirement of 15%.

The Fiscal Year 2014-2015 operating budget funded operations at existing levels of service and no new positions were added. The adopted budget contained an additional \$14.5 million in on-going cost reductions. The Fiscal Year 2014-2015 budget continued to commit full funding to make the City's required annual contributions to all three defined benefit pension plans and for its other post-employment benefit plan for retiree healthcare.

Fiscal Year 2015-2016 Budget

On September 21, 2015, the City Council adopted a balanced budget of \$401.6 million, which is a \$29.5 million increase from the Fiscal Year 2014-2015 adopted budget. The City's millage rate remained at 6.65 mills after the Fiscal Year 2014-2015 increase and as a result of a \$2.8 billion increase in property values, the City anticipates an \$18 million or 14.02% increase in property tax revenues. These increased revenues will allow the City to again operate the annual budget without the use of reserves.

The Fiscal Year 2015-2016 budget continues to fully fund the City's required annual contributions to all three defined benefit pension plans and the other post-employment benefit plan for retiree healthcare and funds the City's commitment to provide employees a contracted 2% cost of living increase. This budget also increases support for infrastructure maintenance and citizen engagement by restoring capital improvement plan outflows to pre-recession levels and adding staff in economic development in response to demands for permitting and construction inspection.

Additional Bonds Plans

The City expects to issue an aggregate of approximately \$45 million in Additional Bonds for various transportation improvements over the next three years. The City has the authority under the Contract TDT Interlocal Agreement to issue additional Contract TDT Revenue Bonds,

subject to certain preconditions, and may do so in the future. Any such additional Contract TDT Revenue Bonds, although primarily supported by Contract TDT Revenue Payments, are expected to constitute Non-Self Sufficient Debt and would be subject to the anti-dilution test limitations set forth in the Covenant Ordinance. See "ADDITIONAL BONDS – Non-Self Sufficient Debt Anti-Dilution Test Limitations" herein.

PENSION AND OTHER POST EMPLOYMENT BENEFITS

Pension Plans

The following information contained in this section has been provided by the City's Office of Business and Financial Services and, unless expressly indicated otherwise, is unaudited. For a more detailed discussion and additional information regarding the City's pension plans, other post-employment benefits, and other employment and termination benefits see Note III.G. in the Notes to Financial Statements included in the City's Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2014 referred to below under the caption "FINANCIAL STATEMENTS."

General. The City maintains three separate single employer defined benefit pension plans for City employees (Police Pension Plan, Firefighter Pension Plan, and General Employees' Pension Plan, which includes substantially all other full-time City employees, including component unit employees). Although the assets of the plans are often commingled for investment purposes, each plan's assets may be used only for the benefit of the members and beneficiaries of that plan in accordance with the terms of each plan document.

Effective October 1, 1998, the City created a Defined Contribution plan ("DC Plan") within the General Employees' Pension Fund for all general employees hired on or after that date. At the same time, the existing Defined Benefit plan ("DB Plan") was closed to new participants. In addition, each employee in the DB Plan could elect to stay in the DB Plan or move the present value of his or her future benefits to the DC Plan any time prior to October 1, 2001. Employees with ten years of service as of October 1, 1998, have until the end of their City career to make this choice.

Funded Status and Funding Progress. The current and historical funded status for the City's General Employees, Firefighter and Police DB Plans is provided below:

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General Employees Defined Benefit Pension Plan⁽¹⁾
Current and Historical Funded Status and Funding Progress
(in millions)

Valuation Year	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2009	172.35	209.54	37.19	82.3	16.60	224.04
2010 ⁽²⁾	173.70	219.82	46.12	79.0	13.61	338.87
2011	168.61	220.72	52.11	76.4	12.72	409.67
2012	173.35	222.12	46.77	78.9	11.83	395.35
2013	186.76	226.27	39.51	82.5	10.49	376.64
2014	199.60	230.45	30.85	86.6	9.80	314.80

Source: All numbers have been audited and were extracted from the City's audited financial statements for each such Fiscal Year.

- (1) This plan uses the Aggregate Actuarial Cost Method which cannot be used to prepare a schedule of funding progress because it does not separately determine actuarial accrued liabilities. To provide information that serves as a surrogate for the funding progress of the plan per GASB 50, the Entry Age Normal Cost Method has been used to calculate the funded status. The information presented in this table has been restated and calculated using the Entry Age Normal Cost Method which calculates the funding progress by a ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability.
- (2) The General Employees' Pension Fund's Funded Status and Funding Progress are calculated after changes in benefits and/or actuarial assumptions and/or actuarial cost methods. For the 9/30/10 valuation date, the City had a Voluntary Separation Program where some employees bought credited service up to 3 years and retired.

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Firefighters Defined Benefit Pension Plan⁽¹⁾
Current and Historical Funded Status and Funding Progress
(in millions)

Valuation Year	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2009 ⁽²⁾	249.47	293.22	43.75	85.1	35.66	122.69
2010 ⁽²⁾	261.62	318.65	57.03	82.1	36.67	155.52
2011	271.23	335.87	64.64	80.8	36.51	177.05
2012	287.00	348.63	61.63	82.3	36.28	169.87
2013	306.62	366.82	60.20	83.6	38.75	155.35
2014	328.36	386.31	57.95	85.0	39.03	148.48

Source: All numbers have been audited and were extracted from the City's audited financial statements for each such Fiscal Year.

- (1) Under the Entry Age Normal actuarial cost method, the actuarial present value of future benefits for each member is allocated for the member's pensionable compensation on a level basis between the entry age of the member and the estimated exit age. The portion of the present value of future benefits not provided for by the present value of future normal costs is called the actuarial accrued liability.
- (2) The Firefighter Pension Fund's Funded Status and Funding Progress has been calculated after changes in benefits and/or actuarial assumptions and/or actuarial cost methods.

Police Defined Benefit Pension Plan⁽¹⁾
Current and Historical Funded Status and Funding Progress
(in millions)

Valuation Year	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2009	349.93	406.40	56.47	86.1	47.34	119.29
2010	388.96	443.70	54.74	87.7	48.42	113.05
2011	389.39	467.00	77.61	83.4	47.59	163.08
2012	390.88	490.51	99.63	79.7	48.58	205.08
2013	417.26	516.48	99.22	80.8	48.94	202.73
2014	454.60	541.51	86.90	84.0	49.18	176.69

Source: All numbers have been audited and were extracted from the City's audited financial statements for each such Fiscal Year.

- (1) Under the Entry Age Normal actuarial cost method, the actuarial present value of future benefits for each member is allocated for the member's pensionable compensation on a level basis between the entry age of the member and the estimated exit age. The portion of the present value of future benefits not provided for by the present value of future normal costs is called the actuarial accrued liability.

Pension Contributions. Pursuant to the Florida Constitution the City, like all other local governments, is required to make the actuarially determined contributions to its DB Plans. The Florida Division of Retirement reviews and approves each local government's actuarial report to ensure its appropriateness for funding purposes. The following table provides the historical City contributions, employee contributions and total contributions for the last six Fiscal Years.

**Defined Contribution Plan
Annual Contributions for Fiscal Years Ended
September 30, 2009 through 2014
(in millions)**

Fiscal Year ended September 30	City Contribution	Employee Contribution	Total Contributions
2009	6.9	2.8	9.7
2010	5.1	2.8	7.9
2011	6.4	2.9	9.3
2012	6.5	3.3	9.8
2013	5.9	2.6	8.5
2014	6.9	2.2	9.1

Source: All numbers have been audited and were extracted from the City's audited financial statements for each such Fiscal Year.

The City has traditionally contributed the annual required contribution and thus has never needed to report a net pension obligation. The following tables reflect the Six-Year Trend Information for the City's General Employees, Firefighters and Police DB Plans.

**General Employees
Defined Benefit Pension Plan
Six-Year Trend**

Fiscal Year Ended September 30	Annual Pension Cost (APC) (in millions)	Percentage of APC Contributed	Net Pension Obligation
2009	5.61	100	0
2010	9.29	100	0
2011	8.95	100	0
2012	9.67	100	0
2013	10.19	100	0
2014	9.06	100	0

Source: All numbers have been audited and were extracted from the City's audited financial statements for each such Fiscal Year.

**Firefighters
Defined Benefit Pension Plan
Six-Year Trend**

Fiscal Year Ended September 30	Annual Pension Cost (APC) (in millions)	Percentage of APC Contributed	Net Pension Obligation
2009	9.96	100	0
2010	11.31	100	0
2011	12.75	100	0
2012	14.31	100	0
2013	14.96	100	0
2014	15.35	100	0

Source: All numbers have been audited and were extracted from the City's audited financial statements for each such Fiscal Year.

**Police
Defined Benefit Pension Plan
Six-Year Trend**

Fiscal Year Ended September 30	Annual Pension Cost (APC) (in millions)	Percentage of APC Contributed	Net Pension Obligation
2009	13.58	100	0
2010	13.82	100	0
2011	15.30	100	0
2012	17.10	100	0
2013	18.53	100	0
2014	21.54	100	0

Source: All numbers have been audited and were extracted from the City's audited financial statements for each such Fiscal Year.

Other Post-Employment Benefits

General. The City of Orlando administers a single-employer defined benefit retiree healthcare plan ("DB OPEB Plan") and a single-employer defined contribution retirement health care expense reimbursement plan ("DC OPEB Plan"). The DB OPEB Plan provides healthcare benefits (hospitalization, medical, and prescription drug coverage) to eligible retired city employees. The DC OPEB Plan provides reimbursement to eligible retirees for medical expenses (e.g., health insurance and prescription expenses) incurred by the retiree, their spouse, and/or eligible dependents. The City also sponsors a retiree life insurance plan, a single-employer defined benefit life insurance plan ("Life Insurance Plan") that provides eligible retired city employees with a death benefit of \$1,000, \$2,500 or \$3,000, depending on date of retirement. The City administers the DB OPEB Plan and the Life Insurance Plan through the City of Orlando OPEB Trust Fund, an irrevocable trust.

Funded Status and Funding Progress. The funded status of the DB OPEB Plan as of September 30, 2014, the date of the latest actuarial valuation, was as follows:

Actuarial accrued liability	\$336,866,915
Actuarial value of plan assets	(76,456,430)
Unfunded actuarial accrued liability (UAAL)	<u>\$260,410,485</u>
Funded ratio	22.7%
Covered payroll	\$169,914,000
Unfunded actuarial accrued liability as a percentage of covered payroll	153.26%

Source: City's Office of Business and Financial Services.

DB OPEB Contributions. The City's annual other postemployment benefit cost (expense) for the DB OPEB Plan is calculated based on the annual required contribution ("ARC") of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize the unfunded actuarial liability over a period not to exceed thirty years. The City's annual OPEB cost for the Fiscal Year ended September 30, 2014 is shown on the following table:

Annual required contribution	\$21,270,298
Contributions made	<u>(21,270,298)</u>
Increase in net OPEB Obligation	-
Net OPEB Obligation - Beginning of Year	-
Net OPEB Obligation - End of Year	<u>-</u>

Source: City's Office of Business and Financial Services.

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The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for Fiscal Years 2009 through 2014 is shown below.

Fiscal Year Ended September 30	Annual Required Contribution (in millions)	Percentage Contributed	Net OPEB Obligation
2009	20.4	100	0
2010	20.2	100	0
2011	20.9	100	0
2012	21.8	100	0
2013	22.7	100	0
2014	21.3	100	0

Source: All numbers have been audited and were extracted from the City's audited financial statements for each such Fiscal Year.

DC OPEB Contributions. The following table shows the City's and the retired employees' respective contributions to the DC OPEB Plans, which funds the Retirement Health Savings Program, for Fiscal Years 2009 through 2014.

Fiscal Year Ended September 30	City	Employee	Total
2009	166,691	0 ⁽¹⁾	166,691
2010	193,808	0 ⁽¹⁾	193,808
2011	217,129	0 ⁽¹⁾	217,129
2012	266,978	0 ⁽¹⁾	266,978
2013	341,522	0 ⁽¹⁾	341,522
2014	400,213	0 ⁽¹⁾	400,213

Source: All numbers have been audited and were extracted from the City's audited financial statements for each such Fiscal Year.

⁽¹⁾ The City suspended employee contributions beginning in Fiscal Year 2009.

INVESTMENT POLICY

On September 25, 1995, the City Council adopted its initial Investment Policy which has been amended and ratified annually since that date (the "Investment Policy"). The Investment Policy sets forth guidelines and parameters for making decisions and taking actions relating to the City's aggregate investment portfolio. The aggregate investment portfolio includes all funds held by the City except (a) pension fund assets and (b) funds whose uses are restricted by debt covenants, prior contract or legal, regulatory or other constraints. On April 6, 2015, the City Council adopted the current version of the Investment Policy.

In December 2000, the City privatized most of its investment activities when it hired external managers to invest up to 90% of its aggregate investment portfolio. The City manages a minimum of 10% of the portfolio internally to meet liquidity needs and to meet the investment objectives contained in the Investment Policy.

