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CITY OF GAINESVILLE, FLORIDA  
UTILITIES SYSTEM REVENUE BONDS, 2012 SERIES A

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CONTRACT OF PURCHASE

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July \_\_\_\_, 2012

The Honorable Mayor and Commissioners  
City of Gainesville, Florida  
City Hall  
200 East University Avenue  
Gainesville, Florida 32601

Honorable Mayor and Commissioners:

The undersigned, J.P. Morgan Securities LLC, acting for and on behalf of ourselves and Merrill Lynch, Pierce, Fenner & Smith Incorporated, Citigroup Global Markets Inc., Goldman, Sachs & Co. and Jeffries & Company, Inc. (herein collectively, including the Representative (defined below), called the “Underwriters”), offer to enter into this Contract of Purchase (the “Purchase Contract”) with you (the “City”) which, upon acceptance, will be binding upon the City and upon the Underwriters. J.P. Morgan Securities LLC has been duly authorized by the other Underwriters to execute this Purchase Contract as their representative (the “Representative”). This offer is made subject to the City's acceptance on or before 6:00 p.m., New York City time, on the date hereof or on such other date as shall be agreed to by the City and the Representative, and if not so accepted, will be subject to withdrawal by the Underwriters upon notice delivered to the City at any time prior to the acceptance hereof by the City.

The Representative is not acting as a Municipal Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended), and shall not have a fiduciary duty, to the City in connection with the matters contemplated by this Purchase Contract. The City has consulted its own financial advisors to the extent it deems appropriate.

**1. Purchase, Sale and Delivery of the 2012 Series A Bonds.**

(a) Subject to the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriters, jointly and severally, hereby agree to purchase from the City, and the City hereby agrees to sell to the Underwriters, all (but not less than all) of \$\_\_\_\_\_ aggregate principal amount of City of Gainesville, Florida, Utilities System Revenue Bonds, 2012 Series A (the “2012 Series A Bonds”). The 2012 Series A Bonds will be dated, bear interest at the rates per annum and mature on the dates and in the amounts set forth in Exhibit A attached hereto. The purchase price for the 2012 Series A Bonds, representing a par amount of \$\_\_\_\_\_, [plus][discount] original issue [premium][discount] of \$\_\_\_\_\_, less the underwriters’ discount of \$\_\_\_\_\_, shall be \$\_\_\_\_\_.

(b) The 2012 Series A Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable as provided in, the Utilities System Revenue Bond Resolution adopted by the City on June 6, 1983 (the “Original Resolution”), as heretofore amended, supplemented and restated, including as supplemented by a resolution entitled “Twenty-Fourth Supplemental Utilities System Revenue Bond Resolution” (the “Twenty-Fourth Supplemental Resolution”) authorizing the 2012 Series A Bonds duly adopted by the City on June 21, 2012 (the Original Resolution as so supplemented and amended through and including the date hereof being herein called the “Resolution”). The 2012 Series A Bonds are authorized to be issued pursuant to Chapter 166, Part II, Florida Statutes (the “Act”), the Resolution, and the Charter of the City (the “Charter”). The 2012 Series A Bonds will be direct and special obligations of the City payable solely from the Trust Estate (as defined in the Resolution) pledged therefor under the Resolution subject to the priorities described in the Resolution.

(c) The proceeds of the 2012 Series A Bonds will be used to provide a portion of the funds (a) to refund certain of the City’s outstanding Utilities System Revenue Bonds listed in Exhibit B attached hereto (the “Refunded Bonds”), and (b) to pay costs of issuance of the 2012 Series A Bonds.

(d) The Preliminary Official Statement of the City, dated June \_\_\_\_, 2012 (including all appendices thereto) relating to the 2012 Series A Bonds is herein called the “Preliminary Official Statement”. The City represents that it has deemed the Preliminary Official Statement “final as of its date” within the meaning of paragraph (b)(1) of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), except for the omission of not more than the following information: offering price(s), interest rates(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery date(s), ratings and other terms of the 2012 Series A Bonds depending on such matters.

(e) The City shall prepare and deliver to the Underwriters, as promptly as practicable, but in any event not later than two business days prior to the Closing Date (as defined below) or seven business days from the date hereof, a final official statement, with such changes and amendments as may be agreed to by the Underwriters, in such quantities as the Underwriters may reasonably request in order to comply with paragraph (b)(4) of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board (“MSRB”) (such official statement,

including the cover page and Appendices thereto, as the same may be supplemented or amended pursuant to clause (k) below, is herein referred to as the “Official Statement”). In addition, the City will provide, subject to customary disclaimers regarding the transmission of electronic copies, an electronic copy of the final Official Statement to the Underwriters in the currently required designated electronic format stated in MSRB Rule G-32 and the EMMA Dataport Manual (as defined below). The parties agree that the format in which the Preliminary Official Statement was delivered meets such electronic format requirements.

