

---

---

**RESOLUTION NO. \_\_\_\_\_**

**CITY OF GAINESVILLE, FLORIDA**

**Not to be Outstanding in Excess  
\$25,000,000  
Variable Rate Subordinated Utilities System Revenue Bond,  
2018 Series A**

**Adopted May 17, 2018**

---

---

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I STATUTORY AUTHORITY, DEFINITIONS AND FINDINGS .....	2
SECTION 1.01. AUTHORITY FOR THIS RESOLUTION.....	2
SECTION 1.02. DEFINITIONS.....	2
SECTION 1.03. FINDINGS AND DETERMINATIONS .....	6
SECTION 1.04. CONTRACT .....	6
ARTICLE II PURPOSE OF 2018 SERIES A BOND.....	7
SECTION 2.01. PURPOSE .....	7
ARTICLE III AUTHORIZATION OF 2018 SERIES A BOND .....	7
SECTION 3.01. AUTHORIZATION OF 2018 SERIES A BOND; DELEGATION .....	7
SECTION 3.02. GENERAL TERMS OF 2018 SERIES A BOND.....	7
SECTION 3.03. OPTIONAL REDEMPTION OF 2018 SERIES A BOND .....	9
SECTION 3.04. ADVANCES.....	9
SECTION 3.05. DETERMINATION OF INTEREST RATE .....	10
SECTION 3.06. EXECUTION OF 2018 SERIES A BOND AND RELATED DOCUMENTS.....	11
SECTION 3.07. FORM OF 2018 SERIES A BOND; TRUSTEE'S CERTIFICATE OF AUTHENTICATION .....	12
ARTICLE IV APPLICATION OF PROCEEDS.....	18
SECTION 4.01. APPLICATION OF PROCEEDS OF 2018 SERIES A BOND ..	18
SECTION 4.02. 2018 PROJECT ACCOUNT .....	18
ARTICLE V ADDITIONAL COVENANTS.....	19
SECTION 5.01. FINANCIAL AND OTHER INFORMATION .....	19
SECTION 5.02. BANKING RELATIONSHIP.....	20
SECTION 5.03. FEES .....	20
ARTICLE VI APPROVAL OF DOCUMENTS .....	20
SECTION 6.01. AUTHORIZATION AND APPROVAL OF NEGOTIATED SALE OF THE 2018 SERIES A BOND AND EXECUTION OF THE PURCHASE CONTRACT; DELEGATION OF AUTHORITY TO DETERMINE CERTAIN MATTERS IN CONNECTION THEREWITH .....	20
SECTION 6.02. EXECUTION AND DELIVERY OF APPLICABLE DOCUMENTS.....	21
SECTION 6.03. FURTHER ACTIONS .....	21
ARTICLE VII TAX MATTERS .....	21
SECTION 7.01. TAX COVENANT .....	21
ARTICLE VIII ADDITIONAL REMEDIES .....	23
SECTION 8.01. REMEDIES.....	23
ARTICLE IX AMENDMENT TO SUBORDINATED BOND RESOLUTION.....	23
SECTION 9.01. SPRINGING AMENDMENTS .....	23
ARTICLE X MISCELLANEOUS .....	23
SECTION 10.01. FURTHER ASSURANCES .....	23
SECTION 10.02. SEVERABILITY OF INVALID PROVISIONS.....	23
 EXHIBIT A - ACCEPTANCE OF OFFICE OF PAYING AGENT	
EXHIBIT B - PURCHASE CONTRACT	
EXHIBIT C - FORM OF ADVANCE REQUISITION	

**RESOLUTION NO. \_\_\_\_\_**

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF GAINESVILLE, FLORIDA, FOR THE PURPOSE OF AUTHORIZING THE ISSUANCE, SALE, EXECUTION AND DELIVERY OF THE CITY OF GAINESVILLE, FLORIDA VARIABLE RATE SUBORDINATED UTILITIES SYSTEM REVENUE BOND, 2018 SERIES A, IN ORDER TO PROVIDE MONEYS FOR VARIOUS CAPITAL PROJECTS OF THE CITY'S COMBINED UTILITIES SYSTEM, AND DELEGATING THE AUTHORITY TO DETERMINE CERTAIN MATTERS IN CONNECTION THEREWITH; AUTHORIZING THE 2018 SERIES A BOND IN A PRINCIPAL AMOUNT NOT TO EXCEED \$25,000,000 OUTSTANDING AT ANY TIME; APPROVING THE NEGOTIATED SALE OF THE 2018 SERIES A BOND AND APPROVING THE FORM, AND AUTHORIZING THE EXECUTION AND DELIVERY, OF A PURCHASE CONTRACT WITH RESPECT THERETO, AND DELEGATING THE AUTHORITY TO DETERMINE CERTAIN MATTERS IN CONNECTION THEREWITH; AUTHORIZING THE AUTHENTICATION AND DELIVERY OF THE 2018 SERIES A BOND; AUTHORIZING CERTAIN CITY OFFICIALS TO TAKE ALL OTHER ACTIONS DEEMED NECESSARY OR ADVISABLE IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE 2018 SERIES A BOND; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

**WHEREAS**, the City of Gainesville, Florida (the "City") adopted on January 30, 2003 its Amended and Restated Utilities System Revenue Bond Resolution (the "Senior Bond Resolution"), as amended, supplemented and restated and authorized thereunder Subordinated Indebtedness;

**WHEREAS**, the City on December 8, 2003 adopted its Amended and Restated Subordinated Utilities System Revenue Bond Resolution supplementing the Senior Bond Resolution (the "Subordinated Bond Resolution" and together with the Senior Bond Resolution, the "Bond Resolution") authorizing the issuance of Subordinated Indebtedness junior and subordinated in all respects to the security interest in and pledge and assignment of the Trust Estate created by the Senior Bond Resolution as security for the Bonds;

**WHEREAS**, the City desires to authorize a revolving line of credit as Subordinated Indebtedness pursuant to the Subordinated Bond Resolution to finance from time to time the Cost of Acquisition and Construction of the System, such projects as shall be included in the then-approved capital improvement plan for the System and authorized by a hereinafter defined Authorized Officer.

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

**ARTICLE I**  
**STATUTORY AUTHORITY, DEFINITIONS AND FINDINGS**

**SECTION 1.01. AUTHORITY FOR THIS RESOLUTION.** This Resolution (this "Resolution") is enacted pursuant to the Act, including Article VIII, Section 2 of the Constitution of the State of Florida, Section 159.11, Florida Statutes and Chapter 166, Florida Statutes.

**SECTION 1.02. DEFINITIONS.** Except as provided by this Resolution, all terms that are defined in Section 1.02 of the Subordinated Bond Resolution shall have the same meanings, respectively, in this Resolution as such terms are given in said Section 1.02 of the Subordinated Bond Resolution and in this Resolution.

"Advance" means the borrowing of money under the 2018 Series A Bond. The amount of each Advance represents the purchase price of an increment of the principal amount of the 2018 Series A Bond being issued by the City and purchased by the Purchaser pursuant to Section 3.04.

"Advance Requisition" means a written certificate executed by an Authorized Officer of the City in substantially the form of Exhibit "C" attached hereto.

"Applicable Percentage" means 81%.

"Applicable Spread" means 1.85%.

"Authorized Officer" or "Authorized Officers" means the "Authorized Officers of the City," as defined in the Senior Bond Resolution.

"Available Amount" means, for any day, the Commitment Amount net of the aggregate amount of Advances outstanding at such time.

"Base Rate" means the higher of (i) the per annum rate that the Purchaser's affiliate SunTrust Bank announces from time to time as its prime lending rate, as in effect from time to time, and (ii) the Federal Funds Rate, as in effect from time to time, plus one-half of one percent (0.50%) per annum. SunTrust Bank's prime lending rate is a reference or benchmark rate, is purely discretionary, and does not necessarily represent the lowest or best rate actually charged to any customer. SunTrust Bank may make commercial loans or other loans at rates of interest at, above, or below its prime lending rate. Each change in SunTrust Bank's prime lending rate or the Federal Funds Rate shall be effective from and including the date of such change.

"Bond Rating" means, the underlying, long-term rating assigned by a Rating Agency to any Bonds issued and Outstanding under the Senior Bond Resolution, without reliance on any credit enhancement.

"City" means the City of Gainesville, Florida.

"City Attorney" means the City Attorney, the Utilities Attorney or such other assistant City Attorney as designated by the City Attorney.

"Clerk" shall mean the Clerk of the City or any Deputy Clerk.

"Code" means the Internal Revenue Code of 1986, as amended, and any rules and applicable regulations thereunder in effect or proposed.

"Commitment Amount" shall mean \$25,000,000 and as such amount may hereafter be amended by agreement of the City and the Purchaser and satisfaction of the conditions in the Bond Resolution.

"Default Rate" means the lesser of (i) the sum of the Prime Rate plus 5.00% per annum and (ii) the Maximum Rate.

"Delivery Date" means the date of delivery of the 2018 Series A Bond to the Purchaser upon satisfaction of the conditions precedent set forth herein.

"2018A Event of Default" means a change in the Bond Rating to below the "Baa1/BBB+" (or equivalent) Rating Category, by two or more Rating Agencies then rating the Bonds.

"Event of Taxability" means that a final decree or judgment of any Federal court or a final action of the Internal Revenue Service determining that interest is includable in the gross income of the Holder for Federal income tax purposes as a result of the action or inaction of the City; provided, no Event of Taxability shall be deemed to occur unless the City has been given written notice of such occurrence and, to the extent permitted by law, an opportunity to participate in and seek, at the City's own expense, a final administrative determination by the Internal Revenue Service or determination by a court of competent jurisdiction (from which no further right of appeal exists) as to the occurrence of such Event of Taxability; provided, further, that an Event of Taxability shall not include and shall not be deemed to have occurred due to a change in law by the Congress of the United States of America that causes the interest on the 2018 Series A Bond to be includable in the gross income of the Holder of the 2018 Series A Bond. For all purposes of this definition, the effective date of any Event of Taxability will be the first date as of which interest is deemed includable in the gross income of the Holder of the 2018 Series A Bond.

"Federal Funds Rate" means, for any day, the rate per annum (rounded upwards, if necessary, to the next 1/100th of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with member banks of the Federal Reserve System arranged by Federal funds brokers, as published by the Federal Reserve Bank of New York on the next succeeding Business Day or if such rate is not so published for any Business Day, the Federal Funds Rate for such day shall be the average rounded upwards, if necessary, to the next 1/100th of 1% of the quotations for such day on such transactions received by SunTrust Bank or an affiliate thereof from three Federal funds brokers of recognized standing selected by SunTrust Bank or an affiliate thereof.

"General Manager" means the General Manager for Utilities, as designated by the City from time to time.

"Interest Payment Date" means the first Business Day of each month, commencing on such date as set forth in the Purchase Contract and the 2018 Series A Bond.

"Interest Rate" means a per annum rate equal to (i) the Applicable Percentage multiplied by the sum of the LIBOR Rate plus the Applicable Spread, and subject to adjustment to reflect changes in the LIBOR Rate, (ii) after an Event of Taxability, the Taxable Rate, and (iii) during the continuance of an Event of Default or a 2018A Event of Default, the Default Rate.

"Interest Rate Determination Date" means the Delivery Date and the first LIBOR Business Day of each calendar month thereafter.

"LIBOR Business Day" means a day on which the Purchaser's affiliate SunTrust Bank is open for business and on which dealings in U.S. dollar deposits are carried on in the London Inter-Bank Market.

"LIBOR Rate" shall mean that rate per annum effective on any Interest Rate Determination Date, which is equal to the quotient of:

(1) the rate per annum equal to the offered rate for deposits in U.S. dollars for a one (1) month period, which rate appears on that page of Reuters reporting service, or such similar service as determined by the Purchaser, that displays ICE Benchmark Administration ("ICE") (or any successor thereto if ICE is no longer making a London Interbank Offered Rate available) interest settlement rates for deposits in U.S. Dollars, as of 11:00 A.M. (London, England time) two (2) LIBOR Business Days prior to the Interest Rate Determination Date; provided, that if no such offered rate appears on such page, the rate will be the per annum rate of interest determined by the Purchaser to be the rate at which U.S. dollar deposits are offered to the Purchaser's affiliate SunTrust Bank in the London Inter-Bank Market as of 11:00 A.M. (London, England time), on the day which is two (2) LIBOR Business Days prior to the Interest Rate Determination Date, divided by

(2) a percentage equal to 1.00 minus the maximum reserve percentages (including any emergency, supplemental, special or other marginal reserves) expressed as a decimal (rounded upward to the next 1/100th of 1%) in effect on any day to which the SunTrust is subject with respect to any LIBOR loan pursuant to regulations issued by the Board of Governors of the Federal Reserve System with respect to eurocurrency funding (currently referred to as "eurocurrency liabilities" under Regulation D). This percentage will be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Mandatory Purchase Date" means such date specified in the 2018 Series A Bond, unless the City shall have received written notice from the Purchaser not less than 120 days (or such shorter period of time as shall have been agreed to by the City in writing) prior to the Mandatory Purchase Date that such Purchaser has elected not to tender such

2018 Series A Bond for purchase on the Mandatory Purchase Date whereupon such date shall not be a Mandatory Purchase Date; and in the event the Purchaser elects not to tender such 2018 Series A Bond on such date, there shall be no further tender dates.

