

OFFICIAL NOTICE OF SALE

Dated: November __, 2014

\$ _____*

**CITY OF GAINESVILLE, FLORIDA
CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2014**

The City of Gainesville, Florida Capital Improvement Revenue Bonds, Series 2014 (the "2014 Bonds") are being offered for sale in accordance with this Official Notice of Sale. Notice is hereby given that bids will be received by City of Gainesville, Florida (the "City") for the purchase of the 2014 Bonds via the Parity Electronic Bid Submission System ("Parity") in the manner described below. Bids for the 2014 Bonds will be received until 11:00 a.m. Eastern Time, on December __, 2014 or on such other date and/or time as may be established by the Finance Director or City Manager but no less than ten (10) days after the date of publication of the Summary Notice of Sale and communicated through Thomson Municipal Market Monitor not less than twenty (20) hours prior to the time bids are to be received. To the extent any instructions or directions set forth on Parity conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about Parity, and to subscribe in advance of the bid, potential bidders may contact Parity at (212) 849-5021. The use of Parity shall be at the bidder's risk and expense and the City shall have no liability with respect thereto. Only bids submitted through Parity will be considered. No telephone, telefax, telegraph, mail, courier delivery or personal delivery bids will be accepted.

BOND DETAILS

The description of the 2014 Bonds, the purpose thereof and the security therefor, as set forth in this Official Notice of Sale, is subject in its entirety to the disclosure made in the Preliminary Official Statement relating to the 2014 Bonds. SEE "DISCLOSURE INFORMATION" herein.

The 2014 Bonds will be issued initially as single fully registered bonds, and when executed and delivered, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the 2014 Bonds. Individual purchases of the 2014 Bonds may be made only in book-entry form only through DTC participants, as described in the Preliminary Official Statement, in denominations of \$5,000 or integral multiples thereof. Purchasers of 2014 Bonds (the "Beneficial Owners") will not receive physical delivery of bond certificates. As long as Cede & Co. is the registered owner of the 2014 Bonds, as nominee for DTC, payments of principal and interest with respect to the 2014 Bonds will be made directly to such registered owner who will in turn remit such

*Preliminary, subject to adjustment as provided herein

principal and interest payments to DTC participants for subsequent disbursement to the Beneficial Owners.

The 2014 Bonds will be dated their date of delivery (expected to be December __, 2014) or such other date as may be communicated through Thomson Municipal Market Monitor not less than 20 hours prior to the time bids are to be received, and shall bear interest from such date and shall be payable semiannually commencing on April 1, 2015, and on each October 1 and April 1 thereafter until maturity at the rate or rates specified in such proposals as may be accepted. The proposed schedule of maturities and amounts are as follows:

**PROPOSED MATURITY SCHEDULE
FOR
THE 2014 BONDS**

<u>Maturity (October 1)</u>	<u>Principal Amount*</u>	<u>Maturity (October 1)</u>	<u>Principal Amount*</u>
2015		2025**	
2016		2026**	
2017		2027**	
2018		2028**	
2019		2029**	
2020		2030**	
2021		2031**	
2022		2032**	
2023		2033**	
2024		2034**	

*Preliminary; subject to adjustment as provided herein

**Subject to Term Bond Option as described herein

(NOTE: The City reserves the right to modify the maturity schedule shown above prior to the time bids are received. Any such modification will be communicated through the Thomson Municipal Market Monitor (See "ADJUSTMENT OF PRINCIPAL AMOUNTS" below.))

ADJUSTMENT OF PRINCIPAL AMOUNTS

The schedule of maturities set forth above (the "Initial Maturity Schedules") represents an estimate of the principal amount and maturities of the 2014 Bonds that will be sold. The City reserves the right to change the Initial Maturity Schedules by announcing any such change not later than 3:00 p.m., Eastern Time, on the date immediately preceding the date set for receipt of bids, through Thomson Municipal Market Monitor. If no such change is announced, the Initial Maturity Schedule will be deemed the schedule of maturities for the Official Bid Form.

Furthermore, if after final computation of the bids, the City determines in its sole discretion that the funds necessary to accomplish the purpose of the 2014 Bonds is more or less than the proceeds of the sale of all of the 2014 Bonds, the City reserves the right to increase or decrease the aggregate principal amount, by no more than 15% of the aggregate principal amount for the 2014 Bonds stated on the cover of the Preliminary Official Statement, and reserves the right to increase or decrease the principal amount by no more than 15% within a given maturity of the 2014 Bonds (to be rounded to the nearest \$5,000), or by such other amount as approved by the winning bidder.

