

NO. R-1

\$10,000.00

UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA  
UTILITIES SYSTEM REVENUE CERTIFICATE, SERIES 2013A

| <u>INTEREST RATE</u> | <u>MATURITY DATE</u> | <u>DATE OF ISSUE</u> |
|----------------------|----------------------|----------------------|
| 2.26%                | October 1, 2027      | February 6, 2013     |

REGISTERED OWNER: STI INSTITUTIONAL & GOVERNMENT, INC.

PRINCIPAL AMOUNT: TEN MILLION DOLLARS AND NO CENTS

KNOW ALL MEN BY THESE PRESENTS, that the Utilities Commission, City of New Smyrna Beach, Florida (the "Utilities Commission"), for value received, hereby promises to pay to the Registered Owner the Principal Amount set forth above, plus interest thereon from the date hereof to the date of payment of such Principal Amount, at the annual Rate of Interest set forth herein, such interest to be calculated on a 360-day year consisting of twelve 30-day months and payable on the first day of October and April of each year, commencing April 1, 2013.

The principal of and interest on this Certificate shall be due and payable as set forth on the Amortization Schedule attached hereto as Schedule 1 with installments of principal and interest to be determined so as to produce substantially level annual debt service and principal payments annually beginning on October 1, 2013. The Interest Rate on this Certificate is subject to adjustment as set forth the definition thereof and Sections 4 of that certain Loan Agreement by and between the Lender and the Utilities Commission, dated as of February 6, 2013 (the "Agreement"). Such adjustments may be retroactive.

This Certificate may be prepaid in whole or in part as described below. Notice of such prepayment shall be delivered to the Registered Owner at least two Business Days prior to the date for prepayment. If this Certificate is pre-paid in part, then prior to the transfer of this Certificate the Registered Owner shall record the appropriate information in a Partial Redemption Record in the form attached to this Certificate as Schedule 2 hereto, and indicate receipt of such partial redemption by its signature on such Record.

The Series 2013A Bond may be prepaid by the Utilities Commission in whole or in part on any date on or after February 6, 2015 and thereafter at a prepayment price of 100% of the principal amount to be redeemed plus accrued interest to the prepayment date, in such manner as shall be determined by the Utilities Commission from any legally available monies. Any prepayments shall be applied as provided in the Agreement.

The principal of and interest on this Certificate are payable in lawful money of the United States of America.

This Series 2013A Certificate is issued under the authority of Chapter 85-503, Laws of Florida, the Charter of the Utilities Commission, and other applicable provisions of law, and pursuant and subject to the terms and conditions of Resolution 28-78 duly adopted by the Utilities Commission on June 30, 1978 (as amended and supplemented, the "Resolution"), as supplemented by Resolution 03-12 adopted by the Utilities Commission on July 16, 2012 and the Agreement to which reference should be made to ascertain those terms and conditions.

The Series 2013A Certificate and the interest thereon are payable solely from and secured by a lien upon and pledge of the Net Revenues of the Utilities Commission's water, wastewater and electric utility system and certain amounts in the funds and accounts maintained under the Resolution and Agreement (hereinafter called the "Pledged Funds"), all in the manner provided in the Resolution.

This Series 2013A Certificate shall not constitute a general obligation or indebtedness of the Utilities Commission, and the Lender shall never have the right to require or compel the levy of taxes on any property of or in the City or the Utilities Commission for the payment of the principal of and interest on this Series 2013A Certificate. This Series 2013A Certificate shall not constitute a lien upon any property of or in the City or the Utilities Commission, but shall be payable solely from the Pledged Funds in the manner provided in the Resolution and the Agreement. Reference is made to the Resolution and the Agreement for the provisions relating to the security for payment of this Series 2013A Certificate and the duties and obligations of the Utilities Commission hereunder.

The Utilities Commission has designated this Series 2013A Certificate as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986. The Utilities Commission (including any subordinate entity or entities and any entity or entities issuing tax-exempt obligations on behalf of the City within the meaning of Section 265(b)(3)(E) of the Code) has not issued, and does not reasonably expect to issue, tax-exempt obligations (other than obligations described in Section 265(b)(3)(C)(ii) of the Code) within calendar year 2013 the principal amount of which, together with this Series 2013A Certificate, will exceed \$10,000,000 in amount.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of the State of Florida to happen, exist and be performed precedent to and in the issuance of this Series 2013A Certificate, have happened, exist and have been performed in regular and due form and time as so required.

IN WITNESS WHEREOF, the Utilities Commission, City of New Smyrna Beach, Florida, has caused this Series 2013A Certificate to be executed by the Chairman, and attested by the Secretary Treasurer, either manually or with their facsimile signatures, and its seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, and this Series 2013A Certificate to be dated as of February 6, 2013.

UTILITIES COMMISSION, CITY OF  
NEW SMYRNA BEACH, FLORIDA

(SEAL)

By: COPY  
Chairman

ATTEST:

By: COPY  
Secretary Treasurer

SCHEDULE 1

AMORTIZATION SCHEDULE

| Year         | Principal           |
|--------------|---------------------|
| 2013         | \$ 0                |
| 2014         | 0                   |
| 2015         | 200,000             |
| 2016         | 210,000             |
| 2017         | 220,000             |
| 2018         | 250,000             |
| 2019         | 280,000             |
| 2020         | 1,010,000           |
| 2021         | 1,040,000           |
| 2022         | 1,060,000           |
| 2023         | 1,090,000           |
| 2024         | 1,115,000           |
| 2025         | 1,145,000           |
| 2026         | 1,175,000           |
| 2027         | 1,205,000           |
| <b>Total</b> | <b>\$10,000,000</b> |

SCHEDULE 2

Partial Redemption Record

Amount of Partial Redemption  
Received

Date of Partial Redemption

Signature