

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF GAINESVILLE, FLORIDA, AMENDING RESOLUTION NO. 020919, SUPPLEMENTING RESOLUTION NO. 020918 AND PROVIDING FOR AND AUTHORIZING THE ISSUANCE OF THE CITY'S TAXABLE OTHER POST EMPLOYMENT BENEFITS OBLIGATION BONDS, SERIES 2005 (RETIREE HEALTH CARE PLAN) IN AN ORIGINAL AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$45,000,000 TO FUND THE UNFUNDED RETIREE HEALTH CARE OBLIGATIONS OF THE CITY; AUTHORIZING THE INTERIM CITY MANAGER, THE ADMINISTRATIVE SERVICES DIRECTOR OR THE FINANCE DIRECTOR TO AWARD THE SALE OF SUCH BONDS TO CITIGROUP GLOBAL MARKETS INC. IN ACCORDANCE WITH CERTAIN PARAMETERS SET FORTH HEREIN; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE CONTRACT; APPOINTING J.P. MORGAN TRUST COMPANY, N.A., AS PAYING AGENT AND REGISTRAR WITH RESPECT TO SUCH BONDS; APPROVING THE FORM AND AUTHORIZING THE CIRCULATION OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT; AUTHORIZING THE INTERIM CITY MANAGER, THE ADMINISTRATIVE SERVICES DIRECTOR OR THE FINANCE DIRECTOR TO DEEM FINAL THE PRELIMINARY OFFICIAL STATEMENT; AUTHORIZING THE INTERIM CITY MANAGER, THE ADMINISTRATIVE SERVICES DIRECTOR OR THE FINANCE DIRECTOR TO ACCEPT THE TERMS OF A COMMITMENT FOR MUNICIPAL BOND INSURANCE FROM MBIA INSURANCE CORPORATION; APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF A CONTINUING DISCLOSURE CERTIFICATE; AUTHORIZING CERTAIN OFFICIALS OF THE CITY TO EXECUTE ANY DOCUMENTS AND TAKE ANY ACTIONS REQUIRED IN CONNECTION WITH THE ISSUANCE OF SAID BONDS; PROVIDING AN EFFECTIVE DATE FOR THIS RESOLUTION; AND PROVIDING CERTAIN OTHER DETAILS WITH RESPECT THERETO.

WHEREAS, the City of Gainesville, Florida (the "Issuer") issued its Taxable Pension Obligation Revenue Bonds, Series 2003A (Employee's Plan) in the initial aggregate principal amount of \$40,042,952.75 and its Taxable Pension Obligation Revenue Bonds, Series 2003B (Consolidated Plan) in the initial aggregate principal amount of \$49,851,805.95 (collectively, the "2003 Bonds"), pursuant to Resolution No. 020918 adopted by the Issuer on February 24, 2003, as supplemented by Resolution No. 020919, adopted by the Issuer on February 24,

2003 and as amended by Resolution No. 040032 adopted by the Issuer on June 14, 2004 (collectively, the "Bond Resolution");

WHEREAS, the Issuer has agreed to pay a portion of the health insurance premiums of certain retired employees (the "Retiree Health Care Plan") pursuant to the terms of Ordinance No. 4066, enacted by the Issuer on March 27, 1995 (the "Retiree Health Care Ordinance");

WHEREAS, the Issuer has determined to fully fund its actuarial accrued liability with respect to the Retiree Health Care Plan, determined in the report of Actuarial Concepts, Jacksonville, Florida, dated January 21, 2005 (the "2005 Health Care Obligation");

WHEREAS, Citigroup Global Markets Inc. (the "Underwriter") intends to submit an offer to purchase the 2005 Bonds by negotiated sale pursuant to the terms of a Purchase Contract between the Issuer and the Underwriter in substantially the form on file with the office of the Clerk of the Commission of the Issuer (the "Purchase Contract"); and

WHEREAS, the Issuer desires to approve the form of an official statement (the "Final Official Statement") in substantially the form of a draft of the Preliminary Official Statement (the "Preliminary Official Statement") on file with the office of the Clerk of the Commission of the Issuer in connection with the issuance and sale of the 2005 Bonds; and

