

RESOLUTION NO. 030150
PASSED JULY 14, 2003

A RESOLUTION INCORPORATING BY REFERENCE AND ADOPTING, AND AUTHORIZING THE EXECUTION AND DELIVERY OF A THIRTEENTH SUPPLEMENTAL UTILITIES SYSTEM REVENUE BOND RESOLUTION FOR THE PURPOSES OF (A) AUTHORIZING THE ISSUANCE, SALE, EXECUTION AND DELIVERY OF NOT TO EXCEED \$125,000,000 OF THE CITY OF GAINESVILLE, FLORIDA'S UTILITIES SYSTEM REVENUE BONDS, 2003 SERIES C IN ORDER TO PROVIDE A PORTION OF THE MONEYS NECESSARY TO REFUND CERTAIN OF THE CITY'S OUTSTANDING UTILITIES SYSTEM REVENUE BONDS, 1993 SERIES A, 1993 SERIES B AND 1996 SERIES A AND DELEGATING THE AUTHORITY TO DETERMINE CERTAIN MATTERS IN CONNECTION THEREWITH AND (B) MAKING CERTAIN AMENDMENTS TO THE AMENDED AND RESTATED UTILITIES SYSTEM REVENUE BOND RESOLUTION ADOPTED BY THE CITY ON JANUARY 20, 2003; APPROVING THE NEGOTIATED SALE OF THE 2003 SERIES C BONDS AND APPROVING THE FORM, AND AUTHORIZING THE EXECUTION AND DELIVERY, OF A CONTRACT OF PURCHASE AND DELEGATING THE AUTHORITY TO DETERMINE CERTAIN MATTERS IN CONNECTION THEREWITH; APPROVING THE FORM, AND AUTHORIZING THE EXECUTION AND DELIVERY, OF A CONTINUING DISCLOSURE CERTIFICATE; APPROVING THE FORM, AND AUTHORIZING THE EXECUTION AND DELIVERY, OF AN ESCROW DEPOSIT AGREEMENT; AUTHORIZING THE DEPOSIT OF BOND PROCEEDS AND CERTAIN OTHER AMOUNTS INTO 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 2003 SERIES C BONDS; AUTHORIZING THE AUTHENTICATION AND DELIVERY OF THE 2003 SERIES C BONDS; APPROVING FORM AND USE OF THE PRELIMINARY OFFICIAL STATEMENT AND THE OFFICIAL STATEMENT RELATING TO THE 2003 SERIES C BONDS AND AUTHORIZING THE EXECUTION AND DELIVERY OF SAID OFFICIAL STATEMENT; AUTHORIZING THE REGISTRATION OR QUALIFICATION OF THE 2003 SERIES C BONDS UNDER THE BLUE SKY LAWS OF VARIOUS STATES; AUTHORIZING CERTAIN CITY OFFICIALS TO TAKE OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE 2003 SERIES C BONDS; 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 Thirteenth 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. "Amended and Restated Bond Resolution" shall mean the Amended and Restated Utilities System Revenue Bond Resolution of the City adopted on January 30, 2003, which resolution, upon the satisfaction of the conditions to its effectiveness, will amend and restate the Bond Resolution.

B. "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 2003 Series C Bonds is advantageous to the City, as provided in Section 10 hereof, the insurance policy to be issued by the Bond Insurer concurrently with the issuance of the 2003 Series C Bonds, guaranteeing the scheduled payment of principal of and interest on the Insured 2003 Series C Bonds.

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

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

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

F. "Continuing Disclosure Certificate" shall mean the Continuing Disclosure Certificate to be executed in connection with the issuance of the 2003 Series C Bonds, relating to the provision of certain continuing disclosure information with respect to the System and the 2003 Series C Bonds.

G. "Contract of Purchase" shall mean the Contract of Purchase relating to the 2003 Series C Bonds to be entered into between the City and the Underwriters therein named.

H. "Escrow Deposit Agreement" shall mean the Escrow Deposit Agreement Relating to 2003 Series C Bonds, to be dated as of August 1, 2003, between the City and U.S. Bank Trust National Association, as Trustee.

I. "Insured 2003 Series C Bonds" shall mean such maturity or maturities of the 2003 Series C Bonds as the General Manager for Utilities of the City, or his designee, determines shall be insured by the Bond Insurer pursuant to Section 10 hereof.

J. "Thirteenth Supplemental Resolution" shall mean the Thirteenth 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.

K. "Underwriters" shall mean the Underwriters named in the Contract of Purchase.

L. "2003 Series C Bonds" shall mean the City's Utilities System Revenue Bonds, 2003 Series C, authorized by Section 5 of this resolution and Article II of the Thirteenth Supplemental Resolution.

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

A. Pursuant to the Bond Resolution, the City may issue Refunding Bonds from time to time to refund any Outstanding Bonds.

