

RESOLUTION NO. 050545
PASSED OCTOBER 24, 2005

A RESOLUTION INCORPORATING BY REFERENCE AND ADOPTING, AND AUTHORIZING THE EXECUTION AND DELIVERY OF (A) A FOURTEENTH SUPPLEMENTAL UTILITIES SYSTEM REVENUE BOND RESOLUTION FOR THE PURPOSE OF AUTHORIZING THE ISSUANCE, SALE, EXECUTION AND DELIVERY OF NOT TO EXCEED \$250,000,000 OF THE CITY OF GAINESVILLE, FLORIDA'S UTILITIES SYSTEM REVENUE BONDS, 2005 SERIES A IN ORDER TO PROVIDE MONEYS (1) FOR THE PAYMENT OF A PORTION OF THE COST OF ACQUISITION AND CONSTRUCTION OF THE CITY'S COMBINED UTILITIES SYSTEM AND (2) TO REFUND THE CITY'S OUTSTANDING UTILITIES SYSTEM COMMERCIAL PAPER NOTES, SERIES C, AND DELEGATING THE AUTHORITY TO DETERMINE CERTAIN MATTERS IN CONNECTION THEREWITH, (B) A FIFTEENTH SUPPLEMENTAL UTILITIES SYSTEM REVENUE BOND RESOLUTION FOR THE PURPOSE OF AUTHORIZING THE ISSUANCE, SALE, EXECUTION AND DELIVERY OF NOT TO EXCEED \$70,000,000 OF THE CITY'S UTILITIES SYSTEM REVENUE BONDS, 2005 SERIES B (FEDERALLY TAXABLE) IN ORDER TO PROVIDE MONEYS (1) FOR THE PAYMENT OF A PORTION OF THE COST OF ACQUISITION AND CONSTRUCTION OF THE CITY'S COMBINED UTILITIES SYSTEM AND (2) TO REFUND THE CITY'S OUTSTANDING UTILITIES SYSTEM COMMERCIAL PAPER NOTES, SERIES D, AND DELEGATING THE AUTHORITY TO DETERMINE CERTAIN MATTERS IN CONNECTION THEREWITH AND (C) A SIXTEENTH SUPPLEMENTAL UTILITIES SYSTEM REVENUE BOND RESOLUTION FOR THE PURPOSE OF AUTHORIZING THE ISSUANCE, SALE, EXECUTION AND DELIVERY OF \$55,135,000 OF THE CITY'S VARIABLE RATE UTILITIES SYSTEM REVENUE BONDS, 2005 SERIES C IN ORDER TO PROVIDE MONEYS TO REFUND CERTAIN OF THE CITY'S OUTSTANDING UTILITIES SYSTEM REVENUE BONDS, 1996 SERIES A; APPROVING THE NEGOTIATED SALE OF THE 2005 SERIES A AND B BONDS AND APPROVING THE FORM, AND AUTHORIZING THE EXECUTION AND DELIVERY, OF A CONTRACT OF PURCHASE WITH RESPECT THERETO, AND DELEGATING THE AUTHORITY TO DETERMINE CERTAIN MATTERS IN CONNECTION THEREWITH; APPROVING THE NEGOTIATED SALE OF THE 2005 SERIES C BONDS AND APPROVING THE FORM, AND AUTHORIZING THE EXECUTION AND DELIVERY, OF A CONTRACT OF PURCHASE WITH RESPECT THERETO; APPROVING THE FORM, AND AUTHORIZING THE EXECUTION AND DELIVERY, OF CONTINUING DISCLOSURE CERTIFICATES WITH RESPECT TO THE 2005 SERIES A, B AND C BONDS; APPROVING THE FORM, AND AUTHORIZING THE EXECUTION AND DELIVERY, OF A REMARKETING AGREEMENT, A TENDER AGENCY AGREEMENT AND A STANDBY BOND PURCHASE AGREEMENT WITH RESPECT TO THE 2005 SERIES C BONDS; APPROVING THE FORM, AND AUTHORIZING THE EXECUTION AND DELIVERY, OF AN ESCROW DEPOSIT AGREEMENT WITH RESPECT TO THE 1996 SERIES A BONDS BEING REFUNDED; AUTHORIZING THE DEPOSIT OF 2005 SERIES C BOND PROCEEDS AND CERTAIN OTHER AMOUNTS TO THE ESCROW ACCOUNT TO BE ESTABLISHED PURSUANT TO THE ESCROW DEPOSIT AGREEMENT AND THE INVESTMENT OF SUCH MONEYS IN UNITED STATES TREASURY SECURITIES - STATE AND LOCAL GOVERNMENT SERIES AND RATIFYING THE SUBSCRIPTION THEREFOR; DELEGATING THE AUTHORITY TO PROCURE MUNICIPAL BOND INSURANCE FOR ALL OR A

PORTION OF THE 2005 SERIES A AND B BONDS; AUTHORIZING THE AUTHENTICATION AND DELIVERY OF THE 2005 SERIES A, B AND C BONDS; APPROVING THE FORM AND USE OF THE PRELIMINARY OFFICIAL STATEMENT AND THE OFFICIAL STATEMENT RELATING TO THE 2005 SERIES A AND B BONDS AND AUTHORIZING THE EXECUTION AND DELIVERY OF SAID OFFICIAL STATEMENT; APPROVING FORM AND USE OF THE OFFICIAL STATEMENT RELATING TO THE 2005 SERIES C BONDS AND AUTHORIZING THE EXECUTION AND DELIVERY OF SAID OFFICIAL STATEMENT; AUTHORIZING THE REGISTRATION OR QUALIFICATION OF THE 2005 SERIES A, B AND C BONDS UNDER THE BLUE SKY LAWS OF VARIOUS STATES; APPROVING THE DESIGNATION OF CERTAIN INTEREST RATE SWAP TRANSACTIONS AS "QUALIFIED HEDGING CONTRACTS" WITHIN THE MEANING OF THE CITY'S UTILITIES SYSTEM REVENUE BOND RESOLUTION AND APPROVING THE SECURING OF THE CITY'S PAYMENT OBLIGATIONS THEREUNDER; AUTHORIZING CERTAIN CITY OFFICIALS TO TAKE OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE 2005 SERIES A, B AND C BONDS; AUTHORIZING THE EXTENSION OR SUBSTITUTION OF THE LIQUIDITY FACILITY FOR THE 2005 SERIES C BONDS; AUTHORIZING THE REMOVAL OF THE REMARKETING AGENT AND/OR THE TENDER AGENT FOR THE 2005 SERIES C BONDS AND APPOINTMENT OF SUCCESSOR(S) THEREFOR; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF GAINESVILLE, FLORIDA:

SECTION 1. Authority for this Resolution. This resolution is adopted pursuant to the provisions of the Charter of the City, Chapter 90-394, Laws of Florida, 1990, as amended, Chapter 166, Part II, Florida Statutes, as amended, and other applicable provisions of law.

SECTION 2. Definitions. Unless the context otherwise requires, the terms defined in this section shall have the meanings specified in this section. Reference is made to the Bond Resolution and to the Fourteenth Supplemental Resolution, the Fifteenth Supplemental Resolution and the Sixteenth Supplemental Resolution herein authorized, and attached hereto, for definitions of terms used in this resolution which are not defined in this section. Words importing a singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

A. "Bank" shall mean SunTrust Bank.

B. "Bear Swap Transaction" shall mean the interest rate swap transaction entered into between the City and Bear Stearns Financial Products Inc. ("BSFP") on September 21, 2005 relating to the 2005 Series C Bonds and documented pursuant to that certain ISDA Master Agreement, dated as of September 21, 2005, between the City and BSFP, including the Schedule thereto, and the Confirmation, dated as of September 21, 2005, between the City and BSFP.

C. "Bond Insurance Policy" shall mean, in the event that the General Manager for Utilities of the City, or his designee, determines that the procurement of municipal bond insurance for one or more maturities of the 2005 Series A Bonds and/or the 2005 Series B Bonds is advantageous to the City, as provided in Section 15 hereof, the insurance policy or policies to be issued by the Bond Insurer concurrently with the issuance of the 2005 Series A and B Bonds, guaranteeing the scheduled payment of principal of and interest on the Insured 2005 Series A and/or B Bonds.

D. "Bond Insurer" shall mean Financial Security Assurance Inc., a New York stock insurance company.

E. "Bond Resolution" shall mean the Utilities System Revenue Bond Resolution of the City adopted on June 6, 1983, as heretofore amended, restated and supplemented.

F. "City" shall mean the City of Gainesville, Florida.

G. "Continuing Disclosure Certificates" shall mean the Continuing Disclosure Certificate to be executed in connection with the issuance of the 2005 Series A and B Bonds and, if applicable, the Continuing Disclosure Certificate to be executed in connection with the conversion of the 2005 Series C Bonds to the Auction Mode, the Term Mode or the Fixed

Mode, in either such case, relating to the provision of certain continuing disclosure information with respect to the System and such Bonds.

H. "Contracts of Purchase" shall mean the 2005 Series A and B Contract of Purchase and the 2005 Series C Contract of Purchase, collectively.

I. "Deerhaven 2" shall mean Unit 2 of the City's Deerhaven Generating Station.

J. "Escrow Deposit Agreement" shall mean the Escrow Deposit Agreement Relating to 2005 Series C Bonds, to be dated as of November 1, 2005, between the City and U.S. Bank Trust National Association, as Trustee.

K. "Fifteenth Supplemental Resolution" shall mean the Fifteenth Supplemental Utilities System Revenue Bond Resolution of the City, which is attached hereto as Exhibit C and incorporated herein by reference for all purposes of this resolution.

L. "Fourteenth Supplemental Resolution" shall mean the Fourteenth Supplemental Utilities System Revenue Bond Resolution of the City, which is attached hereto as Exhibit B and incorporated herein by reference for all purposes of this resolution.

M. "Goldman Swap Transaction" shall mean the interest rate swap transaction entered into between the City and Goldman Sachs Mitsui Marine Derivative Products, L.P. ("GSMMDP") on September 21, 2005 relating to a Series of Variable Rate Bonds proposed to be issued by the City on or about July 6, 2006 and documented pursuant to that certain ISDA Master Agreement, dated as of September 14, 2005, between the City and GSMMDP, including the Schedule thereto, and the Confirmation, dated as of September 21, 2005, between the City and GSMMDP.

N. "Initial Liquidity Facility" shall mean the Standby Bond Purchase Agreement Relating to Variable Rate Utilities System Revenue Bonds, 2005 Series C, to be dated as of November 1, 2005, between the City and the Bank.

O. "Insured 2005 Series A and/or B Bonds" shall mean such maturity or maturities of the 2005 Series A Bonds and/or the 2005 Series B Bonds (or the 2005 Series A Bonds and/or the 2005 Series B Bonds of a particular maturity bearing interest at a particular rate) as the General Manager for Utilities of the City, or his designee, determines shall be insured by the Bond Insurer pursuant to Section 15 hereof.