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

WHEREAS, because of the current conditions existing in the market for securities similar to the 2005 Bonds, the Issuer finds it appropriate to delegate to the Interim City Manager, the Administrative Services Director or the Finance Director of the Issuer the authority to accept the offer of the Underwriter to purchase the 2005 Bonds pursuant to the terms of the Purchase Contract if certain conditions set forth in this Resolution are met; and

WHEREAS, the Issuer desires to delegate to the Interim City Manager, the Administrative Services Director or the Finance Director of the Issuer the authority to approve the form of and accept, execute and deliver on behalf of the Issuer a commitment (the "Commitment") for the issuance of a policy of municipal bond insurance for the 2005 Bonds from MBIA Insurance Corporation (the "Insurer");

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

SECTION 1. Authority. This Resolution is adopted pursuant to Chapter 166, Florida Statutes, Chapter 159, Part VII, Florida Statutes, the Charter of the Issuer and other applicable provisions of law (collectively, the "Act"), Section 112.08, Florida Statutes and the Bond Resolution.

SECTION 2. Definitions. All terms used herein in capitalized form, unless otherwise defined herein, shall have the same meanings as ascribed to them in the Bond Resolution, unless the context otherwise requires. All terms used herein in capitalized form and defined in the preamble hereto shall have the meanings ascribed thereto in such preamble.

SECTION 3. Findings.

A. The Issuer has heretofore adopted the Bond Resolution pursuant to which the 2003 Bonds were issued and remain outstanding.

B. The Issuer has determined it has an unfunded actuarial accrued liability with respect to the Retiree Health Care Plan.

C. The issuance of the 2005 Bonds for the purpose of funding all or a portion of the 2005 Health Care Obligation of the Issuer will serve a public purpose and is in the best interest of the Issuer.

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

E. It is estimated that the Pledged Revenues will be sufficient to pay all the principal of, premium, if any, and interest on the 2005 Bonds herein authorized and on the 2003 Bonds, as the same become due and to make all deposits into the funds and accounts and other payments in connection therewith as required by the Bond Resolution and this Resolution.

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

G. The 2005 Bonds will constitute Additional Bonds within the meaning and contemplation of the Bond Resolution and will be payable from the Pledged Revenues on a parity with the 2003 Bonds, any Qualified Hedge Payments and any Additional Bonds which may be issued in the future. The 2005 Bonds will be issued only if the requirements for the issuance of Additional Bonds under the Bond Resolution are met.

H. The Pledged Revenues are not pledged or encumbered in any manner except to pay the principal of and interest on the 2003 Bonds and any other payments required in the Bond Resolution.

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

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

K. The Underwriter will, prior to acceptance by the Issuer of the offer of the Underwriter to purchase the 2005 Bonds, provide the Issuer with (i) a disclosure statement regarding the 2005 Bonds containing the information required by Section 218.385(6), Florida Statutes, and (ii) a Truth-In-Bonding Statement pursuant to Section 218.385(3), Florida Statutes (which Truth-In-Bonding Statement may be contained in the Purchase Contract or the disclosure statement), and no further disclosure is or shall be required by the Issuer.

L. Because of the characteristics of the 2005 Bonds, prevailing and anticipated market conditions and savings to be realized from the expeditious sale of the 2005 Bonds, and taking into account the advice of Public Financial Management, Inc., the Issuer's financial advisor (the "Financial Advisor"), it is in the best interest of the Issuer to accept the offer of the Underwriter to purchase the 2005 Bonds in an aggregate original principal amount not exceeding \$45,000,000 at a negotiated sale upon the terms and conditions outlined herein and in the Purchase Contract and as determined by the Interim City Manager, the Administrative Services Director or the Finance Director in accordance with the terms hereof.

