

CREDIT AGREEMENT

between

CITY OF GAINESVILLE, FLORIDA

and

STATE STREET BANK AND TRUST COMPANY

Dated as of August 1, 2014

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CREDIT AGREEMENT

CREDIT AGREEMENT, dated as of August 1, 2014, between THE CITY OF GAINESVILLE, FLORIDA (the "City") and STATE STREET BANK AND TRUST COMPANY (the "Bank").

WHEREAS, the City is a municipal corporation duly organized and existing under the laws of the State of Florida and established under its Charter, Chapter 90-394, Laws of Florida, as amended (the "Act");

WHEREAS, the City is authorized pursuant to the Act to own, manage and operate the System (as defined in the Bond Resolution (as defined below));

WHEREAS, pursuant to a resolution adopted by the City on January 26, 1989 authorizing the issuance of the City's Subordinated Utilities System Revenue Bonds, as supplemented, the City has authorized the issuance from time to time of up to \$25,000,000 aggregate outstanding principal amount of Utilities System Commercial Paper Notes, Series D (the "Commercial Paper Notes"); and

WHEREAS, the Bank has agreed to make loans, solely on the terms and conditions set forth herein, to the City to enable the City to pay the Commercial Paper Notes upon maturity;

NOW THEREFORE, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01 Definitions.

(a) Capitalized terms used herein but not otherwise defined in subsection (b) below or elsewhere herein shall have the meanings given to them in the Subordinated Bond Resolution (as defined below).

(b) The following terms, as used herein, have the following meanings:

"Affiliate" means as to any Person, any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. A Person shall be deemed to control another Person if the controlling Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the other Person, whether through the ownership of voting securities, by contract or otherwise. Without limitation, any director, executive officer or beneficial owner of 5% or more of the equity of a Person shall, for the purposes of this Agreement, be deemed to control the other Person.

"Agreement" means this Credit Agreement, dated as of August 1, 2014, between the City and the Bank, as the same may be amended or modified from time to time.

“Anti-Corruption Laws” means all laws, rules, and regulations of any jurisdiction applicable to the City from time to time concerning or relating to bribery or corruption.

“Authorized Officer of the City” shall have the meaning ascribed thereto in the Bond Resolution.

“Bank Bond” means the Utilities System Subordinated Bank Bond, Series B of the City to be delivered to the Bank pursuant to Section 4.01(c) hereof substantially in the form set forth in Article VIII of the Fourth Supplemental Subordinated Bond Resolution, evidencing the obligation of the City to repay the Loans.

“Bank Rate” means, for each day of determination with respect to each Loan, (i) for the period from and including the initial date of such Loan to and including the 30th calendar day following such initial date of such Loan, the Base Rate, (ii) for the period from and including the 31st calendar day following the initial date of such Loan to and including the 90th calendar day following such initial date of such Loan, the Base Rate plus 1.00%, and (iii) for (A) the period from and including the 91st calendar day following the initial date of such Loan and thereafter until such Loans are due and payable and (B) the Term Loan, the Base Rate plus 2.00%. Notwithstanding the foregoing, from and after the earlier of (i) the date amounts are owed hereunder, but only so long as not paid when due, and (ii) during the occurrence and continuance of a Tender Event, all amounts owed hereunder (including with respect to the Loans) shall bear interest at the Default Rate. At no time shall the Bank Rate with respect to any Loan be less than the interest rate borne by any outstanding Commercial Paper Notes.

“Base Rate” means, for any day, a rate per annum equal to the highest of (a) Prime Rate plus 2.00%, (b) the Federal Funds Rate plus 3.00%, and (c) 7.00%. Each change in the Base Rate shall take effect simultaneously with the corresponding change or changes in the Prime Rate or Federal Funds Rate, as the case may be.

“Bond Resolution” means the Utilities System Revenue Bond Resolution adopted by the City on June 6, 1983, as amended and supplemented from time to time in accordance with the terms hereof and thereof.

“Bonds” shall have the meaning ascribed thereto in the Bond Resolution.

“Business Day” means any day, other than a Saturday or Sunday, on which the principal office of the City, the principal corporate trust office of the Trustee and the lending office of the Bank under this Agreement is open for business during its normal business hours.

“Commitment” means the amount of \$25,000,000, as such amount may be reduced from time to time pursuant to Sections 3.10 and 3.11.

“Contractual Obligation” means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or undertaking to which such Person is a party or by which it or any of its property is bound.

“Dealer” means Goldman, Sachs & Co., in its capacity as dealer for the Commercial Paper Notes under the Dealer Agreement, and its successors in such capacity.

“Dealer Agreement” means the Dealer Agreement Relating to Utilities System Commercial Paper Notes, Series D, dated as of June 15, 2000, between the City and the Dealer, as amended and supplemented from time to time in accordance with the terms thereof and hereof.

“Default Rate” means a per annum rate of interest equal to the Base Rate then in effect plus 3.00%.

“Dodd-Frank Act” means the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as enacted by the United States Congress, and signed into law on July 21, 2010, and all statutes, rules, guidelines or directives promulgated thereunder.

“Effective Date” means the date this Agreement becomes effective in accordance with Section 4.01 or such later date as shall be agreed upon by the City and the Bank.

“Environmental Laws” means all federal, state or local laws, statutes, common law duties, rules, regulations, ordinances and codes, together with all administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case relating to Hazardous Materials or to environmental, health, safety and land use matters applicable to any property.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the System directly or indirectly resulting from or based upon (a) violation of any Environmental Laws, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute.

“Federal Funds Rate” means, for any day, the rate of interest per annum as determined by the Bank at which overnight Federal funds are offered to the Bank for such day by major banks in the interbank market, with any change in such rate to become effective as to the City on the date of any change in such rate. Each determination of the Federal Funds Rate by the Bank shall be deemed conclusive and binding on the City absent manifest error.

“Fee Letter” has the meaning set forth in Section 3.06.

“Financing Documents” means the Bond Resolution, the Subordinated Bond Resolution, the Issuing and Paying Agency Agreement, the Dealer Agreement, the Fee Letter, the Bank Bond and the Commercial Paper Notes.

“Fitch” means Fitch, Inc. d/b/a Fitch Ratings and its successors and assigns, and if such corporation (i) shall be dissolved or liquidated or (ii) shall no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized

statistical rating organization (other than Moody's or S&P) designated by the Bank and approved by the City if such an organization shall exist.

"Fourth Supplemental Subordinated Bond Resolution" means the Fourth Supplemental Subordinated Utilities System Revenue Bond Resolution adopted by the City on June 15, 2000 authorizing the issuance of the Commercial Paper Notes and the Bank Bond, as amended and supplemented from time to time in accordance with the terms thereof and hereof, supplementing the Subordinated Bond Resolution.

"GAAP" has the meaning set forth in Section 1.02.

"Governmental Authority" means any nation or government, any state or other political subdivision thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Hazardous Materials" means dangerous, toxic or hazardous pollutants, contaminants, chemicals, waste, material or substances (as defined in Environmental Laws), and shall include any urea formaldehyde, polychlorinated biphenyls, asbestos, asbestos containing material, nuclear fuel or waste, radioactive materials, explosives, carcinogens and petroleum products, or any other waste, materials, substance, pollutant or contaminant the improper storage, disposal or release of which would subject the person so storing, disposing or releasing (or the owner of the property on which such action occurs) to any damages, penalties or liabilities under any applicable law, regulation, requirement or rule.

"Immediate Termination Event" has the meaning set forth in Section 7.01.

"Indebtedness" means, as to any Person, at a particular time, (a) indebtedness for borrowed money or for the deferred purchase price of property or services in respect of which such Person is liable, contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which such Person otherwise assures a creditor against loss and (b) obligations under leases which shall have been or should be, in accordance with GAAP, recorded as capital leases in respect of which obligations such Person is liable, contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which obligations such Person assures a creditor against loss.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended, or any successor statute.

"Issuing Agent" means Bankers Trust Company in its capacity as the Subordinated Bond Paying Agent and Subordinated Bond Registrar for the Commercial Paper Notes under the Subordinated Bond Resolution and the Issuing and Paying Agency Agreement, and its successors in such capacity.

"Issuing and Paying Agency Agreement" means the Issuing and Paying Agency Agreement Relating to Utilities System Commercial Paper Notes, Series D, dated as of June 15, 2000, between the City and the Issuing Agent, as amended and supplemented from time to time in accordance with the terms thereof and hereof.

“Lending Office” means the office of the Bank to which notices of borrowings of Loans hereunder shall be given and to which payments of amounts due hereunder and under the Bank Bond shall be made, which office (and any changes thereto) shall be communicated promptly by the Bank to the City at its address specified in or pursuant to Section 9.01.

“Lien” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset. For the purposes of this Agreement, the City shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

“Loan” means either a Revolving Credit Loan or the Term Loan, as the case may be.

“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.

“Moody’s” means Moody’s Investors Service and its successors and assigns, and if such corporation (i) shall be dissolved or liquidated or (ii) shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized statistical rating organization (other than S&P or Fitch) designated by the Bank and approved by the City if such an organization shall exist.

“No-Issuance Instructions” has the meaning set forth in Section 2.01(b).

“Notice of Revolving Credit Borrowing” has the meaning set forth in Section 3.02(a)(i).

“Notice of Term Borrowing” has the meaning set forth in Section 3.02(a)(ii).

“Offering Memorandum” means the Offering Memorandum, dated August __, 2014, relating to the Commercial Paper Notes.

“Participant” has the meaning set forth in Section 9.05(b).

“Patriot Act” shall mean the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Title III of Pub. L. 107 56 (signed into law October 26, 2001).

“Person” means an individual, a corporation, a partnership, an association, a trust, a Governmental Authority or any other entity or organization of whatever nature, including a government or political subdivision or an agency or instrumentality thereof.

“Potential Tender Event” means any condition or event which constitutes a Tender Event or which with the giving of notice or lapse of time or both would, unless cured or waived, become a Tender Event.

“Prime Rate” means, for any day, the fluctuating interest rate per annum most recently announced by the Bank as its “prime rate”, it being understood that such rate shall not necessarily be the best or lowest rate of interest available to the Bank’s best or most preferred large commercial customers. Each change in the Prime Rate shall take effect simultaneously with the corresponding change or changes in the Bank’s prime rate.

“Quarterly Payment Date” means the first Business Day of each January, April, July and October.

“Rating Agency” means Fitch, Moody’s and S&P, in each case, only to the extent such rating agency then provides an investment rating with respect to the Commercial Paper Notes.

“Regulation U” means Regulation U of the Board of Governors of the Federal Reserve System, as in effect from time to time.

“Requirement of Law” means as to any Person, the certificate of incorporation and by-laws of or other organizational or governing documents of such Person, and any law (including, in the case of the City, the Act), treaty, rule or regulation, or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Resolutions” means the Bond Resolution, the Subordinated Bond Resolution and the Fourth Supplemental Subordinated Bond Resolution.

“Revolving Credit Loan” means a Loan made during the Revolving Credit Period for the purpose of paying maturing Commercial Paper Notes.

“Revolving Credit Period” means the period from and including the Effective Date to and including the earliest of (a) the Termination Date, (b) the date on which the Commitment and the Bank’s obligation to make Loans hereunder shall be terminated pursuant to Section 7.01 hereof and (c) the date of the making of a Term Loan.

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., and its successors and assigns, and if such division (i) shall be dissolved or liquidated or (ii) shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized statistical rating organization (other than Moody’s or Fitch) designated by the Bank and approved by the City if such an organization shall exist.

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State.

