

RESOLUTION NO. 160562

A RESOLUTION OF THE CITY OF GAINESVILLE, FLORIDA SUPPLEMENTING THE SECOND SUPPLEMENTAL SUBORDINATED BOND UTILITIES SYSTEM REVENUE BOND RESOLUTION ADOPTED ON OCTOBER 5, 1992, AS AMENDED; AUTHORIZING THE ISSUANCE OF ADDITIONAL UTILITIES SYSTEM COMMERCIAL PAPER NOTES, SERIES C IN AN AGGREGATE PRINCIPAL AMOUNT OUTSTANDING AT ANY ONE TIME OF NOT TO EXCEED \$20,250,000 TO PAY THE COST OF CERTAIN CAPITAL PROJECTS REFERRED TO HEREIN OF THE UTILITIES SYSTEM; PROVIDING CERTAIN DETAILS WITH RESPECT THERETO; AUTHORIZING CERTAIN OFFICERS OF THE AUTHORITY TO DETERMINE THE AMOUNTS, INTEREST RATES AND MATURITY DATES OF SUCH SERIES C COMMERCIAL PAPER NOTES WITHIN THE PARAMETERS ESTABLISHED HEREIN WHICH MAY BE ISSUED AT ONE OR MORE TIMES; PROVIDING CERTAIN OTHER DETAILS WITH RESPECT THERETO; APPROVING THE FORM AND AUTHORIZING THE CIRCULATION OF AN OFFERING MEMORANDUM AND APPROVING THE EXECUTION THEREOF; AND PROVIDING AN EFFECTIVE DATE FOR THIS RESOLUTION.

WHEREAS, the City of Gainesville, Florida ("City") adopted on June 6, 1983 its Utilities System Revenue Bond Resolution (the "Senior Bond Resolution"), as amended, supplemented and restated and authorized thereunder Subordinated Commercial Paper Notes;

WHEREAS, the City on January 26, 1989 adopted its Subordinated Utilities System Revenue Bond Resolution supplementing the Senior Bond Resolution (the "Subordinated Utilities System Revenue Bond Resolution") authorizing the issuance of Subordinated Indebtedness junior and subordinated in all respects to the security interest in and pledge and assignment of the Trust Estate created by the Senior Bond Resolution as security for the Bonds;

WHEREAS, the City heretofore adopted on October 5, 1992, its Second Supplemental Subordinated Utilities System Revenue Bond Resolution, as amended (the "Second Supplemental Resolution" and together with the Senior Bond Resolution and the Subordinated Utilities System Revenue Bond Resolution, the "Resolutions"), supplementing the Subordinated Utilities System Revenue Bond Resolution authorizing the issuance of its Utilities System Commercial Paper Notes, Series C in an aggregate principal amount of up to \$85,000,000 (the "Series C Commercial Paper Notes") and Utilities System Subordinated Bank Bond, Series A (the "Bank Bond");

WHEREAS, the Series C Commercial Paper Notes are payable from a lien upon and a pledge of certain amounts deposited in the Subordinated Indebtedness Fund established under the

Subordinated Utilities System Revenue Bond Resolution and Series C Commercial Paper Note Payment Account established under the Second Supplemental Resolution (the "Pledged Funds") to the extent and in the manner described in the Resolutions;

WHEREAS, the City on April 28, 2008 authorized the issuance of \$62,000,000 in aggregate principal amount of Series C Commercial Paper Notes and \$45,900,000 of such Notes remain outstanding;

WHEREAS, the City desires to authorize the issuance of an additional \$20,250,000 in aggregate principal amount of Series C Commercial Paper Notes (the "Series 2016 Notes"), at one or more times, to finance a portion of the Cost of Acquisition and Construction of the System, more particularly described on Exhibit "A" attached hereto and such other projects as shall be included in the then-approved capital improvement plan for the System and authorized by a hereinafter defined Authorized Officer (collectively, the "2016 Project").

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF GAINESVILLE, FLORIDA AS FOLLOWS:

SECTION 1. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of Chapter 166, Florida Statutes, the City's Charter, the Resolutions and other applicable provisions of law (the "Act").

SECTION 2. Definitions. All capitalized terms not otherwise defined herein shall have such meanings as given in the Resolutions.

SECTION 3. Findings. The City hereby finds, determines and declares as follows:

A. The City is authorized pursuant to the Act and the Resolutions to issue the Series 2016 Notes for the purposes and secured in the manner provided in the Resolutions.

