RESOLUTION NO. 110358

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF GAINESVILLE, FLORIDA AUTHORIZING A LOAN IN THE PRINCIPAL AMOUNT NOT EXCEEDING $6,300,000 TO REFINANCE ALL OR A PORTION OF A LOAN TO THE CITY BY THE FIRST FLORIDA GOVERNMENTAL FINANCING COMMISSION AND TO PAY THE COSTS OF SUCH REFINANCING; APPROVING THE FORM OF A REFUNDING REVENUE NOTE, SERIES 2011, A LOAN AGREEMENT AND AN ESCROW DEPOSIT AGREEMENT; PROVIDING OTHER DETAILS WITH RESPECT THERETO; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF GAINESVILLE, FLORIDA (the "Issuer") that:

Section 1. Authority for this Resolution. This Resolution is adopted pursuant to the Charter of the Issuer, Chapter 166, Florida Statutes, Article VIII, Section 2, Constitution of the State of Florida, and other applicable provisions of law (collectively, the "Act").

Section 2. Definitions. Words and phrases used herein in capitalized form and not otherwise defined herein (including, without limitation, in the preamble hereto) shall have the meanings ascribed thereto in the Loan Agreement (hereinafter defined) and, in addition, the following words and phrases shall have the following meanings:

"Authorized Signatories" means the Mayor, the Mayor-Commissioner Pro Tempore, the City Manager, the Administrative Services Director or the Finance Director of the Issuer, and the Clerk of the Commission of the Issuer or any Deputy Clerk of the Commission or Acting Clerk of the Commission.

"Loan Amount" means not exceeding $6,300,000.

Section 3. Authorization of Transaction. In order to obtain funds to refinance all or a portion of a loan in the original principal amount of $9,870,000 made on April 20, 2002 (the "2002 Loan") to the City by the First Florida Governmental Financing Commission (the "Financing Commission"), and thereby achieve more than five percent (5%) in net present value debt service savings, the Issuer is authorized to obtain a loan (the "Loan") and to borrow an amount equal to the Loan Amount from Branch Banking and Trust Company (the "Bank"), pursuant to the terms of a commitment letter presented by the Bank, the proposal of the Bank having been selected in accordance with the Issuer's procurement process.

Because of prevailing and anticipated market conditions and the nature of the Loan, and taking into account the advice of Public Financial Management, the Issuer's financial advisor (the "Financial Advisor"), it is not feasible, cost effective or advantageous to enter into the Loan through a competitive sale and it is in the best interest of the Issuer to accept the terms of the Loan from the Bank in a principal amount of the Loan Amount, at a negotiated sale upon the terms and conditions outlined herein and in the Loan Agreement (as hereinafter defined) and as determined by the Authorized Signatories executing the Loan Agreement in accordance with the terms hereof. It is hereby irrevocably determined to prepay all or a portion of the 2002 Loan upon consummation of the Loan, and the Authorized Signatories, taking into account the advice

of the Financial Advisor, are authorized to determine the amount of the 2002 Loan to be prepaid and to provide notice of such Prepayment to the Financing Commission, such notification to establish the amount of the 2002 Loan to be prepaid.

Prior to its execution and delivery of the Loan Documents, as hereinafter defined, the Issuer shall have received from the Bank a disclosure statement containing the information required by Section 218.385(6), Florida Statutes, and a 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. Loan Agreement, Revenue Note and Escrow Deposit Agreement. The Issuer is authorized to execute a Loan Agreement with the Bank in substantially the form attached hereto as Exhibit "A" (the "Loan Agreement"), to make and deliver to the Bank the Refunding Revenue Note, Series 2011 (the "Note") in the form attached to the Loan Agreement and to execute and deliver to the Financing Commission and U.S. Bank National Association, as escrow agent (the "Escrow Agent") an Escrow Deposit Agreement with the Financing Commission and the Escrow Agent, in substantially the form attached hereto as Exhibit "B" (the "Escrow Agreement"). The forms and terms of the Loan Agreement, the Note and the Escrow Agreement (collectively, the "Loan Documents") attached hereto are hereby approved, and the Authorized Signatories are authorized to execute and deliver the same, with such changes, insertions, omissions and filling of blanks as may be approved by the Authorized Signatories, such approval to be conclusively evidenced by the execution thereof by the Authorized Signatories, and there is hereby delegated to the Authorized Signatories the authority to establish the principal amount of the Note, which amount shall not exceed $6,300,000, execution of the Note to constitute conclusive evidence of the establishment of such amount.

Section 5. Loan Agreement and Revenue Note Not to be General Obligation or Indebtedness of the Issuer. The Loan Agreement and Note and the obligations of the Issuer thereunder shall not be deemed to constitute general obligations or a pledge of the faith and credit of the Issuer, the State of Florida or any political subdivision thereof within the meaning of any constitutional, legislative or charter provision or limitation, but shall be payable solely from and secured by a lien upon and a pledge of (i) the Non-Ad Valorem Revenues (as defined in the Loan Agreement) actually budgeted and appropriated and deposited into the Revenue Note, Series 2011 Debt Service Account, which is hereby created (the "Debt Service Account"), to pay debt service payments and all other amounts due and payable on or under the Loan Agreement and the Note and (ii) all funds on deposit in the Debt Service Account (including any investment securities on deposit therein) and all investment earnings on any such funds (collectively, the "Pledged Funds"), in the manner and to the extent herein and in the Loan Agreement provided. No holder or owner of the Note shall ever have the right, directly or indirectly, to require or compel the exercise of the ad valorem taxing power of the Issuer or any other political subdivision of the State of Florida or taxation in any form on any real or personal property for any purpose, including, without limitation, for the payment of debt service with respect thereto, or to maintain or continue any activities of the Issuer which generate user service charges, regulatory fees or other non-ad valorem revenues, nor shall any holder or owner of the Note be entitled to payment of such principal and interest from any other funds of the Issuer other than the Pledged Funds, all in the manner and to the extent herein and in the Loan Agreement provided. The Loan Agreement and the Note and the indebtedness evidenced thereby shall not

constitute a lien upon any real or personal property of the Issuer, or any part thereof, or any other tangible personal property of or in the Issuer, but shall constitute a lien only on the Pledged Funds, all in the manner and to the extent provided herein and in the Loan Agreement.

Funds in the Debt Service Account, until applied to the payment of debt service on the Note, may be invested in investments authorized by law and meeting the Issuer's written investment policy, which investments shall mature no later than the date on which moneys therein shall be needed to pay such debt service.

Section 6. Pledge. The payment of the principal of, premium, if any, and interest under the Note and other payments due under the Loan Agreement shall be secured forthwith equally and ratably by an irrevocable lien on the Pledged Funds, all in the manner and to the extent provided herein and in the Loan Agreement. The Issuer does hereby irrevocably pledge such Pledged Funds to the payment of the principal of, premium, if any, and interest on the Note and other payments due under the Loan Agreement.

Section 7. Separate Accounts. The moneys required to be accounted for in the Debt Service Account may be deposited in a single bank or other account, and funds allocated to such accounts may be invested, together with other funds of the Issuer, in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of moneys on deposit therein and such investments for the various purposes of such accounts. The designation and establishment of the Debt Service Account shall not be construed to require the establishment of any completely independent, self-balancing funds or accounts, but rather is intended solely to constitute an earmarking of certain revenues for certain purposes.

Section 8. Application of Proceeds. The proceeds of the Note shall be deposited on the date of issuance of the Note, with the Escrow Agent under the Escrow Agreement or applied by the City to pay the costs of issuance of the Note.

Section 9. Severability. If any provision of this Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable in any context, the same shall not affect any other provision herein or render any other provision (or such provision in any other context) invalid, inoperative or unenforceable to any extent whatever.

Section 10. Applicable Provisions of Law. This Resolution shall be governed by and construed in accordance with the laws of the State of Florida.

Section 11. Authorizations. The Authorized Signatories are hereby authorized to execute and deliver on behalf of the Issuer the Loan Documents as provided hereby. All officials and employees of the Issuer, including, without limitation, the Authorized Signatories, are authorized and empowered, collectively or individually, to take all other actions and steps and to execute all instruments, documents, and contracts on behalf of the Issuer as they shall deem necessary or desirable in connection with the completion of the Loan and the carrying out of the intention of this Resolution.

Section 12. Repealer. All resolutions or parts thereof in conflict herewith are hereby repealed.

Section 13. Effective Date. This Resolution shall take effect immediately upon its adoption.

Passed and duly adopted in public session of the City Commission of the City of Gainesville, Florida on the 20th day of October, 2011.