"Maximum Rate" means an interest rate per annum equal to the lesser of the maximum rate permitted by law and 12%.

"Mayor" means the Mayor or Mayor-Commissioner Pro Tempore.

"Prime Rate" means the Prime Rate published in the "Money Rates" section of the Wall Street Journal from time to time. The prime rate is a reference or benchmark rate, is purely discretionary and does not necessarily represent the lowest or best rate charged to borrowing customers. The Purchaser may make commercial loans or other loans at rates of interest at, above or below the prime rate. Each change in the prime rate shall be effective from and including the date such change is announced as being effective.

"2018 Project Account" means the 2018 Project Account created in the Construction Fund pursuant to Section 4.02 hereof.

"Purchase Contract" shall mean the Contract of Purchase between the City and the Purchaser, substantially in the form attached as Exhibit "B" hereto.

"Purchaser" means the Holder, initially STI Institutional & Government, Inc., together with its successors and assigns.

"Rebate Amount" means the excess of the future value, as of a computation date, of all receipts on non-purpose investments (as defined in Section 1.148-3 of the Income Tax Regulations) over the future value, as of that date, of all payments on non-purpose investments, but shall not include any amount exempted by Section 148(f) of the Code from payment to the United States.

"Registered Owner" has the meaning given in the 2018 Series A Bond.

"Second Amended and Restated Subordinated Bond Resolution" means the Second Amended and Restated Subordinated Utilities System Revenue Bond Resolution incorporated by reference pursuant to a resolution adopted by the City on May 17, 2018.

"2018 Series A Project" means such capital projects and other improvements to the System as shall be included in the then-approved capital improvement plan for the System and authorized by an Authorized Officer to be financed with proceeds of the 2018 Series A Bond.

"Taxable Period" shall mean the period of time between (a) the date that interest on all or a portion of the 2018 Series A Bond is deemed to be includable in the gross income of the owner thereof for federal income tax purposes as a result of an Event of Taxability, and (b) the date of the Event of Taxability after which the 2018 Series A Bond or portion thereof bears interest at the Taxable Rate.

"Taxable Rate" means the interest rate per annum that shall provide the Purchaser with the same after tax yield that the Purchaser would have otherwise received had the Event of Taxability not occurred, taking into account the increased taxable income of the Purchaser as a result of such Event of Taxability. The Purchaser shall provide the City with a written statement explaining the calculation of the Taxable Rate, which statement shall, in the absence of manifest error, be conclusive and binding on the City.

Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

**SECTION 1.03. FINDINGS AND DETERMINATIONS.** The Governing Body of the City hereby finds, ascertains, determines and declares that:

(1) Pursuant to the Subordinated Bond Resolution, the City may issue Subordinated Bonds from time to time for the purpose, among others, of paying all or a portion of the cost of the 2018 Series A Project comprising various capital projects of the System, funding necessary reserves, if any, and paying costs of issuance related thereto.

(2) The City deems it necessary and in its best interest to issue and sell the 2018 Series A Bond at a variable rate of interest for the purpose of providing funds for the payment of all or a portion of the 2018 Series A Project.

(3) The 2018 Series A Bond shall be issued only upon satisfying the applicable requirements of Section 2.02 of the Subordinated Bond Resolution.

(4) The Purchaser has expressed an interest in submitting an offer to purchase the 2018 Series A Bond by negotiated sale pursuant to the Purchase Contract.

(5) The complexity of the structuring of the 2018 Series A Bond, current conditions in the market for obligations such as the 2018 Series A Bond, and the advantages of a more flexible financial plan make it necessary and in the best interests of the City that the 2018 Series A Bond be sold on a negotiated basis to the Purchaser.

(6) The City desires to delegate the award and sale of the 2018 Series A Bond and certain other matters hereunder to the General Manager or the Chief Financial Officer or such other Authorized Officer within the parameters set forth in this Resolution.

(7) The Purchaser has provided, or will provide prior to the issuance of the 2018 Series A Bond, the City with a disclosure statement containing the information required by Section 218.385(1)(b)(2), Florida Statutes, and a "truth-in-bonding" statement meeting the requirements of Section 218.385(3), Florida Statutes, and no additional disclosure is required.

**SECTION 1.04. CONTRACT.** In consideration of the acceptance of the 2018 Series A Bond authorized to be issued hereunder by the Holder who shall own the same from time to time, the Bond Resolution shall be deemed to be and shall constitute a contract between the City and such Holder, and the covenants and agreements therein and herein set forth to be performed by the City shall be for the equal benefit, protection and

security of the Holder of such 2018 Series A Bond, which shall be of equal rank and without preference, priority, or distinction of any of the Subordinated Bonds.

**ARTICLE II  
PURPOSE OF 2018 SERIES A BOND**

**SECTION 2.01. PURPOSE.** The 2018 Series A Bond are being issued for the purposes of (1) providing for the payment of a portion of the Cost of Acquisition and Construction of the 2018 Series A Project, and (2) paying costs of issuance related to the 2018 Series A Bond, and costs associated with each draw.

**ARTICLE III  
AUTHORIZATION OF 2018 SERIES A BOND**

**SECTION 3.01. AUTHORIZATION OF 2018 SERIES A BOND; DELEGATION.** Pursuant to the provisions of this Resolution, the 2018 Series A Bond is hereby authorized in a principal amount not to be outstanding at any time in excess of the Commitment Amount. Such Bond shall be designated as, and shall be distinguished from the Bonds of all other Series by the title, "Variable Rate Subordinated Utilities System Revenue Bond, 2018 Series A." The 2018 Series A Bond shall be and constitute a "Medium-Term Note," a "Subordinated Bond" and a "Variable Rate Subordinated Bond" as such terms are defined in Section 1.02 of the Subordinated Bond Resolution. Upon the effective date of the Second Amended and Restated Subordinated Bond Resolution, the 2018 Series A Bond shall be and constitute a Partial Draw LOC as defined in the Second Amended and Restated Subordinated Bond Resolution.

The General Manager or the Chief Financial Officer, or such other Authorized Officer, in reliance upon advice of the financial advisor to the System, is hereby directed and authorized to award the sale of the 2018 Series A Bond to STI Institutional & Government, Inc., as the initial Purchaser, and to approve the terms of the 2018 Series A Bond, including, without limitation, the date thereof, and all such terms to be set forth in the Purchase Contract; provided, however, in no event shall the Mandatory Purchase Date be later than nineteen (19) months from the Delivery Date and a final maturity date be later than November 30, 2021, such dates as shall be determined by the General Manager or the Chief Financial Officer or such other Authorized Officer and execution of the Purchase Contract as provided herein shall be conclusive evidence of such approval.

**SECTION 3.02. GENERAL TERMS OF 2018 SERIES A BOND.**

(1) The 2018 Series A Bond shall be issued in fully registered form in a single denomination equal to the principal amount outstanding thereunder and maturing on the date set forth therein, and shall be dated the date of its authentication. Unless an Authorized Officer of the City shall otherwise direct, the 2018 Series A Bond will be numbered "RA-1."

The outstanding principal amount of the 2018 Series A Bond representing Advances made from time to time by the Holder to the City pursuant to Section 3.04 shall bear interest at the Interest Rate, established in accordance with Section 3.05 hereof

(subject to additional adjustment as provided herein and in the form of the 2018 Series A Bond), payable monthly in arrears on each Interest Payment Date. If the date for payment of the principal of or interest on the 2018 Series A Bond shall be a day other than a Business Day, then the date for such payment shall be the next succeeding Business Day, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

The 2018 Series A Bond shall be and shall constitute Subordinated Indebtedness pursuant to the Senior Bond Resolution and shall be subordinate in all respects to the security interest in and pledge and assignment of the Trust Estate created by the Senior Bond Resolution as security for the Bonds.

The principal and Redemption Price of the 2018 Series A Bond will be payable at the principal corporate trust office of U.S. Bank National Association in the City of New York, New York, and such institution is hereby appointed Paying Agent for the 2018 Series A Bond. The principal and Redemption Price of the 2018 Series A Bond also shall be payable at any other place which may be provided for such payment by the appointment of any other Paying Agent or Paying Agents as permitted by the Bond Resolution. Interest on the 2018 Series A Bond shall be paid (i) by wire transfer in immediately available funds at such wire transfer address as such owner shall specify if such owner shall provide written notice to the Paying Agent not less than 5 days prior to the Regular Record Date relating to such Interest Payment Date in which request for wire transfer payment is made and the wire transfer address is specified, or (ii) if such written notice shall not be provided in accordance with clause (i), by check payable to the order of the persons entitled thereto and mailed by first class mail, postage prepaid, to the addresses of such persons as they shall appear on the books of the City kept at the office of the Bond Registrar, or (iii) in such other manner as agreeable by the Holder and the Trustee, with the consent of an Authorized Officer of the City.

(2) Notwithstanding anything in the Subordinated Bond Resolution to the contrary, principal of and interest on the 2018 Series A Bond shall be paid in the manner set forth herein and in the 2018 Series A Bond.

(3) The registration of the 2018 Series A Bond may be transferred only as provided in Article III of the Subordinated Bond Resolution. The 2018 Series A Bond may only be sold, assigned or otherwise transferred in whole and not in part to an affiliate of the Purchaser or a "qualified institutional buyer" within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended, who executes and delivers a letter in substantially the form attached to the Purchase Contract and an Acknowledgment and Consent substantially in the form attached to the 2018 Series A Bond.

(4) The Registrar will transfer the ownership of the 2018 Series A Bond, upon written request of the Purchaser to the Trustee specifying the name, address and taxpayer identification number of the transferee(s). The Person in whose name the 2018 Series A Bond shall be registered shall be deemed and regarded the absolute owner thereof for all purposes, and payment of principal and interest on such 2018 Series A Bond shall be made only to or upon the written order of such Person. All such payments shall be valid and effectual to satisfy and discharge the liability upon such 2018 Series A Bond to the

extent of the sum or sums so paid. No CUSIP number shall be assigned to the 2018 Series A Bond. The 2018 Series A Bond shall not be registered with The Depository Trust Company.

(4) The 2018 Series A Bond shall be subject to mandatory tender by the Purchaser on the Mandatory Purchase Date, unless waived by the Purchaser in accordance with the definition of Mandatory Purchase Date.

### **SECTION 3.03. OPTIONAL REDEMPTION OF 2018 SERIES A BOND.**

(1) The 2018 Series A Bond shall be subject to optional redemption, in whole or in part on any date, at a Redemption Price equal to the principal amount being redeemed, without premium, plus accrued interest thereon, if any, to the redemption date thereof.

(2) Notwithstanding Section 4.04 of the Subordinated Bond Resolution, notice of redemption of the 2018 Series A Bond shall be given not less than two (2) Business Days prior to the redemption date of the 2018 Series A Bond, and such notice shall be given by electronic mail (email), facsimile transmission or physical delivery. Notwithstanding any other provision hereof, notice of optional redemption may be conditioned upon the occurrence or non-occurrence of such event or events as shall be specified in such notice of optional redemption and may also be subject to rescission by the City if expressly set forth in such notice.

### **SECTION 3.04. ADVANCES.**

(1) Amounts advanced under the 2018 Series A Bond shall be made no more often than once per month and in minimum amounts of \$100,000 and any increment of \$5,000 in excess thereof, or the Available Amount if less than \$100,000, unless the Holder in its sole discretion agrees to a different amount; provided, however the initial Advance shall be \$50,000. Amounts advanced and repaid may be advanced again, provided, however, that at no time shall the aggregate amount of Advances outstanding hereunder exceed the Commitment Amount. By not later than 2:30 P.M. (New York City time) or the next Business Day following receipt of the Advance Requisition, the Purchaser shall wire transfer, in federal or other immediately available funds to the account or accounts specified in such Advance Requisition the amount of the Advance; provided, however, such Advance shall not exceed, together with all prior amounts advanced and outstanding, the Commitment Amount. Any request for an Advance received by the Holder after 10:00 a.m. Eastern time shall be deemed received on the next Business Day.

(2) On or before an Advance, the City at its expense shall deliver to the Purchaser an opinion of Bond Counsel, to the effect that either (a) the Advance and the proposed use of the proceeds thereof will not, in and of itself, adversely affect the exclusion from gross income for federal income tax purposes of interest on the 2018 Series A Bond, or (b) that interest on such Advance is excludable to the holder thereof for federal income tax purposes. The Purchaser may, its sole discretion, not honor an

Advance Requisition if an Event of Default shall be occurring under the Bond Resolution.