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

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

SECTION 4. Amendment of Resolution No. 020919. Resolution No. 020919, adopted by the Issuer on February 24, 2003, is hereby amended in the

following respect (such amendment having been consented to in writing by MBIA, as the Bond Insurer of the 2003 Bonds which are the only Bonds currently outstanding under the terms of the Bond Resolution);

A. Paragraph A of Section 11 is hereby amended in its entirety to read as follows:

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

SECTION 5. Instrument to Constitute a Contract; Covenants in Bond Resolution Applicable. In consideration of the acceptance of the 2005 Bonds authorized to be issued hereunder by those who shall hold the same from time to time, the Bond Resolution, as supplemented by this Resolution, shall be deemed to be and shall constitute a contract between the Issuer and the Holders of the 2005 Bonds. All of the applicable covenants of the Bond Resolution shall apply to the 2005 Bonds as if the 2005 Bonds had been originally issued under the Bond Resolution. The covenants and agreements set forth herein and in the Bond Resolution to be performed by the Issuer shall be for the equal benefit, protection and security of the Holders of the 2005 Bonds, and the 2005 Bonds shall be of equal rank with all other Bonds issued under the Bond Resolution, without preference, priority or distinction over any other thereof.

SECTION 6. Authorization of Funding of 2005 Health Care Obligation. The funding of all or a portion of the 2005 Health Care Obligation from proceeds of the 2005 Bonds is hereby authorized.

SECTION 7. Authorization of 2005 Bonds; Delegation; Terms and Form of 2005 Bonds.

A. Subject and pursuant to the provisions hereof, the 2005 Bonds to be known as the "City of Gainesville, Florida Taxable Other Post Employment Benefits Obligation Bonds, Series 2005 (Retiree Health Care Plan)" are hereby authorized to be issued for the purpose of paying the 2005 Health Care Obligation and paying the costs of issuance of the 2005 Bonds. The specific principal amounts of the 2005 Bonds shall be determined as hereinafter provided.

B. The Interim City Manager, the Administrative Services Director or the Finance Director of the Issuer is hereby designated and authorized to award the sale to the Underwriter of the 2005 Bonds in an aggregate original principal amount not to exceed \$45,000,000 and to approve the terms thereof, including, without limitation, the date or dates thereof, the principal amount thereof, the interest rate or rates with respect thereto, the purchase price thereof, the maturity dates thereof and the redemption terms with respect thereto; provided, however, that in no event shall (i) the aggregate original principal amount of the 2005 Bonds

exceed \$45,000,000 (the "Maximum Principal Amount"), (ii) the purchase price of the 2005 Bonds be less than 99.35% of the original principal amount thereof (excluding original issue discount and original issue premium) (the "Minimum Purchase Price"), (iii) the true interest cost rate (the "TIC") of the 2005 Bonds exceed 6.5% (the "Maximum TIC"), (iv) the interest rate on the 2005 Bonds exceed the maximum rate permitted by law, (v) the final maturity of the 2005 Bonds occur after October 1, 2014 or (vi) the 2005 Bonds be subject to optional or mandatory redemption prior to their maturity.

C. The 2005 Bonds shall be dated such date, shall bear interest from such date, payable semiannually on the first day of April and the first day of October of each year, at such rates, and shall mature on October 1 of such year or years as shall be established by the Purchase Contract and approved by the Interim City Manager, the Administrative Services Director or the Finance Director as herein provided, execution of the Purchase Contract by any such officers on behalf of the Issuer to constitute conclusive evidence of approval of the terms set forth therein. The 2005 Bonds shall be issued as fully registered bonds in the denomination of \$5,000 each or any integral multiple thereof.

D. The 2005 Bonds shall be numbered consecutively from one upward preceded by the letter "R" prefixed to the number. Principal of and premium, if any, on the 2005 Bonds shall be payable upon presentation and surrender of the 2005 Bonds at the designated corporate trust office of the Paying Agent.

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

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

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

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

H. The text of the 2005 Bonds shall be substantially in the form set forth in the Bond Resolution with such omissions, insertions and variations (including, without limitation, changes to reflect the name of the 2005 Bonds as may be necessary or desirable and authorized by this Resolution, or as may be approved by the Mayor or Mayor-Commissioner Pro Tempore (execution thereof manually or by facsimile to be conclusive evidence of such approval), including, without limitation, such changes as may be required for the issuance of uncertificated public obligations and for execution of the 2005 Bonds by an authenticating agent.