P. "Official Statements" shall mean the 2005 Series A and B Official Statement and the 2005 Series C Official Statement, collectively.

Q. "Remarketing Agreement" shall mean the Remarketing Agreement, to be dated as of November 1, 2005, between the City and Bear, Stearns & Co. Inc.

R. "Rule 15c2-12" shall mean Rule 15c2-12, as amended, promulgated by the United States Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

S. "Sixteenth Supplemental Resolution" shall mean the Sixteenth Supplemental Utilities System Revenue Bond Resolution of the City, which is attached hereto as Exhibit D and incorporated herein by reference for all purposes of this resolution.

T. "Supplemental Resolutions" shall mean the Fourteenth Supplemental Resolution, the Fifteenth Supplemental Resolution and the Sixteenth Supplemental Resolution, collectively.

U. "Swap Transactions" shall mean the Bear Swap Transaction and the Goldman Swap Transaction, collectively.

V. "Tender Agency Agreement" shall mean the Tender Agency Agreement Relating to Variable Rate Utilities System Revenue Bonds, 2005 Series C, to be dated as of November 1, 2005, between the City and U.S. Bank Trust National Association.

W. "2005 Series A and B Bonds" shall mean the 2005 Series A Bonds and the 2005 Series B Bonds, collectively.

X. "2005 Series A and B Contract of Purchase" shall mean the Contract of Purchase relating to the 2005 Series A and B Bonds to be entered into between the City and the 2005 Series A and B Underwriters therein named.

Y. "2005 Series A and B Official Statement" shall mean the Official Statement of the City relating to the 2005 Series A and B Bonds referred to in Section 17 hereof.

Z. "2005 Series A and B Preliminary Official Statement" shall mean the Preliminary Official Statement of the City relating to the 2005 Series A and B Bonds referred to in Section 17 hereof.

AA. "2005 Series A and B Underwriters" shall mean the Underwriters named in the 2005 Series A and B Contract of Purchase.

BB. "2005 Series A, B and C Bonds" shall mean the 2005 Series A Bonds, the 2005 Series B Bonds and the 2005 Series C Bonds, collectively.

CC. "2005 Series A Bonds" shall mean the City's Utilities System Revenue Bonds, 2005 Series A, authorized by Section 5 of this resolution and Article II of the Fourteenth Supplemental Resolution.

DD. "2005 Series B Bonds" shall mean the City's Utilities System Revenue Bonds, 2005 Series B (Federally Taxable), authorized by Section 5 of this resolution and Article II of the Fifteenth Supplemental Resolution.

EE. "2005 Series C Bonds" shall mean the City's Variable Rate Utilities System Revenue Bonds, 2005 Series C, authorized by Section 7 of this resolution and Article II of the Sixteenth Supplemental Resolution.

FF. "2005 Series C Contract of Purchase" shall mean the Contract of Purchase relating to the 2005 Series C Bonds to be entered into between the City and the 2005 Series C Underwriter therein named.

GG. "2005 Series C Official Statement" shall mean the Official Statement of the City relating to the 2005 Series C Bonds referred to in Section 18 hereof.

HH. "2005 Series C Underwriter" shall mean Bear, Stearns & Co. Inc., in its capacity as underwriter for the 2005 Series C Bonds.

SECTION 3. Findings. It is hereby ascertained, determined and declared that:

A. Pursuant to the Bond Resolution, the City (1) may issue Bonds from time to time for the purpose of paying all or a portion of the Cost of Acquisition and Construction of the System (including paying when due (whether at the maturity of principal or the due date of interest or upon redemption) any indebtedness of the City, including Subordinated Indebtedness, incurred in respect of the payment of such Cost of Acquisition and Construction) and (2) may issue Refunding Bonds from time to time to refund any Outstanding Bonds.

B. The City's capital improvement program for the System contemplates the issuance of Bonds from time to time to finance a portion of the Cost of Acquisition and Construction of the System.

C. The City heretofore has issued its Utilities System Commercial Paper Notes, Series C and Series D (respectively, the "Series C CP Notes" and the "Series D CP Notes" and, collectively, the "Series C and D CP Notes") for the purpose of financing and

refinancing a portion of the Cost of Acquisition and Construction of the System. The Series C and D CP Notes constitute "Subordinated Indebtedness" as such term is defined in the Bond Resolution, and currently are outstanding in the respective principal amounts of \$80,592,000 and \$16,231,000, and the City deems it necessary and in its best interests to refund (1) the Series C CP Notes with proceeds of the 2005 Series A Bonds and (2) the Series D CP Notes with proceeds of the 2005 Series B Bonds. The refunding of the Series C and D CP Notes will be advantageous to the City, by reducing the City's exposure to changes in short-term interest rates while converting the interest rates on a portion of its outstanding debt to fixed interest rates that are near historically low levels.

D. The City deems it necessary and in its best interests to issue and sell the 2005 Series A and B Bonds for the purpose of providing for the payment of a portion of the Cost of Acquisition and Construction of the System, including the payment when due of the Series C and D CP Notes as aforesaid.

E. The City heretofore has issued its Utilities System Revenue Bonds, 1996 Series A for the purpose of financing and refinancing a portion of the Cost of Acquisition and Construction of the System, and the City deems it necessary and in its best interests to refund the Refunded Bonds (as such term is defined in the Sixteenth Supplemental Resolution) with proceeds of the 2005 Series C Bonds. The refunding of the Refunded Bonds will be advantageous to the City, by achieving a reduction in interest costs.

F. The City deems it necessary and in its best interests to issue and sell the 2005 Series C Bonds for the purpose of providing a portion of the funds required to refund the Refunded Bonds.

G. The City deems it desirable and in its best interests that the 2005 Series C Bonds be issued in the form of variable rate demand obligations.

H. Since the 2005 Series C Bonds will be subject to optional and mandatory tender for purchase under certain circumstances, the City deems it necessary and desirable and in its best interests to appoint (1) U.S. Bank Trust National Association as the initial Tender Agent for the 2005 Series C Bonds and (2) Bear, Stearns & Co. Inc. as the initial Remarketing Agent for the 2005 Series C Bonds.

I. In order to provide liquidity support in connection with tenders for purchase of the 2005 Series C Bonds, the City deems it necessary and desirable and in its best interests to enter into the Initial Liquidity Facility with the Bank.

J. Paragraph (b)(5) of Rule 15c2-12 provides that, except as otherwise permitted thereby, a broker, dealer or municipal securities dealer shall not purchase or sell municipal securities in the primary offering thereof unless such broker, dealer or municipal securities dealer has reasonably determined that the issuer of such securities or certain other persons has undertaken, in a written agreement or contract for the benefit of the holders of such securities, to provide certain continuing disclosure information specified in said Rule. In accordance with Rule 15c2-12, the foregoing requirement does not apply to municipal securities issued in the form of variable rate demand obligations (such as the 2005 Series C Bonds) until such time, if any, as such securities (1) no longer are issued in minimum denominations of \$100,000 or (2) no longer are subject to tender for redemption or purchase at the option of the holders thereof at least as frequently as every 9 months. Accordingly, the City deems it necessary and in its best interests to authorize the execution and delivery of, and the performance of the City's obligations under, (1) a Continuing Disclosure Certificate with respect to the 2005 Series A and B Bonds, in order to assist the 2005 Series A and B Underwriters in complying with Rule 15c2-12 and (2) at such time, if any, as the 2005 Series C Bonds shall be converted to the Auction Mode, the Term Mode or the Fixed Mode, a Continuing Disclosure Certificate with

respect to the 2005 Series C Bonds, in order to assist any “participating underwriter” (as such term is defined in Rule 15c2-12) that may be offering the 2005 Series C Bonds for sale at or after the time of such conversion in complying with Rule 15c2-12.

K. Contemporaneously with the issuance of the 2005 Series C Bonds, (1) a portion of the proceeds of such Bonds and (2) certain other available moneys of the City, consisting of certain moneys on deposit in the Debt Service Account in the Debt Service Fund established pursuant to the Bond Resolution, shall be irrevocably deposited in escrow pursuant to the Escrow Deposit Agreement. Such proceeds and such moneys shall be invested pursuant to said Escrow Deposit Agreement in Defeasance Securities (as permitted by Section 1201 of the Bond Resolution), the principal of and interest on which when due, together with any uninvested moneys held pursuant to the Escrow Deposit Agreement, will be sufficient for the purpose of providing for payment of all outstanding principal, interest and redemption premiums in respect of the Refunded Bonds, as such Refunded Bonds are redeemed prior to maturity.

L. Insofar as the procurement of municipal bond insurance for all or a portion of the 2005 Series A and B Bonds may reduce the true interest cost to the City of the 2005 Series A and B Bonds, the City deems it necessary and in its best interests to delegate to the General Manager for Utilities of the City, or his designee, the authority to determine whether it is the economic interests of the City to insure one or more maturities of the 2005 Series A Bonds and/or the 2005 Series B Bonds (or the 2005 Series A Bonds and/or the 2005 Series B Bonds of a particular maturity bearing interest at a particular rate). In the event that the General Manager for Utilities of the City, or his designee, determines that it is in the economic interests of the City to insure one or more maturities of the 2005 Series A Bonds and/or the 2005 Series B Bonds (or the 2005 Series A Bonds and/or the 2005 Series B Bonds of a particular maturity bearing interest at a particular rate), the City deems it necessary and in its best interests to delegate to the General

Manager for Utilities of the City, or his designee, the authority to procure the Bond Insurance Policy from the Bond Insurer to insure the payment when due of the Insured 2005 Series A Bonds and/or B Bonds.

M. The complexity of the structuring of the 2005 Series A, B and C Bonds and current conditions in the market for obligations such as the 2005 Series A, B and C Bonds, as described in a letter from the City's financial advisor, dated the date hereof and attached hereto as Exhibit A, make it necessary and in the best interests of the City that the 2005 Series A, B and C Bonds be sold on a negotiated basis.

N. Insofar as each of the Swap Transactions is hereby determined to satisfy the conditions set forth in clauses (i) and (ii) of the definition of "Qualified Hedging Contract" contained in Section 101 of the Bond Resolution, the City deems it desirable and in its best interests that (1) each of the Swap Transactions be designated as a Qualified Hedging Contract within the meaning of the Bond Resolution, (2) the obligation of the City to make scheduled payments under each of the Swap Transactions be and constitute a "Parity Hedging Contract Obligation" within the meaning of the Bond Resolution and (3) the obligation of the City to make any termination payments under each of the Swap Transactions be and constitute a "Subordinated Hedging Contract Obligation" within the meaning of the Bond Resolution.