(3) Upon such Advance Requisition being given to the Purchaser, the City shall promptly send a copy of each Advance Requisition to the Trustee, and, when each Advance is funded, the Holder shall complete the Acknowledgement on each Advance Requisition and send a copy of such Acknowledgement to the City and the Trustee, at such address as provided in the Advance.

### **SECTION 3.05. DETERMINATION OF INTEREST RATE.**

(1) Except for the initial Interest Rate applicable to the 2018 Series A Bond upon issuance, which shall be determined by the Purchaser on or prior to the Delivery Date, the interest rate on the 2018 Series A Bond shall be established by the Purchaser on each succeeding Interest Rate Determination Date at a rate equal to the applicable Interest Rate, but in no event shall the Interest Rate exceed the Maximum Rate. The Interest Rate borne by the 2018 Series A Bond will be calculated on the basis of a 360-day year for the actual number of days elapsed and will be rounded, if necessary, upward to the fifth decimal place. The Purchaser shall notify the City of the interest rate borne by the 2018 Series A Bond by electronic mail at such address as provided by the City to the Purchaser in writing within ten (10) Business Days after the effective date of such rate (or such other manner and time as acceptable to the City and the Purchaser), and the Purchaser will also provide an invoice on a monthly basis of amounts due hereunder and under the 2018 Series A Bond on or prior to each Interest Payment Date.

(2) Upon the occurrence of an Event of Taxability, the Interest Rate on the 2018 Series A Bond, shall be changed to the Taxable Rate effective retroactively to the date on which such Event of Taxability occurred. Promptly upon the occurrence of an Event Taxability, the City agrees upon request to pay to the Holder certain additional amounts, as follows:

(a) an additional amount equal to the difference between (i) the amount of interest paid on the 2018 Series A Bond during the Taxable Period and (ii) the amount of interest that would have been paid on the 2018 Series A Bond during the Taxable Period had the 2018 Series A Bond borne interest at the Taxable Rate; plus

(b) an amount equal to any interest, penalties on overdue interest and additions to tax (as referred to in Subchapter A of Chapter 68 of the Code) owed by the Holder as a result of the occurrence of an Event of Taxability.

The Holder shall, upon written request of the City, provide reasonable evidence to the City supporting the calculation of the Taxable Rate by the Holder.

Following the occurrence of an Event of Taxability, the Holder shall not be obligated to contest or protest the determination that interest on the 2018 Series A Bond is or was taxable, nor cooperate with the City in pursuing any such contest or protest, but may do so in its discretion if indemnified by the City to its satisfaction.

(3) If the Purchaser determines in its sole discretion at any time that it can no longer make, fund or maintain the LIBOR Rate based loans for any reason, including without limitation illegality, or the LIBOR Rate cannot be ascertained or does not accurately reflect the Purchaser's cost of funds, then the Purchaser will notify the City and thereafter will have no obligation to make, fund or maintain LIBOR based loans. Until the Holder shall notify the City that the circumstances giving rise to such notice no longer exist, the Interest Rate on the 2018 Series A Bond, from the date of such determination by the Holder, shall be established at a rate equal to the Applicable Percentage multiplied by the sum of the Base Rate plus the Applicable Spread.

(4) A certificate of the Holder setting forth the amount or amounts necessary to compensate the Holder, specified in subsection (3) of this Section shall be delivered to the City and shall be conclusive, absent manifest error.

(5) Upon an Event of Default or a 2018A Event of Default, the Interest Rate on the 2018 Series A Bond shall immediately and automatically be changed to the Default Rate until such Event of Default or 2018A Event of Default is cured.

(6) Failure or delay on the part of the Holder to demand compensation pursuant to this Section shall not constitute a waiver of the Holder's right to demand such compensation.

(7) The provisions set forth in Section 3.05(2) shall survive payment of the 2018 Series A Bond until such time as the federal statute of limitations under which the interest on the 2018 Series A Bond could be declared taxable under the Code shall have expired.

**SECTION 3.06. EXECUTION OF 2018 SERIES A BOND AND RELATED DOCUMENTS.** The Mayor of the City is hereby authorized to execute the 2018 Series A Bond on behalf of the City, subject to the approval of the City Attorney as to form and legality; *provided, however*, that the 2018 Series A Bond shall be executed and delivered pursuant to the Subordinated Bond Resolution and applicable law. 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 2018 Series A Bond. Such officers are each hereby authorized to deliver such 2018 Series A Bond on behalf of the City.

U.S. Bank National Association, as Trustee under the Bond Resolution, is hereby requested and authorized to authenticate the 2018 Series A Bond in the principal amount outstanding at any time not to exceed the Commitment Amount, and to deliver such 2018 Series A Bond to the Holder, upon payment for the account of the City of the sum specified in the Purchase Contract pursuant to the terms of the Subordinated Bond Resolution and the Purchase Contract. U.S. Bank National Association is hereby requested to execute an acceptance of the office of Paying Agent for the 2018 Series A Bond in substantially the form attached hereto as Exhibit "A."

The signatures of the Mayor or the Mayor Pro Tem and City Clerk on the 2018 Series A Bond may be a manual or facsimile signature. In case one or more of the officers who have signed or sealed the 2018 Series A Bond shall cease to be such officer

of the City before the 2018 Series A Bond so signed and sealed shall have been actually delivered, such 2018 Series A Bond may nevertheless be delivered as herein provided and may be issued as if the person who signed or sealed such 2018 Series A Bond had not ceased to hold such office. The 2018 Series A Bond may be signed and sealed on behalf of the City by such person as at the actual time of the execution of such 2018 Series A Bond shall hold the proper office, although at the date of such 2018 Series A Bond such person may not have held such office or may not have been so authorized.

**SECTION 3.07. FORM OF 2018 SERIES A BOND; TRUSTEE'S CERTIFICATE OF AUTHENTICATION.** Subject to the provisions of the Subordinated Bond Resolution, the form of the 2018 Series A Bond and the Trustee's certificate of authentication shall be of substantially the following tenor with such omissions, insertions, and variations as may be necessary and desirable, and as may be authorized or permitted by the Subordinated Bond Resolution and approved by the Mayor and the Trustee:

In addition, each 2018 Series A Bond shall contain or have endorsed thereon the following legend, which legend the City hereby determines to be necessary or desirable:

THIS SUBORDINATED BOND IS SUBJECT TO TRANSFER RESTRICTIONS, MORE FULLY DESCRIBED IN THE SUPPLEMENTAL RESOLUTION REFERRED TO HEREIN, AND MAY NOT BE TRANSFERRED EXCEPT TO AN AFFILIATE OF THE REGISTERED OWNER OR A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933 WHO EXECUTES AND DELIVERS A LETTER IN THE FORM ATTACHED TO THE PURCHASE CONTRACT REFERENCED IN THE SUPPLEMENTAL RESOLUTION, HEREAFTER IDENTIFIED.

REGISTERED  
NO. RA-1

UNITED STATES OF AMERICA  
STATE OF FLORIDA  
CITY OF GAINESVILLE  
VARIABLE RATE SUBORDINATED UTILITIES SYSTEM REVENUE BOND,  
2018 SERIES A

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL ISSUE DATE</u>
As described herein	_____, 2021	_____, 2018

REGISTERED OWNER: STI INSTITUTIONAL & GOVERNMENT, INC.

PRINCIPAL AMOUNT: NOT TO EXCEED TWENTY-FIVE MILLION  
DOLLARS (\$25,000,000)

THE CITY OF GAINESVILLE, FLORIDA (herein called the "City"), a municipal corporation organized and existing under and by virtue of the laws of the State

of Florida, acknowledges itself indebted to, and for value received, hereby promises to pay to the Registered Owner (named above) or registered assigns, on the Maturity Date (stated above), but solely from the funds pledged therefor as a Subordinated Bond, upon presentation and surrender of this Subordinated Bond at the office of U.S. Bank National Association (such bank and any successor thereto being referred to herein as the "Paying Agent"), so much of the Principal Amount specified above, as has been drawn down by the City on the Maturity Date specified above and to pay interest on the Principal Amounts advanced hereunder from the date of such advances at the Interest Rate per annum described herein. Notwithstanding anything to the contrary in the foregoing, the City shall be liable for only so much of the Principal Amount as shall be equal to the total amount advanced to the City by the Registered Owner from time to time, less all payments made by or for the City and applied by the Registered Owner to principal. Advances under this Subordinated Bond shall be recorded and maintained by the Registered Owner in its internal records and such records shall be conclusive as to the principal and interest owed by the City unless there is a material error in such records. Payments hereunder shall be made in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest on such Principal Amount balance is payable solely from the funds pledged therefor as a Subordinated Bond from the Original Issue Date (stated above), or, if one or more payments of interest has or have theretofore been made or duly provided for, from the most recent interest payment date to which interest has been paid or duly provided for, payable on the first Business Day of each calendar month commencing \_\_\_\_\_ 1, 2018 (each an "Interest Payment Date"), at a rate per annum equal to the Interest Rate (as defined in the Supplemental Resolution hereinafter referred to) as adjusted from time to time and such other rates of interest all as determined pursuant to the Supplemental Resolution hereinafter referred to, until the City's obligation with respect to the payment of such Principal Amount shall be discharged. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Resolution hereinafter referred to, be paid to the person in whose name Bond is registered at the close of business on the Regular Record Date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such Interest Payment Date, such payment to be made by check or draft or wire transfer (or other electronic payment method) of the Trustee hereinafter referred to, as Paying Agent, mailed to such person at the address shown on the registration books of the City kept for that purpose at the principal offices of the Trustee, as Bond Registrar. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the person in whose name this Subordinated Bond is registered on the Regular Record Date, and shall be paid, in the manner described above, to the person in whose name this Subordinated Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof shall be given to holders of bonds of the series of which this Subordinated Bond is one not less than 10 days prior to such Special Record Date.

This bond is a duly authorized Subordinated Bond of the City designated as its "Variable Rate Subordinated Utilities System Revenue Bond, 2018 Series A" (herein sometimes called the "2018 Series A Bond"), issued pursuant to Chapter 90-394, Laws of Florida, 1990, as amended, and other applicable provisions of law (herein called the "Act") and under and pursuant to the Amended and Restated Utilities System Bond

Resolution adopted by the City on January 30, 2003, as amended (the "Senior Bond Resolution"), and as supplemented by the Amended and Restated Subordinated Utilities System Bond Resolution adopted by the City on December 8, 2003, as amended (the "Subordinated Bond Resolution"), and as supplemented by Resolution No. \_\_\_\_ adopted by the City on May 17, 2018 (the "Supplemental Resolution" and together with the Senior Bond Resolution and the Subordinated Bond Resolution, the "Resolution"). As provided in the Resolution, bonds, notes or other evidences of indebtedness of the City may be issued from time to time pursuant to supplemental resolutions in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as in the Resolution provided.

This Subordinated Bond is a direct and special obligation of the City payable from amounts in the Subordinated Indebtedness Fund; subject, however, to (i) the pledge and assignment of the Trust Estate (as defined in the Resolution) created by the Resolution as security for the Bonds and (ii) the pledge and assignment for the Subordinated Indebtedness Fund created by (a) the Subordinated Bond Resolution as security for the Subordinated Bonds and (b) any Supplemental Resolution (as defined in the Resolution) as security for any Parity Subordinated Indebtedness. This Subordinated Bond constitutes a Subordinated Bond for all purposes of the Subordinated Bond Resolution. In accordance with the provisions of the Senior Bond Resolution and the Subordinated Bond Resolution, the City reserves the right to issue additional Subordinated Bonds and Parity Subordinated Indebtedness payable from and secured, on a parity with the 2018 Series A Bond, by a pledge of amounts in the Subordinated Indebtedness Fund. This Subordinated Bond shall be and shall constitute Subordinated Indebtedness pursuant to the Senior Bond Resolution and shall be subordinate in all respects to the security interest in and pledge and assignment of the Trust Estate created by the Senior Bond Resolution as security for the Bonds.

Copies of the Resolution are on file at the office of the City and at the Corporate Trust Office of U.S. Bank National Association, as Trustee under the Resolution, or its successor as Trustee (herein called the "Trustee") and reference is made to the Resolution and any and all supplements thereto and modifications and amendments thereof and to the Act for a description of the security interest, pledge and assignment and covenants securing the Subordinated Bonds, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the holders of the Subordinated Bonds with respect thereto, the terms and conditions upon which the Subordinated Bonds are issued and may be issued thereunder, and for the other terms and provisions thereof.