Under the Investment Policy, (a) no less than 10% of the aggregate investment portfolio shall be allocated to the liquidity portfolio (the duration of the liquidity portfolio cannot exceed 1.25 years and the duration of any single holding in the liquidity portfolio shall not exceed three years), (b) the average effective duration of the aggregate investment portfolio shall be within +/- 30% of its benchmark index, (c) not less than 30% of the aggregate investment portfolio shall be invested in a combination of obligations of the U.S. Government, its agencies and instrumentalities, with a minimum of 10% of this 30% of the portfolio invested in U.S. Government and Agency debt obligations, (d) no more than 35% of the aggregate investment portfolio shall be invested in mortgage backed securities, (e) no more than 30% of the aggregate investment portfolio shall be invested in specialty risk categories, (f) no more than 10% of the aggregate investment portfolio shall be invested in corporate securities rated below Baa3 by Moody's Investors Service, BBB- by Standard & Poor's, or BBB- by Fitch Ratings, (g) no more than 10% of the aggregate investment portfolio shall be invested in investment grade securities denominated in foreign currency, (h) no more than 10% of the aggregate investment portfolio shall be invested in emerging markets securities, and (i) no more than 5% of the aggregate investment portfolio shall be invested in non-U.S. dollar, unhedged securities. Investment in items (d) through (i) above shall be externally managed and require the prior approval of the City Council.

The following comprise authorized investment instruments under the Investment Policy subject to limits and standards defined therein: U.S. Government and Agency Debt Obligations, U.S. Government Instrumentality Debt Obligations, High Grade Corporate Debt, Mortgage Backed Securities, Bank Certificates of Deposit, Repurchase Agreements, Money Market Mutual/Trust Funds, State and Local Taxable or Tax-Exempt Debt, Fixed Income Mutual Funds, Specialty Risk Investments (below investment grade corporate securities, debt issued in foreign currencies, and emerging market debt), Derivative Securities, and Reverse Repurchase Agreements.

The City is authorized to enter into reverse repurchase agreements (generally defined as a sale of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contract rate of interest). The market value of the securities underlying reverse repurchase agreements normally exceeds the cash received, providing the dealers a margin against a decline in market value of the securities. If the dealers default on their contractual obligations to resell these securities to the City or provide securities or cash of at least equal value, the City would suffer an economic loss equal to the difference between the market value plus accrued interest of the underlying securities and the repurchase agreement obligations, including accrued interest. The City is not currently a party to any reverse repurchase agreements.

The Investment Policy may be modified from time to time by the City Council.

There are certain restrictions on the investment of funds held under the Covenant Ordinance. See "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF THE COVENANT ORDINANCE – Investment of Moneys" attached hereto.

INTEREST RATE RISK MANAGEMENT PRODUCTS POLICY

In October 2005, the City adopted its Interest Rate Risk Management Products Policy which has been amended and ratified annually since then (the "Derivatives Policy") to provide guidelines for the use of interest rate risk management products such as swaps, caps, floors, collars and options in connection with the incurrence of debt obligations of the City. The Derivatives Policy provides that the objectives for which the City will consider the use of such products are (a) as a hedging strategy – to prudently reduce exposure to changes in interest rates in the context of a particular financing or overall asset/liability management of the City; or (b) to reduce cost – to achieve a lower net cost of borrowing with respect to the City's debt. Pursuant to the Derivatives Policy, interest rate mitigation products will not be used for speculative purposes.

The Derivatives Policy may be modified from time to time by the City Council. The City Council adopted the current version of the Interest Rate Risk Management Products Policy on April 6, 2015. The City is not currently a party to any interest rate swap transactions.

LITIGATION AND OTHER MATTERS

[There is not now pending or, to the knowledge of the City, threatened, any litigation restraining or enjoining the issuance or delivery of the Series 2016 Bonds, revenues pledged for the payment of such Series 2016 Bonds or questioning or affecting the validity of the Series 2016 Bonds, the revenues pledged for the payment of the Series 2016 Bonds or the proceedings and authority under which the Series 2016 Bonds are to be issued. Neither the creation, organization or existence, nor the title of the present members of the City Council or other officers of the City to their respective offices is being contested. The City from time to time engages in certain routine litigation, the outcome of which is not expected to have any material adverse effect on the issuance and delivery of the Series 2016 Bonds.]

ENFORCEABILITY OF REMEDIES

The remedies available to the Holders of the Series 2016 Bonds upon an event of default under the Covenant Ordinance are in many respects dependent upon judicial actions which are often subject to discretion and delay.

Pursuant to the Covenant Ordinance, no Holder of any Bond or any Insurer will have any right to institute any suit, action or proceeding at law or in equity for the enforcement of the Covenant Ordinance or for the execution of any trust thereof or for the appointment of a receiver or any other remedy thereunder, unless (i) an Event of Default has occurred, (ii) the Holders of not less than a majority in aggregate principal amount of Outstanding Bonds affected thereby have made a written request to the Trustee and offered the Trustee reasonable opportunity either to proceed to exercise the powers granted under the Covenant Ordinance or to institute such action, suit or proceeding in its own name, (iii) such Holders of Bonds have offered to the Trustee indemnity, and (iv) the Trustee shall for 60 days after receipt of such request and indemnification fail or refuse to exercise the rights and remedies granted in the Covenant

Ordinance, or to institute such action, suit or proceeding in its own name. See "APPENDIX A — SUMMARY OF CERTAIN PROVISIONS OF THE COVENANT ORDINANCE – Restrictions on Actions by Individual Bondholders" attached hereto.

LEGAL MATTERS

Certain legal matters incident to the validity of the Series 2016 Bonds and the issuance thereof by the City are subject to the approval of Bryant Miller Olive P.A., Orlando, Florida, Bond Counsel, whose approving opinion (in substantially the form attached hereto as APPENDIX B) will be delivered concurrently with the issuance of the Series 2016 Bonds. Bond Counsel has not undertaken to verify and therefore expresses no opinion as to the accuracy, completeness or sufficiency of any of the information or statements contained in this Official Statement or any exhibits, schedules or appendices hereto, except that Bond Counsel will state to the Underwriters at closing that it has reviewed the information in the sections hereof entitled "DESCRIPTION OF THE SERIES 2016 BONDS," (other than the information contained under the caption "Book-Entry-Only System" as to which no opinion will be expressed), "SECURITY FOR THE SERIES 2016 BONDS," "FLOW OF FUNDS," "ENFORCEABILITY OF REMEDIES," and in APPENDIX A - "SUMMARY OF CERTAIN PROVISIONS OF THE COVENANT ORDINANCE" and to the extent such statements purport to summarize certain provisions of the Covenant Ordinance, such statements are accurate summaries of the provisions of the Covenant Ordinance purported to be summarized. Bond Counsel will also state that it has reviewed the information under the caption "TAX MATTERS" and that the statements contained therein are accurate.

Certain legal matters will be passed upon for the City by its Co-Disclosure Counsel, Greenberg Traurig, P.A. and D. Seaton and Associates, P.A., both of Orlando, Florida, the City's Special Legal Counsel, Shutts & Bowen LLP, Orlando, Florida and by the City Attorney's Office. Certain legal matters will be passed upon for the Underwriters by its Counsel, Marchena & Graham, P.A., Orlando, Florida.

The proposed text of the legal opinion of Bond Counsel is attached hereto as APPENDIX B. The actual legal opinion to be delivered may vary from the text of APPENDIX B, if necessary, to reflect facts and law on the date of delivery of the Series 2016 Bonds. The opinion will speak only as of its date and subsequent distribution of such opinion by recirculation of this Official Statement or otherwise shall not create any implication that subsequent to the date of such opinion Bond Counsel has affirmed its opinion.

The opinion of Bond Counsel will be limited to matters relating to the authorization and validity of the Series 2016 Bonds and the tax-exempt status of interest on the Series 2016 Bonds, as described under the caption "TAX MATTERS" herein and will make no statement regarding the accuracy or completeness of this Official Statement.

Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances, including changes in law that may thereafter occur or become effective.

The legal opinions to be delivered concurrently with the delivery of the Series 2016 Bonds express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

General

The Code establishes certain requirements which must be met subsequent to the issuance of the Series 2016 Bonds in order that interest on the Series 2016 Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the Series 2016 Bonds to be included in federal gross income retroactive to the date of issuance of the Series 2016 Bonds, regardless of the date on which such non-compliance occurs or is ascertained. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the Series 2016 Bonds and the other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The City has covenanted in the Covenant Ordinance with respect to the Series 2016 Bonds to comply with such requirements in order to maintain the exclusion from federal gross income of the interest on the Series 2016 Bonds.

In the opinion of Bond Counsel, assuming compliance with certain covenants, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2016 Bonds is excluded from gross income for purposes of federal income taxation. Interest on the Series 2016 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or corporations; however, interest on the Series 2016 Bonds may be subject to the federal alternative minimum tax when any Series 2016 Bond is held by a corporation. The federal alternative minimum taxable income of a corporation must be increased by seventy-five percent (75%) of the excess of such corporation's adjusted current earnings over its alternative minimum taxable income (before this adjustment and the alternative tax net operating loss deduction). "Adjusted Current Earnings" will include interest on the Series 2016 Bonds.

Except as described above, Bond Counsel will express no opinion regarding other federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of Series 2016 Bonds. Prospective purchasers of Series 2016 Bonds should be aware that the ownership of Series 2016 Bonds may result in collateral federal income tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Series 2016 Bonds; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including interest on Series 2016 Bonds; (iii) the inclusion of interest on Series 2016 Bonds in earnings of certain foreign corporations doing business in the United States for purposes of the

branch profits tax; (iv) the inclusion of interest on Series 2016 Bonds in passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; and (v) the inclusion of interest on Series 2016 Bonds in "modified adjusted gross income" by recipients of certain Social Security and Railroad Retirement benefits for the purposes of determining whether such benefits are included in gross income for federal income tax purposes.

As to questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations and covenants made on behalf of the City, certificates of appropriate officers and certificates of public officials (including certifications as to the use of proceeds of the Series 2016 Bonds and of the property financed or refinanced thereby), without undertaking to verify the same by independent investigation.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2016 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the Series 2016 Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2016 Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2016 Bonds, under certain circumstances, to "backup withholding" at the rate specified in the Code with respect to payments on the Series 2016 Bonds and proceeds from the sale of Series 2016 Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2016 Bonds. This withholding generally applies if the owner of Series 2016 Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2016 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Other Tax Matters

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2016 Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series

2016 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2016 Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Series 2016 Bonds. For example, in connection with federal deficit reduction, job creation and tax law reform efforts, proposals have been and others are likely to be made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Series 2016 Bonds. There can be no assurance that any such legislation or proposal will be enacted, and if enacted, what form it may take. The introduction or enactment of any such legislative proposals may affect, perhaps significantly, the market price for, or marketability of, the Series 2016 Bonds.

Prospective purchasers of the Series 2016 Bonds should consult their own tax advisors as to the tax consequences of owning the Series 2016 Bonds in their particular state or local jurisdiction and regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Tax Treatment of Original Issue Discount

Under the Code, the difference between the maturity amount of the Series 2016 Bonds maturing on _____ (collectively, the "Discount Bonds"), and the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity and, if applicable, interest rate, was sold is "original issue discount." Original issue discount will accrue over the term of the Discount Bonds at a constant interest rate compounded periodically. A purchaser who acquires the Discount Bonds in the initial offering at a price equal to the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he or she holds the Discount Bonds, and will increase his or her adjusted basis in the Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or disposition of the Discount Bonds. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Bondholders of the Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of the Discount Bonds and with respect to the state and local tax consequences of owning and disposing of the Discount Bonds.

Tax Treatment of Bond Premium

The difference between the principal amount of the Series 2016 Bonds maturing on _____ (collectively, the "Premium Bonds"), and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Premium Bonds of the same maturity and, if applicable, interest rate, was sold constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially

on a constant interest rate basis over the term of each of the Premium Bonds, which ends on the earlier of the maturity or call date for each of the Premium Bonds which minimizes the yield on such Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. Bondholders of the Premium Bonds are advised that they should consult with their own tax advisors with respect to the state and local tax consequences of owning such Premium Bonds.

CONTINUING DISCLOSURE

To assist the Underwriters in complying with Rule 15c2-12(b)(5) of the SEC promulgated pursuant to the Securities Exchange Act of 1934, as is in effect on the date hereof (the "Rule"), simultaneously with the issuance of the Series 2016 Bonds, the City will execute a Continuing Disclosure Commitment dated the date of delivery of the Series 2016 Bonds (the "Continuing Disclosure Commitment") substantially in the form attached hereto as "APPENDIX D – FORM OF CONTINUING DISCLOSURE COMMITMENT OF THE CITY" and is for the benefit of the Holders of the Series 2016 Bonds.