B. The City heretofore has issued its Utilities System Revenue Bonds, 1993 Series A and 1993 Series B, and the City deems it necessary and in its best interests to refund the Refunded 1993 Bonds (as such term is defined in the Thirteenth Supplemental Resolution) with proceeds of the 2003 Series C Bonds. The City heretofore also has issued its Utilities System Revenue Bonds, 1996 Series A (the "1996 Series A Bonds"), and the City deems it necessary and in its best interests to refund a portion of such Bonds with proceeds of the 2003 Series C Bonds. In addition, 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 the particular 1996 Series A Bonds to be so refunded. The refunding program herein authorized will be advantageous to the City by effecting certain economic benefits to the System, as follows: (1) the refunding of the Refunded 1993 Bonds will produce debt service savings to the City; and (2) the refunding of such 1996 Series A Bonds as shall be determined as aforesaid will enable the amendment and restatement of the Bond Resolution in the manner provided in the Amended and Restated Bond Resolution to become effective.

C. The City deems it necessary and in its best interests to issue and sell the 2003 Series C Bonds for the purpose of providing a portion of the funds required to refund the Refunded 1993 Bonds and such 1996 Series A Bonds as shall be determined as aforesaid.

D. Rule 15c2-12(b)(5) promulgated by the United States Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, provides that 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. Accordingly, the City deems it

necessary and in its best interests to authorize the execution and delivery of the Continuing Disclosure Certificate, and the performance of the City's obligations thereunder, in order to assist the Underwriters in complying with said Rule.

E. Contemporaneously with the issuance of the 2003 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, 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 Investment 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 mature or are redeemed prior to maturity, as the case may be.

F. Insofar as the procurement of municipal bond insurance for all or a portion of the 2003 Series C Bonds may reduce the true interest cost to the City of the 2003 Series C 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 2003 Series C Bonds. 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 2003 Series C 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 procure the Bond Insurance Policy from the Bond Insurer to insure the payment when due of the Insured 2003 Series C Bonds.

G. The complexity of the structuring of the 2003 Series C Bonds and current conditions in the market for obligations such as the 2003 Series 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 2003 Series C Bonds be sold on a negotiated basis.

SECTION 4. Adoption of Thirteenth Supplemental Resolution. The Thirteenth Supplemental Resolution, attached hereto as Exhibit B, is hereby approved and adopted. Such resolution shall be executed and delivered as provided in Section 14 hereof.

SECTION 5. Authorization of the Issuance, Sale, Execution and Delivery of the 2003 Series C Bonds; Delegation of Authority to Determine Certain Matters in Connection Therewith. There are hereby authorized the issuance and sale of a Series of Refunding Bonds designated as the "Utilities System Revenue Bonds, 2003 Series C", for the purpose of providing a portion of the funds required to refund the Refunded Bonds. The 2003 Series C Bonds shall be issued pursuant to the Bond Resolution in an aggregate principal amount not to exceed \$125,000,000. The actual aggregate principal amount of the 2003 Series C Bonds, the respective dates on which the 2003 Series C Bonds shall mature, the respective principal amounts of the 2003 Series C Bonds maturing on each such date and the respective rates of interest to be borne by the 2003 Series C Bonds maturing on each such date shall be determined as provided in Section 2.03 of the Thirteenth Supplemental Resolution; *provided, however*, that (a) the latest maturity date for the 2003 Series C Bonds shall be not later than October 1, 2013 and (b) the maximum rate of interest to be borne by the 2003 Series C Bonds maturing on any date shall not exceed 3.50% per annum. The 2003 Series C Bonds shall be executed and delivered as provided in Section 14 hereof.

SECTION 6. Authorization and Approval for the Negotiated Sale of the 2003 Series C Bonds and Execution of the Contract of Purchase; Delegation of Authority to Determine Certain Matters in Connection Therewith. The terms and conditions of the Contract of Purchase between the City and the Underwriters, providing for the negotiated sale and purchase of the 2003 Series C Bonds, in substantially the form of the contract attached hereto as Exhibit C, are hereby approved. The purchase price of the 2003 Series C Bonds to be paid by the Underwriters pursuant to the Contract of Purchase shall be determined as provided in Section 2.03 of the Thirteenth Supplemental Resolution; *provided, however*, that (a) the true interest cost for the 2003 Series C Bonds shall not exceed 3.50% and (b) the net present value savings to be realized by the City as a result of the issuance of the 2003 Series C Bonds and the refunding of the Refunded Bonds shall not be less than 6% of the principal amount of the 2003 Series C Bonds. The Contract of Purchase shall be executed and delivered as provided in Section 14 hereof; *provided, however*, that at or prior to the time of the execution and delivery of the Contract of Purchase, the City shall have received from Goldman, Sachs & Co. the disclosure statement required pursuant to Section 218.385(6), Florida Statutes.

SECTION 7. Approval of the Continuing Disclosure Certificate. The terms and conditions set forth in the Continuing Disclosure Certificate, in substantially the form of the Certificate attached as Appendix G to the Preliminary Official Statement referred to in Section 12 hereof, are hereby approved. The Continuing Disclosure Certificate shall be executed and delivered as provided in Section 14 hereof.