SECTION 4. Adoption of Supplemental Resolutions. The Fourteenth Supplemental Resolution, attached hereto as Exhibit B, is hereby approved and adopted. The Fifteenth Supplemental Resolution, attached hereto as Exhibit C, is hereby approved and adopted. The Sixteenth Supplemental Resolution, attached hereto as Exhibit D, is hereby approved and adopted. Such resolutions shall be executed and delivered as provided in Section 20 hereof.

SECTION 5. Authorization of the Issuance, Sale, Execution and Delivery of the 2005 Series A and B Bonds; Delegation of Authority to Determine Certain Matters in Connection Therewith. There are hereby authorized the issuance and sale of a Series of Bonds designated as the “Utilities System Revenue Bonds, 2005 Series A”, for the purpose of providing for the payment of a portion of the Cost of Acquisition and Construction of the System, including (a) if, in the opinion of Bond Counsel to the City, permitted pursuant to applicable federal income tax law, to provide monies needed for payment of the Cost of Acquisition and Construction of certain air quality control systems for Deerhaven 2 and (b) to provide monies needed to provide for the payment when due of the Series C CP Notes. The 2005 Series A Bonds shall be issued pursuant to the Bond Resolution in an aggregate principal amount not to exceed \$250,000,000. The actual aggregate principal amount of the 2005 Series A Bonds, the respective dates on which the 2005 Series A Bonds shall mature, the respective principal amounts of the 2005 Series A Bonds maturing on each such date, the respective rate or rates of interest to be borne by the 2005 Series A Bonds maturing on each such date and, if any 2005 Series A Bonds maturing on a particular date and bearing interest at a particular rate are to be issued as term bonds subject to mandatory redemption to satisfy Sinking Fund Installments, the due dates and amounts of such Sinking Fund Installments shall be determined as provided in Section 2.03 of the Fourteenth Supplemental Resolution; *provided, however*, that (a) the aggregate principal amount of the 2005 Series A Bonds, when combined with the aggregate principal amount of the 2005 Series B Bonds, shall not exceed \$275,000,000, (b) the latest maturity date for the 2005 Series A Bonds shall be not later than October 1, 2036, (c) the maximum rate of interest to be borne by the 2005 Series A Bonds maturing on any date shall not exceed 5.50% per annum and (d) the earliest date on which the 2005 Series A Bonds may be redeemed at the election of the City shall be not later than October 1, 2020, and the highest

redemption price at which the 2005 Series A Bonds may be so redeemed shall be not greater than 103% of the principal amount thereof, plus accrued interest to the date of redemption.

There are hereby authorized the issuance and sale of a Series of Bonds designated as the "Utilities System Revenue Bonds, 2005 Series B (Federally Taxable)", for the purpose of providing for the payment of a portion of the Cost of Acquisition and Construction of the System, including (a) if, in the opinion of Bond Counsel to the City, under applicable federal income tax law, monies needed for payment of the Cost of Acquisition and Construction of certain air quality control systems for Deerhaven 2 cannot be financed on a tax-exempt basis, to provide such monies and (b) to provide monies needed to provide for the payment when due of the Series D CP Notes. The 2005 Series B Bonds shall be issued pursuant to the Bond Resolution in an aggregate principal amount not to exceed \$70,000,000. The actual aggregate principal amount of the 2005 Series B Bonds, the respective dates on which the 2005 Series B Bonds shall mature, the respective principal amounts of the 2005 Series B Bonds maturing on each such date, the respective rate or rates of interest to be borne by the 2005 Series B Bonds maturing on each such date and, if any 2005 Series B Bonds maturing on a particular date and bearing interest at a particular rate are to be issued as term bonds subject to mandatory redemption to satisfy Sinking Fund Installments, the due dates and amounts of such Sinking Fund Installments shall be determined as provided in Section 2.03 of the Fifteenth Supplemental Resolution; *provided, however*, that (a) the aggregate principal amount of the 2005 Series B Bonds, when combined with the aggregate principal amount of the 2005 Series A Bonds, shall not exceed \$275,000,000, (b) the latest maturity date for the 2005 Series B Bonds shall be not later than October 1, 2036, (c) the maximum rate of interest to be borne by the 2005 Series B Bonds maturing on any date shall not exceed 7.00% per annum and (d) the spread over the "Treasury Rate" referred to in the Fifteenth Supplemental Resolution to be used to determine the

price at which the 2005 Series B Bonds may be redeemed at the election of the City shall not exceed 1.00%.

The 2005 Series A and B Bonds shall be executed and delivered as provided in Section 20 hereof.

SECTION 6. Authorization and Approval of the Negotiated Sale of the 2005 Series A and B Bonds and Execution of the 2005 Series A and B Contract of Purchase; Delegation of Authority to Determine Certain Matters in Connection Therewith.

The terms and conditions set forth in the 2005 Series A and B Contract of Purchase between the City and the 2005 Series A and B Underwriters, providing for the negotiated sale and purchase of the 2005 Series A and B Bonds, in substantially the form of the contract attached hereto as Exhibit E, are hereby approved. The purchase price of the 2005 Series A Bonds to be paid by the 2005 Series A and B Underwriters pursuant to the 2005 Series A and B Contract of Purchase shall be determined as provided in Section 2.03 of the Fourteenth Supplemental Resolution and the purchase price of the 2005 Series B Bonds to be paid by the 2005 Series A and B Underwriters pursuant to the 2005 Series A and B Contract of Purchase shall be determined as provided in Section 2.03 of the Fifteenth Supplemental Resolution; *provided, however*, that the true interest cost for the 2005 Series A and B Bonds shall not exceed 6.25%. The 2005 Series A and B Contract of Purchase shall be executed and delivered as provided in Section 20 hereof; *provided, however*, that at or prior to the time of the execution and delivery of the 2005 Series A and B Contract of Purchase, the City shall have received from Goldman, Sachs & Co., as representative of the 2005 Series A and B Underwriters, the disclosure statement required pursuant to Section 218.385(6), Florida Statutes.

SECTION 7. Authorization of the Issuance, Sale, Execution and Delivery of the 2005 Series C Bonds. There are hereby authorized the issuance and sale of a Series of

Refunding Bonds designated as the "Variable Rate Utilities System Revenue Bonds, 2005 Series C", for the purpose of providing a portion of the funds required to refund the Refunded Bonds. The 2005 Series C Bonds shall be issued pursuant to the Bond Resolution in the aggregate principal amount of \$55,135,000. The 2005 Series C Bonds shall be executed and delivered as provided in Section 20 hereof.

SECTION 8. Authorization and Approval of the Negotiated Sale of the 2005 Series C Bonds and Execution of the 2005 Series C Contract of Purchase. The terms and conditions set forth in the 2005 Series C Contract of Purchase between the City and the 2005 Series C Underwriter, providing for the negotiated sale and purchase of the 2005 Series C Bonds, in substantially the form of the contract attached hereto as Exhibit F, are hereby approved. The purchase price of the 2005 Series C Bonds to be paid by the 2005 Series C Underwriter pursuant to the 2005 Series C Contract of Purchase shall be \$55,032,427.68, which is equal to the principal amount of the 2005 Series C Bonds, \$55,135,000, less the 2005 Series C Underwriter's discount, \$102,572.32. The 2005 Series C Contract of Purchase shall be executed and delivered as provided in Section 20 hereof; *provided, however*, that at or prior to the time of the execution and delivery of the 2005 Series C Contract of Purchase, the City shall have received from the 2005 Series C Underwriter the disclosure statement required pursuant to Section 218.385(6), Florida Statutes.

SECTION 9. Approval of the Continuing Disclosure Certificates. The terms and conditions set forth in each Continuing Disclosure Certificate, in substantially the form of the certificate attached as Appendix F to the 2005 Series A and B Preliminary Official Statement (hereinafter referred to as the "Form Certificate"), are hereby approved, and there are hereby authorized (a) simultaneously with the authentication and delivery of the 2005 Series A and B Bonds, the execution and delivery of a Continuing Disclosure Certificate relating to the

2005 Series A and B Bonds in substantially the form of the Form Certificate and (b) at such time, if any, as the 2005 Series C Bonds shall be converted to the Auction Mode, the Term Mode or the Fixed Mode, the execution and delivery of a Continuing Disclosure Certificate relating to the 2005 Series C Bonds in substantially the form of the Form Certificate. Such Continuing Disclosure Certificates shall be executed and delivered as provided in Section 20 hereof.

SECTION 10. Appointment of Remarketing Agent for the 2005 Series C Bonds; Authorization and Approval of the Execution and Delivery of the Remarketing Agreement. Bear, Stearns & Co. Inc. is hereby appointed as the initial Remarketing Agent for the 2005 Series C Bonds and, in connection therewith, the terms and conditions set forth in the Remarketing Agreement between the City and Bear, Stearns & Co. Inc., in substantially the form of the contract attached hereto as Exhibit G, are hereby approved. The Remarketing Agreement shall be executed and delivered as provided in Section 20 hereof.

SECTION 11. Appointment of Tender Agent for the 2005 Series C Bonds; Authorization and Approval of the Execution and Delivery of the Tender Agency Agreement. U.S. Bank Trust National Association is hereby appointed as the initial Tender Agent for the 2005 Series C Bonds and, in connection therewith, the terms and conditions set forth in the Tender Agency Agreement between the City and U.S. Bank Trust National Association, in substantially the form of the contract attached hereto as Exhibit H, are hereby approved. The Tender Agency Agreement shall be executed and delivered as provided in Section 20 hereof.

SECTION 12. Authorization and Approval of the Execution and Delivery of the Initial Liquidity Facility. The terms and conditions set forth in the Initial Liquidity Facility between the City and the Bank, in substantially the form of the contract attached hereto

as Exhibit I, are hereby approved. The Initial Liquidity Facility shall be executed and delivered as provided in Section 20 hereof.

SECTION 13. Approval of the Escrow Deposit Agreement. The terms and conditions set forth in the Escrow Deposit Agreement between the City and U.S. Bank Trust National Association, as Trustee under the Bond Resolution, in substantially the form of the contract attached hereto as Exhibit J, are hereby approved. The Escrow Deposit Agreement shall be executed and delivered as provided in Section 20 hereof.