(f) Within one (1) business day after receipt of the Official Statement from the City, but by no later than the Closing Date, the Underwriters shall, at their own expense submit the Official Statement to EMMA (as defined below). The Underwriters will comply with the provisions of MSRB Rule G-32, including without limitation the submission of Form G-32 and the Official Statement and notify the City of the date on which the Official Statement has been filed with EMMA.

“EMMA” means the MSRB’s Electronic Municipal Market Access system, or any other electronic municipal securities information access system designated by the MSRB for collecting and disseminating primary offering documents and information.

“EMMA Dataport Manual” means the document(s) designated as such published by the MSRB from time to time setting forth the processes and procedures with respect to submissions to be made to the primary market disclosure service of EMMA by underwriters under Rule G-32(b).

(g) The City hereby authorizes the Underwriters to use and distribute the Preliminary Official Statement, the Final Official Statement (as hereinafter defined), the Resolution and this Purchase Contract and all information contained in each thereof, and all other documents, certificates and statements furnished by the City to the Underwriters in connection with the transactions contemplated by this Purchase Contract, in connection with the offer and sale of the 2012 Series A Bonds.

(h) The City acknowledges and agrees that (i) the purchase and sale of the 2012 Series A Bonds pursuant to this Purchase Contract is an arm’s-length commercial transaction between the City and the Underwriters, (ii) in connection with such transaction, each Underwriter is acting solely as a principal and not as an advisor, (including, without limitation, a Municipal Advisor (as such term is defined in Section 975(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act)), an agent or a fiduciary of the City, (iii) the Underwriters have not assumed (individually or collectively) a fiduciary responsibility in favor of the City with respect to the offering of the 2012 Series A Bonds or the process leading thereto (whether or not any Underwriter, or any affiliate of an Underwriter, has advised or is currently advising the City on other matters) or any other contractual obligation to the City except the obligations expressly set forth in this Purchase Contract, (iv) the Underwriters have financial and other interests that differ from those of the City and (v) the City has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the 2012 Series A Bonds.

(i) The Representative will wire transfer to the City at or prior to the execution hereof by the City \$[\_\_\_\_\_] (the “Good Faith Deposit”) as security for the

performance by the Underwriters of their obligations to accept delivery of and pay for the 2012 Series A Bonds at the Closing Date in accordance with the provisions of this Purchase Contract. The Good Faith Deposit will be applied (exclusive of any interest earned on the Good Faith Deposit) as a credit towards the purchase price for the 2012 Series A Bonds. In the event the City does not accept this offer, or upon the City's failure to deliver the 2012 Series A Bonds at the Closing Date, or if the conditions to the obligations of the Underwriters contained in this Purchase Contract shall be unsatisfied (unless waived by the Underwriters), or if such obligations shall be terminated for any reason permitted by this Purchase Contract, such Good Faith Deposit plus interest earned thereon by the City shall be immediately returned to the Representative. In the event that the Underwriters fail (other than for a reason permitted under this Purchase Contract) to accept delivery of and pay for the 2012 Series A Bonds at the Closing hereinafter referred to, such sum shall constitute full liquidated damages for such failure and for any and all defaults hereunder on the part of the Underwriters, and shall constitute a full release and discharge of all claims and rights hereunder of the City against the Underwriters. Except as set forth in Section 4 hereof, no party hereto shall have any further rights against any other hereunder.

(j) At or prior to the Closing, the City shall cause to be delivered to the Representative an executed copy of the letter from Ernst & Young LLP, dated the date of the Preliminary Official Statement, and addressed to the City, stating that they consent to the use of their report accompanying the financial statements of the City contained in the Preliminary Official Statement.

(k) The City further agrees that if on or prior to the 25th day after the "end of the underwriting period," as such expression is used in Rule 15c2-12, an event occurs affecting the City that is materially adverse for the purpose for which the Final Official Statement is to be used and is not disclosed in the Final Official Statement, the City will notify the Representative thereof and, if in the opinion of the City or the Representative such event, or the event or events described in any such notice, requires a supplement or amendment to the Final Official Statement, the City will supplement or amend the Final Official Statement in a manner approved by the City and the Representative (such approvals not to be unreasonably delayed or withheld) and will thereafter until the end of such 25-day period provide the Representative with copies of the Final Official Statement, as so amended or supplemented, in sufficient quantities to allow the Underwriters to comply with the requirements referred to in subparagraph (1) above, subject to Section 4 hereof as to the payment of the expenses therefor.

(l) At 10:00 a.m., New York City time, on \_\_\_\_\_, 2012 or at such earlier or later time or date as shall be agreed upon by the Representative and the City (such time and date being herein referred to as the "Closing Date"), the City will deliver or cause to be delivered to or on behalf of The Depository Trust Company ("DTC"), on behalf of the Underwriters, the 2012 Series A Bonds in definitive form (all 2012 Series A Bonds bearing CUSIP numbers), duly executed by the City, and authenticated by U.S. Bank Trust National Association, as trustee (the "Trustee"), and the City will deliver to the Representative at such location as shall be agreed upon by the City and the Representative, the other documents herein mentioned; the Underwriters will accept such delivery and pay the purchase price of the 2012 Series A Bonds as set forth in paragraph (a) of this Section 1 by wire transfer of federal funds for the purchase of the 2012 Series A Bonds, in an amount equal to the difference between said

purchase price and the amount of the Good Faith Deposit (such delivery and payment being hereinafter referred to as the “Closing”).