CITY COMMISSION OF THE CITY OF GAINESVILLE, FLORIDA

By: Craig Lowe
Mayor

ATTESTED:

By: Shanae D. Williams
for Clerk of the Commission

APPROVED AS TO FORM AND LEGALITY:

By: _____
City Attorney

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EXHIBIT "A"

FORM OF LOAN AGREEMENT

LOAN AGREEMENT

This LOAN AGREEMENT (the "Agreement") is made and entered into as of October __, 2011, and is by and between the CITY OF GAINESVILLE, FLORIDA, a municipal corporation created and existing under the laws of the State of Florida, and its successors and assigns (the "Issuer"), and BRANCH BANKING AND TRUST COMPANY, and its successors and assigns, as holder(s) of the hereinafter defined Note (the "Bank").

The parties hereto, intending to be legally bound hereby and in consideration of the mutual covenants hereinafter contained, DO HEREBY AGREE as follows:

ARTICLE I

DEFINITION OF TERMS

Section 1.01 Definitions. The words and terms used in capitalized form in this Agreement shall have the meanings as set forth in the recitals above and the following words and terms as used in this Agreement shall have the following meanings:

"Act" means the Charter of the Issuer, Chapter 166, Florida Statutes, Article VIII, Section 2, Constitution of the State of Florida, and other applicable provisions of law.

"Agreement" means this Loan Agreement and any and all modifications, alterations, amendments and supplements hereto made in accordance with the provisions hereof.

"Annual Budget" means the budget or budgets, as amended and supplemented from time to time, prepared by the Issuer for each Fiscal Year in accordance with the laws of the State of Florida.

"Bond Counsel" means any attorney at law or firm of attorneys retained by the Issuer, of nationally recognized experience in matters pertaining to the validity of, and exclusion from gross income for federal income tax purposes of interest on, the obligations of states and their political subdivisions.

"Bond Year" means the annual period beginning on the first day of November of each year and ending on the last day of October of the same year.

"Business Day" means any day except any Saturday or Sunday or day on which the Principal Office of the Bank is lawfully closed.

"City Manager" means the City Manager of the Issuer.

"Code" means the Internal Revenue Code of 1986, as amended, and applicable corresponding provisions of any future laws of the United States of America relating to federal income taxation, and except as otherwise provided herein or required by the context thereof, includes interpretations thereof contained or set forth in the applicable regulations of the Department of Treasury (including applicable final regulations, temporary regulations and

proposed regulations), the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings), and applicable court rulings.

"Debt Service Account" means the Revenue Note, Series 2011 Debt Service Account established by the Resolution from which the Issuer shall make payments of the principal of, interest on and any redemption or prepayment premiums with respect to the Loan under the Note.

"Escrow Agent" means U.S. Bank National Association, as escrow agent under the Escrow Agreement.

"Escrow Agreement" means the Escrow Deposit Agreement dated as of October __, 2011, among the Issuer, the Financing Commission and the Escrow Agent.

"Event of Default" means an event of default specified in Article VI of this Agreement.

"Financing Commission" means the First Florida Governmental Financing Commission

"Fiscal Year" means the period commencing on October 1 of each year and ending on the succeeding September 30, or such other period of twelve consecutive months as may hereafter be designated as the fiscal year of the Issuer by general law.

"Loan" means the loan by the Bank to the Issuer contemplated hereby.

"Loan Amount" means $_____.

"Loan Documents" means this Agreement, the Note and the Escrow Agreement.

"Non-Ad Valorem Revenues" means all legally available non-ad valorem revenues of the Issuer derived from any source whatsoever other than ad valorem taxation on real and personal property, including, without limitation, investment income, which are legally available for the payment by the Issuer of debt service on the Note or Non-Self-Supporting Revenue Debt, including, without limitation, legally available non-ad valorem revenues derived from sources subject to a prior pledge thereof for the payment of other obligations of the Issuer and available after payment of principal and interest on such other obligations, but excluding revenues derived from the Issuer's electric system, natural gas system, water system, wastewater system, telecommunications system and stormwater management utility system, except to the extent that revenues derived from such sources are deposited into the Issuer's general fund.

"Non-Self-Supporting Revenue Debt" means obligations evidencing indebtedness for borrowed money, including the Note, (i) the primary security for which is provided by a covenant of the Issuer to budget and appropriate Non-Ad Valorem Revenues of the Issuer for the payment of debt service on such obligations, or (ii) primarily secured or payable from another source of funds, but with respect to which the Issuer has also covenanted to budget and appropriate Non-Ad Valorem Revenues of the Issuer for the payment of debt service on such obligations, provided that obligations described in this clause (ii) shall only be considered Non-Self-Supporting Revenue Debt to the extent the Issuer has included in its budget (by amendment or otherwise) the payment of such Non-Ad Valorem Revenues pursuant to such covenant to pay

debt service on such obligations. "Non-Self-Supporting Revenue Debt" shall expressly not include indebtedness payable from the revenues of a utility system which are pledged to the payment of such indebtedness.

"Note" means the Issuer's Refunding Revenue Note, Series 2011 in the form attached hereto as Exhibit "A."

"Notice Address" means,

As to the Issuer:	Office of the City Attorney 200 E. University Avenue, Suite 425 Gainesville, Florida 32601 Email address: radsonmj@cityofgainesville.org
As to the Bank:	Branch Banking and Trust Company 5130 Parkway Plaza Blvd., Building No. 9 Charlotte, North Carolina 28217 Attn: Account Administration/Municipal Email address: bsalamone@bbandt.com

or to such other address (or email address for electronic communications) as either party may have specified in writing to the other using the procedures specified in Section 8.06.

"Person" means an individual, corporation, partnership, joint venture, trust, limited liability company, unincorporated organization or other judicial entity.

"Pledged Funds" means (i) the Non-Ad Valorem Revenues budgeted and appropriated and deposited into the Debt Service Account to pay debt service on the Note and all other amounts due and payable and (ii) all funds on deposit in the Debt Service Account (including all investment securities on deposit therein) and all investment earnings on any such funds.

"Principal Office" means, with respect to the Bank, the office located at 5130 Parkway Plaza Blvd., Building No. 9, Charlotte, North Carolina 28217, or such other office as the Bank may designate to the Issuer in writing.

"Resolution" means Resolution No. _____ related to this Agreement and the Note adopted by the City Commission of the Issuer on October 20, 2011.

"State" means the State of Florida.

"2002 Loan" means the loan made by the Financing Commission to the Issuer on April 26, 2002, in the original principal amount of $9,870,000.

Section 1.02 Titles and Headings. The titles and headings of the articles and sections of this Agreement have been inserted for convenience of reference only and are not to be considered a part hereof, shall not in any way modify or restrict any of the terms and provisions

hereof, and shall not be considered or given any effect in construing this Agreement or any provision hereof or in ascertaining intent, if any question of intent should arise.

ARTICLE II

REPRESENTATIONS OF ISSUER

The Issuer represents and warrants to the Bank, which representations and warranties shall be deemed made on the date of the delivery of the Note, that:

Section 2.01 Powers of Issuer. The Issuer is a municipal corporation, duly organized and validly existing under the laws of the State. The Issuer has the power under the Act to borrow the Loan Amount provided for in this Agreement, to execute and deliver the Loan Documents, to secure this Agreement and the Note in the manner contemplated hereby and to perform and observe all the terms and conditions of the Loan Documents on its part to be performed and observed. The Issuer may lawfully borrow funds hereunder in order to provide funds to refinance all or a portion of the 2002 Loan and to pay the costs of issuance of the Loan and the Note.