Upon the occurrence of and during the continuance of an Event of Default or a 2018A Event of Default and taking into account the provisions of Section 8.01 of the Supplemental Resolution, the interest rate otherwise borne hereby shall be adjusted to the Default Rate from and after the effective date of such Event of Default or a 2018A Event of Default until such time as such Event of Default or a 2018A Event of Default is cured.

Upon the occurrence of an Event of Taxability, the Interest Rate on the 2018 Series A Bond, shall be changed to the Taxable Rate effective retroactively to the date on which such Event of Taxability occurred.

The interest rate borne by this Subordinated Bond (i) may never exceed the Maximum Rate, (ii) will be calculated on the basis of a 360 day year for the actual number of days elapsed and (iii) will be rounded, if necessary, upward to the fifth decimal place.

This Subordinated Bond is transferable, as provided in the Resolution, only upon the books of the City kept for that purpose at the above-mentioned office of the Trustee, as Bond Registrar, by the Registered Owner hereof in person, or by such owner's duly authorized attorney, upon surrender of this Subordinated Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or such owner's duly authorized attorney, and thereupon a new fully registered Subordinated Bond or Bonds, without coupons, and in the same maximum principal amount, shall be issued to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges therein prescribed. The City, the Trustee, the Bond Registrar and the Paying Agent may deem and treat the person in whose name this Subordinated Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

The 2018 Series A Bond are payable upon redemption at the above-mentioned office of the Paying Agent. Notice of redemption, setting forth the place of payment, shall be given in accordance with the Supplemental Resolution, but the failure to give notice by mail, or any defect in such notice, to the Registered Owner of any 2018 Series A Bond will not affect the validity of the proceedings for the redemption of any other 2018 Series A Bond. If notice of redemption shall have been given as aforesaid and shall not have been rescinded or ceased to be in effect, the 2018 Series A Bond or portions thereof specified in said notice shall become due and payable on the redemption date therein fixed, and if, on the redemption date, moneys for the redemption of all the 2018 Series A Bond and portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such 2018 Series A Bond or portions thereof so called for redemption shall cease to accrue and be payable.

The 2018 Series A Bond are issuable in the form of a single fully registered bonds in the principal amount outstanding hereunder.

This bond is subject to mandatory tender by the Registered Owner on the [\_\_\_\_\_, 20\_\_] (the "Mandatory Purchase Date"), unless waived by the Registered Owner in accordance with the definition of Mandatory Purchase Date.

The 2018 Series A Bond are subject to optional redemption prior to maturity at the election of the City in accordance with the Supplemental Resolution.

The City and the Registered Owner, by acceptance of this Subordinated Bond, hereby knowingly, voluntarily, intentionally, and irrevocably waive, to the fullest extent permitted by applicable law, the right either of them may have to a trial by jury in respect to any litigation, whether in contract or tort, at law or in equity, based hereon or arising out of, under or in connection with this Subordinated Bond and any other document or

instrument contemplated to be executed in conjunction with this Subordinated Bond, or any course of conduct, course of dealing, statements (whether verbal or written) or actions of any party hereto. This provision is a material inducement for the City and the Registered Owner entering into or accepting this Subordinated Bond.

This Subordinated Bond and the Bond Resolution as supplemented and amended by the Supplemental Resolution shall be governed by applicable federal law and the internal laws of the State of Florida. The City agrees that certain material events and occurrences relating to this Subordinated Bond bear a reasonable relationship to the laws of Florida and the validity, terms, performance and enforcement of this Subordinated Bond shall be governed by the internal laws of Florida which are applicable to agreements which are negotiated, executed, delivered and performed solely in Florida. Unless applicable law provides otherwise, in the event of any legal proceeding arising out of or related to this Subordinated Bond, the City consents to the jurisdiction and venue of any court located or having jurisdiction over Alachua County, Florida.

This Subordinated Bond is and has all the qualities and incidents of a negotiable instrument under the laws of the State of Florida.

This Subordinated Bond does not constitute a general indebtedness or a pledge of the full faith and credit of the City within the meaning of any constitutional or statutory provision or limitation of indebtedness. It is expressly agreed by the holders of this Subordinated Bond that (a) no holder shall ever have the right, directly or indirectly, to require or compel the exercise of the ad valorem taxing power of the City for the payment of the principal of or interest on this Subordinated Bond or the making of any payments provided for in the Resolution, and (b) this Subordinated Bond and the obligation evidenced thereby shall not constitute a lien upon any property of or in the City, but shall constitute a lien only on the Trust Estate in the manner and to the extent provided in the Resolution, subordinate in all respects to the security interest in and pledge and assignment of the Trust Estate created by the Senior Bond Resolution as security for the Bonds.

It is hereby certified and recited that all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this Subordinated Bond, exist, have happened and have been performed and that the issue of Subordinated Bonds of which this is one, together with all other indebtedness of the City, complies in all respects with the applicable laws of the State of Florida including, particularly, the Act.

This Subordinated Bond shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this Subordinated Bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate of Authentication hereon.

By acceptance hereof, the Registered Owner shall be deemed to have irrevocably consented in writing to the amendments to the Subordinated Bond Resolution as set forth in a Resolution adopted on May 17, 2018, and incorporating by reference the Second Amended and Restated Subordinated Bond Resolution.

IN WITNESS WHEREOF, THE CITY OF GAINESVILLE, FLORIDA has caused this bond to be signed in its name and on its behalf by the manual or facsimile signature of its Mayor, and its corporate seal (or a facsimile thereof) to be hereunto affixed, imprinted, engraved or otherwise reproduced and attested by the manual or facsimile signature of its Clerk of the Commission.

THE CITY OF GAINESVILLE, FLORIDA

\_\_\_\_\_  
Mayor

Dated: \_\_\_\_\_

Attested:

\_\_\_\_\_  
Clerk of the Commission

Approved as to Form and Legality:

\_\_\_\_\_  
City Attorney

**Acknowledgment and Consent**

By acceptance of this Bond, the Registered Owner of this Note (and successors and assigns) agrees that (a) the Bond incorporates, and is subject to, Resolution, (b) the Registered Owner agrees to make the Advances contemplated in, and in accordance with the terms of, the Supplemental Resolution, and (c) the Registered Owner shall be bound by the covenants set forth in the Contract of Purchase dated \_\_\_\_\_, 2018 between the City of Gainesville, Florida and STI Institutional & Government, Inc., and its successors and assigns.

STI INSTITUTIONAL & GOVERNMENT,  
INC., together with its successors and  
assigns

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[FORM OF CERTIFICATE OF AUTHENTICATION ON 2018 SERIES A BOND]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This bond is the Subordinated Bond described in the within-mentioned Resolution.

U.S. BANK NATIONAL ASSOCIATION,  
Trustee

By: \_\_\_\_\_  
Authorized Officer

**ARTICLE IV  
APPLICATION OF PROCEEDS**

**SECTION 4.01. APPLICATION OF PROCEEDS OF 2018 SERIES A BOND.** In accordance with paragraph 2 of Section 2.03 of the Subordinated Bond Resolution, the proceeds of the 2018 Series A Bond representing the initial Advance made by the Purchaser to the City on the Delivery Date pursuant to Section 3.04, to the extent permitted under the Code and not otherwise provided by the City by certificate of the General Manager or Chief Financial Officer or such other Authorized Officer, delivered at or prior to the Delivery Date, together with certain legally available funds of the City, if any, shall be applied in the following manner:

(A) An amount sufficient to pay costs of issuance of the 2018 Series A Bond shall be deposited to the 2018 Project Account and applied to pay such costs (any of which costs may be paid directly by the Purchaser); and

(B) The remaining proceeds delivered on the Delivery Date, if any, shall be deposited into the 2018 Project Account and shall be used to pay the Cost of Acquisition and Construction of the 2018 Series A Project, in accordance with the provisions of Section 5.03 of the Subordinated Bond Resolution, and to fund such other reserves and deposits related thereto, all as provided in a certificate of the General Manager or Chief Financial Officer or such other Authorized Officer.

No proceeds of the 2018 Series A Bond shall be deposited into any subaccount in the Debt Service Reserve Account. The 2018 Series A Bond will not be secured by the Debt Service Reserve Account or any subaccount created therein.

Proceeds of any Advance received by the City after the Delivery Date pursuant to Section 3.04 shall be deposited pursuant to the instructions in the applicable Advance Requisition.

**SECTION 4.02. 2018 PROJECT ACCOUNT.** There is hereby created and established in the Construction Fund a Subordinated Bond Construction Account to be held by the City pursuant to Section 5.03 of the Subordinated Bond Resolution to be designated the "2018 Project Account" (the "2018 Project Account"). The 2018 Project

Account shall be kept separate and apart from all other funds and accounts of the City and the moneys on deposit therein shall be withdrawn, used and applied by the City solely for the payment of the Cost of Acquisition and Construction related to the 2018 Series A Project and the costs of issuance of the 2018 Series A Bond.

Any funds on deposit in the 2018 Project Account that, in the opinion of the City, are not immediately necessary for expenditure, as herein provided, may be invested and reinvested in Investments Securities in accordance with Section 603 of the Senior Bond Resolution. All income derived from investment of funds in the 2018 Project Account shall be deposited therein and shall be used for the payment of the Cost of Acquisition and Construction related to the 2018 Series A Project.

Any liquidated damages or settlement payments received by the City as a result of the breach by any contractor, subcontractor or supplier working on or supplying goods related to the 2018 Series A Project of any representation, warranty or performance guaranty shall be deposited therein and shall be used to pay costs associated with the 2018 Series A Project.

Upon completion of the 2018 Series A Project, notwithstanding anything in the Subordinated Bond Resolution to the contrary, any amounts then remaining in the 2018 Project Account and not reserved by the City for the payment of any remaining Cost of Acquisition and Construction related to the 2018 Series A Project may be used to prepay the principal on the 2018 Series A Bond or accrued interest thereon in accordance with the Subordinated Bond Resolution, or may be used for any other lawful purpose to the extent the City receives an opinion of Bond Counsel that such use shall not, in and of itself, cause interest on the 2018 Series A Bond to be includable in gross income for federal income tax purposes.

## **ARTICLE V ADDITIONAL COVENANTS**

**SECTION 5.01. FINANCIAL AND OTHER INFORMATION.** The City shall furnish to the Purchaser:

(1) within two hundred seventy (270) days after the close of each Fiscal Year of the City, a balance sheet of Gainesville Regional Utilities as at the end of such year, and the related statements of revenues, expenses and changes in net assets and cash flows for the year then ended, accompanied by an unmodified audit report of an independent certified public accounting firm of recognized standing stating that they have been prepared in accordance with GAAP consistently applied;

(2) within thirty (30) days of adoption, the current annual budget for the System including, each amendment to the annual budget; and

(3) promptly upon request, such financial and other information as the Purchaser may from time to time reasonably request.

**SECTION 5.02. BANKING RELATIONSHIP.** So long as SunTrust Bank or an affiliate thereof is the holder of the 2018 Series A Bond, the primary operating accounts of the System shall be maintained by SunTrust Bank.

**SECTION 5.03. FEES.** The City shall pay to the Purchaser (or its counsel, as applicable):

(1) on the Delivery Date, an origination fee of \$25,000 and Purchaser's counsel fees of not to exceed \$13,000; and

(2) an unused commitment fee in the amount of 25 basis points (0.25%) per annum on the average daily Available Amount during the preceding fiscal quarter determined based on a 360 day year and actual days elapsed (the "Undrawn Fee"). The Undrawn Fee shall be due and payable quarterly in arrears, upon invoice furnished by the Purchaser within 30 days from the date the City is furnished with such invoice by the Purchaser.

(3) Upon an Event of Default hereunder, the City shall pay all costs of collections and enforcement incurred by the Purchaser, including, without limitation, all reasonable attorneys' fees and expenses.

## **ARTICLE VI APPROVAL OF DOCUMENTS**

**SECTION 6.01. AUTHORIZATION AND APPROVAL OF NEGOTIATED SALE OF THE 2018 SERIES A BOND AND EXECUTION OF THE PURCHASE CONTRACT; DELEGATION OF AUTHORITY TO DETERMINE CERTAIN MATTERS IN CONNECTION THEREWITH.** The form of the Purchase Contract substantially in the form attached hereto as Exhibit "B," is hereby approved, subject to such changes, insertions and omissions and such filling of blanks therein as may be approved and made in such Purchase Contract by the General Manager, the Chief Financial Officer or any other Authorized Officer, executing the same, in a manner consistent with the provisions of this Resolution and subject to the terms hereof, such execution to be conclusive evidence of such approval. Upon compliance with the provisions in Section 3.01 herein and receipt of a disclosure statement and truth-in-bonding statement from the representative of the Purchaser meeting the requirements of Section 218.385, Florida Statutes, and subject to the other provisions of this Resolution, the Authorized Officer signing the same, with the advice of the financial advisor to the System, is hereby authorized and directed to accept the offer of the Purchaser to purchase the 2018 Series A Bond, upon the terms, conditions and redemption provisions set forth in the Purchase Contract. Subject to the provisions set forth herein, the General Manager, the Chief Financial Officer or such other Authorized Officer, is hereby authorized to execute the Purchase Contract for and on behalf of the City pursuant to the terms hereof and of the Purchase Contract and the Clerk is hereby authorized to attest such signatures to the extent required by the form of the Purchase Contract, subject to the approval of the City Attorney as to form and legality.