“Subordinated Bond Resolution” means the Amended and Restated Subordinated Utilities System Revenue Bond Resolution adopted by the City on December 8, 2003 authorizing

the issuance of the City's Subordinated Utilities System Revenue Bonds, as amended and supplemented from time to time in accordance with the terms thereof and hereof.

"Subordinated Indebtedness Fund" means the fund by that name established pursuant to the Bond Resolution.

"Suspension Event" has the meaning set forth in Section 7.01.

"Tender Event" has the meaning set forth in Section 7.01.

"Term Loan" means a Loan made on or prior to the Termination Date for the purpose of refunding one or more Revolving Credit Loans.

"Termination Date" means the earlier of (i) August ___, 2017, 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 a Tender Event shall have occurred and the Bank Bond shall be immediately due and payable pursuant to Section 7.02 hereof.

"Trustee" has the meaning ascribed thereto in the Bond Resolution.

SECTION 1.02 Accounting Terms and Determinations. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared in accordance with generally accepted accounting principles as in effect from time to time ("GAAP").

SECTION 1.03 Interpretation. . All words used herein shall be construed to be of such gender or number as the circumstances require. Reference to any document means such document as amended or supplemented from time to time as permitted pursuant to its terms and (if applicable) the terms hereof. Reference herein to any Article or Section shall be deemed to be a reference to the corresponding Article or Section of this Agreement unless otherwise specified.

ARTICLE II

COMMERCIAL PAPER OPERATIONS

SECTION 2.01 Issuance of Commercial Paper Notes.

(a) The City has (i) pursuant to the Subordinated Bond Resolution and the Issuing and Paying Agency Agreement, authorized and directed the Issuing Agent to act as its agent in the issuance, authentication, delivery and payment of Commercial Paper Notes and in effecting Loans hereunder and (ii) pursuant to the Subordinated Bond Resolution, provided security for the payment of principal of the Commercial Paper Notes and principal of and interest on the Bank Bond.

(b) Subject to the provisions of this Section 2.01 and of Article IV, unless each of the City and the Issuing Agent are in receipt of instructions (“No-Issuance Instructions”) then in effect from the Bank given in accordance with this Section not to issue, authenticate or deliver Commercial Paper Notes because (i) a Potential Tender Event or Tender Event has occurred and is continuing or (ii) a material representation or warranty of the City contained in this Agreement is not true and correct on and as of the date of such No-Issuance Instructions, the City shall have the right from time to time to issue and sell Commercial Paper Notes pursuant to the Subordinated Bond Resolution and the Issuing and Paying Agency Agreement up to the maximum amount permitted to be outstanding at any time by subsection (c) of this Section. Any No-Issuance Instructions given by the Bank to the City and to the Issuing Agent in accordance with this Section 2.01(b) shall specify one or more of the events or conditions described in clauses (i) and (ii) above as being the reason or reasons to cease issuing, authenticating and delivering Commercial Paper Notes. If the Bank shall, as permitted by this Section and as contemplated by the Fourth Supplemental Subordinated Bond Resolution and the Issuing and Paying Agency Agreement, deliver No-Issuance Instructions to the City and the Issuing Agent, the City shall not, and shall cause the Issuing Agent not to, issue, authenticate or deliver any Commercial Paper Notes after the time such No-Issuance Instructions are first received by the Issuing Agent and the City until such time as all previously delivered No-Issuance Instructions have been revoked, except to the extent that such issuance, authentication and delivery is made pursuant to a written agreement among the City, the Issuing Agent and the Dealer to which the Bank has previously consented in writing with respect to agreements for the sale of Commercial Paper Notes concluded by the Dealer prior to the time the Dealer first received notice from the Bank, the Issuing Agent or the City of the giving by the Bank to the City and the Issuing Agent of No-Issuance Instructions pursuant to this subsection. For purposes of this subsection, an agreement for the sale of Commercial Paper Notes shall be deemed concluded when it has become a final agreement in accordance with the customary practice of commercial paper dealers or placement agents in New York City. The City shall not, under any circumstances, so long as any No-Issuance Instructions given hereunder remain in effect, request the Dealer to purchase or sell any Commercial Paper Notes. Concurrently with the giving of any No-Issuance Instructions to the City and the Issuing Agent, the Bank shall give notice thereof to the Dealer and to Moody’s and S&P (in each case to the extent such Rating Agency then provides an investment rating with respect to the Commercial Paper Notes), but the failure of the Bank to do so shall not impair the effectiveness of any such No-Issuance Instructions. Any No-Issuance

Instructions given pursuant to this subsection to the City and the Issuing Agent may be revoked by the Bank in writing at any time.

(c) The City agrees that each Commercial Paper Note shall (i) be substantially in the form set forth in Article VII of the Fourth Supplemental Subordinated Bond Resolution and completed in accordance with this Agreement, the Issuing and Paying Agency Agreement and the Subordinated Bond Resolution, (ii) be dated the date of issuance thereof, (iii) be made payable to the order of bearer, (iv) have a stated maturity date (which shall be a Business Day), which shall not be later than the earlier to occur of (A) the 270th day after the date of its issuance and (B) the second Business Day preceding the Termination Date, and (v) be in a principal amount of \$100,000 or any larger integral multiple of \$1,000, which principal amount, when added to the aggregate principal amount of all other Commercial Paper Notes outstanding (after taking into account any Commercial Paper Notes paid or to be paid on such date) or to be issued on such date, will not exceed the aggregate unused amount of the Commitment in effect on such date. Upon the request of the Issuing Agent, the Bank agrees promptly to confirm to the Issuing Agent the aggregate unused amount of the Commitment in effect on the date of such request (which amount shall be determined without regard to any payment of Loans expected to be made on such date with respect to which the Bank has received notice but not the proceeds of such payment). As contemplated by Section 3 of the Issuing and Paying Agency Agreement, all Commercial Paper Notes shall be issued, authenticated and delivered against payment therefor and otherwise in accordance with the terms of this Agreement, the Issuing and Paying Agency Agreement and the Subordinated Bond Resolution.

(d) In the event that the Commercial Paper Notes shall be issued in book-entry form as provided in paragraph 1 of Section 208 of the Fourth Supplemental Subordinated Bond Resolution, (i) any reference in this Agreement to a “Commercial Paper Note” or the “Commercial Paper Notes”, as the case may be, shall be deemed to refer to any or all of the separate obligations of the City evidenced by a “Municipal Commercial Paper – TECP Master Note” referred to in said paragraph 1 of Section 208 of the Fourth Supplemental Subordinated Bond Resolution, or such other evidence of the City’s obligations with respect to the Commercial Paper Notes as may be provided for in the Letter of Representations, as defined in the Fourth Supplemental Subordinated Bond Resolution (a “Master Note”), (ii) any reference in this Agreement to the issuance, authentication or delivery of a Commercial Paper Note shall be deemed to refer to the incurrence of an additional separate obligation of the City evidenced by a Master Note and (iii) any reference in this Agreement to the payment of a Commercial Paper Note shall be deemed to refer to the payment of a particular separate obligation of the City evidenced by a Master Note.

ARTICLE III

THE CREDITS

SECTION 3.01 Commitment to Lend.

(a) Revolving Credit Loans. During the Revolving Credit Period, the Bank agrees, on the terms and conditions set forth in this Agreement, to make Revolving Credit Loans to the City pursuant to this Section from time to time in amounts such that the aggregate

principal amount of Loans by the Bank at any one time outstanding shall not exceed the amount of the Commitment. Each Loan under this subsection (a) shall be in such aggregate principal amount as shall be needed to pay the principal amount of the Commercial Paper Notes maturing on the date of such Loan. Within the foregoing limits, the City may borrow under this subsection (a), repay or, to the extent permitted by Section 3.12, prepay Revolving Credit Loans and reborrow at any time during the Revolving Credit Period under this subsection (a).

(b) Term Loan. If requested by the City on or prior to the Termination Date, the Bank agrees, on the terms and conditions set forth in this Agreement, to make a Term Loan to the City for the purpose of refunding all or a portion of the Bank's then outstanding Loans; *provided* that the principal amount of such Term Loan shall at no time exceed the Commitment as reduced from time to time pursuant to Sections 3.10 and 3.11. Notwithstanding anything to the contrary contained herein, the City shall be entitled to request a Term Loan only once during the term of this Agreement, and shall not request a Term Loan unless either (a) all outstanding Commercial Paper Notes shall be paid or deemed to have been paid within the meaning of Article VI of the Fourth Supplemental Subordinated Bond Resolution on the date of the making of the Term Loan or (b) a letter of credit, credit agreement or other instrument or agreement replacing this Agreement and the Commitment in its entirety has been entered into between or among the City and one or more financial institutions or other Persons.

(c) Extension of Revolving Credit Period. No later than 180 days prior to Termination Date, the City may, by notice in writing to the Bank, request that the Bank extend the then current Termination Date for a period of such length as the City shall determine, in its sole discretion. If the Bank, in its sole discretion, elects to extend the Termination Date then in effect, it shall deliver to the City, the Issuing Agent and the Dealer within sixty (60) days of receiving said request a written notice of extension (herein referred to as a "Notice of Extension") designating its acceptance of such date. Following the date of delivery of such Notice of Extension by the Bank and after compliance by the City with all terms and conditions thereof, all references in this Agreement to the Termination Date shall be deemed to be references to the date designated as such in the most recent Notice of Extension delivered to the City, the Issuing Agent and the Dealer. Any date to which the Termination Date has been extended in accordance with this Section 3.01(c) may be extended in like manner. Upon any extension of the Termination Date pursuant to this Agreement, the Bank and the City each reserves the right to renegotiate any provision hereof. If the Bank fails to provide the City, the Issuing Agent and the Dealer with a Notice of Extension as provided hereinabove, the Bank shall be deemed not to have consented to the City's request.

Notwithstanding the foregoing, it is understood and agreed that the foregoing provisions are intended for the convenience of the parties only and shall in no respect prohibit the parties from agreeing to extend the Revolving Credit Period pursuant to written agreement under other circumstances or at other times. In the event the Revolving Credit Period is extended under any other circumstances, the Bank shall give prompt written notice thereof to the City, the Issuing Agent and the Dealer.

SECTION 3.02 Method of Borrowing.

(a) In the case of any Revolving Credit Loan, the Issuing Agent, on behalf of the City, shall give the Bank irrevocable telephonic notice, promptly confirmed by telecopy in the form of Exhibit A hereto (a “Notice of Revolving Credit Borrowing”), not later than 12:15 P.M. (New York City time) on the date of such Loan, specifying:

(A) the date of such Revolving Credit Loan, which shall be the Business Day on which such Notice is given, and

(B) the aggregate amount of such Revolving Credit Loan (which (1) shall not be less than \$100,000, and (2) shall not exceed the aggregate principal amount of the Commercial Paper Notes maturing on the date of such Loan and which have not been and will not be paid from the proceeds of sale of other Commercial Paper Notes on such date or from other funds on deposit in the Series D CP Note Payment Account on such date), and

(b) In the case of a Term Loan, the City shall give the Bank irrevocable telephonic notice, promptly confirmed by telecopy in the form of Exhibit B hereto (a “Notice of Term Borrowing”), not later than 12:15 P.M. (New York City time) on the second (2nd) Business Day before such Loan, specifying:

(A) the date of the Term Loan, and

(B) the amount of the Term Loan (which shall not exceed the aggregate principal amount of the outstanding Revolving Credit Loans).

(c) Not later than 2:30 P.M. (New York City time) on the date of each Loan, the Bank shall (except as provided in subsection (d) of this Section) make available such Loan, in Federal or other immediately available funds, unless the Bank determines that any applicable condition specified in Article IV has not been satisfied.