B. It is necessary, desirable, convenient and in the best interest of the City and serves a valid public purpose to authorize the issuance of the Series 2016 Notes to finance the costs of the 2016 Project and paying costs of issuance thereof.

C. The negotiated sale of the Series 2016 Notes from time to time, pursuant to the Dealer Agreement, is in the best interest of the City because (i) obligations in the nature of the Series 2016 Notes generally must be sold by private negotiated sale rather than by public bidding to achieve the financial advantages offered by a commercial paper program; and (ii) the City has conducted negotiations with the Dealer for obtaining purchasers for the Series C Commercial Paper Notes as they are issued at private negotiated sales, and there is no practical manner in which the Series C Commercial Paper Notes could be initially sold and renewed by public bidding from time to time to meet the financing requirements of the financing program authorized herein and in the Resolutions.

D. The delegation of authority with regard to the issuance of the Series 2016 Notes to officers of the City hereinafter provided for is necessary for the proper and efficient

implementation of the commercial paper financing program contemplated, and such delegation is in the best interests of the City.

E. The Dealer shall provide the City, prior to the initial issuance of any Series 2016 Notes, a (i) disclosure statement containing the information required by Section 218.385(6), Florida Statutes, and (ii) Truth-In-Bonding Statement pursuant to Section 218.385(3), Florida Statutes and no further disclosure is or shall be required by the Issuer.

SECTION 4. Authorization of Series 2016 Notes. Subject and pursuant to the provisions of this Resolution and the Resolutions, additional Series C Commercial Paper Notes are hereby authorized to be issued, at one or more times, in a maximum aggregate principal amount of not to exceed \$20,250,000 outstanding at any time (exclusive of Series C Commercial Paper Notes outstanding on the day hereof) to pay the costs of the 2016 Project, more particularly described in Exhibit "A" attached hereto. The net proceeds of the Series 2016 Notes shall be wired to the City for deposit into the Construction Fund, and shall be applied to the payment of such Cost of Acquisition and Construction of the 2016 Project.

SECTION 5. Description of Commercial Paper Notes. The Series 2016 Notes shall be dated the date of authentication and delivery thereof, fully registered and shall be in denominations of \$100,000 and in integral multiples of \$1,000 in excess of such amount. The Series C Notes shall bear interest at such rate or rates and shall mature, as may be approved by the Mayor of the City, the General Manager for Utilities, his/her designee, the Chief Financial Officer, or his/her designee (each an "Authorized Officer" and collectively, the "Authorized Officers") on or prior to the issuance thereof in accordance with the terms hereof and the Resolutions and shall be issued from time to time as the proceeds thereof are needed to pay the costs of the 2016 Project or the maturing principal on other Series 2016 Notes, and shall mature not more than 270 days after their respective dates, but in no event later than the earlier to occur of (a) the day preceding the Termination Date, or (b) October 5, 2022 (or such later date as may hereafter be designated by the City pursuant to a resolution supplemental hereto, which such date may be amended without consent of the holders of the Series 2016 Notes) (or, if such day is not a Business Day (as defined in the Credit Agreement), the next preceding Business Day). The Series 2016 Notes shall bear interest at an annual rate (calculated on the basis of a 365-day year and on a basis of actual days elapsed) not in excess of an interest rate of 15% per annum and shall have a purchase price of not less than 100% of the principal amount thereof less the fee of the Dealer, which shall not exceed the fee in the Dealer Agreement then in effect. The Series 2016 Notes shall not be subject to prepayment or redemption prior to their respective maturity dates.

SECTION 6. Delegation of Authority With Respect to Issuance of the Commercial Paper Notes. Each Authorized Officer is hereby declared and designated as the officer of the City having primary responsibility for the issuance of the Series 2016 Notes. The City hereby delegates to each person constituting an Authorized Officer the authority to determine the date of issuance, principal amount, interest rate and maturity date of each Series 2016 Note issued under the Resolutions, all within the parameters and limitations set forth herein and the Resolutions, and to take all other actions in the name and on behalf of the City to accomplish the issuance and sale of the Series 2016 Notes from time to time, including without limitation the execution and delivery of a replacement TECP Master Note with the Depository

Trust Company to evidence the issuance and delivery of the Series C Commercial Paper Notes and an amendment to the Dealer Amendment, each to reflect the maximum principal amount of Series C Commercial Paper Notes that may be outstanding at any time. An Authorized Officer shall approve the issuance and award the sale of the Series 2016 Notes to the Dealer. In carrying out his or her duties hereunder, the Authorized Officer shall consider prevailing market conditions, the status of construction of the 2016 Project and costs incurred therefor, the scheduled maturity dates and amounts of outstanding Series 2016 Notes, the amounts payable under the Credit Agreement and other considerations deemed relevant by the Authorized Officer and may consult with financial and other consultants.