Section 2.02 Authorization of Loan. The Issuer had, has, or will have on the date of the Note and at all relevant times, full legal right, power and authority to execute and deliver the Loan Documents, to issue the Note, and to carry out and consummate all other transactions contemplated hereby, and the Issuer has complied and will comply with all provisions of applicable law in all material matters relating to such transactions. The Issuer has duly authorized the borrowing of the Loan Amount provided for in this Agreement, the execution and delivery of this Agreement and the Escrow Agreement, and the issuance and delivery of the Note to the Bank, and to that end the Issuer warrants that it will, subject to the terms hereof and of the Note, take all action and do all things which it is authorized by law to take and to do in order to fulfill all covenants on its part to be performed and to provide for and to assure payment of the Note. The Note has been duly authorized, executed, issued and delivered to the Bank and constitutes the legal, valid and binding obligation of the Issuer enforceable in accordance with the terms thereof and the terms hereof, and is entitled to the benefits and security of this Agreement, subject to the provisions of the bankruptcy laws of the United States of America and to other applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights, heretofore or hereinafter enacted, to the extent constitutionally applicable, and provided that its enforcement may also be subject to equitable principles that may affect remedies or other equitable relief, or to the exercise of judicial discretion in appropriate cases. All approvals, consents, and orders of and filings with any governmental authority or agency which would constitute a condition precedent to the issuance of the Note or the execution and delivery of or the performance by the Issuer of its obligations under this Agreement, the Escrow Agreement and the Note have been obtained or made and any consents, approvals, and orders to be received or filings so made are in full force and effect. NOTWITHSTANDING THE FOREGOING, HOWEVER, OR ANYTHING ELSE HEREIN OR IN THE NOTE TO THE CONTRARY, NEITHER THIS AGREEMENT NOR THE NOTE SHALL CONSTITUTE A GENERAL OBLIGATION OR A PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL, LEGISLATIVE OR CHARTER PROVISION OR LIMITATION, BUT SHALL BE PAYABLE

SOLELY FROM THE PLEDGED FUNDS IN THE MANNER AND TO THE EXTENT PROVIDED HEREIN AND IN THE RESOLUTION. No holder or owner of the Note shall ever have the right, directly or indirectly, to require or compel the exercise of the ad valorem taxing power of the Issuer or any other political subdivision of the State of Florida or taxation in any form on any real or personal property for any purpose, including, without limitation, for the payment of debt service with respect thereto, or to maintain or continue any activities of the Issuer which generate user service charges, regulatory fees or other non-ad valorem revenues, nor shall any holder or owner of the Note be entitled to payment of such principal and interest from any other funds of the Issuer other than the Pledged Funds, all in the manner and to the extent herein and in the Resolution provided.

Section 2.03 No Violation of Law or Contract. The Issuer is not in default in any material respect under any agreement or other instrument to which it is a party or by which it may be bound, the breach of which could result in a material and adverse impact on the financial condition of the Issuer or the ability of the Issuer to perform its obligations hereunder and under the Note. The making and performing by the Issuer of this Agreement, the Escrow Agreement and the Note will not violate any applicable provision of law, and will not result in a material breach of any of the terms of any agreement or instrument to which the Issuer is a party or by which the Issuer is bound, the breach of which could result in a material and adverse impact on the financial condition of the Issuer or the ability of the Issuer to perform its obligations hereunder and under the Note.

Section 2.04 Pending or Threatened Litigation. Except as has been disclosed to the Bank in writing, there are no actions or proceedings pending against the Issuer or affecting the Issuer or, to the knowledge of the Issuer, threatened, which, either in any case or in the aggregate, might result in any material adverse change in the financial condition of the Issuer, or which questions the validity of this Agreement, the Escrow Agreement or the Note or of any action taken or to be taken in connection with the transactions contemplated hereby or thereby.

Section 2.05 Financial Information. The financial information regarding the Issuer furnished to the Bank by the Issuer in connection with the Loan is complete and accurate, and there has been no material and adverse change in the financial condition of the Issuer from that presented in such information.

ARTICLE III

COVENANTS OF THE ISSUER

Section 3.01 Affirmative Covenants. For so long as any of the principal amount of or interest or any redemption or prepayment premium on the Note is outstanding or any duty or obligation of the Issuer hereunder or under the Note remains unpaid or unperformed, the Issuer covenants to the Bank as follows:

(a) Payment. The Issuer shall pay the principal of and the interest or any redemption or prepayment premium on the Note and any other amounts due and payable under this Agreement at the time and place and in the manner provided herein and in the Note.

(b) Use of Proceeds. Proceeds from the Note will be used only to refinance all or a portion of the 2002 Loan and to pay closing costs of the Loan and costs of issuance of the Note.

(c) Notice of Defaults. The Issuer shall within seven (7) days after it acquires knowledge thereof, notify the Bank in writing at its Notice Address upon the happening, occurrence, or existence of any Event of Default, and any event or condition which with the passage of time or giving of notice, or both, would constitute an Event of Default, and shall provide the Bank, with such written notice, a detailed statement by a responsible officer of the Issuer of all relevant facts and the action being taken or proposed to be taken by the Issuer with respect thereto.

(d) Maintenance of Existence. The Issuer will take all reasonable legal action within its control in order to maintain its existence until all amounts due and owing from the Issuer to the Bank under this Agreement and the Note have been paid in full.

(e) Records. The Issuer agrees that any and all records of the Issuer with respect to the Loan shall be open to inspection by the Bank or its representatives at all reasonable times and after receipt by the Issuer of reasonable notice from the Bank at the offices the Issuer.

(f) Financial Statements and Budget. The Issuer will cause an audit to be completed of its books and accounts and shall furnish to the Bank audited year-end financial statements of the Issuer, including a balance sheet as of the end of such Fiscal Year and related statements of revenues, expenses and changes in net assets, certified by an independent certified public accountant to the effect that such audit has been conducted in accordance with generally accepted auditing standards and stating whether such financial statements present fairly in all material respects the financial position of the Issuer and the results of its operations and cash flows for the periods covered by the audit report, all in conformity with generally accepted accounting principles applied on a consistent basis. The Issuer shall provide the Bank with the Issuer's audited financial statements for each Fiscal Year ending on or after September 30, 2010 within 210 days after the end thereof.

(g) Insurance. The Issuer shall maintain such liability, casualty and other insurance as, or shall self-insure in a manner as, is reasonable and prudent for similarly situated governmental entities of the State of Florida.

(h) Compliance with Laws. The Issuer shall comply with all applicable federal, state and local laws and regulatory requirements, the violation of which could reasonably be expected to have a material and adverse effect upon the financial condition of the Issuer or upon the ability of the Issuer to perform its obligation hereunder or under the Note.

(i) Payment of Document Taxes. In the event the Note or this Agreement should be subject to the excise tax on documents of the State, the Issuer shall promptly upon the Bank's written demand for same pay such taxes or reimburse the Bank for any such taxes paid by it.

Section 3.02 Negative Covenants. For so long as any of the principal amount of or interest on the Note is outstanding or any duty or obligation of the Issuer hereunder or under the Note remains unpaid or unperformed, the Issuer covenants to the Bank as follows:

(a) No Adverse Borrowings. The Issuer shall not issue or incur any indebtedness or obligation if such would materially and adversely affect the ability of the Issuer to timely pay debt service on the Note or any other amounts owing by the Issuer under this Agreement.

(b) Anti-Dilution. Except with respect to Non-Self Supporting Revenue Debt issued to refund existing Non-Self Supporting Revenue Debt where the aggregate debt service of the refunding Non-Self Supporting Revenue Debt will not be greater than that for the Non-Self Supporting Revenue Debt being refunded, the Issuer may incur additional Non-Self-Supporting Revenue Debt only if, as set forth in a certificate of the Mayor or City Manager executed prior to the issuance thereof,

(i) after the issuance thereof, the maximum annual debt service in any Bond Year (net of any subsidies or reimbursements related to interest) resulting from the total outstanding Non-Self-Supporting Revenue Debt of the Issuer, including such additional Non-Self-Supporting Revenue Debt, does not exceed fifty percent (50%) of total Non-Ad Valorem Revenues received in the preceding Fiscal Year; and

(ii) the Non-Ad Valorem Revenues of the Issuer for the preceding Fiscal Year were at least 2.00 times average annual debt service (net of any subsidies or reimbursements related to interest) in all future Bond Years on all outstanding Non-Self-Supporting Revenue Debt and the Non-Self-Supporting Revenue Debt proposed to be issued.

Section 3.03 Registration and Exchange of Note. The Note shall initially be owned by the Bank. The ownership of the Note may only be transferred, and the Issuer will transfer the ownership of the Note, upon written request of the Bank to the Issuer specifying the name, address and taxpayer identification number of the transferee, and the Issuer will keep and maintain at all times a record setting forth the identification of the owner of the Note. The Person in whose name the Note shall be registered shall be deemed and regarded the absolute owner thereof for all purposes, and payment of principal and interest on such Note shall be made only to or upon the written order of such Person. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

Section 3.04 Note Mutilated, Destroyed, Stolen or Lost. In case the Note shall become mutilated, or be destroyed, stolen or lost, the Issuer shall issue and deliver a new Note, in exchange and in substitution for such mutilated Note, or in lieu of and in substitution for the Note destroyed, stolen or lost and upon the Bank furnishing the Issuer proof of ownership thereof, an affidavit of lost or stolen instrument and indemnity reasonably satisfactory to the Issuer and paying such expenses as the Issuer may reasonably incur in connection therewith.