SECTION 8. Approval of Purchase Contract; Approval of Official Statement; Approval of Continuing Disclosure Certificate.

A. The form of the Purchase Contract presented by the Underwriter and on file with the office of the Clerk of the Commission 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 person executing the same on behalf of the Issuer, whether the Interim City Manager, the Administrative Services Director or the Finance Director of the Issuer, in a manner consistent with the provisions of this Resolution, such execution to be conclusive evidence of such approval. Upon receipt of a disclosure statement and a Truth-in-Bonding Statement from the Underwriter, the Interim City Manager, the Administrative Services Director or the Finance Director of the Issuer, with the advice of the Financial Advisor, is hereby authorized to accept the offer of the Underwriter to purchase the 2005 Bonds in the aggregate principal amount not exceeding the applicable Maximum Principal Amount, at a TIC not to exceed the Maximum TIC, at a purchase price of not less than the Minimum Purchase Price, plus accrued interest thereon, if any, to the date of delivery, with an interest rate no greater than the maximum rate permitted by law, and with the latest maturity date not later than October 1, 2014, upon the terms and conditions set forth in the Purchase Contract. The Interim City Manager, the Administrative Services Director or the Finance Director of the Issuer is hereby authorized to execute the Purchase Contract for and on behalf of the Issuer pursuant to the terms hereof and of the Purchase Contract. The City Attorney is hereby authorized to approve the form and legality of the Purchase Contract.

B. The Issuer hereby approves the form and content of the Official Statement which shall be in substantially the form of the draft Preliminary Official Statement on file with the office of the Clerk of the Commission, subject to such

changes, insertions and omissions and such filling of the blanks therein as shall be approved by the Interim City Manager or Finance Director of the City, who are hereby authorized to execute and deliver the Official Statement on behalf of the Issuer, execution thereof to be conclusive evidence of such approval and hereby authorizes and approves the Preliminary Official Statement, substantially in the form of the draft thereof on file with the office of the Clerk of the Commission, and the use and circulation thereof in the marketing of the 2005 Bonds.

C. In order to enable the Underwriter to comply with Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule"), in connection with the offering and sale of the 2005 Bonds, the Interim City Manager, the Administrative Services Director or the Finance Director of the Issuer is hereby authorized, on behalf of the Issuer, to deem the Preliminary Official Statement final as of its date, except for Permitted Omissions. As used herein, "Permitted Omissions" shall mean the offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, bond ratings, and other terms of the 2005 Bonds depending on such matters.

D. The Issuer hereby agrees, in accordance with the provisions of Rule 15c2-12 in effect from time to time and applicable to the 2005 Bonds (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, to enter into a continuing disclosure certificate substantially in the form on file with the office of the Clerk of the Commission (the "Continuing Disclosure Certificate"). The form of the Continuing Disclosure Certificate on file with the office of the Clerk of the Commission is hereby approved and the Mayor, the Mayor-Commissioner Pro Tempore, Administrative Services Director, Finance Director or Interim City Manager is hereby authorized to execute and deliver the Continuing Disclosure Certificate, subject to such amendments, modifications and filling of blanks therein as such officer executing such document shall approve, such execution to constitute conclusive evidence of such approval. Notwithstanding any other provision of this Resolution, failure of the Issuer to comply with such Continuing Disclosure Certificate shall not be considered an event of default under the Bond Resolution. However, the Continuing Disclosure Certificate shall be enforceable by the Bondholders of the 2005 Bonds in the event that the Issuer fails to cure a breach thereunder within a reasonable time after written notice from a Bondholder of a 2005 Bond to the Issuer that a breach exists. Any rights of the Bondholders of the 2005 Bonds to enforce the provisions of this Section shall be on behalf of all Bondholders of the 2005 Bonds and shall be limited to a right to obtain specific performance of the Issuer's obligations under the Continuing Disclosure Certificate.

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

