

**NOTE**

**Borrower: Gainesville Community Redevelopment Agency**

**Lender: City of Gainesville**

For value received, Borrower agrees to pay to Lender the principal sum of **Six Hundred Fifty Thousand Dollars and no cents**, plus a proportional share of the Lender's financing costs as more particularly described below, with interest thereon as specifically identified in Exhibit A.

***UNDERLYING BORROWING***

Borrower understands that the proceeds derived from this borrowing have in turn been borrowed by the Lender as a participant in a First Florida Governmental Financing Commission (FFGFC) bond issue to be consummated in approximately April, 2002. Borrower understands the tax-exempt nature of the FFGFC's bond issue and the federal and contractual requirements imposed on tax-exempt funds. Borrower represents that no use will be made of the proceeds received hereunder that would endanger the tax-exempt nature of the FFGFC bond issue or the Lender's participation in said bond issue. Borrower further represents that Borrower reasonably expects and will make diligent effort to expend all borrowed funds within three years of receipt. If Borrower is unable to expend all funds within this time period, Borrower will reimburse Lender for Borrower's share of any and all arbitrage rebate to the federal government that may become due in the course of investment activity involving the proceeds of the FFGFC bond issue or the Lender's share thereof. The Lender shall determine the amount of the arbitrage rebate and notify Borrower at least 30 days prior to the due date.

***CASH PROCEEDS***

Borrower understands that the cash to be received on this Note is \$650,000, and that the difference between the face value of this Note and the \$650,000 to be delivered to Borrower in cash represents the estimated financing costs of the bond transaction, charged pro rata to the portion of the Lender's proceeds retained by the Lender and the Lender's proceeds passed to Borrower and which are the subject of this Note.

The proceeds of the loan will be deposited in a capital projects fund of the Lender designed solely and specifically to account for the receipt and expenditure of funds related to the Fifth Avenue/Pleasant Street projects financed by the loan. All interest earned on the proceeds will remain in this fund, and can be used for no purpose other than payment of project costs or debt service on this loan. Expenditures for project

costs will be from this capital projects fund, and will be authorized by the Executive Director or his designee.

### **PAYMENTS**

Borrower understands that Lender is committed to a repayment schedule as defined in the underlying FFGFC bond covenants. Borrower further understands that the FFGFC bond issue is a serial issue, and that principal payments as well as interest payments are payable throughout the duration of the bond issue. Borrower agrees to repay to the Lender the Borrower's proportionate share of the Lender's participation in the FFGFC bond issue. Such payments will be made to the Lender three business days before the Lender is required to make each and every payment. A schedule of the Lender's repayment dates, the Borrower's proportionate obligation under the terms of the FFGFC bond issue applicable to the Lender, and the interest rates on each serial bond repayment date are attached to this Note as Exhibit A and are hereby incorporated by reference. This note will be repaid from the Fifth Avenue/Pleasant Street Tax Increment Fund previously established by the Lender.

### **GENERAL TERMS**

This Note is not payable on demand. Borrower may repay the Note in full at any time without penalty, by paying the present value of all future bond payments either directly to the Lender or into a defeasance trust fund, at the option of the Borrower.

***for the City of Gainesville (Lender)***

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Thomas D. Bussing, Mayor  
PO Box 490  
Gainesville FL 32602

Date

***for Gainesville Community Redevelopment Agency (Borrower)***

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Wayne Bowers, Executive Director  
PO Box 490  
Gainesville FL 32602

Date

**EXHIBIT A**

**Fifth Avenue/Pleasant financing @ 20 years, level debt, avg annual debt = 15 yrs, revised**

	Principal	Coupon	Interest	Semi Annual Debt Service	Annual D/S @ 20 years
1-Jul-02			6,294.00	6,294.00	6,294.00
1	22,448.14	0.019	14,907.74	14,907.74	52,263.62
2	22,783.30	0.0256	14,694.48	14,694.48	52,172.26
3	23,453.61	0.0306	14,402.86	14,402.86	52,259.32
4	24,123.92	0.0341	14,044.02	14,044.02	52,211.95
5	25,128.72	0.037	13,632.70	13,632.70	52,394.13
6	26,134.19	0.04	13,167.82	13,167.82	52,469.83
7	27,138.99	0.042	12,645.14	12,645.14	52,429.27
8	28,144.46	0.0433	12,075.22	12,075.22	52,294.90
9	29,484.42	0.0445	11,465.89	11,465.89	52,416.20
10	30,824.38	0.0455	10,809.86	10,809.86	52,444.11
11	32,165.00	0.0466	10,108.61	10,108.61	52,382.22
12	33,504.96	0.0477	9,359.16	9,359.16	52,223.29
13	35,180.08	0.0485	8,560.07	8,560.07	52,300.22
14	36,855.86	0.0494	7,706.95	7,706.95	52,269.76
15	38,866.13	0.0501	6,796.62	6,796.62	52,459.36
16	40,541.24	0.0509	5,823.02	5,823.02	52,187.28
17	42,551.51	0.052	4,791.24	4,791.24	52,134.00
18	44,896.94	0.052	3,684.90	3,684.90	52,266.75
19	47,242.37	0.052	2,517.58	2,517.58	52,277.54
20	49,587.79	0.052	1,289.28	1,289.28	52,166.36
	661,056.00	29,815.48	391,260.38	1,052,316.38	1,052,316.38
	661,056.00			avg annual debt	52,615.82