

May 17, 2017

KUTAK ROCK LLP
DRAFT 05/09/17**FEE LETTER**
DATED [], 2017

Reference is hereby made to that certain Standby Bond Purchase Agreement dated as of [], 2017, as the same may be amended, supplemented or otherwise modified from time to time (the “*Agreement*”), between the City of Gainesville, Florida (the “*City*”) and Citibank, N.A. (the “*Bank*”). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

The purpose of this Fee Letter is to confirm the agreement between the Bank and the City with respect to the Facility Fees (as defined below) and certain other fees and rates payable by the City to the Bank. This Fee Letter is the Fee Letter referenced in the Agreement, and the terms hereof are incorporated by reference into the Agreement.

ARTICLE I. FEES.

Section 1.1. Facility Fees. The City hereby agrees to pay to the Bank on **[October 2]**, 2017, for the period commencing on the Effective Date, to and including **[September 30]**, 2017 and quarterly in arrears on the first Business Day of each January, April, July and October (each a “*Quarterly Payment Date*”) occurring thereafter to the last day of the Purchase Period, and on the last day of the Purchase Period, a non-refundable facility fee in an amount equal to the product of the rate per annum corresponding to the Rating (as defined below), as specified below (the “*Facility Fee Rate*”), and the Available Commitment from time to time in effect (the “*Facility Fees*”) during each related period.

LEVEL	S&P RATING	MOODY’S RATING	FITCH RATING	COMMITMENT FEE RATE
Level 1:	AA- or higher	Aa3 or higher	AA- or higher	0.33%
Level 2:	A+	A1	A+	0.43%
Level 3:	A	A2	A	0.58%
Level 4:	A-	A3	A-	0.73%

The term “*Rating*” as used above shall mean the long-term unenhanced credit rating assigned by S&P, Fitch or Moody’s to any of the City’s Parity Debt (without regard to bond insurance or any other form of credit enhancement). In the event of a split rating (*i.e.*, one of the foregoing Rating Agencies’ ratings is different than the rating of another Rating Agency), the Facility Fee Rate shall be based upon the Level in which the lowest rating appears. Any change in the Facility Fee Rate resulting from a change in a rating shall be and become effective as of and on the date of the announcement of the change in such rating. References to ratings above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system, the rating from the Rating Agency in

question referred to above shall be deemed to refer to the rating category under the new rating system that most closely approximates the applicable rating category as currently in effect. Upon the occurrence of and during the continuance of an Event of Default, the Facility Fee Rate shall increase by 3.00% over the then applicable Facility Fee Rate. The Facility Fees shall be payable in immediately available funds and computed on the basis of a year of 360 days and the actual number of days to elapse. The City and the Bank acknowledge that as of the Effective Date, the Facility Fee Rate is that specified above for Level 1.

Section 1.2. Purchase Date Fees. The City hereby agrees to pay to the Bank, on each Purchase Date, a draw fee equal to \$350.

Section 1.3. Amendment, Waiver or Consent Fee. The City hereby agrees to pay to the Bank on the date of any (i) amendment with respect to the Agreement, this Fee Letter or any other Financing Document an amendment fee of \$3,500 and (ii) waiver or consent with respect to the Agreement, the Fee Letter or any other Financing Document a waiver or consent fee, as applicable, to be mutually agreed upon, plus, in each case, the reasonable fees and expenses of any legal counsel retained by the Bank in connection therewith.

Section 1.4. Termination Fee; Reduction Fee. (i) Upon any termination of the Agreement and the Available Commitment in whole, the City agrees to pay all accrued and unpaid fees through and including the date of termination, as well as all other amounts due and owing under this Fee Letter and the Agreement. The City hereby agrees to pay to the Bank a termination fee in connection with the termination of the Agreement and the Available Commitment prior to the one year anniversary of the Effective Date, in an amount equal to the product of (A) the Facility Fee Rate in effect on the date of such termination, (B) the Available Commitment in effect as of the date of such termination, and (C) a fraction, the numerator of which is equal to the number of days from and including the date of such termination to and including the one year anniversary of the Effective Date, and the denominator of which is 360 (the "*Termination Fee*"), payable on the date the Agreement and the Available Commitment is terminated in whole; *provided, however*, that no Termination Fee shall become payable if the Agreement and the Available Commitment are terminated in whole as a result of (A) a reduction of the Bank's senior unsecured short-term ratings below "A-1" by S&P, "F1" by Fitch or "VMIG-1" by Moody's, (B) the Bank seeking compensation from the City for increased costs imposed upon the Bank pursuant to Section 2.7 of the Agreement or (C) a refunding or refinancing of the Bonds in full to a fixed rate.

(ii) The City hereby agrees not to reduce the Available Commitment prior to the one year anniversary of the Effective Date, without the payment by the City to the Bank of a reduction fee in connection with each and every permanent reduction of the Available Commitment by the City in an amount equal to the product of (A) the Facility Fee Rate in effect on the date of such permanent reduction, (B) the difference between the Available Commitment prior to such permanent reduction and the Available Commitment after such permanent reduction, and (C) a fraction, the numerator of which is equal to the number of days from and including the date of such permanent reduction to and including the one year anniversary of the Effective Date, and the denominator of which is 360 (the "*Reduction Fee*"), payable on the date the Available Commitment is permanently reduced *provided, however*, that no reduction fee

shall become payable if the Agreement and the Available Commitment are reduced as a result of (A) a reduction of the Bank's senior unsecured short-term ratings below "A-1" by S&P, "F1" by Fitch or "VMIG-1" by Moody's, (B) the Bank seeking compensation from the City for increased costs imposed upon the Bank pursuant to Section 2.7 of the Agreement, (C) a refunding or refinancing of the Bonds in full to a fixed rate or (D) such reduction occurs solely as a result of a mandatory sinking fund redemption of a corresponding principal amount of Bonds.

ARTICLE II. MISCELLANEOUS.

Section 2.1. Amendments. No amendment to this Fee Letter shall become effective without the prior written consent of the City and the Bank.

Section 2.2. Governing Law. This Fee Letter shall be governed by, and construed in accordance with, the laws of the State of New York, except that the capacity, power or authority of the City to enter into and perform this Fee Letter shall be governed by, and construed in accordance with, the laws of the State of Florida.

Section 2.3. Counterparts. This Fee Letter may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument.

Section 2.4. Severability. Any provision of this Fee Letter which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 2.5. Representation by Legal Counsel. The parties hereto have participated jointly in the negotiation and drafting of this Fee Letter, and each of the parties was represented by its respective legal counsel during the negotiation and execution of this Fee Letter. In the event an ambiguity or question of intent or interpretation arises, this Fee Letter shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Fee Letter.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Fee Letter to be duly executed and delivered by their respective representatives thereunto duly authorized as of the date first set forth above.

CITY OF GAINESVILLE, FLORIDA

By: _____

Name: _____

Title: Chief Financial Officer, Utilities

Approved as to form and legality:

By: _____

Name: _____

Title: _____

CITIBANK, N.A.

By: _____
Name: Rebekah McGuire
Title: Authorized Signatory