SECTION 14. Escrow Account Deposits; Authorization to Purchase SLGS. There shall be deposited into the Escrow Account to be established pursuant to the terms of the Escrow Deposit Agreement a portion of the proceeds of the 2005 Series C Bonds in an amount which, when combined with the moneys to be transferred to the Escrow Account from the Debt Service Account in the Debt Service Fund established pursuant to the Bond Resolution, will be equal to the amount necessary to purchase Defeasance Securities as provided in paragraph 3 of Section 1201 of the Bond Resolution the principal of and interest on which when due, together with the uninvested cash in the Escrow Account, will provide moneys which will be sufficient to pay when due the Redemption Price of the Refunded Bonds on the date such Bonds are to be called for redemption and the interest to become due on such Bonds on and prior to such redemption date. In that connection, the Authorized Officers of the City shall be, and hereby are, authorized to invest and reinvest such proceeds of the 2005 Series C Bonds and other moneys, and earnings thereon, in United States Treasury Securities – State and Local Government Series (“SLGS”) in such amounts, at such times, maturing at such times and having such rate or rates of interest as any of such Authorized Officers shall determine is necessary or desirable; and each such Authorized Officer and, upon receipt of instructions from an Authorized Officer of the City, any authorized officer of the Trustee shall be, and hereby is, authorized in the

name and on behalf of the City to submit subscriptions to the Bureau of Public Debt of the Department of the Treasury of the United States or any Federal Reserve Bank or Branch for the purchase of book-entry form SLGS, and to take such other actions as such person deems necessary or appropriate to effectuate such purposes, and all actions heretofore taken by any such Authorized Officer are hereby ratified, confirmed and approved.

SECTION 15. Delegation of Authority to Procure Municipal Bond Insurance for All or a Portion of the 2005 Series A and B Bonds. The General Manager for Utilities of the City, or his designee, shall be, and hereby is, authorized to determine whether it is in the economic interests of the City to insure one or more maturities of the 2005 Series A Bonds and/or the 2005 Series B Bonds (or the 2005 Series A Bonds and/or the 2005 Series B Bonds of a particular maturity bearing interest at a particular rate). In the event that the General Manager for Utilities of the City, or his designee, shall determine that it is in the economic interests of the City to insure one or more maturities of the 2005 Series A Bonds and/or the 2005 Series B Bonds (or the 2005 Series A Bonds and/or the 2005 Series B Bonds of a particular maturity bearing interest at a particular rate), the proper officers of the City shall be, and hereby are, authorized in the name and on behalf of the City to take any and all actions which they deem necessary or advisable in order to procure the Bond Insurance Policy from the Bond Insurer, to insure the payment when due of the Insured 2005 Series A and/or B Bonds; and such officers shall be, and hereby are, authorized and directed to pay such premiums and to do all administrative acts and things as may be necessary or desirable in connection therewith; and all such actions previously taken are hereby ratified, confirmed and approved.

SECTION 16. Authorization of Authentication. U.S. Bank Trust National Association, as Trustee under the Bond Resolution, is hereby requested and authorized (a) to authenticate the 2005 Series A and B Bonds in the aggregate principal amounts determined as

provided in Section 5 hereof and in Section 2.03 of the Fourteenth Supplemental Resolution and Section 2.03 of the Fifteenth Supplemental Resolution, and to deliver such Bonds to or on behalf of the 2005 Series A and B Underwriters, upon payment for the account of the City of the sum to be specified in the 2005 Series A and B Contract of Purchase and pursuant to the terms of the Bond Resolution and the 2005 Series A and B Contract of Purchase and (b) to authenticate the 2005 Series C Bonds in the aggregate principal amount of \$55,135,000, and to deliver such Bonds to or on behalf of the 2005 Series C Underwriter, upon payment for the account of the City of the sum specified in Section 8 hereof and pursuant to the terms of the Bond Resolution and the 2005 Series C Contract of Purchase.

SECTION 17. Approval of the Form and Use of the 2005 Series A and B Preliminary Official Statement and the 2005 Series A and B Official Statement. The 2005 Series A and B Preliminary Official Statement, in substantially the form of the draft thereof attached hereto as Exhibit K, with such changes thereto as may be made thereto by the City, with the approval of Goldman, Sachs & Co., as representative of the 2005 Series A and B Underwriters, under and pursuant to the terms of the 2005 Series A and B Contract of Purchase, is hereby authorized and approved for use in connection with the offering and sale of the 2005 Series A and B Bonds, and the General Manager for Utilities of the City is hereby authorized to deem said 2005 Series A and B Preliminary Official Statement final for purposes of Rule 15c2-12. The 2005 Series A and B Official Statement, in substantially the form of said 2005 Series A and B Preliminary Official Statement, with such changes as may be made thereto by the City, with the approval of Goldman, Sachs & Co., as representative of the 2005 Series A and B Underwriters, under and pursuant to the terms of the 2005 Series A and B Contract of Purchase, is hereby authorized and approved for use in connection with the offering and sale of the 2005

Series A and Bonds. Said 2005 Series A and B Official Statement shall be executed as provided in Section 20 hereof.

SECTION 18. Approval of the Form and Use of the 2005 Series C Official Statement. The 2005 Series C Official Statement, in substantially the form of the draft thereof attached hereto as Exhibit L, with such changes thereto as may be made thereto by the City, with the approval of the 2005 Series C Underwriter under and pursuant to the terms of the 2005 Series C Contract of Purchase, is hereby authorized and approved for use in connection with the offering and sale of the 2005 Series C Bonds, and the General Manager for Utilities of the City is hereby authorized to deem said 2005 Series C Official Statement final for purposes of Rule 15c2-12. Said 2005 Series C Official Statement shall be executed as provided in Section 20 hereof.

SECTION 19. Approval With Respect to Registration or Qualification of the 2005 Series A, B and C Bonds Under the Blue Sky or Securities Laws of Various States. The proper officers of the City shall be, and hereby are, authorized in the name and on behalf of the City, to take any and all actions which they deem necessary or advisable in order to effect the registration or qualification (or exemption therefrom) of the 2005 Series A, B and C Bonds for issue, offer, sale or trade under the Blue Sky or securities laws of any of the states of the United States of America and in connection therewith to execute, acknowledge, verify, deliver, file or cause to be published any applications, reports, consents to service of process, appointments of attorneys to receive service of process and other papers and instruments which may be required under such laws, and to take any and all further actions which they may deem necessary or advisable in order to maintain any such registration or qualification for as long as they deem necessary or as required by law or by the 2005 Series A and B Underwriters or the 2005 Series C

Underwriter, as the case may be; and all such actions previously taken are hereby ratified, confirmed and approved.

SECTION 20. Execution and Delivery of 2005 Series A, B and C Bonds and Related Documents. The Mayor of the City is hereby authorized to execute the Supplemental Resolutions and the 2005 Series A, B and C Bonds on behalf of the City, subject to the approval of the City Attorney of the City or his designee as to form and legality; *provided, however,* that the 2005 Series A, B and C Bonds shall be executed and delivered pursuant to the Bond Resolution and applicable law. The Mayor, the General Manager for Utilities and the Utility Chief Financial Officer of the City are each hereby authorized to execute the Contracts of Purchase, the Remarketing Agreement, the Tender Agency Agreement, the Initial Liquidity Facility, the Escrow Deposit Agreement, the Continuing Disclosure Certificates and the Official Statements on behalf of the City, each subject to completion thereof, and with such changes therein as the officer executing the same may approve as necessary and desirable and in the best interests of the City, such approval to be evidenced by the execution and delivery thereof, subject to the approval of the City Attorney of the City or his designee as to form and legality. The Clerk of the Commission of the City is hereby authorized to cause the seal of the City to be affixed to each of the 2005 Series A, B and C Bonds and the foregoing documents and to attest the same. Such officers are each hereby authorized to deliver such Bonds and documents on behalf of the City.

SECTION 21. Approval of Designation of Swap Transactions as Qualified Hedging Contracts and Approval of the Securing of the City's Payment Obligations Thereunder. Each Authorized Officer of the City is hereby authorized and empowered to execute and deliver or cause to be executed and delivered such documents and to do all such acts and things as may be necessary or desirable in order to designate the Swap Transactions as

“Qualified Hedging Contracts” within the meaning of the Bond Resolution, and it is hereby declared that, at such time as such designation shall become effective, (a) the obligation of the City to make scheduled payments under each of the Swap Transactions shall be and constitute a “Parity Hedging Contract Obligation” within the meaning of the Bond Resolution and (b) the obligation of the City to make any termination payments under each of the Swap Transactions shall be and constitute a “Subordinated Hedging Contract Obligation” within the meaning of the Bond Resolution.

SECTION 22. Further Actions. Each Authorized Officer of the City is hereby authorized and empowered to execute and deliver or cause to be executed and delivered such other documents and opinions and to do all such acts and things as may be necessary or desirable in connection with the adoption of the Supplemental Resolutions and the approval, execution and delivery of the Contracts of Purchase, the Remarketing Agreement, the Tender Agency Agreement, the Initial Liquidity Facility, the Escrow Deposit Agreement and the Continuing Disclosure Certificates and the carrying out of their terms and the terms of the Bond Resolution; the issuance, sale, execution and delivery of the 2005 Series A, B and C Bonds; and the use of the 2005 Series A and B Preliminary Official Statement and the Official Statements and the procurement of the Bond Insurance Policy. Without limiting the generality of the foregoing, the General Manager for Utilities of the City, or his designee, is hereby authorized to execute the certificates referred to in Section 2.03 of the Fourteenth Supplemental Resolution and Section 2.03 of the Fifteenth Supplemental Resolution in order to evidence the determinations referred to in Sections 5, 6 and 15 hereof.

SECTION 23. Authorization to Extend the Term of a Particular Liquidity Facility or to Procure a Substitute Liquidity Facility in Substitution Therefor. The General Manager for Utilities of the City, or his designee, is hereby authorized, from time to time, (1) to

extend the term of a particular Liquidity Facility for the 2005 Series C Bonds or (2) to procure a Substitute Liquidity Facility for the 2005 Series C Bonds in substitution for the Liquidity Facility then in effect with respect thereto, in either such case, upon such terms and conditions as shall be determined by the General Manager for Utilities of the City, or such designee, to be advantageous to the City and commercially reasonable (which terms and conditions (including, without limitation, the amounts of the "commitment fee" and other fees payable by the City thereunder and the specification of the interest rates payable on loans or advances thereunder) may differ from the terms and conditions then in effect pursuant to such Liquidity Facility then in effect), such determination to be confirmed in writing by the firm serving at that time as the System's financial advisor to the extent provided below.

In connection with any such extension of the term of a particular Liquidity Facility, the General Manager for Utilities of the City, or his designee, is hereby further authorized to execute and deliver, on behalf of the City, such documents and instruments (including, without limitation, an amendment to such Liquidity Facility) as shall be determined by the General Manager for Utilities of the City, or such designee, to be (a) necessary or desirable and advantageous to the City and (b) in commercially reasonable form; *provided, however*, that if any such extension shall be on terms and conditions different from the terms and conditions of such Liquidity Facility as then in effect, then (a) such determination of the General Manager for Utilities of the City, or such designee, shall be confirmed in writing by the firm serving at that time as the System's financial advisor and (b) the form of each such document or instrument shall be approved by the City Attorney of the City or his designee as to form and legality prior to the execution thereof by the General Manager for Utilities of the City, or such designee.