The City, as an "obligated person" under the Rule, has covenanted in its Continuing Disclosure Commitment to provide certain financial information and operating data relating to the City and the Series 2016 Bonds in each year, and to provide notices of the occurrence of certain enumerated events.

Certain annual financial information and operating data and the City's audited financial statements will be filed by the City with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("EMMA") as required by the Rule. Notices of certain enumerated events, when and if they occur, shall be timely filed by the City with EMMA. The specific nature of the financial information, operating data, and of the type of events which trigger a disclosure obligation, and other details of the City's undertaking is more fully described in "APPENDIX D – FORM OF CONTINUING DISCLOSURE COMMITMENT OF THE CITY," attached hereto.

The following disclosure is being provided by the City for the sole purpose of assisting the Underwriters in complying with the Rule: The City previously entered into continuing disclosure undertakings, as an "obligated person" under the Rule, with respect to bonds issued by the City (the "Undertakings"). In the previous five year period beginning on March 18, 2011 and ending on March 18, 2016 (the "Compliance Period"), the City failed to comply with certain provisions of the Undertakings (the "Failures to Comply"). The following two paragraphs provide a summary of certain of such Failures to Comply, without regard to any determination of materiality.

The Undertaking for the City's Capital Improvement Revenue Bonds, Series 2002 (the "2002 Bonds"), which are no longer Outstanding, contained a filing deadline, for annual updates

of financial information and operating data (the "Annual Report") and audited financial statements, of 180 days after the end of the applicable Fiscal Year, unlike the deadline set forth in all of the City's other Undertakings, which is the April 30th following the end of each Fiscal Year. With respect to the 2002 Bonds, the City missed the filing deadline (i) for the Annual Report for four of the five years during the Compliance Period, by a range of approximately three weeks to two months; and (ii) for the audited financial statements for two of the five years during the Compliance Period by a range of six to 13 days. For each of the City's other Undertakings, the City filed its audited financial statements prior to the applicable filing deadline. However, the Annual Report for such Undertakings was filed after the filing deadline for two of the five years during the Compliance Period by a range of approximately three days to one month.

The City's Annual Reports for four of the five years during the Compliance Period failed to contain a table entitled "State of Florida Collection and Distribution of the General Sales and Use Tax," which was required pursuant to the City's Undertaking for the State of Florida, Sales Tax Payments Revenue Bonds, Series 2008.

RATINGS

Fitch Ratings, Moody's Investors Service, Inc. and Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"), have assigned municipal bond ratings of "[_]," "[_]" and "[_]," respectively, to the Series 2016 Bonds. Such ratings reflect the views of the respective rating agencies and an explanation of the significance of such ratings may be obtained only from the rating agencies. There is no assurance that such ratings will be in effect for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agencies, if, in the judgment of the agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect upon the market price of the Series 2016 Bonds. The City undertakes no responsibility to oppose any such downward revision or withdrawal of ratings.

UNDERWRITING

Subject to certain terms and conditions, the Series 2016 Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated, on behalf of itself, Blaylock Robert Van, LLC and Samuel A. Ramirez & Co. (collectively, the "Underwriters"), pursuant to that certain bond purchase agreement dated [____], 2016 between the City and the Underwriters. The purchase price for the Series 2016B Bonds payable to the City is \$[____] (\$[____] principal amount, **[plus [net] bond premium/minus original issue discount]** of \$[____] and less Underwriters' discount of \$[____]). The purchase price for the Series 2016C Bonds payable to the City is \$[____] (\$[____] principal amount, **[plus [net] bond premium/minus original issue discount]** of \$[____] and less Underwriters' discount of \$[____]). The Underwriters are committed to purchase all of the Series 2016 Bonds, if any are purchased. The Series 2016 Bonds are offered for sale to the public at the prices derived from the yields set forth on the cover page of this Official Statement. The Series 2016 Bonds may be offered and sold to certain dealers (including dealers depositing Series 2016 Bonds into

investment trusts) at prices lower than such offering prices, and such public offering prices may be changed, from time to time, by the Underwriters.

The following statements have been provided by the Underwriters for inclusion in this Official Statement:

Stifel, Nicolaus & Company, Incorporated contributes annually to Strengthen Orlando, Inc. Strengthen Orlando, Inc. is a Florida not-for-profit corporation created as a fundraising entity to provide funding and resources to support municipal purposes of the City.

MULTIPLE ROLES OF PARTIES

Public Financial Management, Inc. is serving in the role of Financial Advisor to the City. BondResource Partners, LP, a division of PFM Asset Management LLC is serving as Verification Agent and will be verifying the final numbers prepared by Stifel, Nicolaus & Company, Incorporated. BondResource Partners, LP and Public Financial Management, Inc. are both members of The PFM Group and indirect wholly-owned subsidiaries of the parent holding company, PFM I, LLC.

Wells Fargo Bank, N.A. is serving as the 2009A/2010C Escrow Agent as well as Registrar and Paying Agent for the Series 2016 Bonds.

The City's Bond and Disclosure Counsel from time-to-time may serve as Underwriter's Counsel to the Underwriters.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Florida law requires the City to make a full and fair disclosure of any bonds or other debt obligations which it has issued or guaranteed and which are or have been in default as to principal or interest at any time after December 31, 1975 (including bonds or other debt obligations for which it has served as a conduit issuer). The City, since December 31, 1975, has not been in default as to principal and interest on bonds or other debt obligations which it has issued, whether as the principal obligor or as a conduit.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The Verification Agent will verify from the information provided to them the mathematical accuracy as of the date of the closing on the Series 2016B Bonds of (1) the computations contained in the provided schedules to determine that the anticipated receipts from the securities and cash deposits listed in Stifel, Nicolaus & Company, Incorporated's schedules, to be held in escrow, will be sufficient to pay, when due, the principal of and interest on the Refunded Bonds, and (2) the computations of yield on the securities, the Series 2016B Bonds and the Refunded Bonds supporting the determination of Bond Counsel that the Series 2016B Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Code. The Verification Agent will express no opinion on the assumptions provided to them, nor as to the

exclusion from gross income for federal income tax purposes of the interest on the Series 2016B Bonds.

CONTINGENCY FEES

The City has retained Bond Counsel, Special Legal Counsel, Co-Disclosure Counsel, and Financial Advisor with respect to the authorization, sale, execution and delivery of the Series 2016 Bonds. Payment of the fees of such professionals and an underwriting discount to the Underwriters are each contingent upon the issuance of the Series 2016 Bonds. The City's independent auditors are paid pursuant to a contract for performing an audit of the basic financial statements of the City, not as it relates to the issuance and sale of the Series 2016 Bonds.

FINANCIAL STATEMENTS

The basic financial statements of the City of Orlando, Florida as of and for the Fiscal Year ended September 30, 2014 have been audited by Moore Stephens Lovelace, P.A., independent auditors. The auditor's report, together with the Basic Financial Statements and Management's Discussion and Analysis and the required supplemental information for Fiscal Year ended September 30, 2014 (collectively, the "Fiscal Year 2014 Financial Statements") are included in the Comprehensive Annual Financial Report for the same period. The Fiscal Year 2014 Financial Statements of the Comprehensive Annual Financial Report are incorporated herein by reference and paper copies are available by contacting the Office of the Chief Financial Officer, City of Orlando, One City Commons, 400 South Orange Avenue, Orlando, Florida 32801. The Comprehensive Annual Financial Report is available online on EMMA at <http://emma.msrb.org>. Except for the Fiscal Year 2014 Financial Statements of the Comprehensive Annual Financial Report, no other portion of the Comprehensive Annual Financial Report or any other information available on EMMA is included by reference in this Official Statement. The auditor's report incorporated herein by reference is provided as a publicly available document. Moore Stephens Lovelace, P.A. has not been requested to consent to such incorporation and has not participated in the preparation or review of this Official Statement. The City's audited financial statements for Fiscal Year ended September 30, 2015 (the "Fiscal Year 2015 Financial Statements") are expected to be completed and available by [_____, 2016]. Once available, the Fiscal Year 2015 Financial Statements will be filed by the City on EMMA.

FINANCIAL ADVISOR

Public Financial Management, Inc., Orlando, Florida is serving as financial advisor to the City (the "Financial Advisor"). The Financial Advisor assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring and issuance of the Series 2016 Bonds and provided other advice to the City. The Financial Advisor will not engage in any underwriting activities with regard to the issuance and sale of the Series 2016 Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the

information contained in this Official Statement and is not obligated to review or ensure compliance with the undertaking by the City to provide continuing secondary market disclosure.

FORWARD-LOOKING STATEMENTS

This Official Statement contains certain "forward-looking statements" concerning the City's operations, performance and financial condition, including its future economic performance, plans and objectives and the likelihood of success in developing and expanding. These statements are based upon a number of assumptions and estimates which are subject to uncertainties, many of which are beyond the control of the City. The words "may," "would," "could," "will," "expect," "anticipate," "believe," "intend," "plan," "estimate" and similar expressions are meant to identify these forward-looking statements. Actual results may differ materially from those expressed or implied by these forward-looking statements.

MISCELLANEOUS

Concurrently with the delivery of the Series 2016 Bonds, the Mayor and the Chief Financial Officer will furnish their certificates to the effect that, to the best of their knowledge, this Official Statement, as of its date and as of the date of delivery of the Series 2016 Bonds, does not contain any untrue statement of a material fact or omit to state a material fact which should be included herein for the purposes for which this Official Statement is to be used, or which is necessary to make the statements contained herein, in the light of the circumstances in which they were made, not misleading.

The information contained in this Official Statement has been compiled from official and other sources deemed to be reliable and is believed to be correct as of this date.

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 which may have been made verbally or in writing is to be construed as a contract with the Holders of the Series 2016 Bonds.

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The execution and delivery of this Official Statement by the Mayor and the Chief Financial Officer has been duly authorized by the City Council.

CITY OF ORLANDO, FLORIDA

By: _____
Buddy Dyer, Mayor

By: _____
Rebecca W. Sutton, Chief Financial Officer

APPENDIX A

SUMMARY OF CERTAIN PROVISIONS OF THE COVENANT ORDINANCE

The following are brief summaries of certain provisions of the Covenant Ordinance. This summary does not purport to be complete and reference is made to the Covenant Ordinance for a full and complete statement of such provisions.

Definitions of Certain Terms

As used in this Summary:

"Accreted Value" means the accreted value of Capital Appreciation Debt on the date of calculation, including the original principal amount or discounted principal value thereof, plus interest or principal accreted thereon to the date of determination determined by reference to accreted value tables contained or referred to in each such Bond or evidence of indebtedness.

"Act" means Section 159.11 and Chapter 166, Florida Statutes, and Article VIII, Section 2, Constitution of the State of Florida.

"Additional Bonds" means additional obligations issued in compliance with the terms, conditions and limitations contained in the Covenant Ordinance which are payable on a parity with, and rank equally in all other respects with the Bonds originally issued thereunder.

"Aggregate Budgeted Expenditures" means for any Fiscal Year, the aggregate of the budgeted total expenditures, plus transfers out of the General Fund and Utilities Services Tax Fund, less internal transfers between the General Fund and Utilities Services Tax Fund as provided in the Annual Budget, for such Fiscal Year.

"Amortization Certificate" means the certificate of the City delivered concurrently with the issuance of Non-Self Sufficient Debt setting forth the principal amount of such Non-Self Sufficient Debt to be paid or redeemed prior to maturity in accordance with the requirements of the Covenant Ordinance, as the same may be modified in accordance with the Covenant Ordinance.

"Amortization Installment" means the funds required to be deposited in the Debt Service Account in a given Bond Year for the payment at maturity or redemption of a portion of a series of Term Bonds on the next succeeding October 1, as established by resolution or ordinance of the City at or before the delivery of that series of Term Bonds.

"Annual Budget" means the budget, as amended and supplemented from time to time, prepared by the City for each Fiscal Year in accordance with the laws of the State of Florida.

"Authorized Depository" means any bank, trust company, national banking association, savings and loan association, savings bank or other banking association selected by the City as a depository under the Covenant Ordinance.

"Average Annual Debt Service Requirement" means the sum of the amounts determined by calculating separately with respect to each Series of Non-Self Sufficient Debt then outstanding and then proposed to be issued, the amount equal to the aggregate of the Debt Service Requirement with respect to such Series of Non-Self Sufficient Debt for each Bond Year divided by the number of years (including fractional years) from the date of calculation to the date of final scheduled maturity of such Non-Self Sufficient Debt.

"Bond Counsel" means counsel experienced in matters relating to the validity of, and the exclusion from gross income for federal income tax purposes of interest on, obligations of states and their political subdivisions.

"Bond Obligation" means as of the date of computation, the sum of: (i) the principal amount of all Bonds then Outstanding other than Bonds issued as Capital Appreciation Debt, and (ii) the Accreted Value of all Bonds issued as Capital Appreciation Debt then Outstanding.

"Bonds" means the Bonds originally issued under the Covenant Ordinance and any Additional Bonds.