SECTION 7. Authorization to Borrow Pursuant to the Credit Agreement. The City is hereby authorized to perform its obligations under the Credit Agreement, including borrowing and repaying amounts thereunder for the purpose of paying the principal of maturing Series C Commercial Paper Notes and repaying the principal amount of loans borrowed under the Credit Agreement and secured by the Bank Bonds, provided that the aggregate principal amount of loans outstanding under the Credit Agreement and the aggregate principal amount of Series C Commercial Paper Notes outstanding shall not exceed at any one time the amounts authorized under such Credit Agreement.

SECTION 8. Offering Memorandum. The Authorized Officers are hereby authorized to approve and execute, on behalf of the City, the Offering Memorandum relating to the Series C Commercial Paper Notes (which may include disclosure with respect to the outstanding Utilities System Commercial Paper Notes, Series D (Federally Taxable)), in substantially the form on file with the office of the Clerk of the Commission of the City, and all future supplements and amendments thereto (collectively, the "Offering Memorandum"), with such changes, insertions, omissions and filling of blanks as the officer(s) signing the same may approve, such execution to be conclusive evidence of such approval. The distribution of the Offering Memorandum in connection with the marketing of Commercial Paper Notes paper notes is hereby approved.

SECTION 9. Further Authority. The Authorized Officers are each hereby authorized to do all acts and things required of them by this Resolution, the Resolutions, or otherwise, as may be necessary or desirable to effectuate the Series 2016 Notes in accordance with the terms of this Resolution and the Resolutions. The Authorized Officers, or their respective designees, are each hereby authorized and directed to execute and deliver any and all papers and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereunder.

SECTION 10. Payment of Costs of Issuance. The Authorized Officers are hereby authorized to pay the costs of issuance of the Series 2016 Notes, including the fees of the Dealer, all other legal expenses, expenses for fiscal agents, financial advisors, accountants and other experts, printing expenses and such other expenses necessary or incidental and incurred by the City in connection with the transaction contemplated herein.

SECTION 11. Severability. If any one or more of the covenants, agreements or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall

for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this Resolution and the Resolutions and of the Series C Commercial Paper Notes issued thereunder.

SECTION 12. No Third-Party Beneficiaries. Except as herein otherwise expressly provided, nothing in this Resolution expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the parties hereto and the owners and holders of the Series C Commercial Paper Notes issued under and secured by the Resolutions, any right, remedy or claim, legal or equitable, under or by reason of this Resolution or any provision hereof, this Resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the parties hereto and the owners and holders from time to time of the Series C Commercial Paper Notes.

SECTION 13. Controlling Law; Members of Issuer Not Liable. All covenants, stipulations, obligations and agreements of the City contained in this Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the City to the full extent authorized by the Act and provided by the Constitution and laws of the State. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent or employee of the City in their individual capacity, and neither the members of the City nor any official executing the Series 2016 Notes or any agreements related thereto shall be liable personally on the Series C Commercial Paper Notes or shall be subject to any personal liability or accountability by reason of the issuance or the execution by the City or such members thereof.

SECTION 14. Effective Date. This Resolution shall be fully effective immediately upon adoption.

[SIGNATURE PAGE FOLLOWS]

PASSED AND ADOPTED IN PUBLIC SESSION OF THE CITY COMMISSION OF THE CITY OF GAINESVILLE, FLORIDA, THIS ____ DAY OF _____, 2016.

CITY COMMISSION OF THE CITY OF GAINESVILLE, FLORIDA

ATTESTED:

By: _____
Mayor

By: _____
Clerk of the Commission

APPROVED AS TO FORM AND LEGALITY:

By: _____
City Attorney

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EXHIBIT "A"

PROJECT DESCRIPTION

<u>Asset/WBS</u>	<u>Additional Information</u>
700-554	High Service and Transfer Pumps
799-583	Gravity Collection - R & R
727-565	R & R Water Meters
775-573	Main Street WRF - Other
775-594	Main Street WRF/Kanapaha WRF Combined
700-552	Treatment Plant - Other Improvements
775-574	Kanapaha WRF - Other
799-584	Gravity Collection - Improvements
780-575	Reclaimed Water Systems
712-557	T & D - Improvements
727-564	New Water Meters & Services
799-595	Infiltration and Inflow OneSAP

Together with such other projects as shall be included in the capital improvement plan for the System and authorized by an Authorized Officer.