In connection with any such procurement of a Substitute Liquidity Facility for the 2005 Series C Bonds in substitution for the Liquidity Facility then in effect with respect thereto, the General Manager for Utilities of the City, or his designee, is hereby further authorized to execute and deliver, on behalf of the City, such documents and instruments (including, without limitation, a standby bond purchase agreement, credit agreement or other similar document) as shall be determined by the General Manager for Utilities of the City, or such designee, to be (a) necessary or desirable and advantageous to the City and (b) in commercially reasonable form, such determination to be confirmed in writing by the firm serving at that time as the System's financial advisor; *provided, however*, that the form of each such document or instrument shall be approved by the City Attorney of the City or his designee as to form and legality prior to the execution thereof by the General Manager for Utilities of the City, or such designee; and *provided, further*, that the procedures utilized in connection with any such procurement shall be consistent with any requirements of any law, rule, regulation, ordinance or resolution applicable thereto.

SECTION 24. Authorization to Remove the Remarketing Agent and/or Tender Agent for the 2005 Series C Bonds and to Appoint Successor(s) Therefor. The General Manager for Utilities of the City, or his designee, is hereby authorized, from time to time, (1) to remove the firm at the time serving as Remarketing Agent for the 2005 Series C Bonds and to appoint a successor therefor and/or (2) to remove the firm at the time serving as Tender Agent for the 2005 Series C Bonds and to appoint a successor therefor, in either such case, upon such terms and conditions as shall be determined by the General Manager for Utilities of the City, or such designee, to be advantageous to the City and commercially reasonable (which terms and conditions (including, without limitation, the amounts of the fees payable by the City thereto) may differ from the terms and conditions then in effect with respect to the

Remarketing Agent and/or the Tender Agent, as the case may be, for the 2005 Series C Bonds then serving as such), such determination to be confirmed in writing by the firm serving at that time as the System's financial advisor; *provided, however*, that any such successor Remarketing Agent or Tender Agent shall have the qualifications to serve as such contained in the Bond Resolution (including the Sixteenth Supplemental Resolution).

In connection with any such removal and appointment of a successor Remarketing Agent and/or Tender Agent for the 2005 Series C Bonds, the General Manager for Utilities of the City, or his designee, is hereby further authorized to execute and deliver, on behalf of the City, such documents and instruments as shall be determined by the General Manager for Utilities of the City, or such designee to be (a) necessary or desirable and advantageous to the City and (b) in commercially reasonable form, such determination to be confirmed in writing by the firm serving at that time as the System's financial advisor; *provided, however*, that the form of each such document or instrument shall be approved by the City Attorney of the City or his designee as to form and legality prior to the execution thereof by the General Manager for Utilities of the City, or such designee.

SECTION 25. Severability. If any one or more of the covenants, agreements or provisions of this resolution should be determined by a court of competent jurisdiction to be contrary to law, such provisions shall be deemed to be severable from the remaining provisions hereof and shall in no way effect the validity or enforceability of such remaining provisions.

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SECTION 26. Effective Date. This resolution shall take effect immediately upon its adoption.

Dated this 24th day of October A.D., 2005.



Mayor

ATTEST:



Clerk of the Commission

Approved as to Form and Legality:

By 

City Attorney

INDEX OF EXHIBITS

- EXHIBIT A – Letter of Morgan Stanley & Co. Incorporated, Financial Advisor to the System
- EXHIBIT B – Fourteenth Supplemental Resolution
- EXHIBIT C – Fifteenth Supplemental Resolution
- EXHIBIT D – Sixteenth Supplemental Resolution
- EXHIBIT E – Form of 2005 Series A and B Contract of Purchase
- EXHIBIT F – Form of 2005 Series C Contract of Purchase
- EXHIBIT G – Form of Remarketing Agreement
- EXHIBIT H – Form of Tender Agency Agreement
- EXHIBIT I – Form of Initial Liquidity Facility
- EXHIBIT J – Form of Escrow Deposit Agreement
- EXHIBIT K – Draft of 2005 Series A and B Preliminary Official Statement
- EXHIBIT L – Draft of 2005 Series C Official Statement

RESOLUTION NO. 050532

A RESOLUTION OF THE CITY OF GAINESVILLE, FLORIDA, SUPPLEMENTING RESOLUTION NO. 020918, AUTHORIZING THE ACQUISITION OF LAND AND THE ACQUISITION, CONSTRUCTION, REFURBISHMENT, RENOVATION AND EQUIPPING OF VARIOUS CAPITAL PROJECTS, AND PROVIDING FOR AND AUTHORIZING THE ISSUANCE OF THE CITY'S CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2005 IN AN ORIGINAL AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$25,000,000 TO FUND SUCH ACQUISITION, CONSTRUCTION, REFURBISHMENT, RENOVATION AND EQUIPPING; DELEGATING CERTAIN AUTHORITY TO THE CITY MANAGER, THE ADMINISTRATIVE SERVICES DIRECTOR OR FINANCE DIRECTOR TO AWARD SAID BONDS PURSUANT TO A PUBLIC BID, PROVIDED THE BIDS SUBMITTED FALL WITHIN PARAMETERS SET FORTH HEREIN; APPROVING THE FORM OF AN OFFICIAL NOTICE OF SALE AND SUMMARY NOTICE OF SALE WITH RESPECT TO SAID BONDS; APPOINTING J.P. MORGAN TRUST COMPANY, N.A. AS PAYING AGENT AND REGISTRAR WITH RESPECT TO SUCH BONDS; APPROVING THE FORM AND AUTHORIZING THE CIRCULATION OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT; AUTHORIZING THE CITY MANAGER, THE ADMINISTRATIVE SERVICES DIRECTOR OR THE FINANCE DIRECTOR TO DEEM FINAL THE PRELIMINARY OFFICIAL STATEMENT; AUTHORIZING THE CITY MANAGER, THE ADMINISTRATIVE SERVICES DIRECTOR OR THE FINANCE DIRECTOR TO ACCEPT THE TERMS OF A COMMITMENT FOR MUNICIPAL BOND INSURANCE FROM MBIA INSURANCE CORPORATION; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE CERTIFICATE; CREATING A PROJECT FUND AND ACCOUNTS THEREIN; PROVIDING FOR THE APPLICATION OF THE PROCEEDS OF THE BONDS; AUTHORIZING CERTAIN OFFICIALS OF THE CITY TO EXECUTE ANY DOCUMENTS AND TAKE ANY ACTIONS REQUIRED IN CONNECTION WITH THE ISSUANCE OF SAID BONDS; PROVIDING AN EFFECTIVE DATE FOR THIS RESOLUTION; AND PROVIDING CERTAIN OTHER DETAILS WITH RESPECT THERETO.

WHEREAS, the City of Gainesville, Florida (the "Issuer") issued its Taxable Pension Obligation Revenue Bonds, Series 2003A (Employee's Plan) in the initial aggregate principal amount of \$40,042,952.75, its Taxable Pension Obligation Revenue Bonds, Series 2003B (Consolidated Plan) in the initial

aggregate principal amount of \$49,851,805.95 and its Taxable Other Post Employment Benefits Obligation Bonds, Series 2005 in the initial aggregate principal amount of \$35,210,000 (collectively, the "Outstanding Parity Bonds"), pursuant to Resolution No. 020918 adopted by the Issuer on February 24, 2003, as supplemented by Resolution No. 020919, adopted by the Issuer on February 24, 2003, as amended by Resolution No. 040032 adopted by the Issuer on June 14, 2004 and as further amended and supplemented by Resolution No. 050128 adopted by the Issuer on June 27, 2005 (collectively, the "Bond Resolution") and authorized the issuance of Additional Bonds thereunder for the purpose of paying the cost of capital projects and other projects authorized by the Issuer; and

WHEREAS, the Issuer has determined the need to acquire certain lands and to acquire, construct, refurbish, renovate and equip various municipal facilities, including, without limitation, police and fire facilities, recreational and greenspace facilities, transportation facilities and economic development and redevelopment projects (collectively, the "2005 Project") and to finance such facilities through the issuance of Additional Bonds under the terms of the Bond Resolution in an aggregate principal amount not exceeding \$25,000,000 to be denominated "Capital Improvement Revenue Bonds, Series 2005" (the "2005 Bonds"); and

WHEREAS, the Bond Resolution provides for the issuance of Additional Bonds thereunder upon compliance by the Issuer with certain requirements thereof and further provides that the Issuer may by supplemental resolution or ordinance specify or provide for certain details of such Series of Additional Bonds, including the interest rate or rates thereof; and

WHEREAS, the Issuer desires to delegate to the City Manager, the Administrative Services Director or the Finance Director of the Issuer the authority to award said Bonds pursuant to a public bid, provided the bids submitted satisfy the conditions set forth in this Resolution; and

WHEREAS, the Issuer wishes to approve the forms of the Official Notice of Sale (the "Official Notice of Sale") and the Summary Notice of Sale (the "Summary Notice of Sale") with respect to the 2005 Bonds, draft forms of which are on file with the office of the Clerk of the Commission of the Issuer, one or both of which is to be published pursuant to the requirements of law and to be provided to all parties expressing an interest in the offering of the 2005 Bonds; and

WHEREAS, the Issuer desires to approve the form of a Preliminary Official Statement regarding the 2005 Bonds in substantially the form of a draft of the Preliminary Official Statement (the "Preliminary Official Statement") on file with the office of the Clerk of the Commission of the Issuer and to authorize the execution and delivery of an Official Statement (the "Final Official Statement") in substantially the form of the Preliminary Official Statement; and

WHEREAS, the Issuer desires to authorize the City Manager, the Administrative Services Director or Finance Director of the Issuer to deem the Preliminary Official Statement final on behalf of the Issuer for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934; and

WHEREAS, the Issuer desires to authorize the acceptance on behalf of the Issuer of a commitment in substantially the form on file with the Clerk of the Commission of the Issuer (the "Commitment") for the issuance of a policy of municipal bond insurance for the 2005 Bonds from MBIA Insurance Corporation ("MBIA" or the "Insurer") and to delegate to the City Manager, the Administrative Services Director or Finance Director the authority to execute and deliver such commitment on behalf of the Issuer; and

WHEREAS, the Issuer desires to take certain other actions in connection with the foregoing;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF GAINESVILLE, FLORIDA, THAT:

SECTION 1. Authority. This Resolution is adopted pursuant to Chapter 166, Florida Statutes, the Charter of the Issuer and other applicable provisions of law (collectively, the "Act") and the Bond Resolution.

SECTION 2. Definitions. All terms used herein (including, without limitation, in the preamble hereto) in capitalized form, unless otherwise defined herein (including, without limitation, in the preamble hereto), shall have the same meanings as ascribed to them in the Bond Resolution, unless the context otherwise requires.

SECTION 3. Findings.

