

**FIRST AMENDMENT TO
FEE LETTER**

This FIRST AMENDMENT TO FEE LETTER, dated as of _____, 2017 (this "Amendment"), is entered into between THE CITY OF GAINESVILLE, FLORIDA (the "City") and STATE STREET BANK AND TRUST COMPANY (the "Bank").

W I T N E S S E T H:

WHEREAS, the City and the Bank entered into that certain Fee Letter dated August 28, 2014 (the "Fee Letter"), setting forth certain fees to be paid by the City to the Bank in connection with that certain Credit Agreement (the "Agreement"), dated as of August 1, 2014, pursuant to which the Bank agreed, subject to certain conditions, to make loans to the City from time to time to enable the City to pay the City's Utilities System Commercial Paper Notes, Series D (the "Commercial Paper Notes") upon maturity;

WHEREAS, the City and the Bank have agreed to make certain modifications and amendments to the Fee Letter; and

WHEREAS, the Bank is willing to enter into this Amendment with the City, subject to the following terms and conditions;

NOW THEREFORE, in consideration of the foregoing and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. AUTHORITY AND DEFINITIONS

- (a) This Amendment is entered into pursuant the last paragraph of the Fee Letter.
- (b) This Amendment amends the Fee Letter.
- (c) Capitalized terms used herein but not herein defined, shall have the meanings ascribed to them in the Fee Letter.

Section 2. AMENDMENTS

The Fee Letter shall be amended as of the Amendment Effective Date (as defined in Section 3 to this Amendment) as follows:

- (a) Paragraph 1 of the Fee Letter shall be amended in its entirety, as follows:
 - 1. A. From the Effective Date to (but not including) August 28, 2017, the City hereby agrees to pay to the Bank a nonrefundable commitment fee (the "Commitment Fee") with respect to the Commitment of the Bank (without regard to whether any Loans remain outstanding) under the Agreement at the rate

per annum set forth below (the “Commitment Fee Rate”) to but excluding the Termination Date on the average daily amount of the Commitment during each period in respect of which payment is made. The applicable Commitment Fee Rate for any period shall be determined on the basis of the publicly announced long-term credit rating assigned to any Utilities System Revenue Bonds by any of S&P, Fitch or Moody’s (the “Credit Ratings”), without giving effect to any bond insurance policy or other credit enhancement securing such Utilities System Revenue Bonds:

<u>Credit Rating</u> (S&P/Fitch/Moody’s)	<u>Commitment Fee Rate</u>
AA-/AA-/Aa3 or better	0.33%
A+/A+/A1	0.38%
A/A/A2	0.48%
A-/A-/A3	0.63%
BBB+/BBB+/Baa1	0.78%
BBB/BBB/Baa2	0.93%

B. From (and including) August 28, 2017 and thereafter, the City hereby agrees to pay to the Bank a nonrefundable commitment fee (the “Commitment Fee”) with respect to the Commitment of the Bank (without regard to whether any Loans remain outstanding) under the Agreement at the rate per annum set forth below (the “Commitment Fee Rate”) to but excluding the Termination Date on the average daily amount of the Commitment during each period in respect of which payment is made. The applicable Commitment Fee Rate for any period shall be determined on the basis of the publicly announced long-term credit rating assigned to any Utilities System Revenue Bonds by any of S&P, Fitch or Moody’s (the “Credit Ratings”), without giving effect to any bond insurance policy or other credit enhancement securing such Utilities System Revenue Bonds:

<u>Credit Rating</u> (S&P/Fitch/Moody’s)	<u>Commitment Fee Rate</u>
AA-/AA-/Aa3 or better	0.42%
A+/A+/A1	0.47%
A/A/A2	0.57%
A-/A-/A3	0.72%
BBB+/BBB+/Baa1	0.87%
BBB/BBB/Baa2	1.02%

C. If the Credit Ratings assigned by S&P, Fitch and Moody’s, respectively, appear in more than one rating category (i.e., a split rating), the Commitment Fee Rate will be based on the category that includes the lowest Credit Rating. References to ratings above are references to rating categories as presently determined by S&P, Fitch and Moody’s, respectively,

and in the event of adoption of any new or changed rating system by any such rating agency, each of the ratings from the rating agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. Each change in the Commitment Fee Rate resulting from a change in the Credit Rating shall become effective on the date of announcement or publication by S&P, Fitch or Moody's of a change in such rating or, in the absence of such announcement or publication, on the effective date of such changed rating. In the event that the Credit Rating assigned by any of S&P, Fitch or Moody's falls below "BBB" or "Baa2", respectively, or has been suspended, withdrawn or otherwise is unavailable for any reason, the Commitment Fee then in effect will increase automatically, without notice, to 1.00% per annum and such increased Commitment Fee Rate shall be payable until no such Credit Rating remains below "BBB" or "Baa2", respectively, or is so suspended, withdrawn or unavailable, or the Agreement otherwise terminates. Upon the occurrence and during the continuance of a Tender Event under the Agreement, the Commitment Fee Rate then in effect will increase by an additional 1.00% per annum automatically and without notice to the City, commencing on the date such Tender Event occurs and such increased Commitment Fee Rate shall be payable until such Tender Event is cured (but solely to the extent curable under the Agreement) or is otherwise waived in writing by the Bank, or the Agreement otherwise terminates.