Section 3.05 Payment of Principal and Interest; Limited Obligation. The Issuer promises that it will promptly pay the principal of and interest on and any prepayment or redemption premium or fee on the Note, at the place, on the dates and in the manner provided therein according to the true intent and meaning hereof and of the Note, provided that the Issuer may be compelled to pay the principal of and interest on and any prepayment premium or fee with respect to the Note solely from the Pledged Funds, and nothing in the Note, this Agreement or the Resolution shall be construed as pledging any other funds or assets of the Issuer to such payment or as authorizing such payment to be made from any other source. The Issuer is not and

shall not be liable for the payment of the principal of and interest on the Note and any prepayment premium or fee with respect to or for the performance of any pledge, obligation or agreement for payment undertaken by the Issuer hereunder, under the Note or under the Resolution from any property other than the Pledged Funds. The Bank shall not have any right to resort to legal or equitable action to require or compel the Issuer to make any payment required by the Note or this Agreement from any source other than the Pledged Funds.

Section 3.06 Covenant to Budget and Appropriate. The Issuer hereby covenants and agrees, to the extent permitted by and in accordance with applicable law and budgetary processes, to prepare, approve and appropriate in its Annual Budget for each Fiscal Year, by amendment if necessary, and to deposit to the credit of the Debt Service Account in a timely manner as needed to pay debt service on the Note, Non-Ad Valorem Revenues of the Issuer in an amount which is equal to the debt service with respect to the Note for the applicable Fiscal Year. Such covenant and agreement on the part of the Issuer to budget and appropriate sufficient amounts of Non-Ad Valorem Revenues shall be cumulative, and shall continue until such Non-Ad Valorem Revenues in amounts sufficient to make all required payments hereunder and under the Note as and when due, including any delinquent payments, shall have been budgeted, appropriated and actually paid into the Debt Service Account; provided, however, that such covenant shall not constitute a lien, either legal or equitable, on any of the Issuer's Non-Ad Valorem Revenues or other revenues, nor shall it preclude the Issuer from pledging in the future any of its Non-Ad Valorem Revenues or other revenues to other obligations so long as the granting of such pledge does not have the effect of impairing the obligation of the Issuer under this Agreement and the Note by making unavailable sufficient Non-Ad Valorem Revenues required to timely make payments of principal and interest on the Note and any other payments required hereunder, nor shall it give the holder or owner of the Note a prior claim on the Non-Ad Valorem Revenues. Anything herein to the contrary notwithstanding, all obligations of the Issuer hereunder shall be secured only by the Non-Ad Valorem Revenues actually budgeted and appropriated and deposited into the Debt Service Account, as provided for herein. The Issuer is prohibited by law from expending moneys not appropriated or in excess of its current budgeted revenues and surpluses. The obligation of the Issuer to budget, appropriate and make payments hereunder from its Non-Ad Valorem Revenues is subject to the availability of Non-Ad Valorem Revenues after satisfying funding requirements for obligations having an express lien on or pledge of such revenues and after satisfying funding requirements for essential governmental services of the Issuer or which are legally mandated by applicable law. Notwithstanding the foregoing or anything herein to the contrary, the Issuer has not covenanted to maintain any service or program now provided or maintained by the Issuer which generates Non-Ad Valorem Revenues.

Section 3.07 Pledge. The payment of the principal of, premium, if any, and interest on the Note and all other amounts payable under this Agreement shall be secured by an irrevocable lien on the Pledged Funds, all in the manner and to the extent provided herein and in the Resolution. The Issuer does hereby pledge such Pledged Funds to the principal of, premium, if any, and interest on the Note and for all other payments provided for herein.

Section 3.08 Debt Service Account. The Issuer shall apply all moneys on deposit in the Debt Service Account to the timely payment of the principal of, premium, if any, and interest on the Note, provided, however, that funds in the Debt Service Account may be invested in

investments permitted by law and meeting the requirements of the Issuer's written investment policy and that mature not later than the dates that such funds will be needed for the purposes of such account.

Section 3.09 Officers and Employees of the Issuer Exempt from Personal Liability. No recourse under or upon any obligation, covenant or agreement of this Agreement or the Note or for any claim based hereon or thereon or otherwise in respect thereof, shall be had against any officer, agent or employee, as such, of the Issuer, past, present or future, it being expressly understood (a) that the obligation of the Issuer under this Agreement and under the Note is solely a corporate one, limited as provided herein, (b) that no personal liability whatsoever shall attach to, or is or shall be incurred by, the officers, agents, or employees, as such, of the Issuer, or any of them, under or by reason of the obligations, covenants or agreements contained in this Agreement or implied therefrom, and (c) that any and all such personal liability of, and any and all such rights and claims against, every such officer, agent, or employee, as such, of the Issuer under or by reason of the obligations, covenants or agreements contained in this Agreement and under the Note, or implied therefrom, are waived and released as a condition of, and as a consideration for, the execution of this Agreement and the issuance of the Note on the part of the Issuer.

Section 3.10 Business Days. In any case where the due date of interest on or principal of the Note is not a Business Day, then payment of such principal or interest need not be made on such date but may be made on the next succeeding Business Day, provided that credit for payments made shall not be given until the payment is actually received by the Bank.

Section 3.11 Tax Representations, Warranties and Covenants of the Issuer. It is the intention of the Issuer that the interest on the Note be and remain excluded from gross income of the holders and owners of the Note for federal income tax purposes. The Issuer hereby covenants and represents that it has taken and caused to be taken and shall make and take and cause to be made and taken all actions that may be required of it for the interest on the Note to be and remain excluded from the gross income of the registered owner and holder thereof for federal income tax purposes to the extent set forth in the Code, and that to the best of its knowledge it has not taken or permitted to be taken on its behalf, and covenants that to the best of its ability and within its control, it shall not make or take, or permit to be made or taken on its behalf, any action which, if made or taken, would adversely affect such exclusion under the provisions of the Code.

The Issuer acknowledges that the continued exclusion of interest on the Note from gross income for federal income tax purposes depends, in part, upon compliance with the arbitrage limitations imposed by Sections 103(b)(2) and 148 of the Code. The Issuer hereby acknowledges responsibility to take all reasonable actions necessary to comply with these requirements. The Issuer hereby agrees and covenants that it shall not permit at any time or times any of the proceeds of the Note or other funds of the Issuer to be intentionally used, directly or indirectly, to acquire or to replace funds which were used directly or indirectly to acquire any higher yielding investments (as defined in Section 148 of the Code), the acquisition of which would cause the Note to be an arbitrage bond for purposes of Sections 103(b)(2) and 148 of the Code. The Issuer further agrees and covenants that it shall do and perform all acts and things necessary in order to assure that the requirements of Section 103(b)(2) and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Code are met.

Specifically, without intending to limit in any way the generality of the foregoing, the Issuer covenants and agrees:

(1) to make or cause to be made all necessary determinations and calculations of the excess of the amount earned on all non-purpose investments (as defined in Section 148(f)(6) of the Code) over the amount which would have been earned if such non-purpose investments were invested at a rate equal to the yield on the Note, plus any income attributable to such excess, but not including any amount exempted under Section 148(f) of the Code (the "Rebate Amount");

(2) to pay the Rebate Amount to the United States of America from legally available funds of the Issuer at the times and to the extent required pursuant to Section 148(f) of the Code;

(3) to maintain and retain all records pertaining to the Rebate Amount and required payments of the Rebate Amount for at least six years after the final maturity of the Note or such other period as shall be necessary to comply with the Code;

(4) to refrain from taking any action that would cause the Note to be classified as "private activity bond" under Section 141(a) of the Code; and

(5) to refrain from taking any action that would cause the Note to become an arbitrage bond under Section 148 of the Code.

The Issuer understands that the foregoing covenants impose continuing obligations on it to comply with the requirements of Section 103 and Part IV of Subchapter B of Subpart A of Chapter 1 of the Code so long as such requirements are applicable.

ARTICLE IV

CONDITIONS OF LENDING

The obligations of the Bank to lend hereunder are subject to the following conditions precedent:

Section 4.01 Representations and Warranties. The representations and warranties of the Issuer set forth in this Agreement and the Note are true and correct on and as of the date hereof.

Section 4.02 No Default. On the date hereof, the Issuer shall be in compliance with all the terms and provisions set forth in this Agreement and the Note on its part to be observed or performed, and no Event of Default or any event that, upon notice or lapse of time or both, would constitute such an Event of Default, shall have occurred and be continuing at such time.