The 2012 Series A Bonds shall be made available to the Representative not later than one business day before the Closing Date for the purpose of inspection. The 2012 Series A Bonds shall be issued initially in the form of a separate, fully registered bond in the amount of each separate stated maturity of each series thereof, registered in the name of Cede & Co., as nominee of DTC.

**2. Representations, Warranties and Agreements of the City.** The City hereby represents and warrants to and agrees with the Underwriters that:

(a) The City is duly organized and validly existing as a municipal corporation under the Constitution and laws of the State of Florida, including the Charter, and has, and at the Closing Date will have, full legal right, power and authority (i) to enter into this Purchase Contract, the Escrow Deposit Agreement Relating to the 2012 Series A Bonds, dated as of August 1, 2012, between the City and the Trustee (the “Escrow Agreement”) and a Continuing Disclosure Certificate, dated the Closing Date, relating to the 2012 Series A Bonds (the “Continuing Disclosure Certificate”) in substantially the form attached to the Final Official Statement, (ii) to adopt the Resolution, (iii) to pledge the Trust Estate as set forth in the Resolution, (iv) to issue, sell and deliver the 2012 Series A Bonds to the Underwriters pursuant to the Resolution, as provided herein, (v) to operate the System and conduct the business thereof as set forth in and contemplated by the Final Official Statement, and (vi) to carry out, give effect to and consummate the transactions contemplated by this Purchase Contract, the Escrow Agreement, the Resolution, the Preliminary Official Statement, the Final Official Statement and the Continuing Disclosure Certificate;

(b) The City has complied, and will at the Closing Date be in compliance, in all material respects with the Charter, the Act, the Constitution of the State of Florida and the Resolution as directly or indirectly affects the issuance of the 2012 Series A Bonds or the validity thereof, the validity or adoption of the Resolution, or the execution and delivery of the 2012 Series A Bonds, this Purchase Contract, the Escrow Agreement, the Final Official Statement and the Continuing Disclosure Certificate or other instruments contemplated by any of such documents to which the City is a party, and compliance with the provisions of each thereof;

(c) The City has duly and validly adopted the Resolution, has duly authorized and approved the execution and delivery of the 2012 Series A Bonds, this Purchase Contract, the Escrow Agreement, the Final Official Statement and the Continuing Disclosure Certificate and has duly authorized and approved the performance by the City of its obligations contained in, and the taking of any and all action as may be necessary to carry out, give effect to and consummate the transactions contemplated by, each of said documents, and at the Closing Date the 2012 Series A Bonds, the Resolution, this Purchase Contract, the Escrow Agreement and the Continuing Disclosure Certificate will constitute the valid, legal and binding obligations of the City enforceable in accordance with their respective terms, subject to the effect of, and restrictions and limitations imposed by or resulting from, bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors’ rights and

judicial discretion and the valid exercise of the sovereign police powers of the State of Florida and the constitutional power of the United States of America, and the Resolution will be in full force and effect;

(d) The City is not in breach of or in default under any constitutional provision, applicable law or administrative rule or regulation of the State of Florida, the United States, or of any department, division, agency or instrumentality of either thereof or any applicable court or administrative decree or order, or any loan agreement, note, ordinance, resolution, indenture, contract, agreement or other instrument to which the City is a party or by which the City or any of the property or assets of the System is otherwise subject or bound which in any material way, directly or indirectly, affects the issuance of the 2012 Series A Bonds, or the validity thereof, the validity or adoption of the Resolution, or the execution and delivery of the 2012 Series A Bonds, this Purchase Contract, the Final Official Statement, the Escrow Agreement or the Continuing Disclosure Certificate or other instruments contemplated by any such documents to which the City is a party, and compliance with the provisions of each thereof will not conflict with or constitute a breach of or default under any constitutional provision, applicable law or administrative rule or regulation of the State of Florida, the United States, or of any department, division, agency or instrumentality of either thereof, or any applicable court or administrative decree or order, or any loan agreement, note, ordinance, resolution, indenture, contract, agreement or other instrument to which the City is a party or by which the City or any of the property or assets of the System is otherwise subject or bound;

(e) All approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, legislative body, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the due performance by the City of its obligations under the Resolution, the 2012 Series A Bonds, this Purchase Contract, the Escrow Agreement and the Continuing Disclosure Certificate have been obtained and are in full force and effect, except for such approvals, consents and orders as may be required under the “Blue Sky” or securities laws of any state in connection with the offering and sale of the 2012 Series A Bonds;

