

**FIRST AMENDMENT TO
CREDIT AGREEMENT**

This FIRST AMENDMENT TO CREDIT AGREEMENT, dated as of _____, 2017 (this "Amendment"), is entered into between THE CITY OF GAINESVILLE, FLORIDA (the "City") and STATE STREET BANK AND TRUST COMPANY (the "Bank").

W I T N E S S E T H:

WHEREAS, the City and the Bank entered into that certain Credit Agreement (the "Agreement"), dated as of August 1, 2014, pursuant to which the Bank agreed, subject to certain conditions, to make loans to the City from time to time to enable the City to pay the City's Utilities System Commercial Paper Notes, Series D (the "Commercial Paper Notes") upon maturity;

WHEREAS, the stated expiration date of the Agreement is August 28, 2017, and the City and the Bank have agreed to extend the stated expiration date of the Agreement and make certain other modifications; and

WHEREAS, the Bank is willing to enter into this Amendment with the City, subject to the following terms and conditions;

NOW THEREFORE, in consideration of the foregoing and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. AUTHORITY AND DEFINITIONS

- (a) This Amendment is entered into pursuant to Section 9.04 of the Agreement.
- (b) This Amendment amends the Agreement.
- (c) Capitalized terms used herein but not herein defined, shall have the meanings ascribed to them in the Agreement.

Section 2. AMENDMENTS

The Agreement shall be amended as of the Amendment Effective Date (as defined in Section 3 to this Amendment) as follows:

- (a) The following definitions set forth in Section 1.01 of the Agreement shall be amended in their entirety, as follows:

"Termination Date" means the earlier of (i) August 28, 2020, or such later date to which the Revolving Credit Period shall have been extended pursuant to Section 3.01(c), or if any such date is not a Business Day, the next preceding Business Day, or (ii) the date on which all of the

following shall have occurred: (A) a Tender Event shall have occurred and be continuing (and shall not have otherwise been waived by the Bank), (B) the Commitment of the Bank shall have terminated in accordance with Section 3.08(b), and (C) the Bank Bond shall be immediately due and payable pursuant to Section 7.02 hereof.

“Maturity Date” means the earlier of (i) the Quarterly Payment Date immediately preceding the date that is the fifth (5th) anniversary of the Termination Date, or (ii) the date on which a Tender Event shall have occurred and the Bank Bond shall be immediately due and payable pursuant to Section 7.02 hereof.

“Reoffering Memorandum” shall mean the Offering Memorandum, dated March 14, 2017 related to the City's Utilities System Commercial Paper Notes, Series C.

(b) Section 6.02 of the Agreement shall be amended in its entirety, as follows:

SECTION 6.02 Financial and Other Information. Shall furnish to the Bank (a) within 180 days after the close of each Fiscal Year of the City, a balance sheet of Gainesville Regional Utilities as at the end of such year, and the related statements of revenues, expenses and changes in net assets and cash flows for the year then ended, accompanied by an unqualified audit report of an independent certified public accounting firm of recognized standing stating that they have been prepared in accordance with GAAP consistently applied, together with a certificate of an Authorized Officer of the City stating whether any Potential Tender Event exists on the date of such certificate and, if any Potential Tender Event then exists, setting forth the details thereof and the actions which the City is taking or proposes to take with respect thereto; and (b) promptly upon request, such financial and other information as the Bank may from time to time reasonably request.

As and to the extent the information required by this Section 6.02 has been properly and timely (that is, on or before the date specified above) filed with the Municipal Securities Rulemaking Board (or any successor agency) through EMMA, the City will be deemed to have complied with the provisions of this Section.

(c) Section 6.08 of the Agreement shall be amended in its entirety, as follows:

SECTION 6.08 Power to Fix and Collect Rates, Fees and Charges. Shall, as long as any Bank Bonds are outstanding or other amounts are owing to the Bank hereunder, maintain good right and lawful power to establish and collect rates, fees and charges with respect to the use and the sale of the capacity, output or service of the System subject to the terms of contracts relating thereto, including, without limitation, the

Bond Resolution, and subject to the jurisdiction of any applicable regulatory authority.