Section 4.03 Supporting Documents. On or prior to the date hereof, the Bank shall have received the following supporting documents, all of which shall be satisfactory in form and substance to the Bank (such satisfaction to be evidenced by the purchase of the Note by the Bank):

(a) The opinion of the attorney for the Issuer and/or bond counsel to the Issuer, regarding the due authorization, execution, delivery, validity and enforceability of the Resolution authorizing this Agreement, the Escrow Agreement and the Note, and such other items as the Bank shall reasonably request;

(b) The opinion of Bond Counsel to the Issuer to the effect that (i) the interest on the Note is excluded from gross income for federal income tax purposes and the Note is not an item of tax preference under Section 57 of the Code, (ii) and the Note is a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code, and (iii) such other items as the Bank shall reasonably request; and

(c) Such additional supporting documents as the Bank may reasonably request.

ARTICLE V

FUNDING THE LOAN

Section 5.01 The Loan. The Bank hereby agrees to lend to the Issuer the Loan Amount to provide funds for the purposes described herein upon the terms and conditions set forth in this Agreement. The Issuer agrees to repay the principal amount borrowed plus interest thereon upon the terms and conditions set forth in this Agreement and the Note.

Section 5.02 Description and Payment Terms of the Note. To evidence the obligation of the Issuer to repay the Loan, the Issuer shall issue and deliver to the Bank the Note in the form attached hereto as Exhibit "A." Prepayment of principal may be made only as provided in the Note and the rate of interest on the Note, including any adjustments thereto, shall be as provided in the Note.

ARTICLE VI

EVENTS OF DEFAULT

Section 6.01 General. An "Event of Default" shall be deemed to have occurred under this Agreement if:

(a) The Issuer shall fail to make any payment of the principal of, premium, if any, or interest on the Note when the same shall become due and payable, whether by maturity, by acceleration at the discretion of the Bank as provided for in Section 6.02, or otherwise; or

(b) The Issuer shall default in the performance of or compliance with any term or covenant contained in this Agreement or the Note, other than a term or covenant a default in the performance of which or noncompliance with which is elsewhere specifically dealt with in this Section 6.01, which default or non-compliance shall continue and not be cured within thirty (30) days after (i) written notice thereof to the Issuer by the Bank, or (ii) the Bank is notified of such noncompliance or should have been so notified pursuant to the provisions of Section 3.01(c) of this Agreement, whichever is earlier; or

(c) Any representation or warranty made in writing by or on behalf of the Issuer in this Agreement or the Note shall prove to have been false or incorrect in any material respect on the date made or reaffirmed; or

(d) The Issuer admits in writing its inability to pay its debts generally as they become due or files a petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver or trustee for itself; or

(e) The Issuer is adjudged insolvent by a court of competent jurisdiction, or it is adjudged a bankrupt on a petition in bankruptcy filed by the Issuer, or an order, judgment or decree is entered by any court of competent jurisdiction appointing, without the consent of the Issuer, a receiver or trustee of the Issuer or of the whole or any part of its property, and if the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within ninety (90) days from the date of entry thereof; or

(f) The Issuer shall file a petition or answer seeking reorganization or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or the State.

Section 6.02 Effect of Event of Default. Immediately and without notice, upon the occurrence of any Event of Default, the Bank may declare all obligations of the Issuer under this Agreement and the Note to be immediately due and payable without further action of any kind, and upon such declaration the Note and the interest accrued thereon shall become immediately due and payable. In addition, and regardless whether such declaration is or is not made, the Bank may also seek enforcement of and exercise all remedies available to it under any applicable law.

ARTICLE VII

BANK QUALIFIED

Section 7.01 Small Issuer Designation. The Issuer (including any subordinate entity or entities and any entity or entities issuing tax-exempt obligations on behalf of the Issuer within the meaning of Section 265(b)(3)(E) of the Code) has not issued, and does not reasonably expect to issue, tax-exempt obligations (other than obligations described in Section 265(b)(3)(C)(ii) of the Code) within calendar year 2011 which, together with the Note, will exceed $10,000,000 in aggregate principal amount. It is the intention of the Issuer by this Section to qualify the Note, pursuant to Section 265(b)(3) of the Code, for treatment as a tax-exempt obligation acquired on August 7, 1986 for purposes of Section 265(b)(2) of the Code. Accordingly, the Issuer hereby designates the Note as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code.

ARTICLE VIII

MISCELLANEOUS

Section 8.01 No Waiver; Cumulative Remedies. No failure or delay on the part of the Bank in exercising any right, power, remedy hereunder or under the Note shall operate as a

waiver of the Bank's rights, powers and remedies hereunder, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof, or the exercise of any other right, power or remedy hereunder or thereunder. The remedies herein and therein provided are cumulative and not exclusive of any remedies provided by law or in equity.

Section 8.02 Amendments, Changes or Modifications to the Agreement. This Agreement shall not be amended, changed or modified except in writing signed by the Bank and the Issuer. The Issuer agrees to pay all of the Bank's costs and reasonable attorneys' fees incurred in modifying and/or amending this Agreement at the Issuer's request or behest.

Section 8.03 Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same Agreement, and, in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

Section 8.04 Severability. If any clause, provision or section of this Agreement shall be held illegal or invalid by any court, the invalidity of such clause, provision or section shall not affect any other provisions or sections hereof, and this Agreement shall be construed and enforced to the end that the transactions contemplated hereby be effected and the obligations contemplated hereby be enforced, as if such illegal or invalid clause, provision or section had not been contained herein.

Section 8.05 Term of Agreement. Except as otherwise specified in this Agreement, this Agreement and all representations, warranties, covenants and agreements contained herein or made in writing by the Issuer in connection herewith shall be in full force and effect from the date hereof and shall continue in effect until as long as the Note is outstanding.

Section 8.06 Notices. All notices, requests, demands and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given when received if personally delivered; when transmitted if transmitted by telecopy, email, electronic telephone line facsimile transmission or other similar electronic or digital transmission method (provided customary evidence of receipt is obtained); the day after it is sent, if sent by overnight common carrier service; and five days after it is sent, if mailed, certified mail, return receipt requested, postage prepaid. In each case notice shall be sent to the Notice Address.

Section 8.07 Applicable Law; Venue. This Agreement shall be construed pursuant to and governed by the substantive laws of the State. The Issuer and the Bank waive any objection either might otherwise have to venue in any judicial proceeding brought in connection herewith lying in the Alachua County, Florida.

Section 8.08 Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the successors in interest and permitted assigns of the parties. The Issuer shall have no rights to assign any of its rights or obligations hereunder without the prior written consent of the Bank.

Section 8.09 No Third Party Beneficiaries. It is the intent and agreement of the parties hereto that this Agreement is solely for the benefit of the parties hereto and no person not a party hereto shall have any rights or privileges hereunder.

Section 8.10 Attorneys Fees. To the extent legally permissible, the Issuer and the Bank agree that in any suit, action or proceeding brought in connection with this Agreement or the Note (including any appeal(s)), the prevailing party shall be entitled to recover costs and reasonable attorneys' fees from the other party.

Section 8.11 Entire Agreement. Except as otherwise expressly provided, this Agreement and the Note embody the entire agreement and understanding between the parties hereto and supersede all prior agreements and understandings relating to the subject matter hereof.

Section 8.12 Further Assurances. The parties to this Agreement will execute and deliver, or cause to be executed and delivered, such additional or further documents, agreements or instruments and shall cooperate with one another in all respects for the purpose of carrying out the transactions contemplated by this Agreement.

Section 8.13 Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE NOTE AND ANY DOCUMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES TO ENTER INTO THIS AGREEMENT.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective between them as of the date of first set forth above.

CITY OF GAINESVILLE, FLORIDA

By:_____
[Finance Director]

ATTEST:

By:_____
Clerk of the Commission

APPROVED AS TO FORM AND LEGALITY:

By:_____
City Attorney

BRANCH BANKING AND TRUST COMPANY

By:_____
Banking Officer

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EXHIBIT "A"

FORM OF NOTE

CITY OF GAINESVILLE, FLORIDA
REFUNDING REVENUE NOTE, SERIES 2011

The CITY OF GAINESVILLE, FLORIDA (the "Issuer"), a municipal corporation duly created and existing under the laws of the State of Florida, for value received, promises to pay, but solely from the sources hereinafter provided, to the order of BRANCH BANKING AND TRUST COMPANY or registered assigns (together with any other registered owner of this Note, hereinafter, the "Bank"), the principal sum of _____ Dollars ($_____) or such lesser amount as shall be outstanding hereunder, together with interest on the principal balance outstanding at the Interest Rate (defined below), calculated based upon a year of 360 days consisting of twelve 30-day months, such amounts to be payable as provided herein. This Note is issued pursuant to Resolution No. _____ of the Issuer adopted on October 20, 2011 (the "Resolution") and in conjunction with a Loan Agreement, dated of even date herewith, between the Issuer and the Bank (the "Loan Agreement") and is subject to all the terms and conditions of the Loan Agreement. All terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto, or referenced, in the Loan Agreement.