D. Such Commitment Fee shall be payable in immediately available funds quarterly in arrears, at or prior to 1:00 P.M. (New York City time), on each Quarterly Payment Date prior to the Termination Date (each such payment to be computed on the basis of a year of 365 days and the actual number of days elapsed), in respect of the Commitment from time to time in effect, and on the Termination Date.

(b) Paragraph 5 of the Fee Letter shall be amended in its entirety, as follows:

5. In the event that the Commitment of the Bank under the Agreement is terminated or otherwise permanently reduced by or on behalf of the City prior to February 28, 2018, the City agrees to pay to the Bank on such termination date or reduction date, as applicable, in addition to all other obligations of the City that may be due and payable at such time, a termination fee equal to the Commitment Fee which would have been payable to the Bank from (and including) such termination date or reduction date through February 28, 2018, calculated at the time of such termination or reduction on the basis of the then applicable Commitment (or, if as a result of a reduction of less than 100% of the Bank's Commitment, the reduced amount of such Commitment) and the then applicable Commitment Fee Rate. Notwithstanding the foregoing, such termination fee shall not be payable by the City to the Bank in the event that the termination of the Agreement in whole results from either of (i) (a) Moody's lowering or withdrawing the short-term rating on the Bank below "P-1", or (b) S&P lowering or withdrawing the short-term rating on the Bank below "A-1", or (ii) the Bank assesses increased costs against the City pursuant to Section 8.01 of the Agreement and the substitute bank (or banks) with respect to the CP Notes agrees not to assess such fee increase relating to such additional costs or does not otherwise include such costs in its calculation of fees or other amounts charged to the City, all as demonstrated in writing to the reasonable satisfaction of the Bank.

Termination of the Agreement shall be effective upon payment of the foregoing termination fee, if applicable, and the payment in full of all obligations of the City owing to the Bank (including, without limitation, such increased costs in accordance with Section 8.01 of the Agreement) under the Agreement.

Section 3. CONDITIONS TO EFFECTIVENESS OF AMENDMENT

This Amendment shall be effective on _____, 2017 (the "Amendment Effective Date"), provided that all of the following conditions have been fulfilled:

- (a) Delivery by the parties hereto of an executed counterpart of this Amendment.
- (b) Delivery by the parties thereto of an executed counterpart of the First Amendment to Credit Agreement dated _____, 2017 between the Bank and the City.
- (c) All other legal matters pertaining to the execution and delivery of this Amendment shall be satisfactory to the Bank and its counsel.

Section 4. REPRESENTATIONS AND WARRANTIES

The City represents and warrants as follows:

- (a) The execution, delivery and performance by the City of this Amendment and the Fee Letter, as amended hereby, are within its powers, have been duly authorized by all necessary action and do not contravene any law or any contractual restriction binding on or affecting the City.
- (b) No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the City of this Amendment or the Fee Letter, as amended hereby.
- (c) This Amendment and the Fee Letter, as amended hereby, constitute legal, valid and binding obligations of the City, enforceable against the City, in accordance with their respective terms.

Section 5. COVENANTS

The City hereby reaffirms its agreement to observe and perform each covenant and obligation of the City contained in the Fee Letter, as amended hereby.

Section 6. MISCELLANEOUS

- (a) Except as specifically amended herein, the Fee Letter shall continue in full force and effect in accordance with its terms. Reference to this specific Amendment need not be made in any note, document, agreement, letter, certificate, the Fee Letter or any communication issued or made subsequent to, or with respect to, the Fee Letter, it being hereby agreed that any reference in the Fee Letter to the “Fee Letter” shall be sufficient to refer to the Fee Letter, as hereby amended.
- (b) In case any one or more of the provisions contained herein should be declared invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired hereby.
- (c) **THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK; PROVIDED THAT THE OBLIGATIONS OF THE CITY HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF FLORIDA.**
- (d) This Amendment may be signed in any number of counterpart copies, but all such copies shall constitute one and the same voluntary, legal and binding instrument.

[signature page immediately follows]

IN WITNESS WHEREOF, the City and the Bank have caused this Amendment to be duly executed as of the date first above written.

CITY OF GAINESVILLE, FLORIDA

By _____

Name:

Title:

STATE STREET BANK AND TRUST
COMPANY, as the Bank

By _____

Name: Amy Baribeault

Title: Managing Director

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