(d) On or prior to the Termination Date, if the City shall request the making of a Term Loan, the principal amount of the Term Loan shall be equal to the aggregate of the principal amounts of all Revolving Credit Loans outstanding on the date of the making of the Term Loan, less any repayments thereof made or to be made by the City on the date of the making of the Term Loan. On the date of the making of the Term Loan, the Bank need not advance any moneys with respect to such Loan, but the Revolving Credit Loans outstanding on such date shall be deemed to be repaid from the proceeds of the Term Loan.

SECTION 3.03 Bank Bond.

(a) The Loans shall be evidenced by a single Bank Bond payable to the order of the Bank. The Bank Bond shall have a stated maximum principal amount equal to the amount of the Commitment hereunder; *provided* that the principal amount outstanding with respect to the Bank Bond at any time shall equal the amount borrowed by the City hereunder, less any prior repayments of the principal thereof.

(b) The Bank Bond shall be in substantially the form set forth in Article VIII of the Fourth Supplemental Subordinated Bond Resolution.

(c) The Bank shall record the date, amount, type and maturity of each Loan made by it and the date and amount of each payment of principal made by the City with respect thereto, and prior to any transfer of the Bank Bond shall endorse on the schedule forming a part thereof appropriate notations to evidence the foregoing information with respect to each such Loan then outstanding (which notations shall, at the request of the City, be submitted by the Bank to the City for its review prior to any such transfer of the Bank Bond); *provided* that the failure of the Bank to make any such recordation or endorsement or to submit any such notations to the City shall not affect the obligations of the City hereunder or under the Bank Bond. The Bank is hereby irrevocably authorized by the City so to endorse the Bank Bond and to attach to and make a part of the Bank Bond a continuation of any such schedule as and when required.

SECTION 3.04 Maturity of Loans. Each Revolving Credit Loan shall mature, and the principal amount thereof shall be due and payable, on the earlier of (a) the Termination Date, as the same may be extended from time to time in accordance with Section 3.01(c) hereof and (b) the date of the making of the Term Loan. The Term Loan shall mature no later than the Maturity Date, and the principal amount thereof shall be repaid, if not otherwise required to be repaid sooner in accordance with the terms of this Agreement, in equal semi-annual installments, commencing on the second (2nd) Quarterly Payment Date following the date of the making of the Term Loan.

SECTION 3.05 Interest Rates.

(a) Interest on the outstanding principal amount of a Loan shall accrue (beginning on the date the Loan is made) at the Bank Rate in effect from time to time while such Loan is outstanding. The interest rate on any such Loan shall change each time the Bank Rate shall change. Interest on any such Loan shall be payable on the first Business Day of each calendar month, commencing on the first month immediately following the date the Loan is made, on the date of any principal payment with respect to such Loan and on the first to occur of the Termination Date and the Maturity Date.

(b) The Bank shall determine each interest rate applicable to the Loans hereunder. The Bank shall give prompt notice to the City by telecopy of each rate of interest so determined, and its determination thereof shall be conclusive in the absence of manifest error.

(c) Except as otherwise provided in clauses (i) and (ii) below, no provision of this Agreement or the Bank Bond shall require the payment or permit the collection of interest in excess of the maximum rate permitted by applicable law.

(i) If the amount of interest payable on any interest payment date in respect of the preceding interest computation period (without giving effect to any maximum rate permitted by law) would exceed the amount of interest computed in respect of such period at the maximum rate of interest from time to time permitted (after taking into account all consideration which constitutes interest) by applicable law (such maximum rate being the "Maximum Permissible Rate"), the amount of interest payable

to the Bank on such date in respect of such period shall be computed at the Maximum Permissible Rate.

(ii) If at any time and from time to time (A) the amount of interest payable to the Bank on any interest payment date shall be computed at the Maximum Permissible Rate pursuant to the preceding paragraph (i) and (B) in respect of any subsequent interest computation period the amount of interest otherwise payable to the Bank would be less than the amount of interest payable to the Bank computed at the Maximum Permissible Rate, then the amount of interest payable to the Bank in respect of such subsequent interest computation period shall continue to be computed at the Maximum Permissible Rate until the total amount of interest paid to the Bank shall equal the total amount of interest which would have been payable to the Bank if the total amount of interest had been computed without giving effect to the maximum rated permitted by law. If and to the extent permitted by applicable law, on the first to occur of the Termination Date and the Maturity Date, the City shall pay to the Bank a fee equal to the amount of accrued and unpaid interest as a result of the provisions of this Section 3.05(d).

SECTION 3.06 Fees. Reference is hereby made to that certain letter dated August __, 2014 (the “Fee Letter”), between the Bank and the City (as amended or supplemented from time to time) regarding the agreement as to certain fees payable by the City to the Bank (the “Fees”). Any reference in this Agreement or in any other document to fees and/or other amounts payable under this Agreement shall include without limitation all fees and other amounts payable pursuant to the aforementioned Fee Letter concerning Fees and any reference to this Agreement shall be deemed to include reference to said Fee Letter.

SECTION 3.07 Optional Termination or Reduction of Commitment. During the Revolving Credit Period, subject to terms of the Fee Letter, the City may, upon thirty (30) days’ notice to the Bank, (i) terminate the Commitment and the Bank’s obligation to make Loans hereunder at any time, if (A) no Loans or Commercial Paper Notes are outstanding at such time, or (B) a letter of credit, credit agreement or other instrument or agreement replacing this Agreement, the Bank Bond and the Commitment in its entirety has been entered into between or among the City and one or more financial institutions or other Persons and all amounts payable to the Bank hereunder and under the Bank Bond have been paid in full at such time, or (ii) reduce from time to time by an amount of \$1,000,000 or any larger integral multiple thereof, the amount of the Commitment in excess of the sum of (A) the aggregate outstanding principal amount of the Loans and (B) the aggregate principal amount of all outstanding Commercial Paper Notes. For purposes of the preceding sentence, a Commercial Paper Note shall be deemed not to be outstanding if funds sufficient to pay the principal amount of such Commercial Paper Note at maturity have been deposited with the Issuing Agent pursuant to the Fourth Supplemental Subordinated Bond Resolution. Promptly upon delivery of any such notice by the City, the City shall notify the Issuing Agent and the Dealer of the contents thereof.

SECTION 3.08 Mandatory Termination of Commitment.

(a) The Commitment and the Bank’s obligation to make Loans hereunder shall terminate on the Termination Date, and any Revolving Credit Loans then outstanding

(together with accrued interest thereon) shall be due and payable on such date, subject to the right of the City to request a Term Loan on such date.

(b) If at any time a Tender Event shall have occurred and be continuing, the Bank may deliver a notice to that effect to the City, the Issuing Agent and the Dealer, and the Commitment and the Bank's obligation to make Loans hereunder shall terminate effective at the close of business on the latest maturity date of the Commercial Paper Notes then outstanding and not issued or delivered in violation of Section 2.01(b) or, if a letter of credit, credit agreement or other instrument or agreement replacing this Agreement and the Commitment in its entirety has been entered into between or among the City and one or more financial institutions or other Persons, on the effective date of such letter of credit, credit agreement or other instrument or agreement replacing this Agreement and the Commitment; *provided, however*, that all amounts payable to the Bank hereunder and under the Bank Bond shall have been paid in full at such time.

SECTION 3.09 Optional Prepayments. The City may, at any time and from time to time, by written notice to the Bank by 1:00 P.M. (New York City time) on any Business Day, prepay any Loan in whole or in part by paying the principal amount to be prepaid by 3:00 P.M. (New York City time) on such Business Day.

SECTION 3.10 General Provisions as to Payments.

(a) The City shall make each payment of principal of, and interest on, the Loans and of fees hereunder not later than 3:00 P.M. (New York City time) on the date when due, in Federal or other immediately available funds, to the Bank at its address specified in or pursuant to Section 9.01; *provided* that payment of principal of, and interest on, the Loans shall also be payable from amounts on deposit in the Series D CP Note Payment Account as provided in Article IV of the Fourth Supplemental Subordinated Bond Resolution, and any such payments to be made from amounts on deposit in the Series D CP Note Payment Account shall be made by the Issuing Agent (on behalf of the City) not later than 3:00 P.M. (New York City time) on the date when due, in Federal or other immediately available funds, to the Bank at its address specified in or pursuant to Section 9.01. Whenever any payment of principal of, or interest on, the Loans or of fees shall be due on a day which is not a Business Day, the date for payment thereof shall be extended to the next succeeding Business Day. If the date for any payment of principal is extended by operation of law or otherwise, interest thereon shall be payable for such extended time.

(b) If and to the extent permitted by applicable law, any principal of or interest on the Loans, under this Agreement or in connection with the Bank Bond that is not paid when due shall bear interest until paid at the Default Rate.

SECTION 3.11 Computation of Interest and Fees. Interest hereunder shall be computed on the basis of a year of 365 or 366 days, as applicable, and paid for the actual number of days elapsed (including the first day but excluding the last day). Fees pursuant to Section 3.06 shall be computed on the basis of a year of 360 days and paid for the actual number of days elapsed (including the first day but excluding the last day).

ARTICLE IV

CONDITIONS

SECTION 4.01 Effectiveness. This Agreement shall become effective on the date on which each of the following conditions shall have been satisfied (or waived in accordance with Section 9.04), or such later date as shall have been agreed upon by the City and the Bank:

(a) receipt by the City and the Bank of counterparts hereof and of the Fee Letter signed by each of the parties hereto (or, in the case of any party as to which an executed counterpart shall not have been received, receipt by such party in form satisfactory to it of written confirmation by telecopier from the other party of execution of a counterpart hereof by such other party);

(b) receipt by the Bank of its out-of pocket expenses and the fees and disbursements of its counsel in connection with the preparation of this Agreement and the Financing Documents, as provided in Section 9.03(a)(i);

(c) receipt by the Bank of the duly executed Bank Bond dated on or before the Effective Date complying with the provisions of Section 3.03;

(d) receipt by the Bank of (i) an opinion of the Office of the City Attorney of the City, substantially in the form of Exhibit D-1 hereto and covering such additional matters relating to the transactions contemplated hereby or by the Financing Documents as the Bank may reasonably request, (ii) an opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel for the City, substantially in the form of Exhibit D-2 hereto and covering such additional matters relating to the transactions contemplated hereby or by the Financing Documents as the Bank may reasonably request;

(e) receipt by the City of an opinion of counsel for the Bank, substantially in the form of Exhibit E hereto and covering such additional matters relating to the transactions contemplated hereby or by the Financing Documents as the City may reasonably request;

(f) receipt by the Bank of copies of the Issuing and Paying Agency Agreement and the Dealer Agreement, as executed by the parties thereto;

(g) receipt by the Bank of a certified copy of each Resolution, including all supplements thereto making any amendment thereof (each as in effect on the Effective Date), and a certificate of the Clerk of the Commission of the City certifying that each Resolution is in full force and effect and that there has been no other amendment or modification to any provision of any such Resolution;

(h) receipt by the Bank of a certificate of an Authorized Officer of the City certifying that (i) each of the City's representations and warranties

contained (or incorporated by reference) herein is true and correct on and as of the Effective Date, (ii) no Potential Tender Event or Tender Event has occurred and is continuing, (iii) there has not been any material adverse change in the business, assets, financial position or results of operations of the City that are payable from the Trust Estate, and (iv) subsequent to the date of the City's most recent audited financial statements relating to the System, the City has not entered into any transaction or incurred any debt or other liability (actual or contingent) which could reasonably be expected to be material and adverse to the condition (financial or otherwise), operations or prospects of the City, or materially impair or could reasonably be expected to materially impair the ability of the City to perform its obligations under this Agreement, the Fee Letter, the Commercial Paper Notes or other Financing Documents;

(i) receipt by the Bank of a certificate of the Clerk of the Commission of the City certifying as to the authorization and signatures of the officers of the City who are authorized to execute and deliver this Agreement, the Fee Letter and the Bank Bond;

(j) receipt by the Bank of a copy of the Offering Memorandum;

(k) receipt by the Bank of written confirmation that the Commercial Paper Notes have been rated "P-1" by Moody's and "A-1+" by S&P;

(l) receipt by the Bank of written evidence that the Bank Note CUSIP number has been obtained and received from Standard & Poor's CUSIP Service Bureau;

(m) receipt by the Bank of written confirmation that the Bank Note shall have received at least one unenhanced long-term credit rating from any of the Rating Agencies;

(n) the Bank shall have determined, in its sole discretion, that the City meets the Bank's credit requirements and that no legal change has occurred which would prevent the City from fulfilling its obligations under this Agreement, the Fee Letter, the Commercial Paper Note or any other Financing Document; and

(o) receipt by the Bank of all opinions, certificates and other documents it may reasonably request relating to the existence of the City, the authority for and the validity of this Agreement, the Bank Bond and each Financing Document, and any other matters relevant hereto or thereto, all in form and substance satisfactory to the Bank;

provided that this Agreement shall not become effective or be binding upon either party hereto unless all of the conditions are satisfied. The Bank shall promptly notify the City, the Issuing Agent and the Dealer of the Effective Date, and such notice shall be conclusive and binding on both parties hereto.