"Bondholder," "Registered Owner," "Holder" and "Owner" means the registered owner (or its authorized representative) of a Bond.

"Bond Year" means the annual period beginning on the first day of October of each year and ending on the last day of September of the following year; provided that when such term is used to describe the period during which deposits are to be made pursuant to Section 9.02 of the Covenant Ordinance to amortize principal and interest on the Bonds maturing or becoming subject to redemption, or pursuant to similar provisions with respect to other Non-Self Sufficient Debt, interest and principal maturing or becoming subject to redemption on October 1 of any year shall be deemed to mature or become subject to redemption on the last day of the preceding Bond Year.

"Capital Appreciation Debt" means Non-Self Sufficient Debt that bears interest at a compounded rate which is payable only at maturity or upon redemption prior to maturity, or Non-Self Sufficient Debt issued at a discount from par value that bears no stated interest and appreciates in value over time.

"Capital Transfer" means any interfund transfer from the General Fund or the Utilities Services Tax Fund to another fund of the City, designated for a specific capital project (and not for debt service with respect to debt incurred for such capital project).

"Chief Financial Officer" means the Director of Finance of the City or such other chief financial officer of the City as defined in Section 218.403, Florida Statutes.

"City" means the City of Orlando, Florida.

"Clerk" means the Clerk or any Deputy Clerk of the City.

"Code" means the Internal Revenue Code of 1986, as amended, or any applicable corresponding provisions of any future laws of the United States of America relating to federal

income taxation, and except as otherwise provided herein or required by the context hereof, includes interpretations thereof contained or set forth in the applicable regulations of the Department of Treasury (including applicable final regulations and temporary regulations), the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings) and applicable court decisions.

"Cost" or "Cost of the Project," with respect to each Project subsequently authorized pursuant to the terms of the Covenant Ordinance, shall include, without limiting the items of cost permitted under the Act the following items to the extent they relate to a Project: (i) all direct costs of the Project items described in the plans and specifications for the Project; (ii) all costs of planning, designing, acquiring, constructing, financing and start-up costs of the Project; (iii) all costs of issuance of Bonds issued to finance such Project or to refund indebtedness issued for such purposes, including the cost of any municipal bond insurance, fees and expenses of Bond Counsel, Underwriter and Underwriter's (or dealers') counsel, special tax counsel and financial advisors, printing costs, rating agency fees, initial acceptance fees of paying agents, trustees, depositaries and all fees and costs of the Credit Facility Provider providing the Credit Facility and of other financial institutions providing special credit or liquidity facilities with respect to the Bonds; (iv) the cost of acquisition, by purchase or condemnation, of any lands, structures, improvements, rights-of-way, franchises, easements or interests therein and all of the properties tangible or intangible, deemed necessary or convenient for the maintenance and operation of the Project; (v) all engineering, legal and financial costs and expenses; (vi) all expenses for estimates of costs and of revenues; (vii) costs of obtaining governmental and regulatory permits, licenses and approvals; (viii) all fees of special advisors and consultants associated with one or more aspects of the Project; (ix) interest on Bonds prior to and during acquisition or construction of such Project for which such Bonds were issued, and for such additional periods as the City may reasonably determine to be necessary for the placing of such Project in operation; (x) the reimbursement to the City of all such Costs of such Project that have been advanced by the City from its available funds before the delivery of a Series of Bonds issued to finance such costs to the extent such reimbursements do not, in the opinion of Bond Counsel, adversely affect the exclusion of interest on the Bonds other than Taxable Bonds from gross income for federal income tax purposes; (xii) those amounts required to be rebated to the United States of America in order to preserve the exclusion from gross income for federal income tax purposes of interest on the Bonds issued with the intent that such interest be so excluded to the extent the City elects to pay such amounts from the Construction Fund; and (xiii) such other costs and expenses which shall be necessary or incidental to the financing herein authorized and the construction and acquisition of the Project and the placing of same in operation.

"County" means Orange County, Florida.

"Covenant Revenues" means those revenues of the City that are deposited to the credit of the City's General Fund or Utilities Services Tax Fund derived from any source whatsoever that are legally available for the payment of the obligations of the City under the Covenant Ordinance, inclusive of operating transfers from other funds into the General Fund and exclusive of (1) revenues derived from ad valorem taxation and (2) internal transfers between the General Fund and Utilities Services Tax Fund (to eliminate double counting). It shall be assumed for purposes of calculating Covenant Revenues and Self Sufficient Debt that amounts required to be transferred from the City's General Fund to community redevelopment trust funds pursuant to

Section 163.387, Florida Statutes will come from revenues derived from ad valorem taxation and not from Covenant Revenues.

"Debt Service Account" means the accounts established by that name pursuant to the Covenant Ordinance.

"Debt Service Requirement" means for a given Bond Year the remainder, after subtracting any accrued and capitalized interest for that year that has been deposited into the Debt Service Account or a separate subaccount in the Construction Account for that purpose with respect to Bonds outstanding under the Covenant Ordinance or that has been deposited in a similar account established with respect to Non-Self Sufficient Debt not issued as Bonds under the Covenant Ordinance, from the sum of:

(1) The amount required to pay the interest coming due on Non-Self Sufficient Debt during that Bond Year, including the accreted interest component of Capital Appreciation Debt becoming due and payable during that Bond Year,

(2) The amount required to pay the principal of Non-Self Sufficient Debt, including the principal of Serial Bonds and the principal of Term Bonds, including the principal component of Capital Appreciation Debt, maturing in that Bond Year that are not included in the Amortization Installments for such Term Bonds or in mandatory sinking fund redemption requirements with respect to other Non-Self Sufficient Debt,

(3) The Amortization Installments for all Series of Term Bonds for that Bond Year and the mandatory sinking fund redemption requirements with respect to other Non-Self Sufficient Debt, including such payments as may be required pursuant to the City's Amortization Certificate(s) and the Covenant Ordinance, and

(4) The premium, if any, payable on all Bonds and other Non-Self Sufficient Debt required to be redeemed in that Bond Year in satisfaction of the Amortization Installment or mandatory sinking fund redemption requirements with respect to other Non-Self Sufficient Debt or in accordance with the City's Amortization Certificate(s) and the Covenant Ordinance.

For purpose of determining the Debt Service Requirement, unless the interest rate is fixed for the duration of the applicable Bond Year(s), in which case the actual interest rate shall be used, the interest rate on Variable Rate Debt outstanding shall be calculated as follows:

(a) If the interest rate on Variable Rate Debt is fixed in whole or in part for longer than 12 months from the date of calculation, the Debt Service Requirement with respect to that portion of such Variable Rate Debt which is fixed for longer than 12 months shall be calculated on the basis of the actual interest rate through the period for which the interest rate is fixed, and the Debt Service Requirement with respect to the remaining portion of such Variable Rate Debt shall be calculated at an assumed rate equal to one hundred ten percent (110%) of the higher of (i) the average interest rate over the preceding 12 calendar months (or such shorter period as Variable Rate Debt has been outstanding) on all Variable Rate Debt outstanding on the date of calculation for which the interest rate is fixed for a period of one year or less, (ii) the average rate of interest

over the preceding calendar month on all Variable Rate Debt outstanding on the date of calculation for which the interest rate is fixed for a period of one year or less or (iii) the average of the Kenney Index for the preceding calendar month.

(b) If no portion of the interest rate on Variable Rate Debt is fixed for longer than 12 months from the date of calculation, the Interest Rate on such Variable Rate Debt shall be calculated at an assumed rate equal to 110% of the higher of (i) the average interest rate over the preceding 12 calendar months (or such shorter period as Variable Rate Debt has been outstanding) on all Variable Rate Debt outstanding on the date of calculation for which the interest rate is fixed for a period of one year or less, (ii) the average rate of interest over the preceding calendar month on all Variable Rate Debt outstanding on the date of calculation for which the interest rate is fixed for a period of one year or less or (iii) the average of the Kenney Index for the preceding calendar month.

The Debt Service Requirement shall be calculated assuming that the interest rate with respect to Variable Rate Debt proposed to be issued (other than Taxable Debt) equals 115% of the higher of (i) the average of the Kenney Index for the preceding 12 calendar months, and (ii) the average of the Kenney Index for the preceding calendar month; and with respect to Variable Rate Debt proposed to be issued as Taxable Debt, assuming the interest rate equals 115% of the Taxable Rate Index.

If a series of Variable Rate Debt is subject to purchase by the City pursuant to a mandatory or optional tender by the holder, the "tender" date or dates shall be ignored and the stated maturity dates thereof shall be used for purposes of this calculation. The interest rate for Bonds and Additional Bonds issued as Variable Rate Debt for purposes of determining the amount, if any, to be deposited into a subaccount in the Reserve Account for such Variable Rate Debt shall be as required by the supplemental ordinance or resolution authorizing the issuance of such Variable Rate Debt.

If Variable Rate Debt is subject to an agreement with an account party having a rating at the time of calculation not less than the rating assigned to the Bonds by each Rating Service then maintaining a rating on the Bonds to the effect that the account party will deposit into the Revenue Account that amount equivalent to the interest that would accrue on such Variable Rate Debt if calculated based upon the applicable variable rate index provided in such agreement which exceeds a specified fixed rate, the interest rate on such Variable Rate Debt for purposes of determining the Debt Service Requirement shall not exceed the fixed rate so specified for the duration of the agreement. The Debt Service Requirement shall be calculated assuming that the principal amount of each Series of Designated Maturity Debt shall have a final maturity of not later than thirty (30) years from the date of original issuance thereof and shall be amortized in accordance with the Amortization Certificate provided by the City.

"Designated Maturity Debt" means all Non-Self Sufficient Debt of a Series, or a particular maturity thereof, with a stated maturity of fifteen (15) years or less, designated as such by supplemental ordinance or resolution of the City adopted prior to the issuance thereof, for which either (i) no Serial maturities or Amortization Installments (with respect to Bonds issued

under the Covenant Ordinance) or mandatory sinking fund redemption installments (with respect to other Non-Self Sufficient Debt) have been established or (ii) the aggregate of such Serial maturities and Amortization Installments or mandatory sinking fund redemption installments that have been established is less than the principal amount of such Non-Self Sufficient Debt. For purposes of the Covenant Ordinance, the outstanding obligations of the City to the Florida Municipal Loan Council shall constitute Designated Maturity Debt under the Covenant Ordinance.

"Federal Securities" means direct obligations of the United States of America or obligations the payment of the principal of and interest on which when due is unconditionally guaranteed by the United States of America.

"Fiscal Year" means the period commencing on October 1 of each year and ending on the succeeding September 30, or such other consecutive 12-month period as may be designated as the Fiscal Year of the City pursuant to general law.

"Fitch" means Fitch Investors Services, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns and, if such corporation shall no longer perform the functions of a security rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the City.

"General Fund" means the City's General Fund.

"Governing Body" means the City Council of the City.

"Investment Obligations" means, to the extent permitted by law (i) Federal Securities, or (ii) direct obligations of the Federal Intermediate Credit Banks, Federal Land Banks, Federal Farm Credit System, Federal Home Loan Banks or Banks for Cooperatives, or (iii) certificates of deposit or other interest bearing obligations of any bank, savings and loan association or trust company (including any Authorized Depository) authorized to engage in the banking business, either fully insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or fully collateralized by obligations described in (i) or (ii) above having a fair market value (determined at least quarterly) equal to the principal amount of such certificates of deposit or other interest bearing obligations, or (iv) repurchase agreements with any authorized depository or primary reporting government dealer, in each case having a capital and surplus or net capital of not less than \$100,000,000, and having senior debt obligations rated at least A by at least one nationally recognized rating service, secured by collateral of the type and in the amount described in (iii) above, or (v) general obligation or full faith and credit bonds, notes or obligations of any state or any municipality or political subdivision of any state, or any revenue bonds, notes or obligations of any such entities, or any agency or authority thereof, if such obligations are rated by at least one nationally recognized rating service in either of the two highest classifications approved by the Comptroller of the Currency for the investment of funds of national banks, or (vi) any other obligations in which surplus municipal funds may be invested under the laws of the State of Florida, or any ordinance of the City authorized thereunder including without limitation, the Local Government Surplus Funds Trust Fund created and established pursuant to Part IV, Chapter 218, Florida Statutes, as amended.

"Maximum Annual Debt Service" with respect to Non-Self Sufficient Debt means, as of any particular date of calculation, the largest Debt Service Requirement for any remaining Bond Year except that the amount of principal coming due on the final maturity date with respect to Non-Self Sufficient Debt shall be reduced by (i) the aggregate principal amount of such Non-Self Sufficient Debt to be redeemed from Amortization Installments to be made in prior Bond Years and (ii) the aggregate principal amount of Non-Self Sufficient Debt to be paid or redeemed in prior Bond Years pursuant to the City's Amortization Certificate.

"Moody's" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns and, if such corporation shall no longer perform the function of a securities rating agency, "Moody's" shall be deemed to refer to such other nationally recognized rating agency as the City shall designate.