(f) The 2012 Series A Bonds, the Resolution, the Escrow Agreement and the Continuing Disclosure Certificate conform to the descriptions thereof contained in the Preliminary Official Statement and to be contained in the Final Official Statement, and the 2012 Series A Bonds, when delivered in accordance with the Resolution and paid for by the Underwriters on the Closing Date as provided herein, will be validly issued and outstanding direct and special obligations of the City entitled to all the benefits and security of the Resolution;

(g) The Preliminary Official Statement is, and the Final Official Statement will be, as of the date of its delivery to the Underwriters and (as supplemented with the written approval of the Representative, if the Final Official Statement shall have been supplemented) as of the Closing Date, true, correct and complete in all material respects and the Preliminary Official Statement does not, and the Final Official Statement will not, as of the date of its delivery to the Underwriters and (as supplemented with the written approval of the Representative, if the Final Official Statement shall have been supplemented) as of the Closing Date, contain any untrue statement of a material fact or omit to state a material fact necessary to

make the statements therein, in the light of the circumstances under which they are made, not misleading;

(h) The Resolution creates a legally valid and binding pledge of the Trust Estate, subject only to the provisions of the Resolution permitting the application thereof on the terms and conditions set forth in the Resolution;

(i) Except as may be described in the Final Official Statement, no action, suit or proceeding, at law or in equity, and to the knowledge of the City, no inquiry or investigation before or by any court, regulatory agency, public board or body, is pending or, to the knowledge of the City, threatened in any way affecting the existence of the City or the titles of its officers to their respective offices, or seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the 2012 Series A Bonds or the application of the proceeds of the 2012 Series A Bonds or the collection or application of the Revenues (as defined in the Resolution) of the System as described in the Preliminary Official Statement and as will be described in the Final Official Statement, or the pledge of the Trust Estate pursuant to the Resolution, or in any way contesting or affecting the validity or enforceability of the 2012 Series A Bonds, the Resolution, this Purchase Contract, the Escrow Agreement or the Continuing Disclosure Certificate or any action of the City contemplated by any of said documents, or in any way contesting the completeness or accuracy of the Preliminary Official Statement or the Final Official Statement or the powers of the City or its authority with respect to the 2012 Series A Bonds, the adoption of the Resolution or the execution and delivery of this Purchase Contract, the Escrow Agreement or the Continuing Disclosure Certificate or any action of the City contemplated by any of said documents, or which would adversely affect the exclusion of interest paid on the 2012 Series A Bonds from gross income for federal income tax purposes, nor, to knowledge the City, is there any basis therefor;

(j) The City will furnish such information, execute such instruments and take such other action in cooperation with the Representative as the Representative may reasonably request to qualify the 2012 Series A Bonds for offer and sale under the "Blue Sky" or other securities laws and regulations of such states and other jurisdictions of the United States as the Representative may designate; provided that in connection therewith the City shall not be required to file a general consent to service of process or qualify to do business in any jurisdiction;

(k) The audited financial statements of the System for the periods ended September 30, 2011 and September 30, 2010 heretofore delivered to the Underwriters and contained in the Preliminary Official Statement as Appendix B thereto and to be contained in the Final Official Statement as Appendix B thereto, in each case, fairly present the financial position of the System as of the dates indicated and the results of its operations for the periods specified, and such financial statements have been prepared in conformity with generally accepted accounting principles consistently applied during the periods involved, except as otherwise expressly stated in the notes thereto;

(l) The City will apply the proceeds of the 2012 Series A Bonds in accordance with the Resolution;

(m) Except as disclosed in the Preliminary Official Statement, the City is not in default, and at no time during the past fifteen years has been in default, in the payment of principal of, premium, if any, or interest on, any bonds, notes or other obligations which it has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest;

(n) Any certificate signed by the General Manager for Utilities, or other authorized official or individual of the City, shall be deemed a representation and warranty by the City to the Underwriters as to the statements made therein; and

(o) The City has complied with all previous undertakings required pursuant to Rule 15c2-12.

**3. Conditions to the Obligations of the Underwriters and the City.** The obligations of the Underwriters to accept delivery of and pay for the 2012 Series A Bonds on the Closing Date shall be subject, at the option of the Underwriters, to the accuracy in all material respects of the representations and warranties on the part of the City contained herein as of the date hereof and as of the Closing Date, to the accuracy in all material respects of the statements of the officers and other officials of the City made in any certificates or other documents furnished pursuant to the provisions hereof, to the performance by the City of its obligations to be performed hereunder at or prior to the Closing Date and to the following additional conditions:

(a) At the Closing Date, the Resolution shall have been duly adopted, and shall be in full force and effect and shall not have been repealed, amended, modified or supplemented, except as may have been agreed to in writing by the Representative, and there shall have been taken in connection therewith, with the issuance of the 2012 Series A Bonds, and with the transactions contemplated thereby, and by this Purchase Contract, all such actions, as, in the opinion of Orrick, Herrington & Sutcliffe LLP (“Bond Counsel”), shall be necessary and appropriate;