SECTION 8. Approval of the Escrow Deposit Agreement. The terms and conditions set forth in the Escrow Deposit Agreement, in substantially the form of the contract attached hereto as Exhibit D, are hereby approved. The Escrow Deposit Agreement shall be executed and delivered as provided in Section 14 hereof.

SECTION 9. 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 2003 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, will be equal to the amount necessary to purchase Investment Securities (of the type permitted by the provisions of the final sentence of paragraph 2 of Section 1201 of the Bond Resolution) as provided in paragraph 2 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 principal or Redemption Price, as applicable, of the Refunded Bonds on the respective maturity dates thereof or on the date such Bonds are to be called for redemption, as the case may be, and the interest to become due on such Bonds on and prior to such respective maturity and redemption dates. In that connection, the Authorized Officers of the City shall be, and hereby are, authorized to invest and reinvest such proceeds of the 2003 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 action 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 10. Delegation of Authority to Procure Municipal Bond Insurance for All or a Portion of the 2003 Series C Bonds. The General Manager for Utilities of the City, or his designee, shall be, and hereby is, authorized to determine whether it is the economic interests of the City to insure one or more maturities of the 2003 Series C Bonds. In the event that the General Manager for Utilities of the City, or his designee, shall determine that it is the economic interests of the City to insure one or more maturities of the 2003 Series C Bonds, 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 action 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 2003 Series C 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 any such action previously taken is hereby ratified, confirmed and approved.

SECTION 11. Authorization of Authentication. U.S. Bank Trust National Association, as Trustee under the Bond Resolution, is hereby requested and authorized to authenticate the 2003 Series C Bonds in the aggregate principal amount determined as provided in Section 5 hereof, and to deliver such Bonds to or on behalf of the Underwriters, upon payment for the account of the City of the sum to be specified in the Contract of Purchase and pursuant to the terms of the Bond Resolution and the Contract of Purchase.

SECTION 12. Approval of the Form and Use of the Preliminary Official Statement and the Official Statement. The Preliminary Official Statement of the City relating to the 2003 Series C Bonds, in substantially the form of the draft thereof attached hereto as Exhibit E hereto, with such changes thereto as may be made thereto by the City, with the approval of the Representative under (and as defined in) the Contract of Purchase, is hereby

authorized and approved for use in connection with the offering and sale of such Bonds, and the General Manager for Utilities of the City is hereby authorized to deem said Preliminary Official Statement final for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934. The Official Statement of the City relating to the 2003 Series C Bonds, in substantially the form of said Preliminary Official Statement, with such changes as may be made thereto by the City, with the approval of the Representative under and pursuant to the terms of the Contract of Purchase, is hereby authorized and approved for use in connection with the offering and sale of the 2003 Series C Bonds. The Official Statement shall be executed as provided in Section 14 hereof.

SECTION 13. Approval With Respect to Registration or Qualification of the 2003 Series 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 action which they deem necessary or advisable in order to effect the registration or qualification (or exemption therefrom) of the 2003 Series 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 action 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 Underwriters; and any such action previously taken is hereby ratified, confirmed and approved.

SECTION 14. Authorization, Execution and Delivery of Bonds and Related Documents. The Mayor of the City is hereby authorized to execute the Thirteenth Supplemental Resolution and the 2003 Series C Bonds on behalf of the City, subject to the

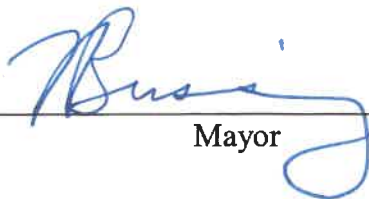
approval of the City Attorney or his designee as to form and legality, *provided, however*, that the 2003 Series C Bonds shall be executed and delivered pursuant to the Bond Resolution and applicable law. The Mayor, the General Manager for Utilities and the Utility Finance Director of the City are each hereby authorized to execute the Contract of Purchase, the Escrow Deposit Agreement, the Continuing Disclosure Certificate and the Official Statement 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 or his designee as to form and legality. The Clerk of the Commission is hereby authorized to cause the seal of the City to be affixed to each of the 2003 Series 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 15. 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 Thirteenth Supplemental Resolution and the approval, execution and delivery of the Contract of Purchase, the Escrow Deposit Agreement and the Continuing Disclosure Certificate and the carrying out of their terms and the terms of the Bond Resolution; the issuance, sale, execution and delivery of the 2003 Series C Bonds; and the use of the Preliminary Official Statement and the Official Statement 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 certificate referred to in Section 2.03 of the Thirteenth Supplemental Resolution in order to evidence the determinations referred to in Sections 5, 6 and 10 hereof.

SECTION 16. 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.

SECTION 17. Effective Date. This resolution shall take effect immediately upon its adoption.

Dated this 14th day of July A.D., 2003.



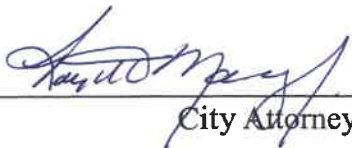
Mayor

ATTEST:



Clerk of the Commission

Approved as to Form and Legality

By 

City Attorney