"Non-Ad Valorem Expenditures" means all expenditures from the General Fund and the Utilities Services Tax Fund (including debt service payments with respect to the Bonds), net of interfund transfers between such funds and net of expenditures funded with ad valorem tax revenues deposited into the General Fund.

"Non-Self Sufficient Debt" means any indebtedness of the City for the payment of borrowed money other than Self Sufficient Debt.

"Outstanding Bonds" or "Bonds outstanding" or "Outstanding" in reference to Bonds means all Bonds which have been issued pursuant to the Covenant Ordinance, except:

- (a) Bonds cancelled after purchase in the open market or because of payment at or redemption prior to maturity;

- (b) Bonds for the payment or redemption of which cash funds or Federal Securities or any combination thereof shall have been theretofore irrevocably set aside in a special account with the Paying Agents (whether upon or prior to the maturity or redemption date of any such Bonds) in an amount which, together with earnings on such Federal Securities, will be sufficient to pay the principal of and interest on such Bonds at maturity or upon their earlier redemption; provided that, if such Bonds are to be redeemed before the maturity thereof, notice of such redemption shall have been given according to the requirements of the Covenant Ordinance or irrevocable instructions directing the timely publication of such notice and directing the payment of the principal of and interest on all Bonds at such redemption dates shall have been given to the Paying Agents; and

- (c) Bonds which are deemed paid pursuant to Section 6.08 of the Covenant Ordinance or in lieu of which other Bonds have been issued under Section 6.04 of the Covenant Ordinance.

With respect to Non-Self Sufficient Debt other than Bonds, "Outstanding" or "outstanding" means all such Non-Self Sufficient Debt issued by the City except:

- (x) Non-Self Sufficient Debt cancelled after purchase in the open market or because of payment at or redemption prior to maturity;

(y) Non-Self Sufficient Debt that has been defeased in accordance with the terms thereof, and

(z) Non-Self Sufficient Debt that is deemed to no longer be outstanding under and for purposes of the Ordinance, resolution or other authorizing instrument under which such Non-Self Sufficient Debt is issued.

"Paying Agent" means any Authorized Depositary designated by the City to serve as a Paying Agent or place of payment for any one or more Series of Bonds issued under the Covenant Ordinance that shall have agreed to arrange for the timely payment of the principal of, interest on and redemption premium, if any, with respect to the Bonds to the registered owners thereof, from funds made available therefor by the City, and any successors designated pursuant to the Covenant Ordinance.

"Projects" means the construction or acquisition of additions, extensions and improvements to various capital improvements of the City for municipal purposes under the Act, including those described in Exhibit "A" attached to the Covenant Ordinance, and any other project described from time to time by supplemental ordinance or resolution of the City, and the refunding of indebtedness issued to finance any such Projects.

"Rating Service" means Moody's, Fitch and S&P and any other nationally recognized rating agency, to the extent they have in effect a rating on any of the Bonds outstanding under the Covenant Ordinance.

"Rebate Account" means the Rebate Account created and established pursuant to the Covenant Ordinance.

"Rebate Amount" means, with respect to each Series of Bonds issued under the Covenant Ordinance that are not Taxable Bonds, the excess of the amount earned on all non-purpose investments (as defined in Section 148(f)(6) of the Code, as amended) over the amount which would have been earned if such non-purpose investments were invested at a rate equal to the yield on such Series of Bonds, plus any income attributable to such excess.

"Reserve Account" means the respective accounts by that name established pursuant to the Covenant Ordinance.

"S&P" means Standard & Poor's Corporation, a corporation organized and existing under the laws of the State of New York, its successors and assigns and, if such corporation shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the City.

"Self Sufficient Debt" means any indebtedness of the City for borrowed money that is either (a) secured by or payable exclusively from a source of revenues other than Covenant Revenues, or (b) primarily payable from revenues of the type described in clause (a) above and secondarily from Covenant Revenues if the Covenant Revenues have not been used (or, as provided below, deemed to have been used) to pay any portion of such indebtedness for the three Fiscal Years preceding the date of determination and if the City projects that the Covenant Revenues will not be so used during the next two Fiscal Years; and either (c) that is secured by a

revenue source that has been in effect for at least three Fiscal Years and that would have provided coverage of at least 125% of the average annual debt service on such obligations secured by such revenue source in each of the three preceding Fiscal Years or, (d) if the revenue source has not been in existence for at least three Fiscal Years, that is secured by a revenue source that would have provided coverage of at least 150% of the average annual debt service on such obligations secured by such revenue source in at least the last full Fiscal Year preceding the issuance of such obligations and that is projected to provide at least 150% debt service coverage (based on revenue and debt service projections by the City) in each of the three ensuing Fiscal Years; and (e) in any such case, in the three preceding Fiscal Years, no debt service on which has been paid (or, as provided below, deemed to have been paid) from Covenant Revenues deposited in the General Fund or the Utilities Services Tax Fund. For purposes of calculating the coverage requirements described in this definition, the historical and projected receipts of a particular revenue source shall be adjusted retroactively to the initial date of the calculation period to reflect changes in rates, levies or impositions enacted prior to the date of calculation. For purposes of this definition, Covenant Revenues will be deemed to have been used to pay debt service on any debt if Covenant Revenues have been transferred in the relevant period, other than pursuant to a Capital Transfer, to a fund or account used to pay debt service on such debt.

"Series" means any portion of the Bonds or of other Non-Self Sufficient Debt of an issue authenticated and delivered in a single transaction, payable from an identical source of revenue and identified pursuant to the supplemental ordinance or resolution authorizing such Bonds or the authorizing instrument with respect to such other Non-Self Sufficient Debt as a separate Series of Bonds or indebtedness, regardless of variations in maturity, interest rate, Amortization Installments or other provisions, and any Bonds or other Non-Self Sufficient Debt thereafter authenticated and delivered in lieu of or in substitution of a Series of Bonds or other Non-Self Sufficient Debt.

"Stabilization Reserve Account" means the Stabilization Reserve Account created and established pursuant to the Covenant Ordinance.

"Stabilization Reserve Requirement" means an amount equal to 100% of the Average Annual Debt Service Requirement with respect to all Bonds Outstanding under the Covenant Ordinance calculated as of the date the requirement to fund the Stabilization Reserve Account arises pursuant to the Covenant Ordinance and recalculated annually upon the completion of the audit required pursuant to the Covenant Ordinance and as of the date of issuance of any Additional Bonds under the Covenant Ordinance, so long as such requirement remains effective.

"Taxable Debt" means Non-Self Sufficient Debt, the interest on which is not intended at the time of issuance thereof to be excluded from the gross income of the owners thereof for federal income tax purposes.

"Term Bonds" means Bonds of a Series for which Amortization Installments are established, and such other Bonds of a Series so designated by supplemental ordinance or resolution of the City adopted on or before the date of delivery of such Bonds.

"Utilities Services Tax Fund" means the City's Utilities Services Tax Fund as identified in the latest Comprehensive Annual Financial Report of the City available as of the date of enactment of the Covenant Ordinance.

"Variable Rate Debt" means Non-Self Sufficient Debt issued with a variable, auction reset, adjustable, convertible or other similar interest rate which is not fixed in percentage at the date of issue for the entire term thereof.

Covenant Ordinance Constitutes a Contract

The Covenant Ordinance shall be deemed to be and shall constitute a contract between the City and the respective Bondholders. The covenants and agreements set forth to be performed by the City shall be for the equal benefit, protection and security of the Bondholders and all Bonds shall be of equal rank and without preference, priority, or distinction over any other thereof, except as expressly provided in the Covenant Ordinance.

Bonds Mutilated, Destroyed, Stolen or Lost

If any Bond is mutilated, destroyed, stolen or lost, the City or its agent may, in its discretion (i) deliver a duplicate replacement Bond, or (ii) pay a Bond that has matured or is about to mature. A mutilated Bond shall be surrendered to and cancelled by the Clerk of the City or its duly authorized agent. The Bondholder must furnish the City or its agent proof of ownership of any destroyed, stolen or lost Bond; post satisfactory indemnity; comply with any reasonable conditions the City or its agent may prescribe; and pay the City's or the agent's reasonable expenses.

Deposits Constitute Trust Funds

All funds or other property which at any time may be owned or held in the possession of or deposited with the City in the Capital Improvement Special Revenue Bond Fund or the Stabilization Reserve Account under the provisions of the Covenant Ordinance shall be held in trust, applied only in accordance with the provisions of the Covenant Ordinance, and shall not be subject to lien or attachment by any creditor of the City.

Investment of Moneys

Moneys held for the credit of the funds and accounts created under the Covenant Ordinance shall be invested and reinvested by the City in Investment Obligations. Such investments or reinvestments shall mature not later than the respective dates, as estimated by the City, that the moneys held for the credit of said funds or accounts will be needed for the purposes of such funds or accounts. Investment earnings shall be applied as provided in the Covenant Ordinance.

Tax Covenants

The City intends that the interest on each Series of Bonds issued under the Covenant Ordinance that are not Taxable Debt be and remain excluded from gross income for federal income tax purposes. The City represents to and covenants with the Holders of the Bonds issued

under the Covenant Ordinance that are not Taxable Debt that it will comply with the requirements applicable to it contained in Section 103 and Part IV of Subchapter B of Chapter 1 of the Code to the extent necessary to preserve the exclusion of interest on each Series of Bonds from gross income for federal income tax purposes.

Reports and Annual Audits

The City shall require that an annual audit of its accounts and records be completed within six (6) months after the end of each Fiscal Year by an independent certified public accountant of recognized standing. Such audit shall be conducted in accordance with generally accepted auditing standards as applied to governmental units and shall be accompanied by a certification by the auditors stating that in the course of performing the audit, nothing has come to their attention that would cause them to believe the City is in default of any of its obligations under the Covenant Ordinance or, alternatively, specifying the nature of such default or failure to comply. The City shall also require its Chief Financial Officer to file with the City within six (6) months after the end of each Fiscal Year a written report certifying that all payments, deposits and credits to and payments, transfers and withdrawals from each fund and account created under Covenant Ordinance have been made in strict compliance with the terms of the Covenant Ordinance.

The Governing Body shall require its duly authorized officer to file with the City any special financial reports as requested at any time by a written document signed by Bondholders owning more than fifty percent (50%) of the aggregate principal amount of the Bonds then outstanding.

Amortization Certificate

The Chief Financial Officer shall, with respect to each Series of Non-Self Sufficient Debt issued on or after the date of issuance of the first Series of Bonds under the Covenant Ordinance for which Amortization Installments or serial maturities have not been established, file with the Governing Body prior to the beginning of each Fiscal Year, commencing with the Fiscal Year beginning five (5) years prior to commencement of the required amortization of such Series of Non-Self Sufficient Debt pursuant to the Covenant Ordinance, a report setting forth a plan for the amortization of such Series of Non-Self Sufficient Debt in accordance with the requirements of the Covenant Ordinance.

(a) Concurrently with the issuance of Non-Self Sufficient Debt, the Mayor or Mayor Pro Tem of the City shall certify (i) the dates and the principal amounts of such Non-Self Sufficient Debt (other than Designated Maturity Debt) that will be paid or redeemed in advance of the final maturity thereof to the extent that (a) separate serial maturities or Amortization Installments have not been established for such Non-Self Sufficient Debt and (b) amortization of such debt is otherwise required pursuant to the Covenant Ordinance and (ii) with respect to Designated Maturity Debt, the principal amortization for each series thereof in accordance with the Covenant Ordinance, assuming that the final maturity of each series of Designated Maturity Debt shall be no later than thirty (30) years from the date of original issuance thereof. Each proposed

Amortization Installment set forth in such certificate shall be on a date which is on or after the first optional redemption date for such Non-Self Sufficient Debt.

(b) The City may, from time to time amend the amortization certificate requirements established pursuant to the City's Amortization Certificate described in clause (a) above if the new amortization schedule would not cause the City to violate the amortization requirements as set forth in the Covenant Ordinance, and the anti-dilution test set forth in the Covenant Ordinance, as re-calculated on the date of amendment to such amortization schedule.

(c) The certificate of amortization provided pursuant to clause (a) above, as amended from time to time as provided in clause (b) above shall not create an enforceable right or expectation of Bondholders to have Bonds redeemed or retired in accordance therewith, but is intended to document the City's ability and intent to comply with the requirements of the Covenant Ordinance.

A copy of each report of the Chief Financial Officer, together with the comprehensive annual financial report as certified according to the requirements stated above, shall be available for inspection at the offices of the City and shall be promptly furnished to the managing underwriter of each Series of Bonds and mailed to any Bondholder requesting the same upon payment by such Bondholder of the cost of reproduction and mailing.

Annual Budget

The City covenants and agrees to prepare and adopt for each Fiscal Year an Annual Budget for the City in the manner provided and in accordance with applicable law.

Events of Default

The Covenant Ordinance provides that each of the following events is an "event of default" under the respective documents.