(b) At the Closing Date, the Final Official Statement shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Representative;

(c) Between the date hereof and the Closing Date, the market price or marketability, at the initial offering prices or yields set forth in Exhibit A hereto, shall not have been materially adversely affected, in the judgment of the Representative (evidenced by a written notice to the City terminating the obligation of the Underwriters to accept delivery of and pay for the 2012 Series A Bonds), by reason of any of the following:

(1) legislation enacted by or introduced in or favorably reported to either the House of Representatives or the Senate of the United States, or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the Tax Court of the United States, or an order, ruling, regulation or official statement (final, temporary or proposed) issued or made (i) by or on behalf of the Treasury Department of the United States or the Internal Revenue Service, with the purpose or effect, directly or indirectly, of imposing Federal income taxation upon the Revenues



or upon such interest as would be received by the holders of the 2012 Series A Bonds, or (ii) by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the 2012 Series A Bonds are not exempt from registration under, or other requirements of, the Securities Act of 1933, as amended, or that the Resolution is not exempt from qualification under, or other requirements of, the Trust Indenture Act of 1939, as amended, or that the offering or sale of the 2012 Series A Bonds, or obligations of the general character of the 2012 Series A Bonds, including any or all underlying arrangements as contemplated hereby or by the Final Official Statement, otherwise is or would be in violation of the Federal securities laws as amended and then in effect;

(2) the declaration of war or engagement in major hostilities (or the escalation of any hostilities existing on the date hereof) by the United States or the occurrence of any other national or international emergency or calamity relating to the effective operation of the government of or the financial community of the United States;

(3) the declaration of a general banking moratorium by Federal, New York or Florida authorities or a material disruption in commercial banking or securities settlement or clearance services shall have occurred, or the general suspension of trading on any national securities exchange shall have occurred;

(4) the imposition by the New York Stock Exchange or other national securities exchange, or any governmental authority, of any material restriction not now in force with respect to the 2012 Series A Bonds or obligations of the general character of the 2012 Series A Bonds or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or to the net capital requirements of, underwriters;

(5) the withdrawal or downgrading by a national rating agency of any rating of any Bonds (as defined in the Resolution);

(6) the adoption of any amendment to the Federal or Florida Constitution, decision by any Federal or Florida court, or enactment by any Federal or Florida legislative body materially adversely affecting (i) the tax-exempt status of the City with respect to the outstanding bonds of the City issued in respect to the System the interest on which was, at the date of the original issuance thereof, intended to be excluded from gross income for Federal income tax purposes and the 2012 Series A Bonds, or (ii) the validity or enforceability of this Purchase Contract, the 2012 Series A Bonds, the Resolution or the Escrow Agreement; or

(7) any event occurring, or information becoming known, which makes untrue in any material respect any statement or information contained in the Final Official Statement, or has the effect that the Final Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(d) At or prior to the Closing Date, the Representative shall have received two counterpart originals of the following documents, in each case satisfactory in form and substance to the Representative:

(1) The Final Official Statement, executed on behalf of the City by the General Manager for Utilities;

(2) The Resolution, certified by the Clerk of the Commission that it is a true, correct and complete copy of the one duly adopted or authorized by the City and that it has not been amended, modified or rescinded and is in full force and effect as of the Closing Date;

(3) The unqualified approving opinion of Bond Counsel, dated the Closing Date and addressed to the City, in substantially the forms attached as Appendix F to the Final Official Statement (the "Bond Opinion");

(4) An opinion of Bond Counsel, dated the Closing Date and addressed to the Representative, (a) permitting the Underwriters to rely on the Bond Opinion and (b) to the effect that (i) the City is duly organized and validly existing as a municipal corporation of the State of Florida under the Constitution and laws of the State of Florida, including the Charter, with full legal right, power and authority to perform all of its obligations under this Purchase Contract, and this Purchase Contract is in full force and effect, (ii) compliance by the City with the provisions of the Resolution, this Purchase Contract or the other instruments contemplated by any of such documents to which the City is a party will not conflict with or constitute a breach of any constitutional provision or applicable law of the State of Florida, the United States, or any department, division, agency or instrumentality of the United States, (iii) each of the Escrow Agreement and the Continuing Disclosure Certificate constitutes a valid, legal and binding obligation of the City enforceable in accordance with its terms, (iv) the 2012 Series A Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolution is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended, (v) the Resolution, the 2012 Series A Bonds, the Escrow Agreement and the Continuing Disclosure Certificate conform to the descriptions thereof contained in the Final Official Statement, and the statements contained in the Final Official Statement under the captions "SECURITY FOR THE BONDS," "THE 2012 SERIES A BONDS" and "TAX MATTERS" and in Appendix D to the Final Official Statement, insofar as such statements expressly summarize certain provisions of the Resolution, the 2012 Series A Bonds and the form and content of the Bond Opinion, are accurate in all material respects, and (vi) during the course of serving as Bond Counsel in connection with the issuance of the 2012 Series A Bonds, and without having undertaken to independently verify or assume any responsibility for the accuracy (except as explicitly stated in clause (v) above), completeness or fairness of any of the statements contained in the Final Official Statement, as a matter of fact and not opinion, no facts came to the attention of the attorneys in such firm rendering legal services in connection with the issuance of the 2012 Series A Bonds which caused such firm to believe that the Final Official Statement as of its date and as of the Closing Date (except for any CUSIP numbers, financial, accounting, statistical or economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any information about environmental matters, any management discussion and analysis, or any information about book-entry or DTC, ratings or rating agencies, and the information contained in Appendices A, B, C