A. The Issuer has heretofore adopted the Bond Resolution pursuant to which the Outstanding Parity Bonds were issued and remain Outstanding.

B. The 2005 Project is necessary and appropriate to carry out the municipal purposes of the Issuer.

C. The expenditure of proceeds of the 2005 Bonds for the purpose of funding the acquisition, construction and equipping of the 2005 Project is hereby deemed to be made for a public purpose and the 2005 Project constitutes a "Project" under the Bond Resolution and a "project" within the meaning and contemplation of Section 166.101(8), Florida Statutes.

D. The Issuer is authorized and empowered by the Act to issue the 2005 Bonds and use the proceeds thereof, together with other funds of the Issuer, if any, to provide for the funding of the 2005 Project.

E. It is estimated that the Pledged Revenues will be sufficient to pay all the principal of, premium, if any, and interest on the 2005 Bonds herein authorized and on the Outstanding Parity Bonds, as the same become due and to make all other payments in connection therewith as required by the Bond Resolution and this Resolution.

F. The Issuer has the authority under the Bond Resolution to issue Additional Bonds payable on a parity with the Bonds Outstanding thereunder from the Pledged Revenues.

G. It is hereby ascertained, determined and declared that it is in the best interest of the Issuer to issue the 2005 Bonds under the Bond Resolution, as supplemented hereby, and to provide for the sale by competitive bid of the 2005 Bonds having a dated date, maturing, bearing interest and subject to optional and mandatory redemption, as set forth in the Official Notice of Sale, the Summary Notice of Sale and in the bid proposal of the lowest bidder or bidders (the "Purchaser"), and the Preliminary Official Statement.

H. A Truth In Bonding Statement required pursuant to Section 218.385, Florida Statutes, in the form included with the Official Notice of Sale shall be provided by the winning bidder prior to the acceptance by the Issuer of such bid.

I. The 2005 Bonds will constitute Additional Bonds within the meaning and contemplation of the Bond Resolution and will be payable from the Pledged Revenues on a parity with the Outstanding Parity Bonds, any Qualified Hedge Payments and any Additional Bonds which may be issued in the future. The 2005 Bonds will be issued only if the requirements for the issuance of Additional Bonds under the Bond Resolution are met.

J. The Pledged Revenues are not pledged or encumbered in any manner except to pay the principal of, interest on and redemption premiums, if any, with respect to the Outstanding Parity Bonds and any other payments required in the Bond Resolution.

K. The Issuer is not in default in performing any of the covenants and obligations assumed by it under the Bond Resolution and all payments required under the Bond Resolution have been made, to the full extent required, into the accounts and funds established therein.

L. The Mayor or City Manager prior to delivery of the 2005 Bonds will provide a certificate or certificates containing the certifications required by Sections 9.01 and 10.02 of the Bond Resolution, and the 2005 Bonds shall not be issued unless such certification is provided and the other requirements of Section 10.02 are complied with.

M. Based upon advice provided by Public Financial Management, Inc., the financial advisor to the Issuer (the "Financial Advisor"), the Issuer hereby

determines that it is in the best interest of the Issuer to accept the Commitment of the Insurer to issue a policy of municipal bond insurance insuring all of the 2005 Bonds (the "2005 Bond Insurance Policy"), and the same shall constitute a Credit Facility under the terms of the Bond Resolution.

N. The 2005 Bonds shall not be secured by the Reserve Account or the Composite Reserve Subaccount.

SECTION 4. Instrument to Constitute a Contract; Covenants in Bond Resolution Applicable. In consideration of the acceptance of the 2005 Bonds authorized to be issued hereunder by those who shall hold the same from time to time, the Bond Resolution, as supplemented by this Resolution, shall be deemed to be and shall constitute a contract between the Issuer and the Holders of the 2005 Bonds. All of the applicable covenants of the Bond Resolution shall apply to the 2005 Bonds as if the 2005 Bonds had been originally issued under the Bond Resolution. The covenants and agreements set forth herein and in the Bond Resolution to be performed by the Issuer shall be for the equal benefit, protection and security of the Holders of the 2005 Bonds, and the 2005 Bonds shall be of equal rank with all other Bonds issued under the Bond Resolution (including, without limitation, the Outstanding Parity Bonds), without preference, priority or distinction over any other thereof.

SECTION 5. Authorization of 2005 Bonds; Delegation; Terms and Form of 2005 Bonds.

A. Subject and pursuant to the provisions hereof, the 2005 Bonds to be known as the "City of Gainesville, Florida Capital Improvement Revenue Bonds, Series 2005" are hereby authorized to be issued for the purpose of paying the costs of the 2005 Project and paying the costs of issuance of the 2005 Bonds. The specific principal amount of the 2005 Bonds shall be determined as hereinafter provided.

B. The City Manager, the Administrative Services Director or the Finance Director of the Issuer is hereby designated and authorized to award the sale of the 2005 Bonds to the Purchaser in an aggregate original principal amount not to exceed \$25,000,000. The City Manager, the Administrative Services Director or the Finance Director is hereby authorized, in light of anticipated market conditions and in order to obtain the lowest interest cost, to determine the bid date, based on advice from the Financial Advisor, as to the most advantageous date for such sale.

C. The 2005 Bonds shall be fixed rate Bonds, shall be dated the date of their delivery or such other date as shall be determined by the City Manager, the Administrative Services Director or the Finance Director, shall bear interest from their date, payable semi-annually on the first day of April and the first day of October of each year, commencing on April 1, 2006, or such other date as shall be determined by the City Manager, the Administrative Services Director or

the Finance Director (all such determinations to be conclusively evidenced by the Official Notice of Sale), at the rates shown on, and shall mature in accordance with, the maturity schedule set forth in, the Purchaser's bid proposal. Such 2005 Bonds shall be issued as fully registered bonds in the denomination of \$5,000 each or any integral multiple thereof.

D. The 2005 Bonds shall be subject to redemption prior to maturity as set forth in the Official Notice of Sale and/or as determined by the City Manager, the Administrative Services Director or the Finance Director by his acceptance of a bid for the 2005 Bonds in accordance with the terms hereof.

E. The 2005 Bonds shall be numbered consecutively from one upward preceded by the letter "R" prefixed to the number.

F. So long as any of the 2005 Bonds remain outstanding, the Issuer shall maintain and keep, at the office of the Registrar, books for the registration of the 2005 Bonds.

The Issuer and the Registrar may treat the registered owner of any 2005 Bond as the absolute owner thereof for all purposes, whether or not such 2005 Bond shall be overdue, and shall not be bound by any notice to the contrary. The person in whose name any 2005 Bond is registered may be deemed the owner thereof by the Issuer and the Registrar, and any notice to the contrary shall not be binding upon the Issuer or the Registrar.

G. Whenever any 2005 Bond shall be delivered to the Registrar for cancellation, upon payment of the principal amount thereof, or for replacement, transfer or exchange, such 2005 Bond shall, after cancellation, either be retained by the Registrar for a period of time specified in writing by the Issuer, or at the option of the Issuer, shall be destroyed or cancelled by the Registrar and counterparts of a certificate of destruction or cancellation evidencing such destruction or cancellation shall be furnished to the Issuer.

H. The 2005 Bonds shall be and have all the qualities and incidents of negotiable instruments under the laws of the State of Florida, and each successive Holder, in accepting any of the 2005 Bonds, shall be conclusively deemed to have agreed that such 2005 Bonds shall be and have all of the qualities and incidents of negotiable instruments under the laws of the State of Florida.

I. The text of the 2005 Bonds shall be substantially in the form set forth in the Bond Resolution with such omissions, insertions and variations (including, without limitation, changes to reflect the name of the 2005 Bonds) as may be necessary or desirable and authorized by this Resolution, or as may be approved by the Mayor (execution thereof manually or by facsimile to be conclusive evidence of such approval), including, without limitation, such changes as may be

required for the issuance of uncertificated public obligations and for execution of the 2005 Bonds by an authenticating agent.

SECTION 6. Sale of the 2005 Bonds. The 2005 Bonds shall be offered for sale to the public pursuant to the Official Notice of Sale and the Summary Notice of Sale, each substantially in the form on file with the office of the Clerk of the Commission of the Issuer, with such changes, amendments, modifications, omissions and additions thereto as may be approved by the City Manager, the Administrative Services Director or the Finance Director of the Issuer. The forms of such Official Notice of Sale and Summary Notice of Sale are hereby approved. The Financial Advisor is authorized and directed to place the Summary Notice of Sale in The Bond Buyer and/or in any other publications it deems appropriate for the purpose of offering the 2005 Bonds for sale at least ten (10) days prior to the date fixed for receipt of bids. The Financial Advisor is hereby authorized to utilize such method of electronic bidding, if any, as it deems appropriate for the offering of the 2005 Bonds.

The 2005 Bonds shall be sold to the bidder selected pursuant to Section 8 below at the purchase price indicated in the bid submitted by the bidder in accordance with the terms and conditions of the Official Notice of Sale, as such purchase price may be adjusted in accordance with the Official Notice of Sale.

SECTION 7. Approval of Preliminary Official Statement; Approval of Official Statement; Approval of Continuing Disclosure Certificate.

A. Preliminary Official Statement. The Issuer hereby authorizes the distribution and use of the Preliminary Official Statement in substantially the form on file with the Clerk of the Commission of the Issuer in connection with the offering of the 2005 Bonds for sale (the "Preliminary Official Statement"). If between the date hereof and the mailing of the Preliminary Official Statement, it is necessary to make insertions, modifications or changes in the Preliminary Official Statement, the City Manager, the Administrative Services Director or Finance Director is hereby authorized to approve such insertions, changes and modifications. The City Manager, the Administrative Services Director or Finance Director is hereby authorized to deem the Preliminary Official Statement "final" within the meaning of Rule 15c2-12, promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934 (the "Rule"). Execution of a certificate by the City Manager, the Administrative Services Director or Finance Director deeming the Preliminary Official Statement "final" as described above shall be conclusive evidence of the approval of any insertions, changes or modifications and the City Manager, the Administrative Services Director or Finance Director is hereby authorized to execute such a Certificate.

B. Official Statement. The form, terms and provisions of the Final Official Statement relating to the 2005 Bonds shall be substantially as set forth in the Preliminary Official Statement. The City Manager, the Administrative Services

Director and the Finance Director are hereby authorized and directed to execute and deliver said Final Official Statement in the name and on behalf of the Issuer, and thereupon to cause such Final Official Statement to be delivered to the Purchaser with such changes, amendments, modifications, omissions and additions as shall be necessary to reflect the terms and provisions of the 2005 Bonds as set forth in the winning bid as adjusted in accordance with the provisions of the Official Notice of Sale. Said Final Official Statement, including any such changes, amendments, modifications, omissions and additions as approved by the City Manager, the Administrative Services Director and the Finance Director, and the information contained therein, are hereby authorized to be used in connection with the sale of the 2005 Bonds to the public. Execution by the City Manager, the Administrative Services Director and the Finance Director of the Final Official Statement shall be deemed to be conclusive evidence of approval of such changes, amendments, modifications, omissions and additions.