SECTION 4.02 Revolving Credit Borrowings. The obligation of the Bank to make a Revolving Credit Loan is subject to the satisfaction of the following conditions:

(a) receipt by the Bank of a Notice of Revolving Credit Borrowing as required by Section 3.02;

(b) the fact that, immediately after such Loan, the aggregate outstanding principal amount of the Loans will not exceed the amount of the Commitment and that none of the proceeds of such Loan shall be used to pay any Commercial Paper Notes issued or delivered in violation of Section 2.01(b); and

(c) no Immediate Tender Event or Suspension Event shall have occurred and be continuing.

Each Loan hereunder shall be deemed to be a representation and warranty by the City on the date of such Loan as to the facts specified in clauses (b) and (c) of this Section.

SECTION 4.03 Term Borrowing. The obligation of the Bank to make a Term Loan is subject to the satisfaction of the following conditions:

(a) receipt by the Bank of a Notice of Term Borrowing as required by Section 3.02;

(b) the fact that, immediately after such Loan, the aggregate outstanding principal amount of the Loans will not exceed the amount of the Commitment;

(c) no Tender Event or Potential Tender Event of the type described in Section 7.01 shall have occurred and be continuing; and

(d) each of the City's representations and warranties contained in Article V shall be true and correct on and as of the date of such Term Loan.

Such Term Loan shall be deemed to be a representation and warranty by the City on the date of such Loan as to the facts specified in clauses (b), (c) and (d) of this Section.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

The City represents and warrants that:

SECTION 5.01 Financial Condition. The balance sheet of Gainesville Regional Utilities at September 30, 2013, and the related statements of revenue and expense and retained earnings, and cash flows for the year then ended, reported on by Ernst & Young LLP, 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).

SECTION 5.02 No Change. Since September 30, 2013 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 the Resolutions, this Agreement, the Fee Letter, the Commercial Paper Notes or the Bank Bond.

SECTION 5.03 Organization; Compliance with Law. The City (a) is a municipal corporation duly organized and validly existing under the laws of the State of Florida, (b) has all requisite power and authority and the legal right to own and operate its property and to conduct its business, including without limitation, the System, and (c) is in compliance with all Requirements of Law except to the extent that the failure to comply therewith would not, in the aggregate, have a material adverse effect on the business, operations, property or financial or other condition of the System, and would not materially adversely affect the ability of the City to perform its obligations under the Resolutions, this Agreement, the Fee Letter, the Commercial Paper Notes and the Bank Bond.

SECTION 5.04 Power; Authorization; Enforceable Obligations. The City has all requisite power and authority and the legal right to adopt the Resolutions, to make, deliver and perform this Agreement, the Bank Bond and the other Financing Documents and to borrow hereunder and to secure the payment of its obligations in respect of such borrowings by the pledge of the Subordinated Indebtedness Fund made in the Subordinated Bond Resolution, and has taken all necessary action to authorize the borrowings and such pledge on the terms and conditions of this Agreement, the Bank Bond and the Resolutions, and to authorize the execution, delivery and performance of this Agreement, the Commercial Paper Notes and other Financing Documents. No consent or authorization of, filing with, or other act by or in respect of any Person, is required in connection with the borrowings hereunder or with the execution, delivery, performance, validity or enforceability of this Agreement, the Bank Bond or the Financing Documents. This Agreement, the Bank Bond and the other Financing Documents have been duly executed and delivered on behalf of the City, and each of this Agreement and the other Financing Documents constitute a legal, valid and binding obligation of the City enforceable against the City in accordance with its terms, subject to the effect of, and restrictions and limitations imposed by or resulting from, bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights and judicial discretion and the valid exercise of the sovereign police powers of the State of Florida and the constitutional power of the United States of America. The Resolutions have been duly adopted and are in full force and effect.

SECTION 5.05 No Legal Bar. The execution, delivery and performance of this Agreement, the Bank Bond and the other Financing Documents, the borrowings hereunder and the use of the proceeds thereof will not violate any Requirement of Law or any Contractual Obligation of the City, and, except for the pledge of the Subordinated Indebtedness Fund effected by the Subordinated Bond Resolution, will not result in, or require, the creation or imposition of any lien or encumbrance on or security interest in any of the properties or Revenues of the System pursuant to any Requirement of Law or Contractual Obligation. The

issuance of the Commercial Paper Notes and the Bank Bond, and the execution, delivery and performance by the City of this Agreement and the other Financing Documents in accordance with their respective terms and conditions do not and will not conflict with, violate or cause a default, or with the passage of time or the giving of notice or both would cause a default, under any bond, note or other evidence of indebtedness or mortgage, indenture, contract or other agreement to which the City is a party or that is binding upon it or any of its properties relating to the System.

SECTION 5.06 No Material Litigation. No litigation or proceeding or, to the knowledge of the City, investigation of or before any arbitrator or Governmental Authority is pending or, to the knowledge of the City, threatened by or against the City or against any of its properties or revenues (a) with respect to any of the Resolutions, this Agreement or the Bank Bond or any of the transactions contemplated thereby or hereby, or (b) which would have a material adverse effect on the business, operations, property or financial or other condition of the System or the ability of the City to perform its obligations under the Resolutions, this Agreement, the Bank Bond or any other Financing Document or in respect of any other Indebtedness incurred to finance or otherwise in respect of the System or secured by Revenues or other assets of the System.

SECTION 5.07 No Default. The City is not in default under or with respect to the Resolutions, or with respect to any Contractual Obligation in any respect which would be materially adverse to the business, operations, property or financial or other condition of the System or which would materially and adversely affect the ability of the City to perform its obligations under the Resolutions, this Agreement, the Bank Bond or any other Financing Document or in respect of any other Indebtedness incurred to finance or otherwise in respect of the System or secured by any Revenues or other assets of the System. No Potential Tender Event or Tender Event has occurred and is continuing.

SECTION 5.08 Security, Etc. The obligations of the City in respect of the Bank Bond will be secured ratably with the Commercial Paper Notes and with other Subordinated Bonds or Parity Subordinated Indebtedness heretofore and hereafter issued by a lien on and pledge of the Subordinated Indebtedness Fund, which lien and pledge is junior and subordinate in respect of any part thereof which is included in the Trust Estate, as such term is defined in the Bond Resolution, to the lien on and pledge of such Trust Estate created by the Bond Resolution in favor of the holders of the Bonds, but is superior to all other liens, pledges, charges, security interests and other encumbrances of whatever nature on the Subordinated Indebtedness Fund. The obligations of the City in respect of the Bank Bond will be “Subordinated Indebtedness” within the meaning of the Bond Resolution.

SECTION 5.09 Federal Reserve Regulations. No part of the proceeds of any Loan will be used for the purpose, whether immediate, incidental or ultimate, to purchase or carry any margin stock (within the meaning of Regulation U) or for any other purpose which would violate any of the regulations of the Board of Governors of the Federal Reserve System.

SECTION 5.10 ERISA Matters. The City does not maintain any employee benefit plan that is subject to Title I or Title IV of ERISA.

SECTION 5.11 Legislation. 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.

SECTION 5.12 Sovereign Immunity. The defense of sovereign immunity is not available to the City in any proceedings by the Bank to enforce any of the provisions of this Agreement.

SECTION 5.13 Tax-Exempt Status. No part of the proceeds of the Commercial Paper Notes or other funds of the City shall at any time be used in a manner that would cause the Commercial Paper Notes or any of them to be treated as “arbitrage bonds” within the meaning of Section 148 (or any successor section thereto) of the Internal Revenue Code.

SECTION 5.14 Offering Memorandum. The Offering Memorandum does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

SECTION 5.15 Full Disclosure. To the best of the City's knowledge, any written information, reports and other papers and data prepared by the City and furnished to the Bank by the City pursuant to this Agreement were, at the time the same were so furnished, complete and correct in all material respects to the extent necessary to give the Bank a true and accurate knowledge of the subject matter thereof. The City has disclosed to the Bank in writing any and all facts known to it which materially and adversely affect, or may (to the extent that the City can now reasonably foresee) materially and adversely affect, the business, operations or financial condition of the System or the ability of the City to perform its obligations under this Agreement, the Fee Letter or any other Financing Document.

SECTION 5.16 Incorporation by Reference. The City is in compliance with all representations and warranties set forth in the Financing Documents to which it is a party, which are hereby made to, and for the benefit of, the Bank and incorporated herein by this reference, as if set forth herein in full (together with the related definitions).

SECTION 5.17 Environmental Laws. The System and any of the property of the City that constitutes a part of the System is in material compliance with all applicable Environmental Laws and has not become subject to any Environmental Liability, nor does the City know of any basis for such Environmental Liability.

SECTION 5.18 Rate Increases. 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.

SECTION 5.19 Anti-Corruption Laws and Sanctions. The City and its elected officials, officers and employees and to the knowledge of the City, its agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. No use of proceeds of the Loans or any other transaction contemplated by this Agreement will violate Anti-Corruption Laws or applicable Sanctions.

ARTICLE VI

COVENANTS

The City agrees that, so long as the Bank has any Commitment hereunder or any amount payable under the Bank Bond remains unpaid, the City:

SECTION 6.01 Resolutions. Shall perform each of its covenants set forth in the Subordinated Bond Resolution and the Bond Resolution (as the same may be amended from time to time after the date of this Agreement) at the time such performance is required thereby (and giving effect to any applicable grace periods set forth therein). For the purposes of this Agreement, each reference to the Trustee in the Bond Resolution shall be deemed to be a reference to the Bank and each reference therein to the Bonds shall be deemed to be a reference to the Bank Bond.

SECTION 6.02 Financial and Other Information. Shall furnish to the Bank (a) within 150 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 revenue and expense and retained earnings, and cash flows for the year then ended, accompanied by an unqualified opinion 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 or Tender Event exists on the date of such certificate and, if any Potential Tender Event or Tender Event then exists, setting forth the details thereof and the actions which the City is taking or proposes to take with respect thereto; (b) within 60 days after the close of the first three quarters of each fiscal year of the City, a balance sheet of Gainesville Regional Utilities as at the end of such quarter, and the related statements of revenue and expense and retained earnings, and cash flows for the three months then ended, together with a certificate of an Authorized Officer of the City stating whether any Potential Tender Event or Tender Event exists on the date of such certificate and, if any Potential Tender Event or Tender Event then exists, setting forth the details thereof and the action which the City is taking or proposes to take with respect thereto; and (c) promptly upon request, such financial and other information as the Bank may from time to time reasonably request.