(a) payment of principal of any Bond shall not be made when the same shall become due and payable, either at maturity or on required payment dates by proceedings for redemption or otherwise; or

(b) payment of any installment of interest shall not be made when the same shall become due and payable; or

(c) the City shall fail to make any cash deposits required to be made under the Covenant Ordinance and such failure shall continue unremedied for a period of five (5) days after the occurrence thereof; or

(d) the City shall fail to comply with any of the covenants and obligations of the City under the Covenant Ordinance (other than with respect to making required cash deposits) and such failure shall continue unremedied for a period of thirty (30) days after the occurrence thereof; or

(e) an order or decree shall be entered, with the consent or acquiescence of the City, appointing a receiver or receivers of the City, or the filing of a petition by the City for relief under federal bankruptcy laws or any other applicable law or statute of the United States of America or the State of Florida, which shall not be dismissed, vacated or discharged within thirty (30) days after the filing thereof; or

(f) any proceedings shall be instituted, with the consent or acquiescence of the City, for the purpose of effecting a composition between the City and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statutes now or hereafter enacted, if the claims of such creditors are under any circumstances payable from amounts deposited in the General Fund or the Utility Services Tax Fund.

Notwithstanding the foregoing, with respect to the events described in clause (d) above, the City shall not be deemed in default under the Covenant Ordinance if such default can be cured within a reasonable period of time and if the City in good faith institutes appropriate curative action and diligently pursues such action until the default has been corrected.

Enforcement of Remedies

Upon the happening and continuance of any event of default, then and in every such case the Owners of not less than 25% of the Bond Obligation then outstanding, may appoint any state bank, national bank, trust company or national banking association qualified to transact business in Florida to serve as trustee for the benefit of the Holders of all Bonds then outstanding (the "Trustee"). Notice of such appointment, together with evidence of the requisite signatures of the Holders of 25% of the Bond Obligation and the trust instrument under which a trustee shall have agreed to serve shall be filed with the City and such Trustee and notice of such appointment shall be published in a financial journal of general circulation in the City of New York, New York. After the appointment of the first Trustee under the Covenant Ordinance no further Trustees may be appointed; however, the Holders of a majority of the Bond Obligation then outstanding may remove the Trustee initially appointed and appoint a successor and subsequent successors at any time. If the default for which the Trustee was appointed is cured or waived pursuant to the Covenant Ordinance the appointment of the Trustee shall terminate with respect to such default.

After a Trustee has been appointed pursuant to the foregoing, the Trustee may proceed, and upon the written request of owners of 25% of the Bond Obligation outstanding shall proceed, to protect and enforce the rights of the Bondholders under the laws of the State of Florida, including the Act, and under the Covenant Ordinance by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board, body or officer having jurisdiction, either for the specific performance of any covenant or agreement contained therein or in aid of execution of any power therein granted or for the enforcement of any proper legal or equitable remedy, all as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights.

Effect of Discontinuing Proceedings

In case any proceeding taken by the Trustee or any Bondholder on account of any default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or such Bondholder, then and in every such case the City, the Trustee and Bondholders shall be restored to their former positions and rights under the Covenant Ordinance and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

Directions to Trustee as to Remedial Proceedings

Notwithstanding anything in the Covenant Ordinance to the contrary, the Holders of a majority of the Bond Obligation then outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee under the Covenant Ordinance, provided that such direction shall not be otherwise than in accordance with law or the provisions of the Covenant Ordinance and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

Restrictions on Actions by Individual Bondholders

No Bondholder shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust under the Covenant Ordinance or for any other remedy thereunder unless such Bondholder previously shall have given to the Trustee written notice of the event of default on account of which such suit, action or proceeding is to be taken, and unless the Holders of not less than 25% of the Bond Obligation then outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted under the Covenant Ordinance or to institute such action, suit or proceeding in its or their name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, including the reasonable fees of its attorneys (including fees on appeal), and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of the Covenant Ordinance or for any other remedy thereunder. It is understood and intended that no one or more Owners of the Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Covenant Ordinance, or to enforce any right thereunder, except in the manner therein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner therein provided and for the benefit of all Bondholders, and that any individual rights of action or any other right given to one or more of such Owners by law are restricted by the Covenant Ordinance to the rights and remedies therein provided.

Nothing contained in the Covenant Ordinance, however, shall affect or impair the right of any Bondholder, individually, to enforce the payment of the principal of and interest on his Bond

or Bonds at and after the maturity thereof, at the time, place, from the source and in the manner provided in the Covenant Ordinance.

Modification or Amendment

The Covenant Ordinance may be modified and amended and all appropriate blanks appearing therein may be completed by the City from time to time prior to the issuance of the first Series of Bonds thereunder. Thereafter, no modification or amendment of the Covenant Ordinance, or of any resolution or ordinance amendatory thereof or supplemental thereto, materially adverse to the Bondholders of a Series may be made without the consent in writing of the Owners of not less than a majority of the Bond Obligation of such Series then outstanding, but no modification or amendment shall permit a change (a) in the maturity of the Bonds or a reduction in the rate of interest thereon, (b) in the amount of the principal obligation of any Bond, (c) that would affect the unconditional promise of the City to budget and appropriate Covenant Revenues for the payment of the obligations of the City under the Covenant Ordinance, or (d) that would reduce such percentage of Holders of the Bonds, required as referred to above, for such modifications or amendments, without the consent of all of the Bondholders. For the purpose of Bondholders' voting rights or consents, the Bonds owned by or held for the account of the City, directly or indirectly, shall not be counted. The City may amend the Covenant Ordinance to authorize the issuance of Bonds in coupon form and may make other amendments not prohibited by the foregoing, without the consent of the Bondholders.

Defeasance and Release of Covenant Ordinance

If, at any time after the date of issuance of the Bonds, (a) all Bonds secured by the Covenant Ordinance or any Series thereof or maturity within a Series shall have become due and payable in accordance with their terms or otherwise as provided in the Covenant Ordinance or shall have been duly called for redemption, or the City gives the Paying Agents irrevocable instructions directing the payment of the principal of, premium, if any, and interest on such Bonds at maturity or at any earlier redemption date scheduled by the City, or any combination thereof, and (b) the whole amount of the principal, premium, if any, and the interest so due and payable upon all of such Bonds then outstanding, at maturity or upon redemption, shall be paid, or sufficient moneys shall be held by the Paying Agents in irrevocable trust for the benefit of such Bondholders (whether or not held in any account created under the Covenant Ordinance) which, when invested in direct obligations of the United States of America maturing not later than the maturity or redemption dates of such principal, premium, if any, and interest will, together with the income realized on such investments, be sufficient to pay all such principal, premium, if any, and interest on said Bonds at the maturity thereof or the date upon which such Bonds are to be called for redemption prior to maturity, (c) provisions shall also be made for paying all other sums payable under the Covenant Ordinance by the City, then and in that case the right, title and interest of such Bondholders under the Covenant Ordinance and the pledge of and lien on the moneys deposited in the funds and accounts created under the Covenant Ordinance and all other pledges and liens created thereby or pursuant thereto, with respect to such Bondholders shall thereupon cease, determine and become void, and if such conditions have been satisfied with respect to all Bonds issued thereunder and then outstanding, all balances remaining in any other funds or accounts created by the Covenant Ordinance other than moneys held for redemption or payment of Bonds and to pay all other sums payable by the City

thereunder shall be distributed to the City for any lawful purpose; otherwise the Covenant Ordinance shall be, continue and remain in full force and effect.

APPENDIX B
FORM OF BOND COUNSEL OPINION

APPENDIX C

GENERAL INFORMATION – THE CITY OF ORLANDO, FLORIDA

General

The City was incorporated on July 31, 1875, and is located in the approximate center of the State in Orange County (the "County"). The County, established by the Florida Legislature in 1824, is located approximately midway between the City of Jacksonville to the north and the City of Miami to the south, and between the City of St. Petersburg and the City of Tampa on the west and the City of Daytona Beach on the east. Two of the State's major highways, Interstate 4 for east west travel and the Florida Turnpike for north south travel, intersect just outside of the City. The County encompasses approximately 1,003 square miles, ranking nineteenth in the State in terms of land area. The County enjoys an excellent climate, with temperatures ranging from an average of approximately 60° (F) in January to an average of approximately 83° (F) in August.

The Orlando MSA is one of the leading tourist destinations in the world, has one of the largest number of hotel accommodations and one of the highest hotel occupancy rates in the United States. Orlando hosted approximately 62 million visitors in 2014. Metro Orlando has approximately 116,500 hotel rooms, which is the second largest concentration of hotel rooms in the United States. The Orlando/Orange County Convention Center houses more than 7,000,000 square feet of public, exhibit and meeting space, making it one of the largest in the nation.

The City and the Amway Center are home to the Orlando Magic, a franchise in the National Basketball Association and the Orlando Solar Bears, who compete in the ECHL hockey league. The City and the Amway Center served as hosts for the NBA's 2012 All-Star Game and events. The Orlando MSA is the spring training home of the Houston Astros and the Atlanta Braves. The City's Florida Citrus Bowl is the temporary home to the Orlando City Lions, who began play in Major League Soccer in 2015, and is also host of the annual NCAA Football Cure Bowl, Buffalo Wild Wings Citrus Bowl, Russell Athletic Bowl and Florida Blue Florida Classic games.

The Orlando MSA has five major institutions of higher education having a collective enrollment of over 160,000 full and part-time students.

The southeastern corner of the City of Orlando is home to the new Medical City at Lake Nona (the "Medical City"). The Medical City is the current site for several medical, life sciences, and clinical research facilities which are creating a biomedical and life sciences cluster in Orlando. Some of the facilities at Medical City include the Burnham Institute of Medical Research, which opened in Spring 2009, the University of Central Florida Medical School, which began classes in Fall 2009, Nemour's Children's Hospital, which opened in October of 2012, a U.S. Department of Veterans Affairs Medical Center, which partially opened in 2015, and a University of Florida Joint Research Facility.

Population

The following Table 1 indicates the population trends for the City, the County, the Orlando MSA and the State since 1960.

TABLE 1
CITY OF ORLANDO, ORANGE COUNTY, ORLANDO MSA AND FLORIDA
POPULATION
(1960-2013)
(in thousands)

Year	City of Orlando ⁽¹⁾		Orange County ⁽¹⁾		Orlando MSA ⁽¹⁾		Florida ⁽¹⁾	
	Population	% Change	Population	% Change	Population	% Change	Population	% Change
1960	88.1	-- %	263.5	-- %	337.5	-- %	4,951.6	-- %
1970	99.0	12.4	344.3	30.7	453.3	34.3	6,791.4	37.2
1980	130.4	31.7	481.7	39.9	723.9	59.7	9,747.0	43.5
1990	164.7	26.3	677.5	40.6	1,072.7	48.2	12,937.9	32.7
2000 ⁽²⁾	188.0	14.1	867.2	28.0	1,644.6	53.3	15,982.4	23.5
2001	192.0	2.1	884.7	2.0	1,684.6	2.4	16,261.0	1.7
2002	194.9	1.5	955.9	8.0	1,762.9	4.6	16,713.1	2.8
2003	201.9	3.6	980.2	2.5	1,801.3	2.2	16,917.3	1.2
2004	208.9	3.5	999.9	2.0	1,837.7	2.0	17,177.8	1.5
2005	217.6	4.2	1,043.4	4.4	1,953.4	6.3	17,912.7	4.3
2006	224.1	3.0	1,079.5	3.5	2,032.9	4.1	18,349.1	2.4
2007	228.8	2.1	1,105.6	2.4	2,083.9	2.5	18,680.4	1.8
2008	234.1	2.3	1,115.0	0.9	2,103.5	0.9	18,807.2	0.7
2009	233.1	-0.4	1,108.9	-0.5	2,097.4	-0.3	18,750.5	-0.3
2010	238.3	2.2	1,146.0	3.3	2,134.4	1.8	18,801.3	0.3
2011	242.0	1.6	1,157.3	1.0	2,154.1	0.9	18,905.0	0.6
2012	245.4	1.4	1,175.9	1.6	2,184.6	1.4	19,074.4	0.9
2013	250.4	2.0	1,203.0	2.3	2,225.7	1.9	19,259.5	1.0
2014	255.6	2.1	1,228.0	2.1	2,270.4	2.0	19,507.4	1.3
2015 ⁽³⁾	262.9	2.8	1,252.4	2.0	2,320.2	2.2	19,815.2	1.6

⁽¹⁾ U.S. Census of Population (1960, 1970, 1980, 1990, 2000 and 2010). Annual estimates: University of Florida Bureau of Economic and Business Research (via State of Florida Office of Economic & Demographic Research).

⁽²⁾ As of December 31, 1992, Lake County (population 231,072) was added to the Orlando MSA. MSA consists of Orange, Osceola, Seminole and Lake Counties.

⁽³⁾ 2015 Population estimates are as of April 1, 2015.