and E to the Final Official Statement, included or referred to therein, which such firm may expressly exclude from the scope of this paragraph and as to which no opinion or view need be expressed) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and that no responsibility is undertaken or view expressed with respect to any other disclosure document, materials or activity;

(5) An opinion, dated the Closing Date and addressed to the Representative, of Nixon Peabody LLP, counsel for the Underwriters, to the effect that (i) the 2012 Series A Bonds are exempt from the registration requirements of the Securities Act of 1933, as amended, and the Resolution is exempt from qualification under the Trust Indenture Act of 1939, as amended; (ii) based upon the information made available to them in the course of their participation in the preparation of the Final Official Statement as counsel for the Underwriters and without having undertaken to determine independently or assuming any responsibility for the accuracy, completeness or fairness of the statements contained in the Final Official Statement they do not believe that the Final Official Statement as of its date and as of the Closing Date contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except for Appendices A, B, C, E and F to the Final Official Statement and summaries thereof and references thereto, and other financial, statistical or economic or engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion with respect to the System included therein, as to all of which no view need be expressed); and (iii) the Continuing Disclosure Certificate complies as to form in all material respects with the applicable requirements of Rule 15c2-12;

(6) An opinion, dated the Closing Date and addressed to the City, Bond Counsel and the Representative, of the office of the City Attorney, which may state that except as otherwise stated, it is limited to the laws of the State of Florida, to the effect that (i) the City is a municipal corporation of the State of Florida duly organized and validly existing under the Constitution and laws of the State of Florida, including the Charter, and has full legal right, power and authority (a) to enter into this Purchase Contract, the Escrow Agreement and the Continuing Disclosure Certificate and to adopt the Resolution, (b) to issue, sell and deliver the 2012 Series A Bonds to the Underwriters as provided in this Purchase Contract, (c) to pledge the Trust Estate as set forth in the Resolution, (d) to operate the System, and to levy, collect, receive, hold and apply rates and charges for the services provided from the System, as provided in the Resolution, and (e) to carry out, give effect to and consummate the transactions contemplated by this Purchase Contract, the Resolution, the Escrow Agreement and the Continuing Disclosure Certificate; (ii) by official action of the City, the City has duly adopted the Resolution, has duly authorized and approved the execution and delivery of the 2012 Series A Bonds, this Purchase Contract, the Escrow Agreement, the Continuing Disclosure Certificate and the Final Official Statement and the consummation by it of all other transactions contemplated by this Purchase Contract, and the 2012 Series A Bonds, the Resolution, the Escrow Agreement, the Continuing Disclosure Certificate and this Purchase Contract constitute legal, valid and binding obligations of the City enforceable in accordance with the terms thereof; (iii) except as described in the Final Official Statement, there is no action, suit or proceeding, at law or in equity, and, to the best of such counsel's knowledge, after due inquiry, there is no inquiry or investigation, before or by

any court, regulatory agency, public board or body, pending or, to the best of such counsel's knowledge, after due inquiry, threatened in any way affecting the existence of the City or the titles of its officers to their respective offices, or seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the 2012 Series A Bonds or the collection or application of the Revenues of the System or the pledge of the Trust Estate pursuant to the Resolution, or in any way contesting or affecting the validity or enforceability of the 2012 Series A Bonds, the Resolution, this Purchase Contract, the Escrow Agreement or the Continuing Disclosure Certificate or any action of the City contemplated by any of said documents, or contesting in any way the completeness or accuracy of the Final Official Statement or any supplement or amendment thereto, or contesting the powers of the City or its authority with respect to the 2012 Series A Bonds, the adoption of the Resolution, or the execution and delivery of this Purchase Contract, the Escrow Agreement or the Continuing Disclosure Certificate or any action of the City contemplated by any of said documents, nor to such counsel's knowledge is there any basis therefor; and (iv) during the course of serving as counsel to the City in connection with the issuance of the 2012 Series A Bonds, and without having undertaken to determine independently or assuming any responsibility for the accuracy, completeness or fairness of the statements contained in the Final Official Statement, no facts came to the attention of the attorneys in the office of the City Attorney rendering legal services in connection with the issuance of the 2012 Series A Bonds which caused the office of the City Attorney to believe that the Final Official Statement as of its date and as of the Closing Date (except for any CUSIP numbers, financial, accounting, statistical or economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any management discussion and analysis or any information about book-entry or DTC, ratings or rating agencies, and the information contained in Appendices A, B, F and G to the Final Official Statement, included or referred to therein, which the office of the City Attorney may expressly exclude from the scope of this paragraph and as to which no opinion or view need be expressed) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (the opinions set forth in clauses (i) and (ii) above being subject to the effect of, and restrictions and limitations imposed by or resulting from, bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights and judicial discretion and the valid exercise of the sovereign police powers of the State of Florida and of the constitutional power of the United States of America);