**SECTION 6.02. EXECUTION AND DELIVERY OF APPLICABLE DOCUMENTS.** The Authorized Officers, collectively or individually, upon satisfaction of the conditions set forth herein, are hereby authorized to execute the Purchase Contract, subject to completion thereof, and with such changes therein as the officer(s) 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 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 foregoing documents and to attest the same, to the extent required therein. Such officers are each hereby authorized to deliver such agreements on behalf of the City. The Authorized Officers, individually and collectively and the officers, attorneys and other agents or employees of the City are each hereby authorized to do all acts and things required of them by the Bond Resolution or the Purchase Contract or desirable or consistent with the requirements of the Bond Resolution or the Purchase Contract for the full punctual and complete performance of all the terms, covenants and agreements contained herein or in the 2018 Series A Bond, the Bond Resolution and the Purchase Contract, and each Authorized Officer, employee, attorney and officer of the City is hereby authorized and directed to execute and deliver any and all papers and instruments, and to be and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereunder.

**SECTION 6.03. FURTHER ACTIONS.** Each Authorized Officer 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 this Resolution and the approval, execution and delivery of the Purchase Contract and the carrying out of its terms and the terms of the Bond Resolution and the issuance, sale, execution and delivery of the 2018 Series A Bond.

## **ARTICLE VII TAX MATTERS**

**SECTION 7.01. TAX COVENANT.** It is the intention of the City and all parties under its control that the interest on the 2018 Series A Bond and any draw thereof issued hereunder be and remain excluded through its final maturity, redemption or draw from gross income for federal income tax purposes and to this end the City hereby represents to and covenants with each of the holders of the 2018 Series A Bond issued hereunder that it will comply with the requirements applicable to it contained in Section 103 and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Code to the extent necessary to preserve the exclusion of interest on the 2018 Series A Bond and any draw thereof issued hereunder from gross income for federal income tax purposes. Specifically, without intending to limit in any way the generality of the foregoing, the City covenants and agrees:

(1) to the extent required by the Code, to make or cause to be made all necessary determinations and calculations of the Rebate Amount and required payments of the Rebate Amount;

(2) to set aside sufficient moneys from the Revenues to timely pay the Rebate Amount to the United States of America;

(3) to pay, at the times and to the extent required under the Code, the Rebate Amount to the United States of America from the funds described in (2) above;

(4) to maintain and retain all records pertaining to the Rebate Amount with respect to the 2018 Series A Bond issued hereunder and required payments of the Rebate Amount with respect to the 2018 Series A Bond for at least six years after the final maturity of the 2018 Series A Bond thereof or such other period as shall be necessary to comply with the Code;

(5) to refrain from taking any action that would cause the 2018 Series A Bond and any draw thereof issued hereunder to become an arbitrage bond under Section 148 of the Code; and

(6) to refrain from using proceeds of the 2018 Series A Bond and any draw thereof issued hereunder in a manner that would cause the 2018 Series A Bond or any draw thereof to be classified as a private activity bond under Sections 141(a) and/or 141(d) of the Code.

The City understands that the foregoing covenants impose continuing obligations of the City that will exist as long as the requirements of Section 103 and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Code are applicable to the 2018 Series A Bond and any draw thereof.

Notwithstanding any other provision of the Bond Resolution, the obligation of the City to pay the Rebate Amount to the United States of America and to comply with the other requirements of this Section shall survive the defeasance or payment in full of the 2018 Series A Bond and any draw thereof.

Notwithstanding any other provision of the Bond Resolution to the contrary, (a) upon the City's failure to observe or refusal to comply with the above covenants, the Holders of the 2018 Series A Bond, or the Trustee acting on their behalf, shall be entitled to the rights and remedies provided to Holders of Subordinated Bonds under the Bond Resolution, other than the right (which is hereby abrogated solely in regard to the City's failure to observe or refusal to comply with the covenants of this Section) to declare the principal of all 2018 Series A Bond then outstanding, and the interest accrued thereon, to be due and payable, and (b) neither the Holders of the Subordinated Bonds of any Series other than the 2018 Series A Bond, nor the Trustee acting on their behalf, shall be entitled to exercise any right or remedy provided to Holders of Subordinated Bonds under the Bond Resolution based upon the City's failure to observe, or refusal to comply with, the above covenants.

**ARTICLE VIII  
ADDITIONAL REMEDIES**

**SECTION 8.01. REMEDIES.**

(1) Notwithstanding anything to the contrary in Section 801 of the Senior Bond Resolution or Section 8.01 of the Subordinated Bond Resolution, a default of any of the covenants contained in Section 7.01 of this Resolution shall not be an "Event of Default" under the Senior Bond Resolution or the Subordinated Bond Resolution, and the sole remedy of the Purchaser upon the occurrence of an Event of Taxability shall be an adjustment of the interest rate on the 2018 Series A Bond to the Taxable Rate to the extent and in the manner described herein and in the 2018 Series A Bond.

(2) Notwithstanding anything to the contrary in Section 801 of the Senior Bond Resolution or Section 8.01 of the Subordinated Bond Resolution, a 2018A Event of Default shall not be an "Event of Default" under the Senior Bond Resolution or the Subordinated Bond Resolution, and the sole remedy of the Purchaser upon the occurrence of a 2018A Event of Default shall be an adjustment of the interest rate on the 2018 Series A Bond to the Default Rate upon the occurrence of such 2018A Event of Default. Upon the occurrence of a 2018A Event of Default, no further Advance Requisitions need be honored by the Purchaser.

**ARTICLE IX  
AMENDMENT TO SUBORDINATED BOND RESOLUTION**

**SECTION 9.01. SPRINGING AMENDMENTS.** The City adopted the Second Amended and Restated Subordinated Bond Resolution amending and restating the Subordinated Bond Resolution to be effective as provided therein. By acceptance of a 2018 Series A Bond, the Holders thereof shall be deemed to have irrevocably consented to the amendments in writing as set forth in the Second Amended and Restated Subordinated Utilities System Revenue Bond Resolution.

**ARTICLE X  
MISCELLANEOUS**

**SECTION 10.01. FURTHER ASSURANCES.** The City agrees that it shall, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such documents and instruments and take such further actions as may be required to continue the perfection and priority of the lien and security interest of the Holders of Subordinated Bonds in the Trust Estate to the extent provided herein and in the Bond Resolution.

**SECTION 10.02. SEVERABILITY OF INVALID PROVISIONS.** 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, and

shall in no way affect the validity of any other provisions of the Bond Resolution or this Resolution or of the Outstanding Subordinated Bonds.

PASSED AND DULY ADOPTED this 17<sup>th</sup> day of May, 2018.

**CITY OF GAINESVILLE, FLORIDA**

---

Mayor

ATTESTED:

---

Clerk of the Commission

Approved as to Form and Legality:

---

City Attorney

#55901860\_v10

EXHIBIT "A"

ACCEPTANCE OF OFFICE OF SUBORDINATED BOND PAYING AGENT

\_\_\_\_\_, 2018

Ladies and Gentlemen:

The undersigned hereby accepts the duties and obligations of Subordinated Bond Paying Agent for the Variable Rate Subordinated Utilities System Revenue Bonds, 2018 Series A of the City of Gainesville, Florida (the "City") imposed upon the undersigned by the Amended and Restated Utilities System Revenue Bond Resolution of the City adopted January 30, 2003, as amended, restated and supplemented, including inter alia, as supplemented by the Amended and Restated Subordinated Utilities System Revenue Bond Resolution adopted by the City on December 8, 2003, as amended, and supplemented including, without limitation, as supplemented by Resolution No. \_\_\_\_ adopted by the City on May 17, 2018.

**U.S. BANK NATIONAL ASSOCIATION**

By: \_\_\_\_\_  
Title:

EXHIBIT "B"

PURCHASE CONTRACT

**\$25,000,000**  
**CITY OF GAINESVILLE, FLORIDA**  
**Variable Rate Subordinated Utilities System**  
**Revenue Bond, 2018 Series A**

**CONTRACT OF PURCHASE**

\_\_\_\_\_, 2018

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

Honorable Mayor and Commissioners:

STI Institutional & Government, Inc. (the "Purchaser") offers to enter into the following agreement with you, the City of Gainesville, Florida (hereinafter sometimes called the "City") which, upon acceptance of this offer, will be binding upon you and upon the Purchaser. This offer is made subject to your acceptance of this Contract of Purchase (this "Contract of Purchase") on or before 5:00 P.M., Florida time, on \_\_\_\_\_, 2018.

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and covenants set forth herein, on the Closing Date as hereinafter defined, the Purchaser hereby agrees to purchase from the City, and the City hereby agrees to sell to the Purchaser all, but not less than all, of the Variable Rate Subordinated Utilities System Revenue Bond, 2018 Series A (the "2018 Variable Rate Bond"), in the principal amount of not to be outstanding in excess of \$25,000,000 and maturing on \_\_\_\_\_, 2021, but subject to optional redemption and mandatory tender on \_\_\_\_\_, 20\_\_ (the "Mandatory Purchase Date"), as described in Resolution No. \_\_\_\_ of the City adopted on \_\_\_\_\_, 2018 (the "Supplemental Resolution"), authorizing the issuance of the 2018 Variable Rate Bond. The 2018 Variable Rate Bond shall mature at the times, in the amount and shall bear interest at such rates, all as set forth in the Supplemental Resolution. Interest on the 2018 Variable Rate Bond is payable on the first Business Day of each month commencing \_\_\_\_\_, 2018.

All capitalized terms used and not defined herein shall have the meanings assigned in the Bond Resolution defined below.

2. Authorizing Instruments and Source of Security. The 2018 Variable Rate Bond has been authorized by the Supplemental Resolution.

The 2018 Variable Rate Bond shall be issued and secured under and pursuant to the provisions of the Amended and Restated Utilities System Revenue Bond Resolution adopted by the City on January 30, 2003, as amended from time to time (the "General Bond Resolution"), as supplemented by the Amended and Restated Subordinated Utilities System Revenue Bond

Resolution adopted by the City on December 8, 2003, as amended, restated and supplemented (the "Subordinated Bond Resolution") and as the Subordinated Bond Resolution is supplemented pursuant to the Supplemental Resolution (collectively, the "Bond Resolution").

The information required by Section 218.385(2), (3) and (6), Florida Statutes, to be provided to the City by the Purchaser is set forth in Appendix II hereto.

3. Authority of the Purchaser. The Purchaser hereby represents that neither it nor any "person" or "affiliate" has been on the "convicted vendor list" during the past 36 months as all such terms are defined in Section 287.133, Florida Statutes.

4. Purchase for Own Account. The Purchaser hereby represents that it is not acting as a broker or other intermediary, and is purchasing the 2018 Variable Rate Bond as an investment from its own capital and for its own account and not with a present view to a resale or other distribution to the public; provided, however, the Purchaser reserves the right to transfer or sell the 2018 Variable Rate Bond in its sole discretion but subject to the requirements and restrictions of the Supplemental Resolution. The Purchaser shall on the delivery date of the 2018 Variable Rate Bond deliver an Investor Letter in substantially the form as set forth in Appendix IV hereto.

5. Representations and Warranties of the City. The City represents and warrants to, and agrees with, the Purchaser that, as of the date hereof:

(a) The City is a duly established public body corporate organized and existing under the laws of the State of Florida.

(b) The City has duly authorized the Bond Resolution, has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations contained in the 2018 Variable Rate Bond, this Contract of Purchase and the Supplemental Resolution and has duly authorized and approved the performance of its obligations contained in the Bond Resolution and the consummation of all other transactions contemplated thereby.

(c) The City has full legal right, power and authority (i) to enter into this Contract of Purchase, (ii) to issue, sell and deliver the 2018 Variable Rate Bond to the Purchaser pursuant to the Bond Resolution, as provided herein, and (iii) to carry out and consummate the transactions contemplated by this Contract of Purchase, the Bond Resolution and the Supplemental Resolution and, to the knowledge of the City, compliance with the provisions thereof will not conflict with or constitute a breach of or default under any applicable law, administrative regulation, court order or consent decree of the State of Florida or any department, division, agency or instrumentality thereof or, of the United States, or any applicable judgment or decree or any loan agreement, note, resolution, indenture, agreement or other instrument to which the City is a party or may be otherwise subject.