REVENUE SOURCES OF THE CITY

General

The City relies on a broad mix of general revenues to finance primary government operations. These revenues include local tax revenues and monies received from State revenue sharing. The local tax revenues for the City are comprised of a Real Estate and Personal Property Tax, Franchise Fees, and the Utilities Services Tax. The State revenue sharing is

comprised of the Motor Fuel Tax, the Beverage License Tax, Sales Tax, and the Insurance Premium Tax.

The City's various local taxes produced \$203,819,842 in revenues for the Fiscal Year ended September 30, 2015. During the period 2005-2015, all of the City's taxes produced revenues as shown in the following table. Also reflected are forecasted revenues for 2016 as adopted in the Annual Budget.

TABLE 2
CITY OF ORLANDO
TAX REVENUES BY SOURCE

Fiscal Year	Property Taxes		Franchise Fees	Utilities Service Taxes ⁽¹⁾	Total Taxes
	Operations	Debt Service			
2005	82,993,998	--	25,686,695	39,376,317	148,057,010
2006	92,732,716	--	29,582,095	40,944,806	163,259,617
2007	116,111,767	--	30,332,886	42,899,176	189,343,829
2008	119,387,019	--	31,577,024	45,015,374	195,979,417
2009	137,236,136	--	33,042,696	45,379,973	215,658,805
2010	122,169,286	--	34,359,542	46,840,359	203,369,187
2011	102,301,264	--	34,065,382	44,574,343	180,940,989
2012	99,143,329	--	34,506,814	42,433,883	176,084,026
2013	98,611,877	--	48,210,195	28,743,562	175,565,634
2014	102,110,952	--	44,592,547	30,202,184	162,345,689
2015 ⁽²⁾	128,133,651	--	45,299,179	30,387,012	203,819,842
2016 ⁽³⁾	146,137,113	--	44,200,000	29,347,512	219,684,625

Source: City's Office of Business and Financial Services.

⁽¹⁾ To the extent tax receipts are not pledged to senior Utilities Services Tax bonds, tax receipts are pledged as collateral for the payment of debt service for the City's outstanding wastewater revenue bonds and, if not needed, is released monthly. The released Utilities Services Tax revenues are placed in a Special Revenue fund. The drop in Utilities Service Tax revenues for Fiscal Year 2013 and the corresponding increase in Franchise Fees are due to local Communications Services Taxes no longer being a part of the pledged Utilities Services Tax revenues.

⁽²⁾ Unaudited.

⁽³⁾ Budgeted numbers.

Property Tax Rates, Collections and Uses. The Real Estate and Personal Property Taxes provide the City with a major source of revenue for a variety of functions. The City is limited by the Constitution of the State to an ad valorem tax levy of 10 mills on each dollar of assessed valuation for operating expenditures. The Orange County Property Appraiser is charged with determining the value of such property, whereupon property taxes are collected by the Orange County Tax Collector.

Property taxes are billed by the Tax Collector each year and are payable during the period commencing November 1 of such year and ending March 31 of the following year. If the amounts on the tax notice are paid during the November following the billing or during the succeeding three months, the taxpayer is granted a discount equal to four percent (4%) in November and decreasing one percent (1%) per month to one percent (1%) in February. All unpaid property taxes become delinquent on April 1 of the year following the November in

which they are billed. Commencing in April, a one and one-half percent (1.5%) per month penalty accrues on the unpaid tax notice. Delay in the mailing of tax notices to taxpayers may result in a delay throughout this process.

The collection of delinquent taxes is, in essence, based upon the sale by the Tax Collector of "tax certificates" on the assessed property and the remittance to the City of the proceeds of such sale. In the event of a delinquency in the payment of taxes, the landowner may, prior to the sale of tax certificates, pay delinquent taxes plus costs, advertising charges, and an interest charge of up to eighteen percent (18%) per annum on the amount of delinquent taxes. If the landowner does not act, the Tax Collector is required to sell a tax certificate to the person who pays the taxes owing and interest and penalties thereon and certain costs, and who accepts the lowest interest rate (not to exceed 18% per annum) to be borne by the certificate. If there are no bidders, the County is to hold, but not pay for, tax certificates with respect to the property, bearing interest at the maximum legal rate of interest. The County may sell such certificates to the public at any time before a tax deed has been issued or the property is placed on the list of land available for sale at the principal amount thereof plus interest at the rate of not more than eighteen percent (18%) per annum and a fee. The demand for such certificates is dependent upon various factors which include the interest (and the rate thereof) which can be earned by ownership of such certificates and the value of the property which is the subject of such certificates (which may be subject to sale after two years at the demand of the certificate holder). In recent years, the County has experienced high demand for tax certificates due to the interest rates borne by such certificates and the value of the underlying property.

The following tables provide the City's record of property tax rates and tax levies, including all overlapping governments, for the Fiscal Years 2006-2015 and the City's assessed and estimated actual valuations are presented for Fiscal Years 2006-2015. The assessed value for each Fiscal Year is determined on January 1 of the prior calendar year. For example, the assessed value on January 1, 2014, is used to determine the tax levy for the Fiscal Year ending September 30, 2015.

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TABLE 3
CITY OF ORLANDO, FLORIDA
PROPERTY TAX RATES AND LEVIES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Millage Rates
(\$1.00 per \$1,000 of taxable value)

Fiscal Year Ended Sept 30	City of Orlando	Orange County	Orange County School Board	Total⁽¹⁾
2006	5.6916	5.1639	7.7610	18.6165
2007	5.6916	5.1639	7.1690	18.0245
2008	4.9307	4.4347	7.1210	16.4864
2009	5.6500	4.4347	7.1500	17.2347
2010	5.6500	4.4347	7.6730	17.7577
2011	5.6500	4.4347	7.8940	17.9787
2012	5.6500	4.4347	8.5450	18.6297
2013	5.6500	4.4347	8.4780	18.5627
2014	5.6500	4.4347	8.3620	18.4467
2015	6.6500	4.4347	8.4740	19.5587
2016 ⁽¹⁾	6.6500	4.4347	8.2180	19.3027

⁽¹⁾ Budgeted

Source: Orange County Property Appraiser.

Tax Levies

Fiscal Year Ended Sept 30	Orlando	Orange County	School Board	Total⁽¹⁾
2006	96,656,886	390,016,805	587,088,190	1,073,761,881
2007	120,938,102	476,443,402	662,235,752	1,259,617,256
2008	123,577,724	477,308,508	768,318,223	1,369,204,455
2009	143,742,916	477,154,438	807,121,092	1,428,018,446
2010	126,948,891	426,515,585	778,897,484	1,332,361,960
2011	105,705,190	370,676,308	698,355,979	1,174,737,477
2012	102,260,468	360,493,211	737,805,295	1,200,558,974
2013	102,097,977	359,475,015	728,843,086	1,190,416,078
2014	105,535,381	372,903,925	744,757,410	1,223,196,716
2015	133,216,953	399,760,603	814,898,207	1,347,875,763

⁽¹⁾ Tax rates and levies assessed in various years by other units against districts covering less than the entire City or County are omitted here. (Example: Property in the Downtown Development District was subject to a \$1.00 per thousand tax.)

Source: Orange County Property Appraiser.

TABLE 4
CITY OF ORLANDO, FLORIDA
ASSESSED AND ESTIMATED VALUE OF TAXABLE PROPERTY
NET OF EXEMPTIONS

Fiscal Year Ended Sept 30	Real Property	Personal Property	Centrally Assessed Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Market Value of Taxable Property	Assessed Value ⁽¹⁾ as a Percentage of Actual Value
2006	21,718,727,226	3,993,538,522	3,105,583	8,732,794,295	16,982,577,036	5.6916	32,815,528,509	78.4
2007	27,231,600,376	4,157,742,536	3,429,600	10,274,893,962	21,117,878,550	5.6916	39,600,138,397	79.3
2008	31,931,514,368	4,236,036,306	6,308,224	11,105,208,010	25,068,650,888	4.4347	45,274,679,908	79.9
2009	32,896,763,046	4,437,260,553	3,338,690	11,895,965,001	25,441,397,288	5.6500	46,773,159,322	79.8
2010	28,843,867,942	4,406,740,903	3,642,541	10,785,230,199	22,469,021,187	5.6500	41,949,861,013	79.3
2011	23,545,447,333	4,235,142,394	2,680,548	9,074,171,606	18,709,098,669	5.6500	35,403,465,720	78.5
2012	23,132,884,157	4,349,813,881	3,857,605	9,387,376,379	18,099,179,264	5.6500	35,127,767,948	78.2
2013	23,233,800,236	4,504,004,307	3,852,456	9,671,000,205	18,070,656,794	5.6500	35,526,833,827	78.1
2014	24,049,254,354	4,574,875,590	4,629,753	9,950,216,606	18,678,543,091	5.6500	36,615,825,788	78.2
2015	25,735,535,430	4,650,586,565	4,735,156	10,358,355,774	20,032,501,377	6.6500	38,737,447,598	78.5
2016 ⁽²⁾	28,637,611,094	4,961,956,622	4,154,251	10,667,572,181	22,936,149,786	6.6500	42,717,200,733	78.7

Source: Orange County Property Appraiser.

Note: Assessed values are determined as of January 1 for the collection of taxes in the following fiscal year. For example, the assessed values as of January 1, 2013 are used for the collection of property taxes in the Fiscal Year ending September 30, 2015. Real property is assessed at 85% of estimated market value and Personal Property assessments at 55%. Estimated actual taxable value is calculated by dividing assessed value by those percentages. Centrally assessed property consists of railroad lines which are assessed by the State of Florida. Tax rates are per \$1,000 of assessed value.

(1) Includes tax exempt property.

(2) Budgeted.

Property Assessments. Utilities and Carriers (railroads, truck lines, air lines, bus lines, etc.) are assessed by the County Property Appraiser, and some intangible personal property related to banks is assessed by the State Department of Revenue. The County Property Appraiser reports to the State's Department of Revenue in Tallahassee. Property assessments are made on a continuing basis.

Utilities Service Taxes

The Utilities Service Tax is assessed at 10% of the sales price of bottled or metered gas, water and electricity, and as a \$.04 per gallon tax on fuel oil. Through September 30, 2002, there was also an assessed 7% Utilities Service Tax on telecommunications services; however, this revenue source has been replaced by the local portion of the Communications Services Tax on telecommunications and cable services authorized by the State of Florida. The rate for the local portion of the Communications Service Tax adopted by the City was 5.3% during the transition period from October 1, 2001, through September 30, 2002, and 5.0% starting October 1, 2002. These rates were set with the expectation that the City would be kept revenue neutral with the communications services tax replacement of the utilities services tax on telecommunications as well as franchise fees on telecommunications and cable services. This rate was raised to 5.22% effective January 1, 2005.

Franchise Fees

Franchise fees are received by the City from firms which are permitted to operate and provide various public services to the residents of the City. Fees received by the City for local services provided by the natural gas company are based on a percentage of the gross revenues with a minimum annual fee. Refuse collection firms pay fees to the City based on the number of monthly pick ups and a minimum annual fee. As part of the Communications Services Tax Simplification Act enacted by the State of Florida, effective October 1, 2001, counties and municipalities are prohibited from requiring the payment of franchise fees on telecommunications and cable services. The Utilities Service Taxes and Franchise Fees had significant increases as a result of the State's new Communications Tax.

State Revenue Sharing

The City receives certain funds from the State which are derived from the motor fuel tax, sales tax and beverage licenses. Additionally, the City receives funds from the Insurance Premium Tax for Municipal Police and Firefighter Retirement Funds, and also a small amount from mobile home license fees.

TAXPAYERS

Taxable assessed value information for the City's largest property tax payers is shown in Table 5.

TABLE 5
CITY OF ORLANDO, FLORIDA
SCHEDULE OF LARGEST TAXPAYERS
September 30, 2014

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Valuation</u>	<u>Percentage</u>
Universal City Development Partners Ltd	Entertainment	\$1,007,294,204	5.39%
HIW-KC Orlando LLC	Developer	149,826,944	0.80
Forbes Taubman Orlando LLC	Developer	102,186,355	0.55
F6OSTC LLC	Commercial	90,127,922	0.48
Orlando Outlet Owner LLC	Commercial	69,346,405	0.37
Realty Assoc Fund IX LP	Developer	62,322,362	0.33
USO Norge Paramount Note LLC	Developer	57,714,813	0.31
PKY Fund II Orlando I LLC	Developer	55,342,502	0.30
MGI Baldwin Park LP	Developer	54,356,823	0.29
PBP Apartments LLC	Developer	51,549,639	0.28
Total Taxable Assessed Value of 10 Largest Taxpayers		\$ 1,700,067,969	9.10%
Total Taxable Assessed Value of Other Taxpayers		16,978,475,122	90.90%
Total Taxable Assessed Value of All Taxpayers		18,678,543,091	100.00%

Source: Orange County Property Appraiser's Office.

INDUSTRY AND COMMERCE

The following information on Industry and Commerce in the Orlando MSA was obtained from the Metro Orlando Economic Development Commission.