In the event of any such adjustment, no rebidding or recalculation of the bids submitted will be required or permitted; and the 2014 Bonds of each maturity, as adjusted, will bear interest at the same rate and must have the same initial reoffering yield as specified immediately after award of the 2014 Bonds of that maturity. However, the award will be made to the bidder whose bid produces the lowest true interest cost rate, calculated as specified herein, solely on the basis of the 2014 Bonds offered, without taking into account any adjustment in the amount of 2014 Bonds pursuant to this paragraph.

PAYING AGENT AND REGISTRAR

The Paying Agent and Registrar for the 2014 Bonds will be the Bank of New York Mellon Trust Company.

REDEMPTION PROVISIONS

The 2014 Bonds maturing on or before October 1, 20__ are not subject to redemption prior to their respective dates of maturity.

The 2014 Bonds maturing after October 1, 20__, are subject to redemption prior to their respective stated dates of maturity at the option of the City, in whole, or in part, from such maturities selected by the City (and by lot within a maturity if less than a full maturity), on October 1, 20__, or any date thereafter, at a redemption price equal to 100% of the principal amount of the 2014 Bonds so redeemed plus accrued interest to the date fixed for redemption.

TERM BOND OPTION

Any bidder may, at its option, specify that certain maturities of the 2014 Bonds maturing after October 1, 2024 will consist of term bonds which are subject to mandatory sinking fund redemption in consecutive years immediately preceding the maturity thereof (each a "Term Bond") as designated in the bid of such bidder. In the event that the bid of the successful bidder specifies that any maturity of the 2014 Bonds will be a Term Bond, such Term Bond will be subject to mandatory sinking fund redemption on October 1, in each applicable year, in the principal amount for such year as set forth hereinbefore under

the heading "BOND DETAILS," at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, subject to adjustment as described under "ADJUSTMENT OF PRINCIPAL AMOUNTS."

AUTHORITY AND PURPOSE

The 2014 Bonds are being issued pursuant to the authority of and in full compliance with the Constitution and laws of the State of Florida, including, particularly, Chapter 166, Florida Statutes, Article VIII, Section 2, Constitution of the State of Florida, the municipal charter of the City and other applicable provisions of law (the "Act") and pursuant to Resolution No. _____ adopted by the City Commission of the City (the "Commission") on _____, 2014, as amended and supplemented from time to time, and as particularly supplemented by Resolution No. _____ adopted by the Commission on _____, 2014 (collectively, the "Bond Resolution").

The 2014 Bonds are being issued to provide funds to (i) construct Fire Station 1, construct and equip various capital projects at Depot Park, construct a roundabout at South Main and Depot Avenue, reconstruct NE 2nd Street, as well as to acquire or construct certain other capital projects located within the City, and (ii) pay the costs associated with the issuance of the 2014 Bonds.

SECURITY

Pursuant to the Bond Resolution, the City has covenanted and agreed, 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 to deposit to the credit of the Debt Service Fund, Non-Ad Valorem Revenues of the City in an amount which is equal to the Bond Service Requirement with respect to all 2014 Bonds Outstanding under the Bond Resolution for the applicable Fiscal Year, plus an amount sufficient to satisfy all other payment obligations of the City under the Bond Resolution for the applicable Fiscal Year. "Pledged Revenues" consist of the Non-Ad Valorem Revenues budgeted and appropriated, and deposited into the Debt Service Fund, to pay the principal of, premium, if any, and interest on the 2014 Bonds, and income received from the investment of moneys deposited in the funds and accounts established under the Bond Resolution. The covenant and agreement on the part of the City to budget and appropriate sufficient amounts as described above is subject, however, in all respects to certain existing obligations and obligations to be made in the future, as more fully described herein, in the Bond Resolution and in the Preliminary Official Statement. Notwithstanding the foregoing or anything in the Bond Resolution to the contrary, the City has not covenanted to maintain any service or program now provided or maintained by the City which generates Non-Ad Valorem Revenues.

The 2014 Bonds shall not be deemed to constitute general obligations or a pledge of the faith and credit of the City, the State of Florida or any political subdivision thereof within the meaning of any constitutional, legislative or charter provision or limitation, but shall be payable solely from and secured by a lien upon and a pledge of the Pledged Revenues, in the manner and to the extent provided in the Bond Resolution. No Bondholder shall ever have the right, directly or indirectly, to require or compel the exercise of the ad valorem taxing power of the City or any other political subdivision of the State of Florida or taxation in any form on any real or personal property for any purpose, including, without limitation, for the payment of principal of and interest on such 2014 Bonds, or to maintain or continue any activities of the City which generate user service charges, regulatory fees or other Non-Ad Valorem Revenues, nor shall any Bondholder be entitled to payment of such principal and interest from any other funds of the City other than the Pledged Revenues, all in the manner and to the extent provided in the Bond Resolution. The 2014 Bonds and the indebtedness evidenced thereby shall not constitute a lien upon any real or personal property of the City, or any part thereof, or any other tangible personal property of or in the City, but shall constitute a lien only on the Pledged Revenues, all in the manner and the extent provided in the Bond Resolution.