(d) All approvals, consents and orders of any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to the performance by the City of its obligations hereunder and under the Bond Resolution, the 2018 Variable Rate Bond and this Contract of Purchase have been obtained.

(e) No litigation is pending or, to the knowledge of the City and except as disclosed to the Purchaser, threatened in any court in any way affecting the corporate existence of the City or the titles of the members of the City Commission to their respective positions, or seeking to restrain or enjoin the issuance, sale or delivery of the 2018 Variable Rate Bond, or in any way contesting or affecting the validity or enforceability of the 2018 Variable Rate Bond, the Bond Resolution or this Contract of Purchase or contesting the power of the City or its authority with respect to the 2018 Variable Rate Bond, this Contract of Purchase or the Bond Resolution.

(f) The City acknowledges and agrees that (i) the purchase and sale of the 2018 Variable Rate Bond pursuant to this Contract of Purchase is an arm's-length commercial transaction between the City and the Purchaser, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Purchaser is and has been acting solely as principal and is not acting as the agent, municipal advisor, financial advisor or a fiduciary of the City, (iii) the Purchaser has not assumed an advisory or fiduciary responsibility in favor of the City with respect to the transaction contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Purchaser has provided other services or is currently providing other services to the City on other matters) and the Purchaser has no obligation to the City with respect to the transactions contemplated hereby except the obligations of the Purchaser expressly set forth in this Contract of Purchase, (iv) the City has consulted with its own legal, financial, municipal and other advisors to the extent it has deemed appropriate, and (v) the Purchaser has financial and other interests that differ from those of the City.

6. Purchaser Covenants.

(a) The Purchaser agrees to make the Advances contemplated in, and in accordance with the terms of, the Supplemental Resolution.

(b) The Purchaser hereby waives any rights of set off for any amounts owed hereunder, under the Bond Resolution or the 2018 Variable Rate Bond with respect to any and all deposits (general or special, time or demand, provisional or final) at any time held.

7. Purchaser Closing Conditions. The Purchaser has entered into this Contract of Purchase in reliance upon the representations, warranties and agreements of the City contained herein, and in the documents and instruments to be delivered at the Closing, as hereinafter defined, and upon the performance by the City of its obligations hereunder at or prior to the Closing Date. Accordingly, the Purchaser's obligations under this Contract of Purchase to purchase, to accept delivery of and to pay for the 2018 Variable Rate Bond on the Closing Date shall be conditioned upon the satisfaction of the conditions precedent set forth in the Supplemental Resolution and the performance by the City of its obligations to be performed hereunder, and shall also be subject to the following additional conditions, including the delivery by the City of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Purchaser on or before the Closing Date.

(a) At the time of the Closing, the Bond Resolution will be in full force and effect, and will not have been further amended, modified or supplemented; provided, however the Purchaser acknowledges and has consented to the adoption of Resolution No. 170395 adopted by

the City on September 21, 2017 and incorporating by reference a resolution captioned "Second Amended and Restated Utilities System Revenue Bond Resolution" containing certain amendments which shall, upon satisfaction of certain conditions set forth therein, amend the General Bond Resolution and provided further, the Purchaser acknowledges and has consented to the adoption of Resolution No. \_\_\_\_\_ adopted by the City on \_\_\_\_\_, 2018 containing certain amendments which shall, upon satisfaction of certain conditions set forth therein, amend the Subordinated Bond Resolution.

(b) At the time of the Closing, all necessary action of the City relating to the issuance of the 2018 Variable Rate Bond will have been taken and will be in full force and effect.

(c) The Purchaser has the right to terminate the Purchaser's obligations under this Contract of Purchase to purchase, to accept delivery of and to pay for the 2018 Variable Rate Bond by notifying and consulting with the City regarding its election to do so if on the Closing Date (as defined herein):

(1) An order, decree or injunction of any court of competent jurisdiction, issued or made to the effect that the issuance, offering or sale of obligations of the 2018 Variable Rate Bond or of the same general character as the 2018 Variable Rate Bond, including any or all underlying obligations, as contemplated hereby, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws as amended and then in effect; or

(2) Any litigation shall be pending or threatened at the time of the Closing to restrain or enjoin the issuance, sale or delivery of the 2018 Variable Rate Bond, or in any way contesting or affecting any authority for or the validity of the proceedings authorizing and approving the 2018 Variable Rate Bond, or challenging the existence or powers of the City with respect to its obligations under the Bond Resolution.

(d) At or prior to the Closing, the Purchaser will have received each of the following:

(1) The duly executed and authenticated 2018 Variable Rate Bond registered in the name of the Purchaser.

(2) Executed copies of the Bond Resolution and the Supplemental Resolution.

(3) The approving opinion, dated the Closing Date and addressed to the City, of Holland & Knight LLP, Bond Counsel to the City, in substantially the form attached hereto as Appendix "III," and opinion of such counsel, dated the Closing Date and addressed to the Purchaser, to the effect that such opinion addressed to the City may be relied upon by the Purchaser to the same extent as if such opinion were addressed to them;

(4) An opinion, dated the Closing Date and addressed to the Purchaser, of Nicolle M. Shalley, the City Attorney, in form and substance attached hereto as Appendix V.

(5) Evidence that the applicable conditions to the issuance of Additional Bonds set forth in Section 2.02 of the Subordinated Bond Resolution have been satisfied.

8. The Closing. The delivery of and payment of the initial Advance under the 2018 Variable Rate Bond (the "Closing") shall take place at the offices of the City, in Gainesville, Florida, on \_\_\_\_\_, 2018 (the "Closing Date"), or on such other date or at such other place as shall have been mutually agreed upon by the City and the Purchaser as the date on or place at which the Closing shall occur. Simultaneously with such delivery and provided that all conditions to the obligations of the Purchaser and the City set forth herein and in the Bond Resolution have been satisfied, the Purchaser will cause the initial Advance of the 2018 Variable Rate Bond to be paid in Federal Funds as directed by the City.

9. Expenses. (a) The Purchaser will be under no obligation to pay, and the City will pay, all expenses incident to the performance of the obligations of the City hereunder including, but not limited to, (i) the cost of the preparation and printing of the 2018 Variable Rate Bond; (ii) the fees and disbursements of Holland & Knight LLP, Bond Counsel; (iii) the fees and disbursements of Public Financial Management, Inc., Financial Advisor to the City; (iv) the fees and disbursements of U.S. Bank National Association, as Trustee, Registrar and Paying Agent; (v) the fees and disbursements of any other experts, counsel or consultants retained by the City and (vi) all reasonable and customary expenses incurred by the Purchaser in connection with the negotiation and closing of the transactions contemplated hereby, including the fees and disbursements of counsel retained by it, whether or not the Closing shall occur for any reason.

(b) The City acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the 2018 Variable Rate Bond, including those reflected in Appendix II attached hereto.

10. Notices. Any notice or other communication to be given to the City under this Contract of Purchase must be given by delivering the same in writing to City of Gainesville, Florida, 200 East University Avenue, Suite 425, Gainesville, Florida 32601, Attention: Nicolle M. Shalley, City Attorney, and any notice or other communication to be given to the Purchaser under this Contract of Purchase must be given by delivering the same in writing to STI Institutional & Government, Inc., 200 South Orange Avenue, Suite 600, Orlando, Florida 32801, Attention: Government Banking, Brian S. Orth.

11. Benefit of Agreement. This Contract of Purchase is made solely for the benefit of the City and the Purchaser (including the successors or assigns of any Purchaser), and no other person may acquire or have any right hereunder or by virtue hereof.

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

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

14. Entire Agreement. This Contract of Purchase when accepted by you in writing as heretofore specified shall constitute the entire agreement between us.

15. Headings. The headings of the paragraphs and sections of this Contract of Purchase are inserted for convenience only and shall not be deemed to be part hereof.

[SIGNATURE PAGE FOLLOWS]

[Counterpart Signature page to Contract of Purchase]

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement the day and year first above written.

**STI INSTITUTIONAL &  
GOVERNMENT, INC.**, as Purchaser

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

[Counterpart Signature page to Contract of Purchase]

Accepted \_\_\_\_\_, 2018.

**CITY OF GAINESVILLE, FLORIDA**

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

APPROVED AS TO FORM AND LEGALITY:

By: \_\_\_\_\_  
City Attorney

**APPENDIX I**  
**REDEMPTION AND TENDER PROVISIONS**  
**CITY OF GAINESVILLE, FLORIDA**

\$ \_\_\_\_\_  
**City of Gainesville, Florida**  
**Variable Rate Subordinated Utilities System**  
**Revenue Bond, 2018 Series A**

Optional Redemption

See Supplemental Resolution.

Mandatory Redemption

No mandatory redemption provisions.

Optional Tender

See Supplemental Resolution.

## APPENDIX II

### DISCLOSURE STATEMENT

The undersigned, STI Institutional & Government, Inc., as Purchaser, proposes to negotiate with the City of Gainesville, Florida (the "City"), for the sale of the Variable Rate Subordinated Utilities System Revenue Bond, 2018 Series A in the principal amount of not be outstanding in excess of \$\_\_\_\_\_ (the "2018 Variable Rate Bond"), to be completed on this date. Prior to the award of the 2018 Variable Rate Bond, the following information is hereby furnished to the City:

1. The Purchaser will be paid an origination fee of \$25,000 in connection with the purchase of the 2018 Variable Rate Bond. Purchaser's Counsel's fees in the amount of \$13,000 are being paid by the City.

2. No other, fee, bonus or other compensation is estimated to be paid by the Purchaser in connection with the issuance of the 2018 Variable Rate Bond, to any person not regularly employed or retained by the Purchaser (including any "finder" as defined in Section 218.386, Florida Statutes), except as specifically enumerated as expenses to be incurred by the Purchaser as set forth in paragraph 1 above.

3. The amount of the underwriting spread (the difference between the price at which the 2018 Variable Rate Bond will be initially offered to the public by the Purchaser and the price to be paid to the City for the 2018 Variable Rate Bond, exclusive of accrued interest) expected to be realized by the Purchaser is \$-0-. The Purchaser will be paid an origination fee as described in Paragraph 1 above.

4. Truth-in-Bonding Statement. The proceeds from the sale of the 2018 Variable Rate Bond, together with other legally available funds, will be used for the purpose of (i) financing various capital expenditures for the City's utility system, and (ii) paying certain costs of issuance incurred in connection with the issuance of the 2018 Variable Rate Bond. The 2018 Variable Rate Bond is expected to be repaid over a period of three years. Because the 2018 Variable Rate Bond bears interest at a variable rate it is impossible to determine the total interest that will be paid over the life of such Bond.

The 2018 Variable Rate Bond will be repaid from the revenues of the City's Utility System. Because the 2018 Variable Rate Bond bear interest at a variable rate and the revolving nature of the 2018 Variable Rate Bond it is impossible to determine the annual amount of such revenues, that will not be available to finance the other services of the City for three years.

5. The names and address of the Purchaser is:

STI Institutional & Government, Inc.  
200 South Orange Avenue, Suite 600  
Orlando, Florida 32801  
Attention: Government Banking, Brian S. Orth

**IN WITNESS WHEREOF**, the undersigned has executed this Disclosure Statement on behalf of the Purchaser this \_\_\_\_ day of \_\_\_\_\_, 2018.

**STI INSTITUTIONAL &  
GOVERNMENT, INC.**, as Purchaser

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

### APPENDIX III

#### FORM OF OPINION OF BOND COUNSEL

[Date of Delivery]

City of Gainesville, Florida  
Gainesville, Florida

Re: Not to be Outstanding in Excess of \$25,000,000 City of Gainesville, Florida  
Variable Rate Subordinated Utilities System Utilities System Revenue  
Bond, 2018 Series A

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance and sale by the City of Gainesville, Florida (the "Issuer"), of its not to be outstanding in excess of \$25,000,000 Variable Rate Subordinated Utilities System Revenue Bond, 2018 Series A (the "2018 Series A Bond"), of which \$50,000 will be advanced on the date hereof.

All terms used herein in capitalized form and not otherwise defined herein shall have the same meanings as ascribed to them under the Amended and Restated Utilities System Revenue Bond Resolution, adopted by the Issuer on January 30, 2003 (the "Senior Resolution"), as amended and supplemented, including particularly as supplemented by the Amended and Restated Subordinated Utilities System Revenue Bond Resolution adopted by the Issuer on December 8, 2003, as amended, restated and supplemented (the "Subordinated Resolution"), as supplemented by Resolution No. \_\_\_\_ adopted by the Issuer on May 17, 2018 (the "2018 Supplemental Resolution" and together with the Senior Resolution and the Subordinated Resolution, the "Resolutions").