SECTION 6.03 Inspection of Property; Discussions. Shall permit representatives of the Bank to visit and inspect any of the properties of the System and examine and make abstracts from any of its books and records (except to the extent such books and records are subject to legal privilege) at any reasonable time and as often as may reasonably be desired, and to discuss the business, operations, properties and financial and other condition of the System with officers and employees of the System and with its independent certified public accountants.

SECTION 6.04 Notices. Shall promptly give notice to the Bank:

- (a) of the occurrence of any Potential Tender Event or Tender Event;
- (b) of any (i) default or event of default under any Contractual Obligation of or relating to the System or (ii) litigation, investigation or proceeding which may exist at any time between the City and any other Person, which in either case would have a material adverse effect on the business, operations, property or financial or other condition of the System or on the ability of the City to perform its obligations under this Agreement, the Fee Letter or any other Financing Document;
- (c) of any litigation, proceeding or Environmental Liability affecting the System in which the amount involved is \$10,000,000 or more and not covered by insurance or in which injunctive or similar relief is sought;
- (d) of any change in the ratings on the Bonds or any Subordinated Indebtedness assigned by Moody's or S&P; and
- (e) of the execution and delivery or adoption, as applicable, thereof, of any amendments of or supplements to any of the Financing Documents or the Offering Memorandum, together with copies thereof (but exclusive of those amendments or supplements for which the Bank's consent is otherwise required pursuant to the terms of this Agreement).

Each notice pursuant to paragraph (a), (b) or (c) of this subsection shall be accompanied by a statement of an Authorized Officer of the City setting forth details of the occurrence referred to therein and stating what action the City proposes to take with respect thereto.

SECTION 6.05 Resolutions, Etc. Shall not modify, amend or supplement the Subordinated Bond Resolution without the prior written consent of the Bank or modify, amend or supplement or agree to modify, amend or supplement, any other Financing Document in any respect which is adverse to the interests of the Bank or is inconsistent with this Agreement without the prior written consent of the Bank; *provided, however*, that (a) in the case of the Subordinated Bond Resolution, no such consent shall be required in connection with any amendment thereto permitted under the provisions of Section 10.01 or 10.02 thereof and (b) in the case of the Bond Resolution, no such consent shall be required in connection with any amendment thereto permitted under the provisions of Section 1001 or 1002 thereof. The City shall promptly (and in any event within 30 days) furnish to the Bank copies, certified by the Clerk of the Commission of the City as being in full force and effect, of any modification of, amendment of or supplement to any of the Resolutions as in effect on the date of the delivery of the certified Resolutions referred to in subsection 4.01(g); *provided, however*, that (a) in the case of the Subordinated Bond Resolution, the City shall not be required to furnish any such modification, amendment or supplement permitted under the provisions of Section 10.01 or 10.02 thereof, other than such a modification, amendment or supplement that amends or modifies

the provisions of the Fourth Supplemental Subordinated Bond Resolution and (b) in the case of the Bond Resolution, the City shall not be required to furnish any such modification, amendment or supplement permitted under the provisions of Section 1001 or 1002 thereof.

SECTION 6.06 Payment of Bank Bond. Shall pay or cause to be paid to the Trustee for deposit in the Subordinated Indebtedness Fund an amount which, together with other amounts then on deposit in such Subordinated Indebtedness Fund and the Series D CP Note Payment Account, will be sufficient and available to make such payment on such date.

SECTION 6.07 Further Assurance. Shall, at any and at all times, as far as it may be authorized by law, comply with any reasonable request of the Bank to pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming all and singular the rights, moneys, securities and funds pledged or assigned in the Subordinated Bond Resolution or intended so to be, or which the City may become bound to pledge or assign.

SECTION 6.08 Power to Fix and Collect Rates, Fees and Charges. Shall, as long as the Bank Bond is 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 and subject to the jurisdiction of any applicable regulatory authority.

SECTION 6.09 Replacement of this Agreement. In the event that either (a) the Bank shall determine (or be deemed to have determined) not to extend the Revolving Credit Period upon request of the City, (b) the City shall have failed to timely request that the Bank extend the Revolving Credit Period or (c) the Commitment and the Bank's obligation to make Loans hereunder shall have been terminated by the City prior to the Termination Date or shall have terminated as provided in Section 7.01, shall either (i) obtain a letter of credit, credit agreement or other instrument or agreement replacing this Agreement and the Commitment in its entirety, or (ii) refinance in full or otherwise defease in full the Commercial Paper Notes, in either case, as soon as practicable following the occurrence of either such event. The City agrees that any replacement letter of credit, credit agreement or other instrument or agreement will require, as a condition to its effectiveness, that the issuer or provider thereof, as the case may be, will provide funds, on the date such letter of credit, credit agreement or other instrument or agreement becomes effective, which, together with any available funds of the City, shall be sufficient to pay in full all Loans outstanding on such date, plus accrued interest thereon, together with all other amounts due and payable hereunder.

SECTION 6.10 Sovereign Immunity. To the extent permitted by applicable law, shall not to assert the defense of sovereign immunity in connection with any suit or claim brought for the purposed of adjudicating its duties and obligations under this Agreement, the Fee Letter or any Bank Bond or for damages for a breach of any of the foregoing.

SECTION 6.11 Incorporation by Reference. (a) Shall comply with all its covenants and agreements set forth in the other Financing Documents, which covenants and agreements are hereby incorporated herein by reference and, notwithstanding anything to the

contrary set forth herein or in such other Financing Documents, shall be for the benefit of, and run directly to, the Bank, and the Bank shall be entitled to rely upon all such covenants and agreements as though all such covenants and agreements were set forth herein in full or otherwise addressed directly to the Bank. All such covenants and agreements shall be unaffected by any amendment, modification or waiver after the date hereof of any such other Financing Document, unless amended, modified or waived in accordance with Section 6.05 hereof.

(b) (i) In the event that the City has previously entered into or shall hereafter enter into or otherwise consent to any agreement or instrument (or any amendment, supplement or modification thereto) under which any Person undertakes to make loans, to refinance or restructure existing Indebtedness or to extend credit or liquidity to the City or other similar arrangement, and which is secured on a basis senior to, or on parity with, the Commercial Paper Notes (each a “Relevant Agreement”) which (i) provides such Person with a covenant, provision or agreement which is more restrictive, as to the City, (ii) in the case of a Relevant Agreement that provides credit or liquidity support for bonds or other securities issued by or for the benefit of the City, provides a time for repayment of amounts advanced pursuant to that Relevant Agreement which is shorter than the time specified herein for the repayment of Loans, or (iii) gives or grants greater rights, events of default or remedies to such Person, whether as to timing of payment, priority of payment or Lien or otherwise (each, a “Favored Covenant”) which are more favorable to the lender thereunder than, in the case of (i), are undertaken by the City herein or, in the case of (ii) or (iii), are given or granted to the Bank herein, then each such Favored Covenant shall automatically be deemed to be incorporated into this Agreement and the Bank shall have the benefits of each such Favored Covenant as if specifically set forth in this Agreement for the duration of such Relevant Agreement. If requested by the Bank, the City shall promptly enter into an amendment to this Agreement to include the Favored Covenant; *provided* that the Bank shall maintain the benefit of such Favored Covenant even if the City fails to provide such amendment.

(ii) Notwithstanding the foregoing, no (A) additional or more restrictive events of default under a Relevant Agreement, the remedy for which is an immediate termination or suspension of the obligations of the related lender thereunder or (B) additional conditions precedent to purchase or funding under a Relevant Agreement shall be incorporated into this Agreement pursuant to the terms of Section 6.11(b)(i) without written confirmation from each of the Rating Agencies then rating the Commercial Paper Notes that such incorporation will not result in a suspension, lowering or withdrawal of the then current short-term credit ratings on the Commercial Paper Notes.

SECTION 6.12 Maintenance of Ratings. Shall at all times maintain long-term credit ratings assigned to the Bonds at no less than “A3” or “A-”, as applicable, from not less than two Rating Agencies.

SECTION 6.13 Compliance with Laws. Shall comply in all material respects, within the time period, if any, given for such compliance by the relevant Governmental Authority, with all applicable laws, rules, regulations and requirements of Governmental Authorities (including, without limitation, Environmental Laws), except where the necessity of compliance therewith is contested in good faith by appropriate proceedings.

SECTION 6.14 Appointment of Successors and Assigns. So long as this Agreement is in effect, the City will not permit the appointment of a successor Trustee or Tender Agent or Dealer unless the City has obtained the prior written consent of the Bank thereto, which consent shall not be unreasonably withheld. The City will cause a Dealer acceptable to the Bank to be in place at all times while this Agreement is in effect or any Commercial Paper Notes are outstanding.

SECTION 6.15 Anti-Corruption Laws and Sanctions. Shall not request, nor cause any other Person to request, any Loan, and the City shall not use, and shall not permit its elected officials, officers, employees and agents to use, the proceeds of any such Loan (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, or (B) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

ARTICLE VII

TENDER EVENTS

SECTION 7.01 Tender Events. If one or more of the following events (“Tender Events”) shall have occurred and be continuing:

(a) the City shall fail to pay when due (i) any principal of, or interest on, any Loan, or (ii) any fees or any other amount payable hereunder or under the Fee Letter;

(b) the City shall fail to observe or perform any covenant or agreement contained in this Agreement (other than that covered by clause (a) above) or in any Financing Document for 60 days after written notice thereof has been given to the City by the Bank; *provided, however*, that there shall be no 60-day cure period for a failure to observe or perform any covenant or agreement set forth in or contemplated by Section 6.01, 6.04(a), 6.04(b), 6.05, 6.06, 6.08, 6.09, 6.10, 6.11, 6.12, 6.14 or 6.15;

(c) any representation, warranty, certification or statement made by the City (or incorporated by reference) in this Agreement or any other Financing Document or in any certificate, financial statement or other document delivered pursuant to this Agreement or any other Financing Document shall prove to have been incorrect in any material respect when made (or deemed made);

(d) the City shall fail to pay any principal of, or interest on, any of the Bonds, the Commercial Paper Notes or any of the City’s Subordinated Indebtedness when due or within any applicable grace period;

(e) any event or condition shall occur which (i) results in the acceleration of the maturity of any Commercial Paper Notes or any of the City’s Indebtedness relating to the System or (ii) enables (or, with the giving of notice or

lapse of time or both, would enable) the holder of such Indebtedness or any Person acting on such holder's behalf to accelerate the maturity thereof;

(f) the City shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any action to authorize any of the foregoing;

(g) an involuntary case or other proceeding shall be commenced against the City seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed in a period of 90 days; or an order for relief shall be entered against the City under the Federal bankruptcy laws or applicable state law as now or hereafter in effect;

(h) a moratorium shall have been declared or announced (whether or not in writing) by the City, the State of Florida, the Federal Government or any other Governmental Authority with jurisdiction with respect to any Bonds or Subordinated Indebtedness;

(i) one or more final, non-appealable judgment(s) or order(s) for the payment of money in excess of \$10,000,000, individually or in the aggregate, shall, individually or in the aggregate, be rendered against the City with respect to the System and such judgment(s) or order(s) shall continue unsatisfied for a period of 60 days;

(j) any material provision of this Agreement or any Financing Document (including without limiting the generality of the foregoing, Section 5.01(1) of the Subordinated Bond Resolution) related to the payment of principal or interest on the Commercial Paper Notes or the security for the Commercial Paper Notes shall at any time cease to be valid and binding on the City, or shall be declared to be null and void, in either such case, as a result of a final, non-appealable judgment of a court of competent jurisdiction or by any Governmental Authority having jurisdiction, or any Governmental Authority having jurisdiction shall find or rule in a final non-appealable judgment or order that any material provision of this Agreement or any Financing Document related to the payment of principal of or interest on the Bonds or the security for the Bonds is not valid or binding on the City, or the validity or enforceability thereof shall be contested by the City; or