(d) Paragraph (b) of Section 6.11 of the Agreement shall be amended in its entirety, as follows:

(b) (i) In the event that the City shall, directly or indirectly, enter into, or otherwise consent to any amendment, supplement or other modification of, any credit agreement, note purchase agreement, reimbursement agreement or other agreement or instrument under which, directly or indirectly, any Person or Persons undertake to make or provide funds to make payment of, or to purchase or provide credit enhancement for, any Indebtedness which is secured on a parity with, the Commercial Paper Notes (each, an “Other Debt Document”), and which includes financial covenants or other more favorable remedies, including without limitation, a more favorable bank bond amortization period or more accelerated schedule of bank bond amortization payments or any other rights to otherwise accelerate (but expressly excluding, for purposes of clarification with respect to this Section, any commitment fee or termination fee provisions agreed to by the City with any other Person), which are more favorable than the provisions contained in this Agreement (all of the foregoing provisions are collectively referred to herein as the “Incorporated Provisions”), this Agreement shall be deemed to be amended to include such Incorporated Provisions, together with related defined terms contained in such sources, for the benefit of the Bank. The City will perform and comply with the Incorporated Provisions incorporated herein. The City further covenants to promptly execute and deliver at its expense an amendment to this Agreement in form and substance satisfactory to the Bank evidencing the amendment of this Agreement to include such Incorporated Provisions, provided that the execution and delivery of such amendment shall not be a precondition to the effectiveness of this Agreement being deemed to be amended as provided for in this Section, but shall merely be for the convenience of the parties hereto. Said Incorporated Provisions, so long as the Other Debt Document or Documents from which it or they are derived has not been terminated, or has not expired, will remain in full force and effect for all purposes of this Agreement; *provided*, that (i) any amendment, waiver or other modification of an Incorporated Provision, if effected in accordance with the Other Debt Document from which it is derived (excluding any amendment, waiver or other modification effected subsequent to the occurrence of a “default” or “event of default” under said Other Debt Document or hereunder), will be effective to amend, waive or modify such Incorporated Provision as set forth in this Agreement only after the City provides written notice to the Bank of such amendment, waiver or modification, in which case, the City shall promptly execute and deliver at its expense an amendment to this Agreement in form and substance satisfactory to the Bank evidencing the amendment, waiver or

modification of this Agreement to amend, waive or modify such Incorporated Provisions; and (ii) in no event will any such amendment, waiver or modification of an Incorporated Provision, if effected in accordance with the Other Debt Document from which it is derived (excluding any amendment, waiver or other modification effected subsequent to the occurrence of a “default” or “event of default” under said Other Debt Document or hereunder) result in an amortization period and/or related schedule of amortization payments with respect to Bank Bonds that is less favorable to the Bank than the provisions originally set forth in this Agreement. Notwithstanding any other provision of this Section 6.11, however, in the event that the Bank Bond held by the Bank actually is amortizing pursuant to a more favorable schedule of amortization payments set forth in such Other Debt Document or Documents, then regardless of the effective status of such Other Debt Document or Documents or any amendment, waiver or modification thereof by any other Person, the Bank Bond held by the Bank shall remain subject to such more favorable schedule of amortization payments, and such more favorable Incorporated Provisions shall remain in effect hereunder, unless the Bank otherwise consents in writing, unless any such amendment or modification is more favorable to the Bank and, in such case, the more favorable terms shall be subject to incorporation by reference as otherwise described in this Section.

(e) The notice information for the Bank set forth in Section 9.01 of the Agreement shall be amended in its entirety, as follows:

If to the Bank, to:

(regarding credit matters):

State Street Bank and Trust Company
c/o State Street Public Lending Corporation
State Street Financial Center SFC/5
One Lincoln St.
Boston, Massachusetts 02111-2900
Attention: Thomas Henderson
Telephone: (617) 664-1064
Telecopier: (617) 946-0538

(regarding operational matters):

State Street Bank and Trust Company
State Street Financial Center SFC/5
One Lincoln St.
Boston, Massachusetts 02111-2900
Attention: Thomas Marra (Operations Contact)
Telephone: (617) 664-5862

Telecopier: (617) 350-4020
Email: munifinanceadministration@statestreet.com

Section 3. CONDITIONS TO EFFECTIVENESS OF AMENDMENT

This Amendment shall be effective on _____, 2017 (the "Amendment Effective Date"), provided that all of the following conditions have been fulfilled:

- (a) Delivery by the parties hereto of an executed counterpart of this Amendment.
- (b) Delivery by the parties thereto of an executed counterpart of the First Amendment to Fee Letter dated _____, 2017 between the Bank and the City.
- (c) All other legal matters pertaining to the execution and delivery of this Amendment shall be satisfactory to the Bank and its counsel.