Subject and pursuant to the terms of the Resolutions, the principal of, premium, if any, and interest on the 2018 Series A Bond shall be payable from and secured by a lien upon and pledge of amounts on deposit in the Subordinated Indebtedness Fund established under the Subordinated Resolution, subject to the provisions of the Senior Resolution and the Subordinated Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Senior Resolution and the Subordinated Resolution (collectively, the "Pledged Funds"); provided, however (i) such pledge and assignment is on a parity with (a) the pledge and assignment thereof created by the Subordinated Resolution as security for the Subordinated Bonds, and (b) the pledge and assignment thereof created by any Supplemental Resolution as security for any Parity Subordinated Indebtedness, and (ii) such pledge and assignment is subordinate in all respects to (a) the pledge and assignment of the Trust Estate created by the Senior Resolution as security for Bonds, and (b) any pledge and assignment of the Trust Estate created as security for any Parity Hedging Contract Obligations.

The 2018 Series A Bond is a revolving note which may be outstanding at any time up to a maximum of \$25,000,000. The 2018 Series A Bond is dated its date of issuance and delivery, has been issued in fully registered form, finally matures on \_\_\_\_\_ 1, 2021, bears interest on the amounts Advanced thereunder from the date of each Advance at such rates set forth therein and is subject to redemption prior to maturity in the manner and upon the terms and conditions set forth therein and in the Bond Resolution.

The 2018 Series A Bond have been issued to finance the 2018 Series A Project, and to pay costs of issuance of the 2018 Series A Bond.

The 2018 Series A Bond shall not be deemed to constitute a general obligation or a pledge of the faith and credit of the Issuer, the State of Florida or any political subdivision thereof within the meaning of any constitutional, legislative or charter provision or limitation, but shall be payable solely from and secured by a lien upon and a pledge of the Pledged Funds, in the manner and to the extent provided in the Resolutions. No holder of the 2018 Series A Bond shall ever have the right, directly or indirectly, to require or compel the exercise of the ad valorem taxing power of the Issuer or any other political subdivision of the State of Florida or taxation in any form on any real or personal property for any purpose, including, without limitation, for the payment of principal of and interest on such 2018 Series A Bond, nor shall any holder of a 2018 Series A Bond be entitled to payment of such principal and interest from any other funds of the Issuer other than the Pledged Funds, all in the manner and to the extent provided in the Resolutions. The 2018 Series A Bond and the indebtedness evidenced thereby shall not constitute a lien upon any real or personal property of the Issuer, or any part thereof, or any other tangible personal property of or in the Issuer, but shall constitute a lien only on the Pledged Funds, all in the manner and the extent provided in the Resolutions.

The description of the 2018 Series A Bond in this opinion and other statements concerning the terms and conditions of the issuance of the 2018 Series A Bond do not purport to set forth all of the terms and conditions of the 2018 Series A Bond or of any other document relating to the issuance of the 2018 Series A Bond, but are intended only to identify the 2018 Series A Bond and to describe briefly certain features thereof. This opinion shall not be deemed or treated as an offering circular, prospectus or official statement and is not intended in any way to be a disclosure document for use in connection with the sale or delivery of the 2018 Series A Bond.

In rendering the opinions set forth below, we have examined certified copies of the Resolutions and various other agreements, certificates and opinions delivered in connection therewith, and are relying on the covenants, representations and agreements of the Issuer and certain reports contained or referenced therein, including, without limitation, the Certificate Relating to Tax, Arbitrage and Other Matters dated \_\_\_\_\_, 2018 of the Issuer and the covenant of the Issuer to comply with the applicable requirements contained in Section 103 and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations thereunder, to the extent necessary to preserve the exclusion of interest on the 2018 Series A Bond from gross income for federal income tax purposes.

We have also examined certified copies of the proceedings of the Issuer, and other information submitted to us relative to the issuance and sale by the Issuer of the 2018 Series A

Bond. In addition, we have examined and relied upon the opinions of Nicolle M. Shalley, Esq. City Attorney, as to the due organization and valid existence of the Issuer, the due adoption of the Resolutions and the due authorization, execution and delivery of the 2018 Series A Bond and all other documents associated with the issuance thereof and the compliance of the Issuer with all conditions precedent to the issuance of the 2018 Series A Bond. We have also relied on such other agreements, certificates, documents and opinions, including certificates and representations of public officials and other officers and representatives of the various other parties participating in this transaction, as we have deemed relevant and necessary in connection with the opinions expressed below. We have not undertaken an independent audit, examination, investigation or inspection of the matters described, contained or referenced in such agreements, documents, certificates, representations and opinions, and have relied solely on the facts, estimates and circumstances described and set forth therein.

In our examination of the foregoing, we have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America.

Based upon and subject to the foregoing, we are of the opinion that, as of the date hereof and under existing law:

(i) The Issuer is a political subdivision of the State of Florida, duly organized and validly existing under the laws of the State of Florida.

(ii) The Resolutions constitute valid and legally binding obligations of the Issuer, enforceable in accordance with the laws of the State of Florida.

(iii) The 2018 Series A Bond is a valid and legally binding special obligation of the Issuer, enforceable in accordance with the laws of the State of Florida and the terms of the Resolutions and are payable solely from and secured solely by a lien upon and pledge of the Pledged Funds, in the manner and to the extent provided the Resolutions, provided, however (i) such pledge and assignment is on a parity with (a) the pledge and assignment thereof created by the Subordinated Resolution as security for the Subordinated Bonds, and (b) the pledge and assignment thereof created by any Supplemental Resolution as security for any Parity Subordinated Indebtedness, and (ii) such pledge and assignment is subordinate in all respects to (a) the pledge and assignment of the Trust Estate created by the Bond Resolution as security for Bonds, and (b) any pledge and assignment of the Trust Estate created as security for any Parity Hedging Contract Obligations..

(iv) The interest on the 2018 Series A Bond is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or, for taxable years beginning prior to January 1, 2018, on corporations; however, solely

for taxable years beginning prior to January 1, 2018, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

The opinions expressed in the preceding paragraph are conditioned upon compliance by the Issuer with its covenants relating to certain arbitrage rebate and other tax requirements contained in Section 103 and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Code (including, without limitation, its covenants not to use any proceeds of the 2018 Series A Bond in a manner that would cause the 2018 Series A Bond to be classified as a private activity bond under Sections 141(a) and 141(d) of the Code and to comply with the requirements contained in Section 148 of the Code), to the extent necessary to preserve the exclusion of interest on the 2018 Series A Bond from gross income for federal income tax purposes. Failure of the Issuer to comply with such requirements could cause the interest on the 2018 Series A Bond to be included in gross income for federal income tax purposes retroactive to the date of issuance of the 2018 Series A Bond. Other provisions of the Code may give rise to adverse federal income tax consequences to particular bondholders. The scope of this opinion is limited to matters addressed above and no opinion is expressed hereby regarding other federal income tax consequences that may arise due to ownership of the 2018 Series A Bond. We express no opinion regarding any state tax consequences of acquiring, carrying, owning or disposing of the 2018 Series A Bond. Owners of the 2018 Series A Bond should consult their tax advisors regarding any state tax consequences of owning the 2018 Series A Bond.

We call your attention to Internal Revenue Service Notice 2010-81, as amended and supplemented by Internal Revenue Service Notice 2011-63 (collectively, the "Notices"). The 2018 Series A Bond is treated as a single "issue" for federal income tax purposes. Pursuant to the Notices, for certain purposes each Advance with respect to the 2018 Series A Bond is treated as a separate "bond" issued on the date of such Advance. Accordingly, the treatment for federal income tax purposes of interest on Advances after the date hereof may be subject to changes in federal income tax laws which occur after the date hereof.

Our opinions expressed herein are predicated upon current facts and circumstances, and upon present laws and interpretations thereof, and we assume no affirmative obligation to update the opinions expressed herein if such facts or circumstances, or laws or interpretations thereof, change after the date hereof, even if such changes come to our attention. All opinions as to legal obligations of the Issuer set forth above are subject to and limited by (a) bankruptcy, insolvency, reorganization, moratorium or similar laws, in each case relating to or affecting the enforcement of creditors' rights, (b) applicable laws or equitable principles that may affect remedies or injunctive or other equitable relief, and (c) judicial discretion which may be exercised in applicable cases to adversely affect the enforcement of certain rights or remedies.

The scope of our engagement in relation to the issuance of the 2018 Series A Bond has been limited solely to the examination of facts and law incident to rendering the opinions expressed herein. We have not been engaged, nor have we undertaken, to confirm or verify and

therefore express no opinion as to the accuracy, completeness, fairness or sufficiency of any other material relating to the 2018 Series A Bond and therefore express no opinion in regard thereto. In addition, we have not been engaged to and therefore express no opinion herein regarding the perfection or priority of the lien on the Pledged Funds created by the Resolutions or as to the compliance by the Issuer or the purchaser with any federal or state registration requirements or securities laws, regulations or rulings with respect to the offer, sale or distribution of the 2018 Series A Bond.

Our opinion is limited solely to the matters stated herein, and no opinion is to be implied or is intended beyond the opinions expressly stated herein.

Sincerely yours,

HOLLAND & KNIGHT LLP

**APPENDIX IV**  
**FORM OF INVESTOR LETTER**

City of Gainesville, Florida  
Gainesville, Florida

Holland & Knight LLP  
Lakeland, Florida

Re: City of Gainesville, Florida Variable Rate Subordinated Utilities System  
Revenue Bond, 2018 Series A (the "2018A Bond")

Ladies and Gentlemen:

This letter is being provided by STI Institutional & Government, Inc. (the "Purchaser") in connection with the purchase of the above-referenced 2018A Bond which were delivered to us by the City of Gainesville, Florida (the "City") on the date hereof.

1. We are a Delaware corporation and are engaged in the business of making loans similar to that evidenced by the 2018A Bond or in the business of entering into loan transactions evidenced by securities similar to the 2018A Bond, and we have sufficient knowledge and experience in financial and business matters, including the purchase and ownership of tax-exempt obligations, to be capable of evaluating the merits and risks of our investment in the 2018A Bond.

2. We are purchasing the 2018A Bond for our own account (or the account(s) of our banking affiliates) for investment purposes and with no present intention to resell or otherwise dispose of the 2018A Bond (or any portion thereof or any interest therein); provided, however, that subject to applicable laws, we reserve the right to transfer the 2018A Bond at any time in our sole discretion in accordance with the 2018A Bond. The interest rate represented by the 2018A Bond was negotiated pursuant to an arm's-length transaction between the City, as willing seller, and the Purchaser, as a willing buyer.

3. We are not acting as an Underwriter (as defined in Section 14 below) with respect to the 2018A Bond and presently, to our knowledge, there is no Underwriter for the 2018A Bond. We have not contracted with any person pursuant to a written agreement to have such person participate in the initial sale of the 2018A Bond and we have not agreed with the City pursuant to a written agreement to sell the 2018A Bond to persons other than ourselves or related parties to ourselves.

4. We are able to bear the economic risk of our investment in the 2018A Bond.

5. We acknowledge that the 2018A Bond does not represent a general obligation of the City, is not secured by a pledge of the faith and credit of the City or the State of Florida or of any political subdivision thereof and does not create indebtedness of the State of Florida or any

political subdivision thereof, and we further acknowledge that no covenant, stipulation, obligation or agreement contained in any documents related to the issuance of the 2018A Bond is or shall be deemed to be a covenant, agreement or obligation of any present or future board member, officer or employee of the City in his or her individual capacity.

6. We understand that no offering statement, prospectus, offering circular, official statement or other disclosure document containing material information with respect to the City or the 2018A Bond is being or has been prepared, and that, with due diligence, we have made our own inquiry and analysis with respect to the City, the 2018A Bond and the security therefor.

7. We have received all financial and other information regarding the City that we have requested and which we consider relevant or necessary to make an informed decision to make the loan evidenced by the 2018A Bond. We have made our own inquiry into the creditworthiness of the City, we have received all the information that we have requested from the City or any agents or representatives thereof, and we have been afforded a reasonable opportunity to ask questions about the terms and conditions of the offering of the 2018A Bond and the security therefor and the City.

8. The 2018A Bond is a revolving line of credit and amounts advanced and repaid may be re-advanced and on the date hereof there was an initial advance of \$\_\_\_\_\_.

9. We understand that the 2018A Bond is issued subject to the transfer restrictions set forth in the 2018A Bond.

10. We understand there will be no CUSIP numbers or credit ratings obtained on the 2018A Bond.

11. We are an "accredited investor" as that term is defined in Rule 501(A)(1), (2) or (3) under Regulation D as promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended, and a qualified institutional buyer as contemplated by Section 517.061(7), Florida Statutes.

12. We are not funding the loan evidenced by the 2018A Bond for the direct or indirect promotion of any scheme or enterprise with the intent of violating or evading any provision of Chapter 517, Florida Statutes.

13. We understand, acknowledge and agree that the 2018A Bond has not been and will not be registered under the Securities Act of 1933, as amended, or the securities or Blue Sky laws of any state and that no filings with respect thereto will be made with the Electronic Municipal Market Access System operated by the Municipal Securities Rulemaking Board.