NO RESERVE ACCOUNT; RATINGS

The 2014 Bonds shall not be secured in any manner by the Reserve Account established under the Bond Resolution.

Moody's and Fitch Ratings have assigned underlying ratings of "____" and "___," respectively, to the 2014 Bonds.

MUNICIPAL BOND INSURANCE OPTION

Application has been made to Assured Guaranty Municipal Corp. and Build America Mutual Assurance Company for the issuance of a commitment for municipal bond insurance for all or a portion of the 2014 Bonds. The purchase of municipal bond insurance, if available, will be at the option and expense of the bidder. The successful bidder will be responsible for the payment of all costs associated with any such insurance, including the premium charged by the insurer. The bidder understands, by submission of its bid that the bidder is solely responsible for the selection of any insurer and for all negotiations with the insurer as to the premium to be paid. If all or a portion of the 2014 Bonds are awarded on an insured basis, reference to the insurance policy will appear on the 2014 Bonds and in the final Official Statement; however the provisions of neither the Bond Resolution nor any other financing document will be altered nor will the City consent to make additional representations, undertakings or warranties.

In addition, if the successful bidder is arranging for bond insurance for all or a portion of the 2014 Bonds, it also shall provide the amount of the premium to be paid and certification that the present value of the premium is less than the present value of the interest reasonably expected to be saved as a result of the insurance and that the premium does not exceed a reasonable arms-length charge for the transfer of credit risk accomplished through bond insurance.

TERMS OF BID AND BASIS OF AWARD

THE CITY WILL AWARD THE 2014 BONDS TO THE BIDDER WHOSE BID PRODUCES THE LOWEST TRUE INTEREST COST, AS DESCRIBED BELOW. THE CITY HAS THE RIGHT TO AWARD ALL OR NONE OF THE 2014 BONDS.

Proposals must be unconditional and for the purchase of all of the 2014 Bonds. The reoffering price for the 2014 Bonds may not be less than 98% of the principal amount of the 2014 Bonds for any single maturity thereof. The aggregate purchase price, inclusive of original issue discount ("OID"), original issue premium ("OIP"), underwriter's discount and the cost of the municipal bond insurance premium, if bond insurance is to be purchased by the bidder as described under "MUNICIPAL BOND INSURANCE OPTION" above, may not be equal to or less than 98% of the principal amount of the 2014 Bonds. The true interest cost for the 2014 Bonds may not exceed 5.00%. No more than one proposal from any bidder will be considered.

The 2014 Bonds shall bear interest expressed in multiples of one-eighth (1/8) or one-twentieth (1/20) of one (1) per centum. The use of split or supplemental interest coupons will not be considered and a zero rate or blank rate will not be permitted. All 2014 Bonds maturing on the same date shall bear the same rate of interest.

The 2014 Bonds will be awarded to the bidder offering to purchase the 2014 Bonds at the lowest annual interest cost computed on a true interest cost basis (the "TIC"). The annual TIC will be determined by doubling the semi-annual interest rate necessary to discount the semi-annual debt service payments on the 2014 Bonds back to the Net Bond Proceeds (defined as the par amount of the 2014 Bonds, plus any OIP and less any OID, underwriter's discount and bond insurance premium, if any) calculated on a 30/360 day count basis to the date of issuance of the 2014 Bonds, which for purposes of this calculation is assumed to be December __, 2014). The TIC must be calculated to four (4) decimal places.

EACH PROPOSAL MUST BE SUBMITTED THROUGH PARITY. EACH BIDDER MUST SPECIFY IN ITS BID THE INTEREST RATE AND PRICE OR YIELD FOR THE 2014 BONDS OF EACH MATURITY. NO BIDS FOR LESS THAN ALL OF THE 2014 BONDS OFFERED WILL BE CONSIDERED. THE CITY RESERVES THE RIGHT TO REJECT ALL BIDS OR ANY BID NOT CONFORMING TO THIS OFFICIAL NOTICE OF SALE. THE CITY ALSO RESERVES THE RIGHT

TO WAIVE, IF PERMITTED BY LAW, ANY IRREGULARITY OR INFORMALITY IN ANY PROPOSAL. THE CITY SHALL NOT REJECT ANY CONFORMING BID, UNLESS ALL CONFORMING BIDS ARE REJECTED.