The Orlando area is located in the center of Florida's High Tech Corridor. This corridor extends from the Tampa Bay region through Metro Orlando and on to Volusia County and the Space Coast. Fortune, Forbes, Business Week, Entrepreneur and Time magazines have touted the region, using such terms as emerging leader; fastest growing; and among the best cities in the nation for high technology, film, television and digital media production, and business development. The City's advantageous location, quality workforce, and progressive business environment draw corporations to Metro Orlando.

Corporate headquarters based in Metro Orlando benefit from a strong pro-business atmosphere and unlimited potential that only the nation's very best business communities can offer. Neighbors include AirTran, Darden Restaurants, Ruth's Chris Steakhouse and Tupperware International.

Orlando is the world capital of Modeling, Simulation & Training (MS&T) and the top producing region for engineers in the Aviation, Aerospace & Defense industry. As the nation's newest hub for Advanced Manufacturing, Orlando is home to the world's first international consortium for advanced manufacturing and research. Life Sciences & Healthcare are growing here at exponential rates with more than 92,000 jobs and growing. Orlando's Innovative Technologies industry, with an ecosystem that includes the Southeast's largest tech meetup, is comprised to 2,600 companies with an average wage of \$70,000.

A number of strong and established industry sectors are based in Metro Orlando. Community and industry leaders are dedicated to advancing the growth of these sectors as the region enhances its standing as a corporate and high tech hub. The area's major industrial sectors include:

Advanced Manufacturing. From large multi-national corporations like Mitsubishi Hitachi Power Systems Americas and Siemens Energy to mid-size companies and start-ups, Orlando's significant Advanced Manufacturing industry spans a full spectrum of sectors. Orlando is home to a high volume of tech transfer and commercialization that's fueled by a top R&D university, specialized research labs/centers and one of the top technology incubation systems and research parks in the country. And with the new International Consortium for Advanced Manufacturing Research (ICAMR) getting ready to tackle big issues like the "Internet of Everything," this is one industry set to expand significantly in the region. The Orlando region hosts 500 companies in this sector, employing 13,100. Focus areas include advanced materials, clean energy and power technology, enabling components. R&D, and emerging technologies.

Aviation, Aerospace and Defense. Known as the Modeling, Simulation and Training (MS&T) capital of the world, Orlando is home to the simulation procurement commands for the Army and Navy and has a significant presence of the Air Force, Marines and Coast Guard. In total, more than \$4 billion in annual simulation contracts flow through the region, the majority of which is awarded to local companies and subcontractors. The region has five airports (including

MCO and SFB) with more than 175 non-stop destinations around the world, a new commuter rail system, upcoming statewide rail system, close proximity to major ports (including the world's only quadramodal port) and strong roadways. All of this connectivity is invaluable for business. The Orlando region hosts 300 companies in this sector, employing 27,200. Focus areas include defense industry, MS&T, maintenance, repair and overhaul, optics and photonics, and cybersecurity.

Corporate Headquarters and Regional Offices. Corporate headquarters and regional offices across-the-board are experiencing their own growth while contributing to the daily operations and overall expansion of other major industries in the region and throughout the world. Industry leaders like American Automobile Association (AAA), Darden Restaurants, Deloitte Consulting LLP, Electronic Arts, Lockheed Martin, Northrop Grumman, Tupperware Brands Corporation, Verizon Communications and the Walt Disney Company are either headquartered here or have a significant presence in the region. Orlando is also home to the major U.S. operations of international companies like Germany's Siemens Energy, Japan's Mitsubishi Hitachi Power Systems, Israel's Mazor Robotics, and Australia's Adacel to name a few. In total, more than 150 international companies, representing about 20 countries, have facilities in Orlando. Focus areas include global headquarters, division headquarters, regional headquarters, back office, shared services and other industry sectors.

Innovative Technologies. Home to over 2,000 companies creating technology that shapes all aspects of the economy, Orlando fuses experience with ingenuity. Partnering with some of the country's leading higher education institutions, powerhouse companies including Oracle, Electronic Arts Tiburon and Golf Channel have fostered an experienced workforce of over 30,000 employees with an average wage of roughly \$70,000. Driven by a superior quality of life, passionate creative culture and high value/low cost of operation, Orlando's dynamic technology industry continues to propel the innovative economy. This culmination of industry and education has exploded into a burgeoning tech ecosystem with the Southeast's largest tech meetup group consisting of over 3,000 designers, entrepreneurs and investors bound together by creative workspaces, incubators, accelerators, events and supportive civic entities. The Orlando region hosts 2,600 companies in this sector, employing 33,900. Focus areas include consumer technology, data management and analytics, digital media, e-commerce, film and production technology, game and mobile app development, software development, and telecommunications.

Life Sciences and Healthcare. With one of the most rapidly evolving Life Sciences and Healthcare industries in the United States, Orlando has caught the attention of medical innovators and entrepreneurs around the globe. Renowned for its collaborative and entrepreneurial environment anchored in state-of-the-art educational and research facilities, the Orlando region has become the ideal platform to launch groundbreaking medical advances that combat our most pressing health issues. The Orlando region hosts 4,800 companies in this sector, employing 92,600. Focus areas include clinical trials and drug/vaccine research, healthcare delivery, medical devices and diagnostics, specialty pharma and pharmaceuticals, and sports innovation and performance.

Tables 6 through 8 describe the impact of Orlando's increased economic activity.

TABLE 6
ORLANDO MSA
SCHEDULE OF LARGEST EMPLOYERS
September 30, 2014

Employer	Type of Business	Number of Employees	Percentage of Total MSA Employment
Walt Disney World	Leisure & Hospitality	74,000	6.41%
Orange County Public Schools	Government	22,902	1.98
Universal Orlando (Comcast)	Leisure & Hospitality	19,000	1.65
Florida Hospital (Adventist Health)	Healthcare	18,668	1.62
University of Central Florida	Education	7,899	0.68
Seminole County Public Schools	Government	7,687	0.67
Orange County Government	Government	6,758	0.59
Walgreens Specialty Pharmacy	Healthcare	6,500	0.56
Darden Restaurants Inc.	Restaurants	6,419	0.56
Seaworld Parks & Entertainment	Leisure & Hospitality	6,032	0.52
Other Employers	Various	978,413	84.76
Total		1,154,278	100.00%

Source: Metro Orlando Economic Development Commission.

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TABLE 7
ORLANDO MSA
NON-AGRICULTURAL EMPLOYMENT SECTOR
(In Thousands)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015⁽¹⁾
Goods producing	130.6	129.5	115.0	93.0	82.6	80.0	82.3	86.7	99.3	102.9
Mining and Logging	0.3	0.4	0.3	0.2	0.2	0.2	0.2	0.2	0.3	0.3
Construction	86.7	85.0	72.4	54.7	45.1	42.2	44.4	48.5	58.7	61.3
Manufacturing	43.6	44.1	42.3	38.1	37.3	37.6	37.7	38.0	40.3	41.3
Service Providing	946.8	965.3	961.4	916.6	933.2	928.7	945.2	999.3	1,045.9	1,080.4
Trade, Transportation, & Utilities	198.4	204.0	200.8	186.0	184.4	186.8	191.2	207.6	225.1	231.8
Information	28.0	26.8	26.3	25.1	23.6	23.4	23.9	23.5	24.6	24.4
Financial	66.3	67.8	66.5	63.1	63.9	65.2	64.9	69.2	72.6	74.7
Professional & Business Services	191.8	187.0	182.7	169.1	165.4	160.3	163.9	177.9	187.6	195.5
Education & Health Services	107.0	112.7	116.4	117.7	122.3	123.9	126.1	135.9	138.6	140.6
Leisure & Hospitality	188.2	193.6	199.6	190.4	204.1	204.6	210.3	221.2	239.4	252.0
Other Services	52.5	55.8	51.4	48.3	47.8	47.6	47.3	44.6	37.9	38.7
Government	114.5	117.6	117.7	117.0	117.0	116.9	117.6	119.4	120.1	122.7
Total	<u>1077.4</u>	<u>1,094.8</u>	<u>1076.4</u>	<u>1,009.6</u>	<u>1,015.8</u>	<u>1,008.7</u>	<u>1,027.5</u>	<u>1,086.0</u>	<u>1,145.2</u>	<u>1,183.3</u>

Source: Florida Department of Economic Opportunity, Labor Market Statistics, Current Employment Statistics (<http://www.floridajobs.org/labor-market-information/data-center/statistical-programs/current-employment-statistics>).

(1) As of December 2015 (not seasonally adjusted).

TABLE 8
ORLANDO MSA
COMPARISON OF UNEMPLOYMENT RATES
(Percentage)

Calendar Year	Orlando Metropolitan Area	Florida	United States
2006	3.2	3.2	4.6
2007	3.9	4.0	4.6
2008	6.1	6.3	5.8
2009	10.5	10.4	9.3
2010	11.1	11.1	9.6
2011	10.1	10.0	8.9
2012	8.5	8.5	8.1
2013	7.0	7.3	7.4
2014	5.9	6.2	6.2
2015	5.4	5.0	5.3

Source: Florida Agency for Workforce Innovation, Labor Market Statistics, Local Area Unemployment Statistics (<http://www.floridajobs.org/labor-market-information/data-center/statistical-programs/local-area-unemployment-statistics>). Data shown is the average unemployment rate for the corresponding calendar year.

TRANSPORTATION

The terminal facility at Orlando International Airport (OIA) opened at its present location in 1981. The airport currently has four parallel runways (three of which can be used concurrently) and covers over 13,000 acres (23 square miles), which makes OIA the third largest airport in the United States. In 2000, the airport's fourth airside terminal was opened. For the 12-month period ended November 2015, OIA served 38.5 million passengers. The airport has 93 jet gates, a 6.5 million square foot terminal with retail, restaurants, the 445-room Hyatt Regency Hotel and 42,000 square feet of convention/meeting space. A total of 9,300 garage parking spaces are located in the terminal area as well as rental car and commercial ground transportation facilities and there are over 11,300 remote economy parking lot spaces available.

In 2015, the airport was served by 41 airlines. As of January 2015, OIA has direct service to 81 U.S. destinations and 44 international destinations, making it the 14th largest airport in the United States and the 41st largest in the world. The airport authority continues to implement capacity projects to meet projected demand. OIA added a fourth runway (third concurrent) that opened in December 2003. OIA projects the airport will handle 53 million passengers annually by 2021.

The Orlando area is criss-crossed by the Florida Turnpike and Interstate 4. Currently the \$2.7 billion I-4 expansion project is in progress and consists of phased construction projects including the addition of general use lanes, High Occupancy Vehicle (HOV) lanes and interchange improvements. These improvements began construction in 2000 and will be completed throughout a 20-year period. The Martin Andersen Beachline Expressway (State Road 528) links the east coast beaches with Interstate 4 and the Florida Turnpike. State Road 408 (formerly the Holland East-West Expressway) expedites traffic through the City of Orlando and to outlying cities and counties.

Concurrent planning and development is now underway for a beltway road system around the Orlando area. More than three quarters of the beltway, called the Central Florida Greenway and Western Beltway, is now in use. The regional 20-year cost feasibility plan calls for light rail to connect Seminole, Orange and Osceola counties with the City of Orlando. In addition, the initial segment of SunRail, a commuter light rail system (as described below), has been completed.

The Orlando MSA is served by over 120 carrier truck lines, parcel delivery and package express services, most of which have local terminals. The Orlando area is fast becoming a staging point for Florida freight movements – nearly two thirds of all of Florida's north/south flows are to, from or through Orlando.

Greyhound Bus Lines offers charter, express and passenger services. CSX Transportation provides freight service with an average of 16 trains per day passing through Orlando. Rail passenger stations in the Orlando area are the busiest in the southeast. Amtrak operates four trips per day through the Orlando metropolitan area.

The City, together with the Florida Department of Transportation and Orange, Osceola, Seminole and Volusia Counties (the "Local Government Partners") developed plans for the

acquisition, construction and operation of a commuter rail system serving portions of Central Florida ("SunRail"). The first 31-mile segment of SunRail (between DeBary and Sand Lake Road in Orange County) construction is complete and began operations in May of 2014. This first segment includes stations at DeBary/Fort Florida Road; Sanford/SR 46, Lake Mary, Longwood, Altamonte Springs, Maitland, Winter Park/Park Avenue, Florida Hospital, LYNX Central Station, Church Street, Orlando Amtrak/Orlando Regional Medical Center and Sand Lake Road. The second segment has been divided into two sub-phases: Phase 2 South will extend SunRail service to stations at Meadow Woods, Osceola Parkway, Kissimmee Amtrak and Poinciana Industrial Park, and is expected to be operational by 2017. Phase 2 North will extend SunRail service to a new northern terminus at the DeLand Amtrak station. The Phase 2 North timeline has yet to be determined.

APPENDIX D
FORM OF CONTINUING DISCLOSURE COMMITMENT

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