C. Continuing Disclosure Certificate. The Issuer hereby agrees, in accordance with the provisions of the Rule, to enter into a continuing disclosure certificate substantially in the form on file with the office of the Clerk of the Commission of the Issuer (the "Continuing Disclosure Certificate"). The form of the Continuing Disclosure Certificate on file with the office of the Clerk of the Commission of the Issuer is hereby approved and the Mayor, Finance Director, the Administrative Services Director or City Manager is hereby authorized to execute and deliver the Continuing Disclosure Certificate, subject to such amendments, modifications and filling of blanks therein as such officer executing such document shall approve, such execution to constitute conclusive evidence of such approval. Notwithstanding any other provision of this Resolution, failure of the Issuer to comply with such Continuing Disclosure Certificate shall not be considered an event of default under the Bond Resolution. However, the Continuing Disclosure Certificate shall be enforceable by the Bondholders of the 2005 Bonds in the event that the Issuer fails to cure a breach thereunder within a reasonable time after written notice from a Bondholder of a 2005 Bond to the Issuer that a breach exists. Any rights of the Bondholders of the 2005 Bonds to enforce the provisions of this Section shall be on behalf of all Bondholders of the 2005 Bonds and shall be limited to a right to obtain specific performance of the Issuer's obligations under the Continuing Disclosure Certificate.

SECTION 8. Conditions to Acceptance of Bid. The City Manager, the Administrative Services Director or Finance Director shall not accept a bid for the purchase of the 2005 Bonds until such time as all of the following conditions have been satisfied:

A. Receipt by the City Manager, the Administrative Services Director or Finance Director of a bid, as described herein, from an underwriter or underwriters complying with the terms of the Official Notice of Sale and proposing to purchase the 2005 Bonds at the lowest true interest cost to the Issuer on the 2005 Bonds, all as calculated in accordance with the terms of the Official Notice of Sale,

said bid to provide for, among other things, (i) not exceeding \$25,000,000, aggregate principal amount of 2005 Bonds, (ii) a purchase price (including original issue discount or premium and underwriter's discount) no less than 98.5% of the original principal amount thereof, (iii) a true interest cost of less than 5.50% (and less than the maximum rate permitted by law), and (iv) the maturities of the 2005 Bonds, with the final maturity being not later than October 1, 2025. The City Manager, the Administrative Services Director or Finance Director may approve the adjustment of principal maturities, Amortization Installments and the purchase price of the 2005 Bonds as, and to the extent, contemplated by the Official Notice of Sale, execution by the City Manager, the Administrative Services Director or Finance Director of a certificate accepting a bid to constitute conclusive evidence of such approval.

B. Receipt by the City Manager, the Administrative Services Director or Finance Director of a Truth in Bonding statement of the underwriter(s) providing the winning bid complying with Section 218.385, Florida Statutes.

C. A good faith deposit as provided in the Official Notice of Sale.

The City Manager, the Administrative Services Director or Finance Director may rely upon the Issuer's Financial Advisor to determine compliance with the conditions provided in this Section 8.

Upon satisfaction of all the requirements set forth in this Section 8, the City Manager, the Administrative Services Director or Finance Director is authorized to accept the bid of the lowest bidder for the purchase of the 2005 Bonds determined in accordance with the terms hereof and of the Official Notice of Sale.

SECTION 9. Appointment of Registrar and Paying Agent. J.P. Morgan Trust Company, N.A., is hereby appointed as Registrar and Paying Agent in connection with the 2005 Bonds and shall undertake the duties as such under the terms of the Bond Resolution, as supplemented hereby.

SECTION 10. Creation of Funds and Accounts. There are hereby created and established the "City of Gainesville Capital Improvement Bonds – Series 2005 Project Fund" (the "Project Fund") and two accounts therein, the "2005 Project Account" and the "2005 Bonds Cost of Issuance Account."

SECTION 11. Application of 2005 Bond Proceeds; Reserve Requirement Designation. To the extent not otherwise provided by the Issuer by certificate of the Mayor delivered at or prior to the issuance and delivery of the 2005 Bonds, the proceeds from the sale of the 2005 Bonds, including accrued interest, if any, shall be disposed of as follows:

- (1) Accrued interest, if any, shall be deposited in the Sinking Fund in the Debt Service Fund created pursuant to the Bond

Resolution and applied against interest next coming due on the 2005 Bonds.

(2) An amount equal to the costs of issuance of the 2005 Bonds shall be deposited into the 2005 Bonds Cost of Issuance Account and used to pay, when due, the costs of issuance of the 2005 Bonds, including without limitation the cost of the 2005 Bond Insurance Policy from the Insurer.

(3) The balance of the proceeds of the 2005 Bonds shall be deposited into the 2005 Project Account and used and applied to pay the Cost of the Project related to the 2005 Project, other than costs of issuance.

The Reserve Requirement for the 2005 Bonds shall be \$0 and the 2005 Bonds shall not be secured by the Reserve Account in the Debt Service Fund or any subaccount thereof.

SECTION 12. Bond Insurance. Based upon the advice of the Financial Advisor, it is hereby determined to be in the best interest of the Issuer to obtain a policy of municipal bond insurance with respect to the 2005 Bonds and the City Manager, the Administrative Services Director or Finance Director is hereby authorized to accept the terms of the Commitment from the Insurer and to execute and deliver the Commitment on behalf of the Issuer.

SECTION 13. Supplemental Covenants and Agreements. Unless the same shall conflict with the terms of the Bond Resolution, the Issuer covenants and agrees, so long as any 2005 Bonds remain Outstanding or any amount shall be due and owing to the Insurer in connection with the 2005 Bond Insurance Policy, so long as no event described in paragraph P below shall have occurred, as follows:

A. MBIA shall be given written notice of, and the right to consent to, all amendments to the Bond Resolution. Copies of any amendments consented to by MBIA must be provided to S&P.

B. MBIA shall be deemed the sole Bondholder of all 2005 Bonds insured by it for purposes of exercising all rights, remedies and privileges granted to such Bondholders including, without limitation, the giving of any consents. MBIA shall have the right to institute any suit, action or proceeding at law or in equity under the same terms as a Holder of 2005 Bonds insured by it.

C. Any notice that is required to be given to a Holder of the 2005 Bonds or to the Paying Agent pursuant to the Bond Resolution shall also be provided to MBIA. All notices required to be given to MBIA under the Bond Resolution shall be in writing and shall be sent by registered or certified mail addressed to MBIA Insurance Corporation, 113 King Street, Armonk, New York 10504, Attention: Surveillance.

D. In the event that, on the second Business Day, and again on the Business Day, prior to the payment date on the 2005 Bonds, the Paying Agent has not received sufficient moneys to pay all principal of and interest on the 2005 Bonds due on the second following or following, as the case may be, Business Day, the Paying Agent shall immediately notify MBIA or its designee on the same Business Day by telephone or telegraph, confirmed in writing by registered or certified mail, of the amount of the deficiency.

E. If the deficiency is made up in whole or in part prior to or on the payment date, the Paying Agent shall so notify MBIA or its designee.

F. In addition, if the Paying Agent has notice that any Bondholder has been required to disgorge payments of principal or interest on the 2005 Bonds to a trustee in bankruptcy or creditors or others pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such Bondholder within the meaning of any applicable bankruptcy laws, then the Paying Agent shall notify MBIA or its designee of such fact by telephone or telegraphic notice, confirmed in writing by registered or certified mail.

G. The Paying Agent is hereby irrevocably designated, appointed, directed and authorized to act as attorney-in-fact for Holders of the 2005 Bonds as follows:

1. If and to the extent there is deficiency in amounts required to pay interest on the 2005 Bonds, the Paying Agent shall (a) execute and deliver to U.S. Bank Trust National Association, or its successors under the 2005 Bond Insurance Policy (the "Insurance Paying Agent"), in form satisfactory to the Insurance Paying Agent, an instrument appointing MBIA as agent for such Holders in any legal proceeding related to the payment of such interest and an assignment to MBIA of the claims for interest to which such deficiency relates and which are paid by MBIA, (b) receive as designee of the respective Holders (and not as Paying Agent) in accordance with the tenor of the 2005 Bond Insurance Policy payment from the Insurance Paying Agent with respect to the claims for interest so assigned, and (c) disburse the same to such respective Holders; and

2. If and to the extent of a deficiency in amounts required to pay principal of the 2005 Bonds, the Paying Agent shall (a) execute and deliver to the Insurance Paying Agent in form satisfactory to the Insurance Paying Agent an instrument appointing MBIA as agent for such Holder in any legal proceeding relating to the payment of such principal and an assignment to MBIA of any of the 2005 Bonds surrendered to the Insurance Paying Agent of so much of the principal amount thereof as has not previously been paid or for which moneys are not held by the Paying Agent and available for such payment (but such assignment shall be delivered only if payment from the Insurance Paying Agent is received), (b) receive as designee of the respective Holders (and not as Paying Agent) in accordance with

the tenor of the 2005 Bond Insurance Policy payment therefor from the Insurance Paying Agent, and (c) disburse the same to such Holders.

H. Payments with respect to claims for interest on and principal of 2005 Bonds disbursed by the Paying Agent from proceeds of the 2005 Bond Insurance Policy shall not be considered to discharge the obligation of the Issuer with respect to such 2005 Bonds, and the Insurer shall become the owner of such unpaid 2005 Bonds and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of this subsection or otherwise.

I. Irrespective of whether any such assignment is executed and delivered, the Issuer and the Paying Agent hereby agree for the benefit of the 2005 Bonds that:

1. They recognize that to the extent MBIA makes payments, directly or indirectly (as by paying through the Paying Agent), on account of principal of or interest on the 2005 Bonds, MBIA will be subrogated to the rights of such Holders to receive the amount of such principal and interest from the Issuer, with interest thereon as provided and solely from the sources stated in the Bond Resolution and the 2005 Bonds; and

2. They will accordingly pay to MBIA the amount of such principal and interest (including principal and interest recovered under subparagraph (ii) of the first paragraph of the 2005 Bond Insurance Policy, which principal and interest shall be deemed past due and not to have been paid), with interest thereon as provided in the Bond Resolution and the 2005 Bonds, but only from the sources and in the manner provided herein for the payment of principal of and interest on the 2005 Bonds to Holders, and will otherwise treat MBIA as the owner of such rights to the amount of such principal and interest.

J. In connection with the issuance of Additional Bonds, the Issuer shall deliver to MBIA a copy of the disclosure document, if any, circulated with respect to such Additional Bonds.