Principal of and interest on this Refunding Revenue Note, Series 2011 (this "Note") are payable in immediately available funds constituting lawful money of the United States of America at the Principal Office or such place as the Bank may designate in writing to the Issuer.

The Issuer shall pay the Bank interest on the outstanding principal balance of this Note in arrears, on January 1, 2012, and on the 1st day of each July and January thereafter, to and including the Final Maturity Date (hereinafter defined). The principal amount of this Note shall be payable in annual installments in the amounts set forth on Schedule A hereto, payable on July 1 of each year, commencing July 1, 2012, with the final installment payable July 1, 2022 (the "Final Maturity Date"). If any date for the payment of principal or interest is not a Business Day, such payment shall be due on the next succeeding Business Day.

All payments by the Issuer pursuant to this Note shall apply first to accrued interest, then to other charges due the Bank, and the balance thereof shall apply to the principal sum due.

The "Interest Rate," as used herein, shall mean two and thirty-six one-hundredths of one percent (2.36%) per annum unless adjusted as provided herein.

In the event of a Determination of Taxability, the Interest Rate shall be adjusted to cause the yield on this Note to the Bank after such Determination of Taxability to equal what the yield would have been to the Bank in the absence of such Determination of Taxability (the "Taxable Rate"), effective retroactively to the date on which such Determination of Taxability was made. In addition, immediately upon a Determination of Taxability, the Issuer agrees to pay to the Bank the Additional Amount. "Additional Amount" means (i) the difference between (a) interest on this Note for the period commencing on the date on which the interest on this Note ceases to

be excludable from gross income for federal income tax purposes and ending on the earlier of the date this Note ceased to be outstanding or such adjustment is no longer applicable to this Note (the "Taxable Period") at a rate per annum equal to the Taxable Rate, and (b) the aggregate amount of interest paid on this Note for the Taxable Period under the provisions of this Note without considering the Determination of Taxability, plus (ii) any penalties and interest paid or payable by the Bank to the Internal Revenue Service by reason of such Determination of Taxability. As used herein, "Determination of Taxability" means a final decree or judgment of any federal court or a final action of the Internal Revenue Service or of the United States Treasury Department determining that any interest payable on this Note is includable in the gross income of the Bank or that this Note is not a "qualified tax exempt obligation" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. No such decree or action shall be considered final for the purposes of this paragraph unless the Issuer has been given written notice thereof and, if it is so desired by the Issuer and is legally permissible, the Issuer has been afforded the opportunity to contest the same, at its own expense, either directly or in the name of the Bank and until the conclusion of any appellate review, if sought.

In addition, any amount due under this Note or the Loan Agreement and not paid when due shall bear interest at a default rate equal to the Interest Rate plus two percent (2%) per annum from and after five (5) days after the due date.

Notwithstanding the foregoing, in no event shall the Interest Rate in any year exceed the maximum rate permitted by law.

The Bank shall promptly notify the Issuer in writing of any adjustment to the Interest Rate. Such adjustments shall become effective as of the effective date of the event causing such adjustment. Adjustments may be retroactive. The Bank shall certify to the Issuer in writing the additional amount, if any, due to the Bank as a result of an adjustment in the Interest Rate pursuant hereto and shall provide to the Issuer a written calculation of any change in the Interest Rate and of any Additional Amounts claimed hereunder.

This Note may be prepaid in whole on any interest payment date at the option of the Issuer upon ten (10) days' prior written notice by the Issuer to the Bank, such prepayment to be at one hundred one percent (101%) of the principal amount to be prepaid plus accrued interest thereon to the date of prepayment.

Upon the occurrence of an Event of Default then the Bank may declare the entire debt then remaining unpaid hereunder immediately due and payable; and in any such default and acceleration, the Issuer shall also be obligated to pay (but only from the Pledged Funds) as part of the indebtedness evidenced by this Note, all costs of collection and enforcement hereof, including such fees as may be incurred on appeal or incurred in any proceeding under bankruptcy laws as they now or hereafter exist, including specifically but without limitation, claims, disputes and proceedings seeking adequate protection or relief from the automatic stay.

The Issuer to the extent permitted by law hereby waives presentment, demand, protest and notice of dishonor.

This Note is payable solely from the Pledged Funds to the extent provided in the Loan Agreement and subject to the pledge of the Pledged Funds as more specifically provided in the

Resolution and the Loan Agreement. Notwithstanding any other provision of this Note, the Issuer is not and shall not be liable for the payment of the principal of and interest on this Note or otherwise monetarily liable in connection herewith from any property other than as provided in the Loan Agreement and the Resolution.

NOTWITHSTANDING ANYTHING HEREIN OR IN THE LOAN AGREEMENT OR THE RESOLUTION TO THE CONTRARY, THIS NOTE AND THE INTEREST HEREON DOES NOT AND SHALL NOT CONSTITUTE A GENERAL INDEBTEDNESS OF THE ISSUER BUT SHALL BE PAYABLE SOLELY FROM THE MONEYS AND SOURCES DESIGNATED THEREFOR PURSUANT TO THE LOAN AGREEMENT, THIS NOTE AND THE RESOLUTION. NEITHER THE FAITH AND CREDIT NOR ANY AD VALOREM TAXING POWER OF THE ISSUER IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS NOTE OR OTHER COSTS INCIDENTAL HERETO.

All terms, conditions and provisions of the Loan Agreement are by this reference thereto incorporated herein as a part of this Note.

This Note may be exchanged or transferred but only as provided in the Loan Agreement.

The Issuer has designated this Note as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

It is hereby certified, recited and declared that all acts, conditions and prerequisites required to exist, happen and be performed precedent to and in connection with the execution, delivery and the issuance of this Note do exist, have happened and have been performed in due time, form and manner as required by law, and that the issuance of this Note is in full compliance with and does not exceed or violate any constitutional or statutory limitation.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Issuer has caused this Note to be executed in its name as of the date hereinafter set forth.

The date of this Note is October __, 2011.

CITY OF GAINESVILLE, FLORIDA

(SEAL)

By:_____
Finance Director

ATTESTED AND COUNTERSIGNED:

By:_____
Clerk of the Commission

APPROVED AS TO FORM AND LEGALITY:

By:_____
City Attorney

SCHEDULE A

Date (July 1)	Principal Amount
2011	
2012	
2013	
2014	
2015	
2016	
2017	
2018	
2019	
2020	
2021	
2022	
TOTAL	

EXHIBIT "B"

FORM OF ESCROW DEPOSIT AGREEMENT

ESCROW DEPOSIT AGREEMENT

THIS ESCROW DEPOSIT AGREEMENT, dated as of _____, 2011, by and among the FIRST FLORIDA GOVERNMENTAL FINANCING COMMISSION (the "Issuer"), the CITY OF GAINESVILLE, FLORIDA (the "Borrower") and U.S. BANK NATIONAL ASSOCIATION, Orlando, Florida, a national banking association organized under the laws of the United States of America, as Escrow Holder and its successors and assigns (the "Escrow Holder");

W I T N E S S E T H:

WHEREAS, the Issuer has previously authorized and issued obligations on behalf of the Borrower, hereinafter defined as "Defeased Bonds," as to which the Total Defeased Bonds Debt Service (as hereinafter defined) is set forth on Schedule A; and

WHEREAS, the Issuer has determined to provide for payment of the Total Defeased Bonds Debt Service of the Defeased Bonds by depositing with the Escrow Holder an amount which together with investment earnings thereon is at least equal to such Total Defeased Bonds Debt Service; and

WHEREAS, in order to obtain the funds needed for such purpose and for other purposes, the Borrower has authorized its City of Gainesville, Florida Refunding Revenue Note, Series 2011 (the "Refunding Note") pursuant to a Loan Agreement between the Borrower and Branch Banking and Trust Company to be dated the date hereof to provide for payment of the Total Defeased Bonds Debt Service; and

WHEREAS, the execution of this Escrow Deposit Agreement and full performance of the provisions hereof shall defease and discharge the obligations of the Issuer and the Borrower relating to the Defeased Bonds;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Issuer and the Escrow Holder agree as follows:

SECTION 1. Definitions. As used herein, the following terms mean:

(a) "Agreement" means this Escrow Deposit Agreement.

(b) "Annual Defeased Bonds Debt Service" means the interest, principal and premium on the Defeased Bonds coming due on the dates as shown on Schedule A attached hereto and made a part hereof.

(c) "Bonds" means the First Florida Governmental Financing Commission Improvement and Refunding Revenue Bonds, Series 2002.