(7) A certificate or certificates, dated the Closing Date and signed by the General Manager for Utilities, to the effect that (i) the representations and warranties of the City contained herein are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date; (ii) no event has occurred since the date of the Final Official Statement which should be disclosed in the Final Official Statement so that it does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements and information therein, in the light of the circumstances under which they were made, not misleading; (iii) nothing has occurred since September 30, 2011 which would have a material effect on the financial condition of the System; and (iv) the City has complied with all agreements and satisfied all the conditions on its part to be performed or satisfied under this Purchase Contract or otherwise at or prior to the Closing Date;

(8) An executed copy of the Continuing Disclosure Certificate, in substantially the form attached as Appendix G to the Final Official Statement;

(9) An executed copy of the procedures letter, dated the date hereof, from Ernst & Young LLP, independent certified public accountants, addressed to the City and the Underwriters, and in a form acceptable to the Representative relating to the financial statements of the City appearing in the Final Official Statement and related matters and a letter, dated the date of the Final Official Statement, from Ernst & Young LLP, consenting to the use in the Final Official Statement of their report dated \_\_\_\_\_, 2012 on the financial statements for the fiscal year ended September 30, 2011 with respect to the System and addressing such other matters as shall be requested by the Representative;

(10) A report of GNP Services, CPA, PA verifying the accuracy of the mathematical computations of the adequacy of the maturing principal of and interest earned on the Government Obligations (as defined in the Official Statement), together with other escrowed monies, held by the Trustee to provide for the payment of the redemption price of and interest on the Refunded Bonds when due;

(11) A Tax Certificate relating to the 2012 Series A Bonds in substance and form satisfactory to Bond Counsel;

(12) Letters from Moody's Investors Service Inc., Standard & Poor's Rating Services, a Standard & Poor's Financial Services LLC business and Fitch Ratings evidencing ratings of "\_\_\_\_," "\_\_\_\_" and "\_\_\_\_", respectively, for the 2012 Series A Bonds;

(13) An executed copy of the Escrow Agreement; and

(14) Such additional legal opinions, certificates, instruments and other documents as the Representative may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the City's representations and warranties contained herein and of the statements and information contained in the Final Official Statement, and the due performance or satisfaction by the City at or prior to the Closing Date of all agreements then to be performed and all conditions then to be satisfied by the City in connection with the transactions contemplated hereby and by the Resolution and the Final Official Statement;

(e) The City shall perform or have performed at or prior to the Closing Date all of its obligations required under or specified in this Purchase Contract, the Final Official Statement and the Resolution to be performed by the City at or prior to the Closing Date; and

(f) Subsequent to the respective dates as of which information is given in the Final Official Statement, except as contemplated in the Final Official Statement, there shall not have been any material decrease in assets or any other material change in the Revenues of the System or the Funds (as defined in the Resolution) or accounts established in the Resolution.

If any of the conditions to the obligations of the Underwriters contained in this Section or elsewhere in this Purchase Contract shall not have been satisfied when and as required herein, all obligations of the Underwriters hereunder may be terminated by the Representative at, or at any time prior to, the Closing Date by written notice to the City.

**4. Expenses.**

(a) The Underwriters shall be under no obligation to pay, and the City shall pay or cause to be paid (out of the proceeds of the 2012 Series A Bonds or any other legally available funds of the System) all expenses incident to the performance of the City's obligations hereunder including, but not limited to, the cost of printing, executing and delivering the 2012 Series A Bonds to or on behalf of DTC; the cost of preparation, printing (and/or word processing and reproduction), distribution and delivery of the Resolution, the Preliminary Official Statement, up to 500 copies of the Final Official Statement and all other agreements and documents contemplated hereby or used in connection with the marketing and sale of the 2012 Series A Bonds and any drafts thereof in reasonable quantities as requested by the Representative; the fees and disbursements of Bond Counsel, engineers, accountants, financial advisors, verification agents and any other experts or consultants retained in connection with the issuance of the 2012 Series A Bonds; fees charged by the rating agencies for rating the 2012 Series A Bonds; and any other expenses not specifically enumerated in paragraph (b) of this Section incurred in connection with issuance of the 2012 Series A Bonds.