K. MBIA shall receive notice of the resignation or removal of the Paying Agent and the appointment of a successor thereto.

L. MBIA shall receive copies of all notices required to be delivered to Bondholders and, on an annual basis, copies of the Issuer's audited financial statements and Annual Budget.

M. The Issuer agrees to reimburse MBIA immediately and unconditionally upon demand, to the extent permitted by law, for all reasonable expenses, including attorneys' fees and expenses, incurred by MBIA in connection with (i) the enforcement by MBIA of the Issuer's obligations, or the preservation or defense of any rights of MBIA, under the Bond Resolution and any other document executed in connection with the issuance of the 2005 Bonds, and (ii) any consent,

amendment, waiver or other action with respect to the Bond Resolution or any related document, whether or not granted or approved, together with interest on all such expenses from and including the date incurred to the date of payment at Citibank's prime rate plus 3% or the maximum interest rate permitted by law, whichever is less. In addition, MBIA reserves the right to charge a fee in connection with its review of any such consent, amendment or waiver, whether or not granted or approved.

N. The Issuer agrees not to use MBIA's name in any public document including, without limitation, a press release or presentation, announcement or forum without MBIA's prior consent; provided however, such prohibition on the use of MBIA's name shall not relate to the use of MBIA's standard approved form of disclosure in public documents issued in connection with the 2005 Bonds; and provided further such prohibition shall not apply to the use of MBIA's name in order to comply with public notice, public meeting or public reporting requirements.

O. The Issuer shall not enter into any agreement nor shall it consent to or participate in any arrangement pursuant to which 2005 Bonds are tendered or purchased for any purpose other than the redemption and cancellation or legal defeasance of such 2005 Bonds without the prior written consent of MBIA.

P. In addition to the restrictions provided herein and in the Bond Resolution, MBIA shall not be entitled to any benefits of the Bond Resolution or this Resolution or any rights specifically granted to it thereunder or hereunder, including the right to consent to, approve or participate in any actions proposed to be taken by the Issuer, a 2005 Bondholder, or either of them if:

(a) MBIA shall be in default in the due and punctual performance of its payment obligations under the 2005 Bond Insurance Policy or if such policy for whatever reason is not then enforceable and in full force and effect; or

(b) MBIA shall apply for or consent to the appointment of a receiver, custodian, trustee or liquidator of MBIA or of all or a substantial part of its assets, or shall admit in writing its inability, or be generally unable, to pay its debts as such debts become due, or shall make a general assignment for the benefit of its creditors, or commence a voluntary case under the Federal Bankruptcy Code (as now or hereafter in effect) or shall file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, or shall fail to contest in a timely and appropriate manner, or acquiesce in writing to, any other petition filed against MBIA in any involuntary case under said Federal Bankruptcy Code, or shall take any other action for the purpose of effecting the foregoing; or

(c) A proceeding or case shall be commenced without the application or consent of MBIA, in any court of competent jurisdiction seeking the

liquidation, reorganization, dissolution, winding up or composition or readjustment of debts of MBIA or the appointment of a trustee, receiver, custodian, liquidator, sequestrator (or other similar official) or the like, of MBIA or of all or a substantial part of its assets, or similar relief with respect to MBIA under any law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, or for relief, rehabilitation, reorganization, conservation, liquidation or dissolution under the law of any state and such proceeding or case shall continue undismissed and an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed in effect for a period of one hundred twenty (120) days from the commencement of such proceedings or case, or any order for relief against MBIA shall be entered in an involuntary case under said Federal Bankruptcy Code; or

(d) MBIA shall no longer insure any of the 2005 Bonds.

SECTION 14. Authorizations.

A. The Mayor and the Clerk or any Deputy Clerk of the Issuer are hereby authorized and directed on behalf of the Issuer to execute the 2005 Bonds (including any temporary bond or bonds) as provided in the Bond Resolution and this Resolution and either of such officers are hereby authorized and directed upon the execution of the 2005 Bonds in the form and manner set forth in the Bond Resolution as supplemented hereby to deliver the 2005 Bonds in the amounts authorized to be issued hereunder, to the Registrar for authentication and delivery to or upon the order of the Purchaser, upon payment of the purchase price and upon compliance by the Purchaser with the terms herein and in the Official Notice of Sale.

B. The Mayor, the City Manager, the Finance Director, the Clerk, any Deputy Clerk of the Issuer, and such other officers and employees of the Issuer as may be designated in writing by the Mayor, are each designated as agents of the Issuer in connection with the issuance and delivery of the 2005 Bonds and are authorized and empowered, collectively or individually, to take all action and steps and to execute all instruments, documents and contracts on behalf of the Issuer that are necessary or desirable in connection with the execution and delivery of the 2005 Bonds, and which are specifically authorized by or are not inconsistent with, the terms and provisions of this Resolution or any action relating to the 2005 Bonds heretofore taken by the Issuer. Such officers and those so designated are hereby charged with the responsibility for the issuance of the 2005 Bonds.

SECTION 15. Repeal of Inconsistent Resolutions. Except as supplemented hereby, all provisions of the Bond Resolution remain in full force and effect. All other resolutions or parts of other resolutions in conflict herewith are hereby repealed.

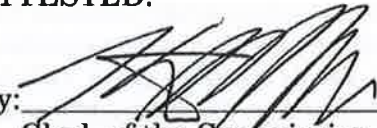
SECTION 16. Severability. If any one or more of the covenants, agreements or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be 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 or of the 2005 Bonds issued hereunder.

SECTION 17. Effective Date. This Resolution shall take effect immediately upon its adoption in the manner provided by law.

PASSED AND ADOPTED IN PUBLIC SESSION OF THE CITY COMMISSION OF THE CITY OF GAINESVILLE, FLORIDA, THIS 24th DAY OF OCTOBER, 2005.


CITY COMMISSION OF THE CITY OF GAINESVILLE, FLORIDA

ATTESTED:

By: 
Clerk of the Commission

By: 
Mayor

APPROVED AS TO FORM AND LEGALITY:

By: 
City Attorney NOV 16 2005

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Rules of the City Commission (B)

Chair Hanrahan recognized Walter Willard who spoke to the matter.

RECOMMENDATION *The City Commission adopt the Rules of the Commission to allow more than two persons to serve on all standing committees, as assigned.*

A motion was made by Commissioner Nielsen, seconded by Commissioner Lowe, that this matter be Adopted (Resolution). The motion carried by the following vote:

Votes: Aye: Pegeen Hanrahan, Warren Nielsen, Chuck Chestnut, Edward Braddy, Rick Bryant, Craig Lowe and Jack Donovan

050532

RESOLUTION AUTHORIZING THE ISSUANCE OF CAPITAL IMPROVEMENT REVENUE BONDS - SERIES 2005 (B)

A resolution of the City of Gainesville, Florida, supplementing resolution No. 020918, authorizing the acquisition of land and the acquisition, construction, refurbishment, renovation and equipping of various capital projects, and the providing for and authorizing the issuance of the City's Capital Improvement Revenue Bonds, Series 2005 in an original aggregate principal amount not exceeding \$25,000,000 to fund such acquisition, construction, refurbishment, renovation and equipping; delegating certain authority to the City Manager, the Administrative Services Director or Finance Director to award said bonds pursuant to a public bid, provided the bids submitted fall within parameters set forth herein; approving the from of an official notice of sale and summary notice of sale with respect to said bonds; appointing J.P. Morgan Trust Company, N.A. as paying agent and registrar with respect to such bonds; approving the form and authorizing the circulation of a preliminary official statement and authorizing the execution and delivery of a final official statement; authorizing the City Manager, the Administrative Services Director or the Finance Director to accept the terms of a commitment for municipal bond insurance from MBIA Insurance Corporation; approving the form and authorizing the execution and delivery of a continuing disclosure certificate; creating a project fund and account therein; providing for the application of the proceeds of the bonds; authorizing certain officials of the City to execute any documents and take any actions required in connection with the issuance of said bonds; providing an effective date for this resolution; and providing certain other details with respect thereto.

City Finance Director Mark Benton gave a presentation.

Chair Hanrahan recognized Walter Willard who spoke to the matter.

RECOMMENDATION *The City Commission adopt the resolution authorizing and providing for the issuance of the Capital Improvement Revenue Bonds, Series 2005.*

A motion was made by Mayor-Commissioner Pro Tem Chestnut, seconded by Commissioner Braddy, that this matter be Adopted (Resolution). The motion carried by the following vote:

Votes: Aye: Pegeen Hanrahan, Warren Nielsen, Chuck Chestnut, Rick Bryant, Craig Lowe and Jack Donovan
Absent: Edward Braddy

050545

Financing for Construction, Refunding of Tax-Exempt and Taxable Commercial Paper, Refunding of Utilities System Revenue Bonds, 1996 Series A (B)

GRU Chief Financial Officer Jennifer Hunt, and GRU Attorney Skip Manasco gave presentations.

Chair Hanrahan recognized Walter Willard who spoke to the matter.

RECOMMENDATION

The City Commission: 1) Adopt the attached resolution (Authorizing Resolution), which :(a) incorporates by reference and adopts, and authorizes the execution and delivery of: (i) a Fourteenth Supplemental Utilities System Revenue Bond Resolution (Fourteenth Supplemental Resolution) which authorizes the issuance, sale, execution and delivery of not to exceed \$215,000,000 in aggregate principal amount of the City's tax-exempt Utilities System Revenue Bonds, 2005 Series A (2005 Series A Bonds) in order (X) to provide monies needed for payment of Costs of Acquisition and Construction (capital projects) and (Y) to refund the City's tax-exempt Utilities System Commercial Paper Notes, Series C (Series C CP Notes), and delegates the authority to determine certain matters in connection therewith; (ii) a Fifteenth Supplemental Utilities System Revenue Bond Resolution (Fifteenth Supplemental Resolution) which authorizes the issuance, sale, execution and delivery of not to exceed \$70,000,000 in aggregate principal amount of the City's taxable Utilities System Revenue Bonds, 2005 Series B (2005 Series B Bonds) in order (X) to provide monies needed to refund the City's taxable Utilities System Commercial Paper Notes, Series D (Series D CP Notes) and (Y) if the City's Bond Counsel determines that, under applicable federal income tax law, monies needed for payment of Costs of Acquisition and Construction of certain air quality control systems for Deerhaven 2 cannot be financed on a tax-exempt basis, to provide such monies, and delegates the authority to determine certain matters in connection therewith; and (iii) a Sixteenth Supplemental Utilities System Revenue Bond Resolution which authorizes the issuance, sale, execution and delivery of \$55,135,000 in aggregate principal amount of the City's Variable Rate Utilities System Revenue Bonds, 2005 Series C (2005 Series C Bonds) in order to advance refund a portion of the City's Utilities System Revenue Bonds, 1996 Series A