GOOD FAITH DEPOSIT

If the City selects a winning bid, then the successful bidder must submit a "Good Faith Deposit" (the "Deposit") to the City in the form of a wire transfer in the amount of \$_____ for the 2014 Bonds not later than 2:00 p.m., Eastern Time on the business day following the award. The Deposit of the successful bidder will be collected and the proceeds thereof retained by the City to be applied as partial payment for the 2014 Bonds and no interest will be allowed or paid upon the amount thereof, but in the event the successful bidder shall fail to comply with the terms of the bid, the proceeds thereof will be retained as and for full liquidated damages.

STANDARD FILINGS, CHARGES AND CLOSING DOCUMENTS

The winning bidder will be required to make the standard filings and maintain the appropriate records routinely required pursuant to MSRB Rules G-8, G-11 and G-36. The winning bidder will be required to pay the standard MSRB charge for the 2014 Bonds purchased. The winning bidder will also be required to execute certain closing documents required by Florida law or required by bond counsel in connection with the delivery of its tax opinion. See "DISCLOSURE; AMENDMENTS TO NOTICE OF SALE; NOTIFICATION OBLIGATIONS OF PURCHASER" herein.

CUSIP NUMBERS

It is anticipated that CUSIP identification numbers will be printed on the 2014 Bonds, but neither the failure to print such number on any 2014 Bonds nor any error with respect thereto shall constitute cause for failure or refusal by the successful bidder to accept delivery of and pay for the 2014 Bonds in accordance with their agreement to purchase the 2014 Bonds. All expenses in relation to the printing of CUSIP numbers on the 2014 Bonds shall be paid for by the City; provided, however, that it shall be the responsibility of the successful bidder(s) to timely obtain and pay for the assignment of such CUSIP numbers.

BLUE SKY

The City has not undertaken to register the 2014 Bonds under the securities laws of any state, nor investigated the eligibility of any institution or person to purchase or participate in the underwriting of the 2014 Bonds under any applicable legal investment, insurance, banking or other laws. By submitting a bid for the 2014 Bonds, the successful bidder represents that the sale of the 2014 Bonds in states other than Florida will be made only under exemptions from registration or, wherever necessary, the successful bidder

will register the 2014 Bonds in accordance with the securities laws of the state in which the 2014 Bonds are offered or sold. The City agrees to cooperate with the successful bidder, at the bidder's written request and expense, in registering the 2014 Bonds or obtaining an exemption from registration in any state where such action is necessary; provided, however, that the City shall not be required to consent to suit or to service of process or to any requirement that it qualify to do business in any jurisdiction.

DELIVERY OF THE 2014 BONDS

The City will pay the cost of preparing the 2014 Bonds. The successful bidder is responsible for DTC eligibility and related DTC costs. Delivery of and payment for the 2014 Bonds will be made on a date specified by the City via DTC Fast. Delivery of and payment for the 2014 Bonds will be made on or about December __, 2014 through the facilities of DTC in New York, New York, or such other time and place mutually acceptable to the successful bidder and the City. Payment of the full purchase price, less the Deposit, shall be made to the City at the closing, in Federal Reserve Funds of the United States of America, without cost to the City.

The legal opinion of Holland & Knight LLP ("Bond Counsel") will be furnished without charge to the successful bidder at the time of delivery of the 2014 Bonds. For a further discussion of the content of that opinion and the proposed form of the approving opinion, see the Preliminary Official Statement for the 2014 Bonds.

There will also be furnished at the time of delivery of the 2014 Bonds, a certificate or certificates of the City (which may be included in a consolidated closing certificate) (1) relating to the accuracy and completeness of the Official Statement, (2) to the effect that the Preliminary Official Statement has been deemed by the City to be a "final official statement" for purposes of SEC Rule 15c2-12(b)(3) and (3) stating to the effect that there is no litigation of any nature pending or, to the knowledge of the City, threatened, at the time of delivery of the 2014 Bonds, (a) to restrain or enjoin the issuance of the 2014 Bonds or (b) affecting or contesting the validity of the 2014 Bonds.

DISCLOSURE; AMENDMENTS TO NOTICE OF SALE; NOTIFICATION OBLIGATIONS OF PURCHASER

This Official Notice of Sale is not intended as a disclosure document and bidders are required to obtain and carefully review the entire Preliminary Official Statement (including all appendices thereto) before submitting a bid.