(d) "Defeased Bonds" means the portions of those Bonds which mature on July 1 in the years 2013 through and including 2018 maturing on July 1, 2022, to be selected in the manner as described in the 2002 Indenture, which such Bonds correspond in terms of amount and scheduled maturity date to the applicable principal loan payment obligations of the Borrower set forth in Schedule A and as generally described in the Loan Agreement dated March 15, 2002 between the Borrower and the Issuer (the "2002 Loan Agreement").

(e) "Defeased Bonds Escrow Account" means the account hereby created and entitled Defeased Bonds Escrow Account established and held by the Escrow Holder pursuant to this Agreement, in which cash and investments will be held for payment of the principal of, premium, if any, and accrued interest on the Defeased Bonds as they become due and payable.

(f) "Defeased Bonds Escrow Requirement" with respect to the Defeased Bonds means as of any date of calculation, the sum of an amount in cash and principal amount of investments in the Escrow Account which together with the interest to become due on such investments will be sufficient to pay the Total Defeased Bonds Debt Service to be paid from such Account in accordance with Schedule A.

(g) "Escrow Holder" means U.S. Bank National Association, having its designated corporate trust office in Orlando, Florida, and its successors and assigns.

(h) "Governmental Obligations" means Governmental Obligations as such term is defined in the 2002 Indenture.

(i) "2002 Indenture" means the Trust Indenture dated as of March 15, 2002 between U.S. Bank National Association, as successor to SunTrust Bank (the "Trustee") and the Issuer.

(j) "Total Defeased Bonds Debt Service" with respect to the Defeased Bonds means the sum of the principal, premium, if any, and interest remaining unpaid with respect to the Defeased Bonds in accordance with Schedule A attached hereto.

SECTION 2. Deposit of Funds. The Borrower hereby deposits $_____ of proceeds of the Refunding Note and $_____ which have been accumulated by the Borrower to make the next debt service payment on the Defeased Bonds with the Escrow Holder for deposit into the Defeased Bonds Escrow Account in immediately available funds, which funds the Escrow Holder acknowledges receipt of, to be held in irrevocable escrow by the Escrow Holder separate and apart from other funds of the Escrow Holder and applied solely as provided in this Agreement. As it relates to principal amounts scheduled under the 2002 Loan Agreement that mature on July 1 in the years 2013 through and including 2018 and on July 1, 2022, the Issuer hereby acknowledges that the principal amount of the loan evidenced by the 2002 Loan Agreement is hereby reduced to the extent of the defeasance described in this Agreement.

SECTION 3. Use and Investment of Funds. The Escrow Holder acknowledges receipt of the sum described in Section 2 and agrees:

(i) to hold the funds and investments purchased in the Defeased Bonds Escrow Account pursuant to this Agreement in irrevocable escrow during the term of this Agreement for the sole benefit of the holders of the Defeased Bonds;

(ii) to immediately invest $_____ of such funds by purchasing Governmental Obligations as set forth on Schedule B attached hereto and to hold such securities and $_____ of such funds in uninvested cash in accordance with the terms of this Agreement;

(iii) in the event the securities described on Schedule B cannot be purchased, substitute securities may be purchased in accordance with Section 5(b); and

(iv) there will be no investment of funds except as set forth in this Section 3 and Section 5.

SECTION 4. Payment of Defeased Bonds and Expenses.

(i) Defeased Bonds. On the dates and in the amounts set forth on Schedule A, the Escrow Holder, as trustee under the 2002 Indenture which secures the Defeased Bonds, shall pay to the appropriate holders of Defeased Bonds, an amount equal to a sum sufficient to pay that portion of the Annual Defeased Bonds Debt Service for the Defeased Bonds coming due on such dates, as shown on Schedule A.

(ii) Surplus. After making the payments from the Defeased Bonds Escrow Account described in Subsection 4(i) above, the Escrow Holder shall retain in the Defeased Bonds Escrow Account any remaining cash in the Defeased Bonds Escrow Account in excess of the Defeased Bonds Escrow Requirement until the termination of this Agreement, and shall then pay any remaining funds to the Borrower.

(iii) Priority of Payments. The holders of the Defeased Bonds shall have an express first lien on the funds and investments in the Defeased Bonds Escrow Account until such funds and investments are used and applied as provided in this Agreement.

SECTION 5. Reinvestment.

(a) Except as provided in Section 3 and in this Section, the Escrow Holder shall have no power or duty to invest any funds held under this Agreement or to sell, transfer or otherwise dispose of or make substitutions of the investments held hereunder.

(b) At the written request of the Borrower and upon compliance with the conditions hereinafter stated, the Escrow Holder shall sell, transfer or otherwise dispose of any of the investments acquired hereunder and shall substitute other investments which constitute Governmental Obligations. The Borrower will not request the Escrow Holder to exercise any of the powers described in the preceding sentence in any manner which will cause interest on the Defeased Bonds or the Refunding Note to be included in the gross income of the holders thereof for purposes of Federal income taxation. The transactions may be effected only if (i) an independent certified public accountant selected by the Issuer shall certify or opine in writing to the Issuer, the Borrower and the Escrow Holder that the cash and principal amount of investments remaining on hand after the transactions are completed will be not less than the amounts needed to pay each payment as part of the Annual Defeased Bonds Debt Service without taking into consideration any reinvestment of moneys held hereunder, and (ii) to the extent that any of the Defeased Bonds or the Refunding Note were issued on a tax-exempt basis, the Escrow Holder shall receive an opinion from a nationally recognized bond counsel acceptable to the Issuer and the Borrower to the effect that the transactions, in and by themselves, will not cause interest on such Defeased Bonds or the Refunding Note to be included in the gross income of the holders thereof for purposes of Federal income taxation.

SECTION 6. Notices of Defeasance and Redemption. The Escrow Holder, as trustee under the 2002 Indenture, is hereby instructed to mail, as soon as practicable following the execution of this Agreement, a Notice of Defeasance in the form attached hereto as Schedule C, and at the appropriate time, a redemption notice in compliance with the requirements of the 2002 Indenture.

SECTION 7. Responsibilities of Escrow Holder. The Escrow Holder and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Account, the acceptance of the funds deposited therein, the purchase of the investments, the retention of the investments or the proceeds thereof or for any payment, transfer or other application of moneys or securities by the Escrow Holder in accordance with the provisions of this Agreement or by reason of any non-negligent or non-willful act, omission or error of the Escrow Holder made in good faith in the conduct of its duties. The Escrow Holder shall, however, be responsible for its negligent or willful failure to comply with its duties required hereunder, and its negligent or willful acts, omissions or errors hereunder. The duties and obligations of the Escrow Holder shall be determined by the express provisions of this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Escrow Holder. The Escrow Holder may consult with counsel, who may or may not be counsel to the Issuer, and in reliance upon the opinion of such counsel, shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Holder shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the Issuer.

SECTION 8. Resignation of Escrow Holder. The Escrow Holder may resign and thereby become discharged from the duties and obligations hereby created, by notice in writing given to the Issuer, the Borrower, any rating agency then providing a rating or insurer providing bond insurance on either the Defeased Bonds or the Refunding Note, and the Trustee not less than sixty (60) days before such resignation shall take effect. Such resignation shall not take effect until the appointment of a new Escrow Holder hereunder.

SECTION 9. Removal of Escrow Holder.

(a) The Escrow Holder may be removed at any time by an instrument or concurrent instruments in writing, executed by the holders of not less than fifty-one percentum (51%) in aggregate principal amount of the Defeased Bonds then outstanding, such instruments to be filed with the Issuer and the Borrower, and notice in writing given by such holders to the original purchaser or purchasers of the Bonds and published by the Issuer once in a newspaper of general circulation in the territorial limits of the Borrower, and in a daily newspaper or financial journal of general circulation in the City of New York, New York, not less than sixty (60) days before such removal is to take effect as stated in said instrument or instruments. A photographic copy of any instrument filed with the Borrower under the provisions of this paragraph shall be delivered by the Issuer to the Escrow Holder.

(b) The Escrow Holder may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provisions of this Agreement with respect to the duties and obligations of the Escrow Holder by any court of competent jurisdiction upon the application of the Issuer, the Borrower or the holders of not less than five percentum (5%) in aggregate principal amount of the Refunding Note then outstanding, or the holders of not less than five percentum (5%) in aggregate principal amount of the Defeased Bonds then outstanding.

(c) The Escrow Holder may not be removed until a successor Escrow Holder has been appointed in the manner set forth herein.

SECTION 10. Successor Escrow Holder.