(k) each of the Rating Agencies then rating any Bonds shall have downgraded the long-term unenhanced credit ratings on such Bonds to below “Baa3” or “BBB-”, as the case may be, or shall have suspended or withdrawn the long-term unenhanced credit ratings on such Bonds for credit-related reasons.

then, and in every such event, the Bank (i) may issue to the City and the Issuing Agent pursuant to Section 2.01(b) No-Issuance Instructions, if No-Issuance Instructions have not theretofore been issued or are not then in effect, (ii) may, by notice to the City, terminate the Commitment and the Bank’s obligation to make Loans hereunder and they shall thereupon terminate in accordance with Section 3.11(b), and (iii) may, by notice to the City, tender the Bank Bond to the City for payment and the City shall thereupon be obligated to pay immediately the outstanding principal amount of the Bank Bond (together with accrued interest thereon) and all other amounts owed by the City hereunder, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the City; *provided* that in the case of any of the Tender Events described in clause (a)(i), clause (d), clause (f), clause (g), clause (h), clause (i), clause (j) or clause (k) above (each, an “Immediate Tender Event”), without any notice to the City or any other act by the Bank, the Commitment and the Bank’s obligation to make Loans hereunder shall thereupon terminate and the Bank Bond shall immediately be deemed to be tendered for payment to the City and the City shall be obligated to pay immediately the outstanding principal amount of the Bank Bond (together with accrued interest thereon) and all other amounts owed by the City hereunder, without presentment, demand, protest or notice of any kind, all of which are hereby waived by the City. Promptly following the taking of any action or the occurrence of any event or condition referred to above, the Bank shall give notice thereof to the City, the Issuing Agent and the Dealer, but the failure to give any such notice or any delay in giving any such notice shall not impair the validity or effect of any action or event or condition referred to above.

Upon the occurrence and during the continuance of a Potential Tender Event described in clause (g) (a “Suspension Event”), the Bank’s obligation to make Loans hereunder shall be immediately and automatically suspended, without notice, and the Bank shall be under no further obligation hereunder to make Loans hereunder until the bankruptcy, insolvency or similar proceeding referred to therein is terminated prior to the court entering an order granting the relief sought in such proceeding. In the event such proceeding is terminated, then the obligation of the Bank to make Loans hereunder shall be automatically reinstated and the terms of this Agreement shall continue in full force and effect (unless the obligation of the Bank to make Loans hereunder shall otherwise have terminated as provided in this Section 7.1) as if there had been no such suspension. If at any time prior to the Maturity Date, (x) the Potential Tender Event which gave rise to such suspension is cured or has ceased to be continuing and (y) the obligation of the Bank to make Loans under this Agreement has not otherwise terminated, then, the obligation of the Bank to make Loans under this Agreement shall be automatically reinstated. If the Potential Tender Event which gave rise to the suspension of the obligation of the Bank to make Loans under this Agreement has not been cured or has not ceased to be continuing prior to Maturity Date and the obligation of the Bank to make Loans under this Agreement has not otherwise terminated, then the obligation of the Bank to make Loans hereunder shall be automatically terminated on the Maturity Date. Promptly upon the occurrence of such termination the Bank shall give written notice of the same to the City, the Issuing Agent and the Dealer; *provided*, that the Bank shall not incur any liability or responsibility whatsoever by

reason of its failure to give such notice and such failure shall in no way affect the suspension of the obligation of the Bank to make Loans under this Agreement.

The rights, remedies, powers and privileges provided herein and in the other Financing Documents are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law or in equity or otherwise. No notice to or demand on the City in any case shall entitle the City to any other or further notice or demand in similar or other circumstances or constitute a waiver of the right of the Bank to any other or further action in any circumstances without notice or demand. The Bank may remedy any default by the City hereunder or with respect to any other person, firm or corporation in a reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the City.

SECTION 7.02 Effect of Tender Event. The Bank Bond shall be immediately due and payable upon its becoming subject to payment by the City pursuant to Section 7.01 above.

ARTICLE VIII

CHANGE IN CIRCUMSTANCES

SECTION 8.01 Increased Cost and Reduced Return. If (a) the introduction of or any change in or in the interpretation of any law or regulation, (b) the compliance with any guideline or request from any central bank or other governmental authority (whether or not having the force of law) or (c) the introduction of any applicable law, rule, regulation or guideline regarding capital adequacy, or any change therein or any change in the interpretation or administration thereof by any central bank or governmental authority charged with the interpretation or administration thereof or compliance by the Bank or any Participant (or any corporation controlling any thereof), with any request, guideline or directive regarding capital adequacy (whether or not having the force of law) of any such central bank or other authority, shall either (i) impose, modify or deem applicable any reserve, special deposit, insurance or similar requirement against letters of credit issued by the Bank, commitments of the Bank to make loans similar to the commitments made by the Bank under this Agreement, or commitments to advance funds by any Participant in connection with the commitments made by such Participant under its participation agreement, (ii) change the basis of taxation of payments due the Bank under this Agreement or the Bank Bond (other than a change in taxation of the overall net income of the Bank) or (iii) impose on the Bank or any Participant any other condition relating, directly or indirectly, to this Agreement, and the result of any event referred to in (i), (ii) or (iii) above shall be to increase the cost to the Bank of maintaining the Commitment under this Agreement, or to increase the cost of any Participant of maintaining its commitments under its participation agreement, or, in the case of any capital adequacy requirement, to reduce the rate of return on the Bank's or a Participant's capital as a consequence of its obligations under or in connection with this Agreement to a level below that which the Bank or such Participant could have achieved but for the imposition of such requirement (taking into account the Bank's or such Participant's capital adequacy policies) or reduce any amount receivable by the Bank or such Participant hereunder or in connection herewith (which increase in cost, reduction in rate of return or reduction in amount receivable shall be the result of the Bank's or

such Participant's reasonable allocation of the aggregate of such increases or reductions resulting from such event), then the City shall, upon written notice from the Bank (which notice shall set forth the matters described below), pay to the Bank, for the account of the Bank or such Participant, as the case may be, from time to time as specified by the Bank, such additional amounts as shall be demanded by the Bank as sufficient to compensate the Bank or such Participant, as the case may be, for such increased cost. Any notice relating to increased costs given the City by the Bank pursuant to this Section 8.01 shall state whether the Bank or a Participant has become subject to such increase in costs, reduction in rate of return or reduction in amount receivable, and if a Participant, the name of the Participant, and such notice shall specify in reasonable detail (x) the circumstances giving rise to such increase, (y) the date of the event giving rise to such increase and (z) the amount of the increase, which amount the Bank shall certify has been computed in accordance with all applicable rules and regulations. In addition, if the increase in costs is with respect to a Participant, such notice shall further specify in reasonable detail (A) the laws under which such Participant is organized and existing, (B) if such Participant executed and delivered its participation agreement and purchased its participation thereunder through a branch or agency of such Participant licensed to conduct business under the banking laws of a particular State of the United States, the name of that State, (C) the amount of the fees payable to and retained by such Participant under its participation agreement, which amount such Participant shall certify has been computed in accordance with all applicable rules and regulations and (D) the percentage by which such Participant's costs have increased over the amount of such fees.

Notwithstanding the foregoing, for purposes of this Agreement (a) all rules, guidelines or directives in connection with the Dodd-Frank Act shall be deemed to be a change in law, regardless of the date enacted, adopted or issued, and (b) all rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority) shall be deemed a change in law regardless of the date enacted, adopted or issued.

Notwithstanding anything to the contrary in this Section 8.01, no amount or amounts payable to any Participant as a result of the provisions set forth in this Section 8.01 may exceed an amount or amounts that would have been payable to the Bank pursuant to such provisions had the Bank retained for its own account that portion of the Commitment held by such Participant.

The provisions of this Section 8.01 shall survive any termination of this Agreement.

SECTION 8.02 Taxes.

(a) To the extent permitted by law, any and all payments by the City hereunder or under the Bank Bond shall be made free and clear of and without deduction for any and all taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding taxes imposed on the overall net income of the Bank or any Participant (and franchise taxes imposed in lieu of net income taxes) by the jurisdiction of the Bank's or Participant's applicable lending office or any political subdivision thereof (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred

to as “Taxes”). If the City shall be required by law to withhold or deduct any Taxes from or in respect of any sum payable hereunder or under the Bank Bond , then, to the extent permitted by law, (i) the sum payable shall be increased as may be necessary so that after making all required withholdings or deductions (including those applicable to additional sums payable under this Section 8.02) the Bank or Participant receives an amount equal to the sum it would have received had no such withholdings or deductions been made, (ii) the City shall make such withholdings or deductions and (iii) the City shall pay the full amount withheld or deducted to the relevant taxation authority or other authority in accordance with applicable law. Notwithstanding anything to the contrary contained herein, the City shall not be required to pay any additional amount in respect of withholding of United States Federal income taxes pursuant to this Section to the extent such withholding is required because the Bank or Participant has failed to submit any form or certificate that it is entitled to submit under applicable law to qualify for an exemption from such withholding.

(b) In addition, to the extent permitted by law, the City agrees to pay any present or future stamp or documentary taxes, charges or similar levies that arise under the laws of the United States of America, the State of New York, the Commonwealth of Massachusetts and the State of Florida from any payment made or received hereunder or received under the Bank Bond or from the execution or delivery or otherwise with respect to this Agreement or the Bank Bond (hereinafter referred to as “Other Taxes”).

(c) Payments by the City pursuant to this Section 8.02 shall be made within thirty (30) days from the date the Bank or the Participant, as applicable, makes written demand therefor which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof, which shall be correct absent manifest error.

(d) Within thirty (30) days after the date of any payment of Taxes by the City, the City shall furnish to the Bank, at its address referred to in Section 9.01 hereof, the original or a certified copy of a receipt evidencing payment thereof. The City shall compensate the Bank or Participant for all losses and expenses sustained by the Bank or Participant as a result of any failure by the City to so furnish such copy of such receipt.

(e) Without prejudice to the survival of any other agreement of the City hereunder, the agreements and obligations contained in this Section 8.02 shall survive the payment in full of principal and interest payable to the Bank hereunder and under the Bank Bond.

(f) Notwithstanding anything to the contrary in this Section 8.02, no amount or amounts payable to any Participant as a result of the provisions set forth in this Section 8.02 may exceed an amount or amounts that would have been payable to the Bank pursuant to such provisions had the Bank retained for its own account that portion of the Commitment held by such Participant.