(b) The City shall be under no obligation to pay, and the Underwriters shall pay, the cost of preparation, printing (and/or word processing and reproduction), distribution and delivery of the agreement among underwriters, the selling group agreement, the "Blue Sky" memoranda and this Purchase Contract; expenses to qualify the 2012 Series A Bonds for sale under any "Blue Sky" laws; and all other expenses incurred by the Underwriters in connection with their public offering and distribution of the 2012 Series A Bonds not specifically enumerated in paragraph (a) of this Section, including the fees and disbursement of their counsel.

5. **Notices.** Any notice or other communication to be given to the City under this Purchase Contract may be given by delivering the same in writing to the City in care of the Utilities System, 301 S.E. Fourth Avenue, P.O. Box 147117, Gainesville, Florida, 32614-7117, Attention: General Manager for Utilities; and any notice or other communication to be given to the Underwriters under this Purchase Contract may be given by delivering the same in writing to J.P. Morgan Securities LLC, 383 Madison Avenue, 8th Floor, New York, NY 10179, Attention: Matthew E. Levin, Executive Director.

6. **Immunity of Officers and Employees.** No recourse may be had for the payment of the principal, premium, if any, or interest on the 2012 Series A Bonds or for any claim based thereon or upon any representation, obligation, covenant or agreement in this Purchase Contract against any present or future officer, member, employee, director or agent of the City, under any rule of law or equity, statute or constitution, except for claims arising from willful misconduct or gross negligence, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, members, employees, directors or agents as such, except for liability arising from willful misconduct or gross negligence of such officers,

members, employees, directors or agents, is hereby expressly waived and released as a condition of and consideration for the execution of this Purchase Contract.

7. **Parties in Interest.** This Purchase Contract is made solely for the benefit of the City and the Underwriters (including successors or assigns of any Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. The term “successors or assigns” as used in this Section and Section 11 shall not include any purchaser, as such purchaser, from any of the several Underwriters of the 2012 Series A Bonds.

8. **Survival of Representations and Warranties.** The representations and warranties of the City, set forth in or made pursuant to this Purchase Contract, shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing or termination of this Purchase Contract and regardless of any investigations or statements as to the results thereof made by or on behalf of the Underwriters and regardless of delivery of and payment for the 2012 Series A Bonds.

9. **Counterparts.** This Purchase Contract may be executed in several counterparts, which together shall constitute one and the same instrument.

10. **Florida Law Governs.** The validity, interpretation and performance of this Purchase Contract shall be governed by the laws of the State of Florida.

11. **Entire Agreement.** This Purchase Contract when accepted by you in writing as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the City and the Underwriters (including the successors or assigns of any Underwriter). No other person shall acquire or have any right hereunder or by virtue hereof.

12. **Effectiveness.** This Purchase Contract shall become effective and binding upon the respective parties hereto upon the execution of the acceptance by the City and shall be valid and enforceable as of the time of such acceptance.

13. **Truth-In-Bonding Statement.** The City of Gainesville, Florida is proposing to issue \$[SERIES 2012A PAR] of debt for the purposes of providing funds to refund certain debt of the City heretofore issued for the purpose of providing funds to finance or refinance capital improvements to the System and to pay certain costs of issuance. This debt is expected to be repaid over a period of approximately \_\_\_\_ years. At the interest rates set forth in Exhibit A hereto, total interest paid over the life of the debt will be \$\_\_\_\_\_.

The source of repayment or security for this debt is the net revenues of the System. Authorizing this debt or obligation will result in an average of approximately \$\_\_\_\_\_ per year of the revenues of the System not being available to finance the other services of the System each year for approximately \_\_\_\_ years.

Very truly yours,

J.P. MORGAN SECURITIES LLC

[CO-MANAGERS TO COME]

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Accepted \_\_\_\_\_, 2012

CITY OF GAINESVILLE, FLORIDA

By: \_\_\_\_\_  
Chief Financial Officer, Utilities

APPROVED AS TO FORM AND LEGALITY:

By: \_\_\_\_\_  
Utilities Attorney

[Signature Page of Contract of Purchase]



EXHIBIT A

MATURITIES, AMOUNTS, INTEREST RATES AND YIELDS

2012 Series A Bonds

\$ \_\_\_\_\_ Serial Bonds

<u>Maturity</u> <u>October 1,</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
2021			
2022			
2023			
2024			
2025			

\$ \_\_\_\_\_ % Term Bonds Due October 1, 20\_\_ - Yield \_\_\_\_\_ %

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\* Priced to a par call on October 1, 2020.

EXHIBIT B

REFUNDED BONDS

<u>Series</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount to be Refunded</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
2003 Series A	October 1, 2023	4.625%	\$ 1,605,000	October 1, 2013	100%
2005 Series A	October 1, 2021	4.750	6,210,000	October 1, 2015	100
2005 Series A	October 1, 2022	4.750	8,940,000	October 1, 2015	100
2005 Series A	October 1, 2023	5.000	9,365,000	October 1, 2015	100
2005 Series A	October 1, 2024	5.000	9,835,000	October 1, 2015	100
2005 Series A	October 1, 2025	4.750	10,325,000	October 1, 2015	100