This Official Notice of Sale may be amended from time to time after its initial publication by publication of amendments thereto not less than 20 hours prior to the bid date and time via Thomson Municipal Market Monitor. Each bidder will be charged with the responsibility of obtaining any such amendments and complying with the terms thereof.

Prior to delivery of the 2014 Bonds to the successful bidder, the successful bidder shall file with the City a statement as described in Section 218.38(1)(c), Florida Statutes, containing, among other required items, the underwriting spread, and the amount of any fee, bonus or gratuity paid in connection with the 2014 Bonds to any person not regularly employed by the successful bidder. This statement shall be filed with the City even if no such management fee or underwriting spread has been charged by the successful bidder or no such fee, bonus or gratuity has been paid by the successful bidder, and such filing shall be a condition precedent to the delivery of the 2014 Bonds by the City to the successful bidder.

The successful bidder, by submitting its bid, agrees to furnish to the City and Bond Counsel a certificate verifying information as to the bona fide initial offering prices of the 2014 Bonds to the public and sales of the 2014 Bonds appropriate for determination of the issue price of, and the yield on, the 2014 Bonds under the Internal Revenue Code of 1986, as amended, and such other documentation as and at the time requested by Bond Counsel.

The successful bidder shall also verify its winning bid in writing to the City by executing a printed copy of its winning bid as reported on Parity.

Each bidder is required to provide a Truth in Bonding Statement pursuant to Section 218.385, Florida Statutes, and to disclose the payment of any "finder's fee" pursuant to Section 218.386, Florida Statutes, prior to the award of the 2014 Bonds, as set forth in Exhibit A.

OFFICIAL STATEMENT

The City shall furnish at its expense within seven (7) business days after the 2014 Bonds have been awarded to the successful bidder, or at least three (3) business days before closing, whichever is earlier, up to 150 copies of the final Official Statement, which, in the judgment of the financial advisor to the City will permit the successful bidder to comply with applicable SEC and MSRB rules. The successful bidder may arrange for additional copies of the final Official Statement at its expense.

CONTINUING DISCLOSURE

The City has covenanted for the benefit of bondholders to provide certain financial information and operating data relating to the City and the 2014 Bonds in each year (the "Annual Report"), and to provide notices of the occurrence of certain enumerated material events. Such covenant shall only apply so long as the 2014 Bonds remain outstanding under the Bond Resolution. The covenant shall also cease upon the termination of the continuing disclosure requirements of Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule") by legislative, judicial or administrative

action. The Annual Report will be filed by the City as required with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System ("EMMA").

DISCLOSURE INFORMATION

Copies of the Preliminary Official Statement, as supplemented and amended by this Official Notice of Sale, "deemed final" (except for permitted omissions) by the City in accordance with the Rule can be obtained from the financial advisor to the City, Public Financial Management Inc., 300 South Orange Avenue, Suite 1170, Orlando, Florida 32801 (407) 406-5760 before a bid is submitted. The City's Preliminary Official Statement and Official Notice of Sale are also available for viewing in electronic format at www.munios.com.

CITY OF GAINESVILLE, FLORIDA

By: /s/Mark Benton
Finance Director

EXHIBIT A**TRUTH-IN-BONDING STATEMENT
AND DISCLOSURE**

In compliance with Section 218.385, Florida Statutes, as amended, the undersigned bidder submits the following Truth-In-Bonding Statement with respect to the 2014 Bonds (NOTE: For information purposes only and not a part of the bid):

The City is proposing to issue \$_____ of revenue bonds for the principal purpose of financing the costs of various capital improvements within the City. This debt or obligation is expected to be repaid over a period of approximately __ years. At a true interest cost of _____%, total interest paid over the life of the debt or obligation will be \$_____.

The principal source of repayment for these revenue bonds is from legally available non-ad valorem revenues budgeted and appropriated to make such repayment in the manner and to the extent described in the Preliminary Official Statement and Official Notice of Sale relating to such revenue bonds. Authorizing this debt or obligation will result in approximately _____ of such revenues (average annual debt service) not being available for other purposes of the City each year for __ years.

In compliance with Section 218.386, Florida Statutes, the undersigned, on behalf of itself and all other members of the underwriting group, if any, hereby certifies that neither it nor any member of the underwriting group have paid any "finder's fees" as defined in Section 218.386, Florida Statutes, any bonus, fee or gratuity in connection with the sale of the 2014 Bonds, except as provided below:

Bidder's Name: _____

By: _____

Title: _____

Date: _____