ARTICLE IX

MISCELLANEOUS

SECTION 9.01 **Notices.** Except as otherwise specifically provided herein, all notices, requests and other communications hereunder shall be in electronic, telephonic or written form (including telecopier or similar writing) and shall be given to the party to whom addressed, at its address or telephone or telecopier number set forth below, or such other address or telephone or telecopier number as such party may hereafter specify for the purpose by notice to the other parties. Each such notice, request or communication shall be effective (i) if given by telephone, when given to the number indicated below to a person which the transmitting party reasonably believes to be an authorized representative of the party to whom the notice is directed, (ii) if given by telecopy or other electronic means, when such communication is transmitted to the appropriate address and the appropriate answerback is received, (iii) if given by mail, 3 days after such communication is deposited in the United States mail with first class postage prepaid, addressed as aforesaid or (iv) if given by any other means, when delivered at the appropriate address; *provided* that notices to the Bank under Article III shall not be effective until received; and *provided further* that No-Issuance Instructions given by the Bank to the City or the Issuing Agent shall be effective immediately upon receipt thereof:

If to the City, to:

City of Gainesville, Florida
301 S.E. Fourth Avenue
Gainesville, Florida 32601
Attention: General Manager for Utilities
Telephone: (352) 334-2811
Telecopier: (352) 334-2277

If to the Bank, to:

(regarding credit matters):

State Street Bank and Trust Company
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: _____
Telephone: (617) 664-4190
Telecopier: (617) 310-5757

If to the Issuing Agent, to:

Bankers Trust Company
4 Albany Street
4th Floor
M.S. 5041
New York, New York 10006
Attention: Corporate Trust and Agency Group – Scott Thiel
Telephone: (212) 250-8327
Telecopier: (212) 250-6727

If to the Dealer, to:

Goldman, Sachs & Co.
85 Broad Street
New York, New York 10004
Attention: Municipal Money Markets Desk
Telephone: (212) 902-6633
Telecopier: (212) 346-2805

If to Moody's, to:

Moody's Investors Service
99 Church Street
New York, New York 10007
Attention: Public Finance Department Rating Desk/CP

If to S&P, to:

Standard & Poor's Ratings Services
55 Water Street
38th floor
New York, New York 10041
Attention: Public Finance Department

All notices given by telephone, telecopier or other electronic means shall be confirmed in writing as promptly as practicable.

SECTION 9.02 No Waivers. No failure or delay by the Bank in exercising any right, power or privilege hereunder or under the Bank Bond shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 9.03 Expenses; Documentary Taxes; Indemnification.

(a) The City shall pay (i) all out-of-pocket expenses of the Bank, including fees and disbursements of counsel for the Bank (including allocated costs of in-house counsel), in connection with the preparation of this Agreement and the Financing Documents, any waiver or consent hereunder or any amendment hereof or any Potential Tender Event or alleged Potential Tender Event hereunder or any Tender Event or alleged Tender Event and (ii) if a Tender Event and/or Potential Tender Event occurs, all reasonable out-of-pocket expenses incurred by the Bank, including fees and disbursements of counsel (including allocated costs of in-house counsel), in connection with such Tender Event and/or Potential Tender Event and collection, bankruptcy, insolvency and other enforcement proceedings resulting therefrom. If and to the extent permitted by applicable law, the City shall indemnify the Bank against any transfer taxes, documentary taxes, assessments or charges made by any Governmental Authority by reason of the execution and delivery of this Agreement or the Bank Bond.

(b) If and to the extent permitted by applicable law, the City agrees to indemnify the Bank and hold the Bank harmless from and against any and all liabilities, losses, damages, costs and expenses of any kind, including, without limitation, the reasonable fees and disbursements of counsel (including allocated costs of in-house counsel), which may be incurred by the Bank in connection with any investigative, administrative or judicial proceeding (whether or not the Bank shall be designated a party thereto) relating to or arising out of this Agreement or any other Financing Document or any actual or proposed use of proceeds of Loans hereunder; *provided* that the Bank shall not have the right to be indemnified hereunder for its own gross negligence or willful misconduct as determined by a court of competent jurisdiction.

(c) To the fullest extent permitted by applicable law, the City agrees to indemnify the Bank and to hold the Bank harmless from and against any and all claims, damages, losses, liabilities, cost or expenses which the Bank may incur (or which may be claimed against the Bank by any Person whatsoever) by reason of any untrue statement or alleged untrue statement of any material fact contained (or incorporated by reference) in the Offering Memorandum or in any supplement or amendment thereof, or the omission or alleged omission to state therein a material fact necessary to make such statements, in the light of the circumstances under which they are or were made, not misleading, except insofar as such claims, damages, losses, liabilities, costs or expenses are caused by any such untrue statement or alleged untrue statement or omission based upon information relating to the Bank furnished by the Bank expressly for use therein.

SECTION 9.04 Amendments and Waivers. Any provision of this Agreement, the Fee Letter or the Bank Bond may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by the City and the Bank. Each party to this Agreement agrees that it will not rely on any course of dealing, course of performance or oral or written statement by any representative of any other party that does not comply with this Section to effect an amendment, modification, supplement, extension, termination or waiver to departure from the provisions of this Agreement or any other Financing Document or any consent thereto.

SECTION 9.05 Assignments, Participations, Etc.

(a) This Agreement shall be binding upon and inure to the benefit of the City, the Bank, and their respective permitted successors and assigns; *provided, however*, that (i) the City may not assign or transfer any of its rights or obligations hereunder without the prior written consent of the Bank and any assignment without such consent shall be void, and (ii) prior to any assignment or transfer by the Bank of its obligations hereunder, the City and the Bank shall have received written evidence from each Rating Agency then rating the Commercial Paper Notes that the ratings on the Commercial Paper Notes following the assignment or transfer by the Bank of its obligations hereunder will not be reduced or withdrawn from the ratings on the Commercial Paper Notes immediately prior to such assignment or transfer.

(b) The Bank may at any time sell to one or more banks or other entities (a “Participant”) participating interests in any Loans, the Commitment or any other interest of the Bank hereunder; *provided* that (i) the Bank’s obligations under this Agreement shall remain unchanged, (ii) the Bank shall remain solely responsible for the performance of such obligations, (iii) the City shall continue to deal solely and directly with the Bank in connection with the Bank’s rights and obligations under this Agreement, and (iv) the Bank shall not transfer or grant any participating interest under which the Participant shall have rights to approve any amendment to, or any consent or waiver with respect to this Agreement. In the case of any such participation, the Participant shall not have any rights under this Agreement, or any of the other Financing Documents, and all amounts payable by the City hereunder shall be determined as if the Bank had not sold such participation, except that if amounts outstanding under this Agreement are due and unpaid, or the Bank Bond shall have become due and payable upon the occurrence of a Tender Event, each Participant shall be deemed to have the right of set-off in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as the Bank under this Agreement.

(c) The Bank may at any time pledge or grant a security interest in all or any portion of its rights under the Bank Bond, this Agreement and the other Financing Documents to secure obligations of the Bank, including any pledge or assignment to secure obligations to a Federal Reserve Bank or Federal Home Loan Bank; *provided* that no such pledge or assignment shall release the Bank from any of its obligations hereunder or substitute any such pledgee or assignee for the Bank as a party hereto.

SECTION 9.06 Governing Law. THIS AGREEMENT 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.

SECTION 9.07 Counterparts; Integration. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement constitutes the entire agreement and understanding among the parties hereto and, except with respect to the other documents and agreements referred to herein, supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

SECTION 9.08 Waiver of Jury Trial. 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 AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 9.09 Jurisdiction; Venue. With respect to any suit, action or proceeding relating to, or arising from, this Agreement, each party hereto irrevocably submits to the jurisdiction of the courts of the State of New York and the federal courts located in the State of New York and agrees that any such suit, action or proceeding shall be had and maintained in 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).

SECTION 9.10 Patriot Act Notice. . The Bank hereby notifies the City that pursuant to the requirements of the Patriot Act it is required to obtain, verify and record information that identifies the City, which information includes the name and address of the City and other information that will allow the Bank to identify the City in accordance with the Patriot Act. The City hereby agrees that it shall promptly provide such information upon request by the Bank.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

CITY OF GAINESVILLE, FLORIDA

By: _____

Name:

Title: General Manager for Utilities

Approved as to form
and legality:

Name:

Title: City Attorney

STATE STREET BANK AND TRUST
COMPANY

By _____

Name: Timothy L. Batler

Title: Senior Vice President

FORM OF NOTICE OF REVOLVING CREDIT BORROWING

[Date]

To: State Street Bank and Trust Company (the “Bank”)
From: City of Gainesville, Florida (the “City”)
Re: Credit Agreement, dated as of August 1, 2014,
between the City and the Bank (the “Credit Agreement”)

We hereby give notice, on behalf of the City, pursuant to Section 3.02(a)(i) of the Credit Agreement, of the following proposed Revolving Credit Loan:

Date of Loan: _____

Amount of Loan: _____

Terms used herein have the meanings assigned to them in the Credit Agreement.

CITY OF GAINESVILLE, FLORIDA

By BANKERS TRUST COMPANY,
as Issuing Agent

By _____
Title:

FORM OF NOTICE OF TERM BORROWING

[Date]

To: State Street Bank and Trust Company (the “Bank”)
 From: City of Gainesville, Florida (the “City”)
 Re: Credit Agreement, dated as of August 1, 2014,
 between the City and the Bank (the “Credit Agreement”)

We hereby give notice, on behalf of the City, pursuant to Section 3.02(a)(ii) of the Credit Agreement, of the following proposed Term Loan:

Date of Loan: _____

Amount of Loan: _____

Terms used herein have the meanings assigned to them in the Credit Agreement.

CITY OF GAINESVILLE, FLORIDA

By _____
 Title:

FORM OF NO-ISSUANCE INSTRUCTIONS

City of Gainesville, Florida
301 S.E. Fourth Avenue
Gainesville, Florida 32601
Attention: General Manager for Utilities
(FAX: 352-334-2277)

Bankers Trust Company,
as Issuing Agent
16 Wall Street
Level A
M.S. 4011
New York, New York 10005
Attention: Commercial Paper Services
(FAX: 212-346-4209)

Dear Ladies and Gentlemen:

The undersigned, STATE STREET BANK AND TRUST COMPANY, pursuant to the Credit Agreement, dated as of August 1, 2014 (the "Credit Agreement"), between the undersigned and the City of Gainesville, Florida (the "City"), hereby gives notice to the City and Bankers Trust Company, in its capacity as Issuing Agent under the Issuing and Paying Agency Agreement Relating to Utilities System Commercial Paper Notes, Series D, dated as of June 15, 2000, between Bankers Trust Company and the City, as amended, that [a Potential Tender Event under [specify applicable Section(s) of the Credit Agreement] has occurred and is continuing][a material representation or warranty of the City in [specify applicable Section(s) of the Credit Agreement] is not true and correct on and as of the date hereof], and hereby instructs you not to issue, authenticate or deliver any Commercial Paper Notes (other than those Commercial Paper Notes permitted to be issued, authenticated and delivered as provided in Section 2.01(b) of the Credit Agreement) from and after your receipt of these No-Issuance Instructions, until these No-Issuance Instructions are rescinded in writing by the undersigned.

Terms used herein and not defined shall have the meanings set forth in the Credit Agreement.

Very truly yours,

STATE STREET BANK AND TRUST
COMPANY

By _____
Title: _____

FORM OF OPINION OF THE OFFICE OF THE CITY ATTORNEY

[Effective Date]

State Street Bank and Trust Company
State Street Financial Center SFC/5
One Lincoln St.
Boston, Massachusetts 02111-2900

Ladies and Gentlemen:

We have acted as counsel to the City of Gainesville, Florida, a municipal corporation duly created, organized and existing under the laws of the State of Florida (the “City”), in connection with the execution and delivery of the Credit Agreement (the “Credit Agreement”), dated as of August 1, 2014, between the City and State Street Bank and Trust Company.

As such counsel we have examined, among other things, (a) the Constitution and laws of the State of Florida, including Chapter 90-394, Laws of Florida, 1990, as amended and supplemented to the date hereof, Chapter 166, Part II, Florida Statutes, as amended and supplemented to the date hereof, and other applicable provisions of law, (b) the proceedings of the City authorizing the execution and delivery of the Credit Agreement, (c) the Utilities System Revenue Bond Resolution of the City, adopted June 6, 1983, as supplemented and amended to the date hereof (the “Bond Resolution”), (d) the Subordinated Utilities System Revenue Bond Resolution of the City, adopted January 26, 1989, as supplemented to the date hereof, including as supplemented by the Fourth Supplemental Subordinated Utilities System Revenue Bond Resolution of the City, adopted June 15, 2000 (such Subordinated Utilities System Revenue Bond Resolution, as so supplemented, being referred to herein as the “Subordinated Bond Resolution”), (e) the Issuing and Paying Agency Agreement Relating to Utilities System Commercial Paper Notes, Series D, dated as of June 15, 2000, between the City and Bankers Trust Company and (f) the Credit Agreement, and have made such other investigations of law and fact as we have deemed necessary to render the following opinion.