(a) If at any time hereafter the Escrow Holder shall resign, be removed, be dissolved or otherwise become incapable of acting, or shall be taken over by any governmental official, agency, department or board, the position of Escrow Holder shall thereupon become vacant. If the position of Escrow Holder shall become vacant for any of the foregoing reasons or for any other reason, the Issuer shall appoint an Escrow Holder to fill such vacancy. The Issuer shall either (i) publish notice of any such appointment made by it once in each week for four (4) successive weeks in a newspaper of general circulation published in the territorial limits of the Issuer and in a daily newspaper or financial journal of general circulation in the City of New

York, New York, or (ii) mail a notice of any such appointment made by it to the Holders of the Defeased Bonds within thirty (30) days after such appointment.

(b) At any time within one year after such vacancy shall have occurred, the holders of a majority in principal amount of the Defeased Bonds then outstanding, by an instrument or concurrent instruments in writing, executed by such Bondholders and filed with the governing body of the Issuer, may appoint a successor Escrow Holder, which shall supersede any Escrow Holder theretofore appointed by the Issuer. Photographic copies of each such instrument shall be delivered promptly by the Issuer, to the predecessor Escrow Holder and to the Escrow Holder so appointed by the bondholders.

(c) If no appointment of a successor Escrow Holder shall be made pursuant to the foregoing provisions of this Section, the holder of any Defeased Bonds then outstanding, the Borrower, or any retiring Escrow Holder may apply to any court of competent jurisdiction to appoint a successor Escrow Holder. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Escrow Holder.

SECTION 11. Payment to Escrow Holder. The Issuer and the Borrower shall pay the fees and expenses of the Escrow Holder as set forth on Schedule D attached hereto. In addition, if the Escrow Holder is required by a governmental agency or court proceeding initiated by a third party to undertake efforts beyond that which is set forth herein but related thereto (other than due to the Escrow Holder's negligence or willful misconduct), the Escrow Holder shall notify the Issuer and the Borrower of the same in writing and the Issuer and the Borrower shall promptly pay the Escrow Holder for such extraordinary fees, costs and expenses reasonably and necessarily incurred in connection therewith.

SECTION 12. Term. This Agreement shall commence upon its execution and delivery and shall terminate when the Defeased Bonds have been paid and discharged in accordance with the proceedings authorizing the Defeased Bonds.

SECTION 13. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Issuer or the Escrow Holder to be performed should be determined by a court of competent jurisdiction to be contrary to law, notice of such event shall be sent to Moody's Investors Service, but such covenant or agreements herein contained shall be null and void and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 14. Amendments to this Agreement. This Agreement is made for the benefit of the Issuer, the Borrower and the holders from time to time of the Defeased Bonds and it shall not be repealed, revoked, altered or amended in whole or in part without the written consent of all affected holders, the Escrow Holder, the Issuer and the Borrower; provided, however, that the Issuer, the Borrower and the Escrow Holder may, without the consent of, or notice to, such holders, enter into such agreements supplemental to this Agreement as shall not adversely

affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

(a) to cure any ambiguity or formal defect or omission in this Agreement;

(b) to grant to, or confer upon, the Escrow Holder, for the benefit of the holders of the Defeased Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Holder; and

(c) to subject to this Agreement additional funds, securities or properties.

The Escrow Holder shall, at its option, be entitled to rely exclusively upon an opinion of nationally recognized attorneys on the subject of municipal bonds acceptable to the Issuer with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Defeased Bonds or that any instrument executed hereunder complies with the conditions and provisions of this Section.

SECTION 15. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

SECTION 16. Governing Law. This Agreement shall be construed under the laws of the State of Florida.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers and their corporate seals to be hereunto affixed and attested as of the date first above written.

(SEAL)

FIRST FLORIDA GOVERNMENTAL FINANCING COMMISSION

By:_____
Name:_____
Title:_____

ATTEST:

By:_____
Name:_____
Title:_____

[Signature page to the Escrow Deposit Agreement for the Partial Defeasance of First Florida Governmental Financing Commission Improvement and Refunding Revenue Bonds, Series 2002]

U.S. BANK NATIONAL ASSOCIATION

By:_____
Name:_____
Title:_____

(SEAL)

CITY OF GAINESVILLE, FLORIDA

By:_____
Name: Mark S. Benton
Title: Finance Director

ATTEST:

By:_____
Name: Kurt M. Lannon
Title: City Clerk

APPROVED AS TO FORM AND LEGALITY:

By:_____
Name: Marion J. Radson
Title: City Attorney

[Signature page to the Escrow Deposit Agreement for the
Partial Defeasance of First Florida Governmental Financing Commission
Improvement and Refunding Revenue Bonds, Series 2002]

SCHEDULE A

TOTAL DEFEASED BONDS DEBT SERVICE

Date	Interest	Principal Redeemed	Total
01/01/2012	$148,112.50		$148,112.50
07/01/2012	148,112.50	$5,995,000.00	6,143,112.50
TOTAL	$296,225.00	$5,995,000.00	$6,291,225.00

SCHEDULE B

SCHEDULE OF GOVERNMENTAL OBLIGATIONS
TO BE DEPOSITED IN DEFEASED BONDS ESCROW ACCOUNT

Purchase Date	Maturity Date	Amount	Coupon	Type	Cost
TOTAL					

SCHEDULE C

NOTICE OF DEFEASANCE

Certain of the
First Florida Governmental Financing Commission
Improvement and Refunding Revenue Bonds, Series 2002

NOTICE IS HEREBY GIVEN that a portion of the following outstanding maturities of the First Florida Governmental Financing Commission Improvement and Refunding Revenue Bonds, Series 2002 (selected by lot in the case of such Bonds which mature on July 1 in the years 2013 through and including 2018 and in the year 2022) originally issued on April 26, 2002 (the "Defeased Bonds"), have been defeased and the right, title and interest of the Trustee in Trust Estate (as such terms are defined in a Trust Indenture between the First Florida Governmental Financing Commission (the "Issuer") and U.S. Bank National Association, as successor to SunTrust Bank dated March 15, 2002), has ceased, determined and become void. The CUSIP numbers of such Defeased Bonds are set forth below:

Due (July 1)	Original Principal Amount	Interest Rate	Original CUSIP No.	Defeased Bonds Principal Amount	New CUSIP No.*
2013	$1,215,000	4.500%	320265QC8	$480,000	
2014	1,265,000	4.625%	320265QD6	500,000	
2015	1,330,000	4.750%	320265QE4	525,000	
2016	1,395,000	5.375%	320265QF1	550,000	
2017	1,470,000	5.000%	320265QG9	580,000	
2018	1,540,000	5.000%	320265QH7	605,000	
2022	6,965,000	5.000%	320265QJ3	2,755,000	

*The new CUSIP Nos. are applicable to only those bonds which are being legally defeased.

The Defeased Bonds have been defeased through the issuance of the City of Gainesville, Florida (the "City") of its Refunding Revenue Note, Series 2002 (the "Note"). The proceeds of the Note and other legally available moneys of the City will be deposited in irrevocable escrow in an escrow deposit trust fund (the "Defeased Bonds Escrow Account") established with the Trustee (the "Escrow Holder"), pursuant to an Escrow Deposit Agreement dated as of _____, 2011, by and between the Issuer, the City and the Escrow Holder (the "Escrow Deposit Agreement"). Moneys deposited in the Defeased Bonds Escrow Account will be applied to purchase United States Treasury Securities – State and Local Government Series (the "Governmental Obligations") to be placed in the Defeased Bonds Escrow Account, or will be held therein as uninvested cash.

The First Florida Governmental Financing Commission Improvement and Refunding Revenue Bonds, Series 2002 maturing July 1 in the years 2013 through and including 2018 and on July 1, 2022 which have not been defeased shall remain outstanding, and the CUSIP numbers applicable to such Bonds have changed. The remaining First Florida Governmental Financing Commission Improvement and Refunding Revenue Refunding Bonds, Series 2002 of the same maturities and which have not been defeased shall remain outstanding and are set forth below:

Due (July 1)	Original Principal Amount	Interest Rate	Original CUSIP No.	Non-Defeased Bonds Principal Amount	New CUSIP No.
2013	$1,215,000	4.500%	320265QC8	$735,000	
2014	1,265,000	4.625%	320265QD6	765,000	
2015	1,330,000	4.750%	320265QE4	805,000	
2016	1,395,000	5.375%	320265QF1	845,000	
2017	1,470,000	5.000%	320265QG9	890,000	
2018	1,540,000	5.000%	320265QH7	935,000	
2022	6,965,000	5.000%	320265QJ3	4,210,000	

Dated: _____, 2011.

U.S. Bank National Association, as Trustee

SCHEDULE D

EXPENSES TO BE PAID TO ESCROW HOLDER

Upfront fee of $500, plus out of pocket expenses