Section 4. REPRESENTATIONS AND WARRANTIES

In order to induce the Bank to execute and deliver this Amendment, the City hereby makes each of the representations and warranties contained in Article V of the Agreement as of the date hereof, *provided* that the representations and warranties contained in Sections 5.01, 5.02, 5.11 and 5.17 of the Agreement shall not be remade by the City as of the Amendment Effective Date and all references to the Agreement therein shall be deemed to also refer to the Agreement, as amended by this Amendment.

In addition to the foregoing, the City represents and warrants as follows:

- (a) The execution, delivery and performance by the City of this Amendment and the Agreement, as amended hereby, are within its powers, have been duly authorized by all necessary action and do not contravene any law or any contractual restriction binding on or affecting the City.
- (b) No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the City of this Amendment or the Agreement, as amended hereby.
- (c) This Amendment and the Agreement, as amended hereby, constitute legal, valid and binding obligations of the City, enforceable against the City, in accordance with their respective terms.
- (d) The balance sheet of Gainesville Regional Utilities at September 30, 2016, and the related statements of revenues, expenses and changes in net assets and cash flows for the year then ended, reported on by Carr, Riggs & Ingram, LLC, heretofore delivered to the Bank, are complete and correct and present fairly the financial condition of Gainesville Regional Utilities as of such date, and the results of its operations and changes in financial position for the year then ended. All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP

applied consistently throughout the periods involved (except as approved by such accountants and as disclosed therein).

- (e) Except as disclosed in the Reoffering Memorandum or in writing to the Bank, since September 30, 2016, there has been no material change in the business, operations, assets or financial or other condition of the System which would adversely affect the ability of the City to perform its obligations under this Agreement, the Fee Letter, the Commercial Paper Notes or the Bank Bond.
- (f) Except as described in the Reoffering Memorandum or in writing to the Bank or as otherwise permitted by the Subordinated Bond Resolution or the Bond Resolution, no legislation has been enacted by the City or, to the knowledge of the City (without undertaking any duty of inquiry), by the State of Florida which in any way materially adversely affects or which prohibits (i) the issuance and delivery of the Commercial Paper Notes, (ii) the enforceability of the Resolutions, (iii) the execution and delivery of this Agreement or any of the Financing Documents to which the City is a party, (iv) the creation, organization or existence of the City or the titles to office of any officers thereof, or (v) the power of the City to carry out its obligations under the Act, this Agreement or any of the Financing Documents to which the City is a party.
- (g) An increase by the City of rates, fees, rentals or other charges for use of the product, services and facilities of the System requires no action or approval by or in respect of any Governmental Authority other than the City Commission of the City or the Florida Public Service Commission.

Section 5. COVENANTS

The City hereby reaffirms its agreement to observe and perform each covenant and obligation of the City contained in the Agreement.

Notwithstanding any other provision of the Agreement to the contrary, all obligations of the City to the Bank under the Agreement are special, limited obligations of the City payable solely from funds available for such purposes under the Subordinated Bond Resolution.

Section 6. MISCELLANEOUS

- (a) Except as specifically amended herein, the Agreement shall continue in full force and effect in accordance with its terms. Reference to this specific Amendment need not be made in any note, document, agreement, letter, certificate, the Agreement or any communication issued or made subsequent to, or with respect to, the Agreement, it being hereby agreed that any reference in the Agreement to the “Agreement” shall be sufficient to refer to the Agreement, as hereby amended.
- (b) In case any one or more of the provisions contained herein should be declared invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired hereby.

- (c) **THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK; PROVIDED THAT THE OBLIGATIONS OF THE CITY HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF FLORIDA.**
- (d) THE CITY AND THE BANK EACH HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AMENDMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.
- (e) With respect to any suit, action or proceeding relating to, or arising from, this Amendment, each party hereto irrevocably submits to the jurisdiction of the courts of the State of New York or the State of Florida and the federal courts located in the State of New York and the State of Florida and agrees that any such suit, action or proceeding shall be had and maintained in (i) the Federal District Court for the Southern District of New York (but solely to the extent such court has jurisdiction, and otherwise in an appropriate court of the State of New York) or (ii) the Federal District Court for the Northern District of Florida (but solely to the extent such court has jurisdiction, and otherwise in an appropriate court of the State of Florida).
- (f) This Amendment may be signed in any number of counterpart copies, but all such copies shall constitute one and the same voluntary, legal and binding instrument.

[signature page immediately follows]

IN WITNESS WHEREOF, the City and the Bank have caused this Amendment to be duly executed as of the date first above written.

CITY OF GAINESVILLE, FLORIDA

By _____
Name:
Title:

STATE STREET BANK AND TRUST
COMPANY, as the Bank

By _____
Name: Amy Baribeault
Title: Managing Director

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