Capitalized terms not otherwise defined herein shall have the same meanings given to such terms in the Credit Agreement.

Based upon the foregoing, it is our opinion that:

(1) The City (a) is a municipal corporation duly organized and validly existing under the laws of the State of Florida, (b) has all requisite power and authority and the legal right to own and operate the System, and (c) to our knowledge (without independent investigation), is in compliance with all Requirements of Law, except to the extent that

the failure to comply therewith would not, in the aggregate, have a material adverse effect on the business, operations, property or financial or other condition of the System, and would not materially adversely affect the ability of the City to perform its obligations under the Resolutions, the Credit Agreement and the Bank Bond.

(2) The City has all requisite power and authority and the legal right to adopt the Resolutions, to make, deliver and perform the Credit Agreement and the Bank Bond and to borrow under the Credit Agreement and to secure the payment of its obligations in respect of such borrowings by the pledge of the Subordinated Indebtedness Fund as provided in the Subordinated Bond Resolution, and has taken all necessary action to authorize the borrowings and such pledge on the terms and conditions of the Credit Agreement, the Bank Bond and the Resolutions, and to authorize the execution, delivery and performance of the Credit Agreement and the Bank Bond. No consent or authorization of, filing with, or other act by or in respect of any Governmental Authority is required in connection with the borrowings under the Credit Agreement or with the execution, delivery, performance, validity or enforceability of the Credit Agreement, the Bank Bond or the Financing Documents. The Bond Resolution and the Subordinated Bond Resolution have been duly adopted and are in full force and effect and the Credit Agreement has been duly authorized, executed and delivered by the City, and, assuming due authorization, execution and delivery by the other party thereto, is in full force and effect. The Bank Bond has been duly executed and delivered on behalf of the City. The Credit Agreement and the Bank Bond constitute legal, valid and binding obligations of the City enforceable against the City in accordance with their respective terms, and no other authorization on the part of the City is required in connection with the Credit Agreement and the Bank Bond. The Bank Bond is a direct and special obligation of the City payable from amounts in the Subordinated Indebtedness Fund and does not constitute a general indebtedness or a pledge of the full faith and credit of the City within the meaning of any constitutional or statutory provision or limitation of indebtedness, nor constitute a lien on any property of or in the City other than the pledge of the Subordinated Indebtedness Fund as provided in the Subordinated Bond Resolution.

(3) The execution, delivery and performance of the Credit Agreement and the Bank Bond, the borrowings thereunder and the use of the proceeds thereof will not violate any constitutional provision or applicable law of the State of Florida or, to our knowledge, any judgment or decree of any arbitrator, court or other Governmental Authority, or, to our knowledge, any other Requirement of Law or, to our knowledge, any Contractual Obligation of the City, and, except for the pledge of the Subordinated Indebtedness Fund effected by the Subordinated Bond Resolution, will not result in, or require, the creation or imposition of any lien or encumbrance on or security interest in any of the properties or Revenues of the System pursuant to any such Requirement of Law or Contractual Obligation.

(4) No litigation or proceeding or, to our knowledge, investigation of or before any arbitrator or Governmental Authority is pending or, to our knowledge, threatened by or against the City or against any of its properties or revenues (a) with respect to any of the Resolutions, the Credit Agreement or the Bank Bond or any of the transactions contemplated thereby, or (b) which would have a material adverse effect on

the business, operations, property or financial or other condition of the System or the ability of the City to perform its obligations under the Bond Resolution, the Subordinated Bond Resolution, the Credit Agreement or the Bank Bond or in respect of any other Indebtedness incurred to finance or otherwise in respect of the System or secured by Revenues or other assets of the System; provided, that no opinion is rendered with respect to any litigation or proceeding which has been commenced but of which the City has not been notified and of which we have no knowledge.

The foregoing opinions are subject to the effect of, and restrictions and limitations imposed by or resulting from, bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights and judicial discretion and the valid exercise of the sovereign police powers of the State of Florida and of the constitutional power of the United States of America.

By use of the word "enforceable" in this opinion, we are not rendering any opinion as to the availability of the remedy of specific performance or other equitable relief.

All opinions expressed are limited solely to Florida law. No opinion is expressed as to the laws of any other state.

Our opinion is limited in all respects to the laws existing on the date hereof. By providing this opinion to you, we do not undertake to advise you of any changes in the law which may occur after the date hereof.

This letter is furnished solely to you in connection with the transaction described herein, and may not be quoted, furnished to or relied upon by any other person in any manner or for any purpose.

Yours truly,

OFFICE OF THE CITY ATTORNEY

By _____
Raymond O. Manasco, Jr.
Utilities Attorney

FORM OF OPINION OF ORRICK, HERRINGTON & SUTCLIFFE LLP

[Effective Date]

State Street Bank and Trust Company
State Street Financial Center SFC/5
One Lincoln St.
Boston, Massachusetts 02111-2900

Ladies and Gentlemen:

We have acted as Bond Counsel to the City of Gainesville, Florida, a municipal corporation organized and existing under the laws of the State of Florida (the “City”), in connection with the execution and delivery of the Credit Agreement (the “Credit Agreement”), dated as of August 1, 2014, between the City and State Street Bank and Trust Company. This opinion is being rendered to you at the request of the City pursuant to Section 4.01(d)(ii) of the Credit Agreement. Unless otherwise defined herein, terms defined in the Credit Agreement are used herein as therein defined.

We have delivered our final legal opinion (the “Bond Opinion”) as bond counsel concerning the validity of the Commercial Paper Notes and certain other matters, dated the date hereof and addressed to the City. You may rely on such opinion as though the same were addressed to you and delivered to you.

In such connection, we have reviewed the Credit Agreement; the Utilities System Revenue Bond Resolution of the City, adopted June 6, 1983, as supplemented and amended to the date hereof (the “Bond Resolution”); the Subordinated Utilities System Revenue Bond Resolution of the City, adopted January 26, 1989, as supplemented to the date hereof, including as supplemented by the Fourth Supplemental Subordinated Utilities System Revenue Bond Resolution of the City, adopted June 15, 2000 (such Subordinated Utilities System Revenue Bond Resolution, as so supplemented, being referred to herein as the “Subordinated Bond Resolution”); the Issuing and Paying Agency Agreement Relating to Utilities System Commercial Paper Notes, Series D, dated as of June 15, 2000, between the City and Bankers Trust Company, as amended to the date hereof; an opinion of the Office of City Attorney of the City; certificates of the City and others; and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

Certain agreements, requirements and procedures contained or referred to in the Bank Bond, the Subordinated Bond Resolution, the Credit Agreement and other relevant documents may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based upon an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. We have assumed the genuineness of all documents and signatures (other than those of representatives of the City) presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the City. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the third paragraph hereof (except that we have not relied on any such legal conclusions that are to the same effect as the opinions set forth herein). Furthermore, we have assumed compliance with all covenants and agreements contained in the Bond Resolution, the Subordinated Bond Resolution, the Bank Bond and the Credit Agreement. We call attention to the fact that the rights and obligations under the Bank Bond, the Subordinated Bond Resolution and the Credit Agreement and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations of the State of Florida. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum or waiver provisions contained in the foregoing documents.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The City (a) is a municipal corporation duly organized and validly existing under the laws of the State of Florida and (b) has all requisite power and authority and the legal right to own and operate the System.

2. The City has all requisite power and authority and the legal right to adopt the Bond Resolution, and the Bond Resolution has been duly and lawfully adopted by the City, is in full force and effect, is valid and binding upon the City and is enforceable in accordance with its terms, and no other authorization for the Bond Resolution is required. The Subordinated Bond Resolution creates the valid pledge which it purports to create of the Subordinated Indebtedness Fund; provided, however, that (i) such pledge and assignment shall be on a parity with (a) the pledge and assignment thereof created by the Subordinated Bond Resolution as security for the Subordinated Bonds and (b) the pledge and assignment thereof created by any Supplemental Resolution as security for any Parity Subordinated Indebtedness and (ii) such pledge and assignment shall be subordinate in all respects to the pledge and assignment of the Trust Estate created by (and as defined in) the Bond Resolution as security for the Bonds.

3. The City has all requisite power and authority and the legal right to make, deliver and perform the Credit Agreement and the Bank Bond and to borrow under the Credit Agreement and to secure the payment of its obligations in respect of such borrowings by the pledge of the Subordinated Indebtedness Fund as provided in the

Subordinated Bond Resolution, and has taken all necessary action to authorize the borrowings and such pledge on the terms and conditions of the Credit Agreement, the Bank Bond and the Bond Resolution, and to authorize the execution, delivery and performance of the Credit Agreement and the Bank Bond. No consent or authorization of, filing with, or other act by or in respect of any Governmental Authority is required in connection with the borrowings under the Credit Agreement or with the execution, delivery, performance, validity or enforceability of the Credit Agreement, the Bank Bond or the Financing Documents. The Credit Agreement has been duly authorized, executed and delivered by the City, and, assuming due authorization, execution and delivery by the other party thereto, is in full force and effect. The Bank Bond has been duly executed and delivered on behalf of the City. The Credit Agreement and the Bank Bond constitute legal, valid and binding obligations of the City enforceable against the City in accordance with their respective terms, and no other authorization on the part of the City is required in connection with the Credit Agreement and the Bank Bond. The Bank Bond is a direct and special obligation of the City payable from amounts in the Subordinated Indebtedness Fund and does not constitute a general indebtedness or a pledge of the full faith and credit of the City within the meaning of any constitutional or statutory provision or limitation of indebtedness, nor constitute a lien on any property of or in the City other than the pledge of the Subordinated Indebtedness Fund as provided in the Subordinated Bond Resolution. The Bank Bond ranks equally as to security and source of payment from amounts on deposit in the Subordinated Indebtedness Fund with the Commercial Paper Notes and all other Subordinated Bonds and Parity Subordinated Indebtedness that heretofore have been issued or that may be issued hereafter.

4. The execution, delivery and performance of the Credit Agreement and the Bank Bond, the borrowings thereunder and the use of the proceeds thereof will not violate any constitutional provision or applicable law of the State of Florida, the United States of America, or any department, division, agency or instrumentality of the United States, or any judgment or decree of any arbitrator, court or other Governmental Authority of which we have knowledge, or, to our knowledge, any other Requirement of Law or, to our knowledge, any Contractual Obligation of the System, and, except for the pledge of the Subordinated Indebtedness Fund effected by the Subordinated Bond Resolution, will not result in, or require, the creation or imposition of any lien or encumbrance on or security interest in any of the properties or Revenues of the System pursuant to any such Requirement of Law or Contractual Obligation.

5. Interest on the Bank Bond is not excludible from the gross income of the holder thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, and such interest is includible for federal income tax purposes in the gross income of any holder of the Bank Bond that is a United States corporation subject to taxation under Subchapter C of the Internal Revenue Code of 1986.

This letter is furnished by us as bond counsel. No attorney-client relationship has existed or exists between our firm and you in connection with the Credit Agreement or by virtue of this letter. We disclaim any obligation to update this letter. This letter is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by owners of the Commercial Paper Notes or by any other party to whom it is not specifically addressed.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

Per

FORM OF OPINION OF COUNSEL TO THE BANK

[to come from Bank's counsel]