14. Defined Terms:

(a) "Public" means any person (including an individual, trust, estate, partnership, association or corporation) other than an Underwriter or a related party. The term "related party" for purposes of this Letter generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(b) "Underwriter" means (i) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 2018A Bond to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the 2018A Bond to the Public (including a member of the selling group or a party to a retail distribution agreement participating in the initial sale of the 2018A Bond to the Public).

15. The undersigned understands that the foregoing information will be relied upon by the City with respect to certain of the representations set forth in the [Certificate Relating to Tax, Arbitrage and Other Matters] with respect to the 2018A Bond and with respect to compliance with the federal income tax rules affecting the 2018A Bond, and by Holland & Knight LLP, Bond Counsel, in connection with rendering its opinion that interest component on the 2018A Bond is excludable from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the City from time to time relating to the 2018A Bond; provided, however, that the representations set forth in this Certificate are limited to factual matters only and nothing in this Certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder.

DATED this \_\_\_ day of \_\_\_\_\_, 2018.

Very truly yours,

**STI INSTITUTIONAL & GOVERNMENT,  
INC., as Purchaser**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**APPENDIX V**

**FORM OF CITY COUNSEL OPINION**

\_\_\_\_\_, 2018

City Commission  
of City of Gainesville, Florida  
Gainesville, Florida

Holland & Knight LLP  
Lakeland, Florida

STI Institutional & Government, Inc.  
Jacksonville, Florida

Re: Not to be Outstanding in Excess of \$\_\_\_\_\_ City of Gainesville, Florida  
Variable Rate Subordinated Utilities System Revenue Bond, 2018 Series A

Ladies and Gentlemen:

This opinion is being furnished to you in connection with the issuance and sale by the City of Gainesville, Florida (the "Issuer") of its not to be outstanding in excess of \$25,000,000 principal amount of the Variable Rate Subordinated Utilities System Revenue Bond, 2018 Series A (the "2018 Series A Bond"). The 2018 Series A Bond is being issued pursuant to the Amended and Restated Utilities System Revenue Bond Resolution, adopted by the Issuer on January 30, 2003 (the "Senior Resolution"), as amended and supplemented, including particularly as supplemented by the Amended and Restated Subordinated Utilities System Revenue Bond Resolution adopted by the Issuer on December 8, 2003, as amended, restated and supplemented (the "Subordinated Resolution"), as supplemented by Resolution No. \_\_\_\_\_ adopted by the Issuer on May 17, 2018 (the "2018 Supplemental Resolution" and together with the Senior Resolution and the Subordinated Resolution, the "Resolutions"). The 2018 Series A Bond is being issued to (i) finance the Cost of Acquisition and Construction of the 2018 Series A Project; and (ii) pay the costs of issuance of the 2018 Series A Bond. All terms used herein in capitalized form and not otherwise defined herein shall have the same meanings as ascribed to them under the Resolutions.

Subject and pursuant to the terms of the Resolutions, the principal of, premium, if any, and interest on the 2018 Series A Bond shall be payable from and secured by a lien upon and pledge of amounts on deposit in the Subordinated Indebtedness Fund established under the Subordinated Resolution, subject to the provisions of the Senior Resolution and the Subordinated Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Senior Resolution and the Subordinated Resolution (collectively, the "Pledged Funds"); provided, however, that in the case of the Subordinated Indebtedness Fund, (i) such pledge and assignment is on a parity with (a) the pledge and assignment thereof created by the Subordinated Resolution as security for the Subordinated Bonds, and (b) the pledge and assignment thereof created by any Supplemental Resolution as security for any Parity Subordinated Indebtedness, and (ii) such pledge and assignment is subordinate in all respects to (a) the pledge and assignment of the Trust Estate created by the Senior Resolution as security for Bonds, and (b) any pledge and assignment of the Trust Estate created as security for any Parity Hedging Contract Obligations.

I am the duly appointed City Attorney for Issuer. In that capacity, I have examined all proceedings of the Issuer in connection with the authorization, issuance and sale of the 2018 Series A Bond, including the Resolutions which were adopted pursuant to and under the Constitution and Laws of the State of Florida, including Chapter 166, Florida Statutes, the Charter of the Issuer, and other applicable provisions of law (collectively, with the Resolutions, the "Act"). I have also reviewed the Contract of Purchase dated \_\_\_\_\_, 2018 between the Issuer and STI Institutional & Government, Inc. (the "Purchaser") related to the 2018 Series A Bond (the "Purchase Contract"). I have also made such investigation and have examined such other ordinances, resolutions, certificates, documents, public records and proceedings as I have deemed relevant and necessary in rendering the opinions expressed below. I am of the opinion that:

(1) The Issuer is a political subdivision of the State of Florida, duly organized and validly existing and has full legal right, power and authority to adopt and perform its obligations under the Resolutions and to authorize, execute and deliver and to perform its obligations under the Resolutions, the 2018 Series A Bond and the Purchase Contract (collectively, the "Borrower Documents").

(2) The Issuer has duly adopted the Resolutions and has duly authorized, executed and delivered the Borrower Documents, and each constitutes the legal, binding and valid obligation of the Issuer, enforceable in accordance with its terms. The 2018 Series A Bond is a valid and binding obligations of the Issuer as provided in the Resolutions and entitled to the benefits of the Resolutions and of the Act, as amended on the date hereof, and the 2018 Series A Bond has been duly and validly issued in accordance with law, including the Act as amended to the date hereof, and in accordance with the Resolutions.

(3) The Resolutions creates the valid pledge which it purports to create of the Pledged Funds on a parity with (a) the pledge and assignment thereof created by the Subordinated Resolution as security for the Subordinated Bonds, and (b) the pledge and assignment thereof created by any Supplemental Resolution as security for any Parity Subordinated Indebtedness, provided, however, such pledge and assignment is subordinate in all respects to (a) the pledge and assignment of the Trust Estate created by the Senior Resolution as security for Bonds, and (b) any pledge and assignment of the Trust Estate created as security for any Parity Hedging Contract Obligations.

The 2018 Series A Bond shall not be deemed to constitute a general obligation or a pledge of the faith and credit of the Issuer, the State of Florida or any political subdivision thereof within the meaning of any constitutional, legislative or charter provision or limitation, but shall be payable solely from and secured by a lien upon and a pledge of the Pledged Funds, in the manner and to the extent provided in the Resolutions. No holder of the 2018 Series A Bond shall ever have the right, directly or indirectly, to require or compel the exercise of the ad valorem taxing power of the Issuer or any other political subdivision of the State of Florida or taxation in any form on any real or personal property for any purpose, including, without limitation, for the payment of principal of and interest on such 2018 Series A Bond, nor shall any holder of a 2018 Series A Bond be entitled to payment of such principal and interest from any other funds of the Issuer other than the Pledged Funds, all in the manner and to the extent provided in the Resolutions. The 2018 Series A Bond and the indebtedness evidenced thereby shall not constitute a lien upon any real or personal property of the Issuer, or any part thereof, or any other tangible personal property of or in

the Issuer, but shall constitute a lien only on the Pledged Funds, all in the manner and the extent provided in the Resolutions.

(4) The Issuer is authorized under the Act and the Resolutions to finance the costs of the 2018 Series A Project.

(5) The adoption of the Resolutions and the authorization, execution and delivery of the Borrower Documents, and compliance with the provisions thereof, will not conflict with, or constitute a breach of or default under, any law, administrative regulation, consent decree, ordinance or resolution or, to the best of my knowledge, any agreement or other instrument to which the Issuer was or is subject as the case may be, nor will such enactment, adoption, execution, delivery, authorization or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Issuer, or under the terms of any law, administrative regulation, ordinance, resolution or instrument, except as expressly provided by the Resolutions.

(6) To the best of my knowledge, all approvals, consents, authorizations and orders of any governmental authority or agency having jurisdiction in any matter which would constitute a condition precedent to the performance by the Issuer of its obligations under the Borrower Documents and the Resolutions have been obtained and are in full force and effect, or are customarily granted in due course after application thereof and expected to be obtained without delay beyond due course.

(7) The Issuer has duly performed all obligations to be performed by it pursuant to the Resolutions on or prior to the date of delivery of the 2018 Series A Bond.

The foregoing opinions are subject to the effect of, and restrictions and limitations imposed by or resulting from, bankruptcy, insolvency, debt adjustment, moratorium, reorganization, receivership 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. By use of the word "enforceable" in this opinion, we are not rendering any opinion as to the availability of the remedy of specific performance or other equitable relief.

All opinions expressed are limited solely to Florida law. No opinion is expressed as to the laws of any other state, nor is any opinion expressed as to the exclusion of interest on the 2018 Series A Bond from gross income for Federal income tax purposes or the exemption of interest on the 2018 Series A Bond from state taxes.

Our opinion is limited in all respects to the laws existing on the date hereof. By providing this opinion to you, we do not undertake to advise you of any changes in the law which may occur after the date hereof or to revise, update or modify this opinion subsequent to the date hereof.

Our opinion is limited solely to the matters stated herein, and no opinion is to be implied or is intended beyond the opinions expressly stated herein.

Notwithstanding the foregoing, I do not pass upon the applicability of any approvals, consents and orders as may be required under the Blue Sky or securities laws or legal investment

laws of any state in connection with the offering and sale of the 2018 Series A Bond or in connection with the registration of the 2018 Series A Bond under the federal securities laws.

I am furnishing this opinion to you solely for your benefit and no other person is entitled to rely hereon. This opinion is not to be used, circulated, quoted or otherwise referred to for any other purpose.

Yours truly,

OFFICE OF THE CITY ATTORNEY

By: \_\_\_\_\_

Name: Nicolle M. Shalley, Esq.

Title: City Attorney

#56583507\_v6

EXHIBIT "C"

FORM OF ADVANCE REQUISITION

REQUISITION NO. \_\_\_\_\_

Amount of Advance Requested:     \$ \_\_\_\_\_

1. All terms used herein in capitalized form shall have the meanings ascribed thereto in the Amended and Restated Subordinated Utilities System Revenue Bond Resolution adopted by the City Commission of the City of Gainesville, Florida (the "City") on December 8, 2003 (the "Subordinated Bond Resolution") as supplemented by Resolution No. \_\_\_\_\_ adopted by the City Commission on May 17, 2018 (the "Supplemental Resolution" and together with the Subordinated Bond Resolution, the "Resolution") authorizing the issuance of the Variable Rate Subordinated Utilities System Revenue Bond, 2018 Series A (the "2018 Series A Bond").

2. The City hereby certifies that no Event of Default under the Senior Bond Resolution, the Resolution or 2018 Series A Bond including a 2018A Event of Default has occurred and is continuing and there exists no event or condition which, with the giving of notice or the passage of time would constitute an Event of Default under any of the foregoing.

3. After giving effect to the Advance hereby requested, the aggregate amount of Advances requested and outstanding under the Resolution will not exceed the Commitment Amount as of the proposed date of the Advance hereby requested.

4. The facts, estimates, circumstances and representations set forth or made (as the case may be) in the Certificate as to Tax, Arbitrage and Other Matters as to 2018 Series A Bond delivered in connection with the initial issuance of the 2018 Series A Bond, as supplemented by an amendatory certificate delivered to Bond Counsel on the date hereof, continue to exist and are hereby reaffirmed on the date hereof.

5. The undersigned represents that the City will file or previously has filed with the Secretary of the Treasury, the information report required by Section 149(e) of the Code with respect to the 2018 Series A Bond:

(a) by the fifteenth day of the second calendar month after the close of the calendar quarter in which the 2018 Series A Bond was originally issued, and

(b) at such additional times required by the Code within such time period prescribed by the Code.

6. The City has notified Bond Counsel of the proposed Advance requested above.

7. The City has previously delivered to the Purchaser, addressed to the Purchaser and the City and upon which opinion Purchaser may rely, an opinion of Bond

Counsel as to those matters required under Section 3.04 of the Supplemental Resolution and the City confirms that it has not received notification from Bond Counsel of a withdrawal of such opinion (unless a replacement opinion has been obtained).

8. All other conditions precedent to the Advance as set forth in the Supplemental Resolution have been satisfied.

9. The name and address of the Trustee is as follows:

U.S. Bank Global Corporate Trust Services  
100 Wall Street, Suite 1600  
New York, NY 10005

10. [Insert account instructions]

This \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**CITY OF GAINESVILLE, FLORIDA**

By: \_\_\_\_\_  
Authorized Officer

**ACKNOWLEDGEMENT OF FUNDING**

The above requested Advance was funded on \_\_\_\_\_.  
Purchaser agrees to file a copy of this Advance request with the City and the Trustee.

**2018 SERIES A REGISTERED OWNER /  
PURCHASER**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_