

CITY OF GAINESVILLE, FLORIDA

\$139,505,000
Variable Rate Utilities System
Revenue Bonds,
2007 Series A

EIGHTEENTH SUPPLEMENTAL UTILITIES SYSTEM
REVENUE BOND RESOLUTION

Adopted February 26, 2007

**EIGHTEENTH SUPPLEMENTAL UTILITIES SYSTEM
REVENUE BOND RESOLUTION**

BE IT RESOLVED by the City Commission of the City of Gainesville, Florida (the “City”) as follows:

ARTICLE I

DEFINITIONS AND STATUTORY AUTHORITY

SECTION 1.01. Supplemental Resolution. This Eighteenth Supplemental Utilities System Revenue Bond Resolution is supplemental to the Utilities System Revenue Bond Resolution (the “Bond Resolution”) adopted by the City on June 6, 1983, as heretofore amended, restated and supplemented. The Bond Resolution as so amended, restated and supplemented is hereinafter referred to as the “Resolution”.

SECTION 1.02. Definitions. 1. Except as provided by this Eighteenth Supplemental Utilities System Revenue Bond Resolution, all terms which are defined in Section 101 of the Resolution shall have the same meanings, respectively, in this Eighteenth Supplemental Utilities System Revenue Bond Resolution as such terms are given in said Section 101 of the Resolution.

2. In this Eighteenth Supplemental Utilities System Revenue Bond Resolution:

“**Agent Bank**” shall mean (a) in the case of any Liquidity Facility to which only one Bank is a party, such Bank and (b) in the case of any Liquidity Facility to which more than one Bank is a party, the agent appointed to act thereunder on behalf of the Banks that are parties thereto.

“**Auction**” means each periodic implementation of the Auction Procedures.

“**Auction Agent**” shall mean each firm appointed by the City from time to time as the auctioneer for the 2007 Series A Bonds while bearing interest at the Auction Mode Rate and that is designated by an Authorized Officer of the City as constituting an “Auction Agent” hereunder at the time of such appointment.

“**Auction Agreement**” shall mean an agreement between the Auction Agent and the Trustee pursuant to which the Auction Agent agrees to follow the procedures to be specified in Exhibit A with respect to the 2007 Series A Bonds while bearing interest at the Auction Mode Rate, as such agreement may from time to time be amended or supplemented, and that is designated by an Authorized Officer of the City as constituting an “Auction Agreement” hereunder at the time of the execution and delivery thereof.

“**Auction Date**” means any date on which an Auction shall be conducted with respect to the 2007 Series A Bonds, which dates shall be determined as provided in Exhibit A.

“**Auction Mode**” shall mean the Interest Mode during which the 2007 Series A Bonds bear interest at Auction Mode Rates.

“**Auction Mode Rate**” shall mean the interest rate applicable to the 2007 Series A Bonds during the Auction Mode, to be determined as provided in clause (a) of Section 3.03 and in Exhibit A.

“**Auction Period**” shall mean such period during which each Auction Rate shall be in effect, as shall be provided in Exhibit A, which period shall begin on a Business Day and end on a day which is followed by a Business Day.

“**Auction Procedures**” shall mean the procedures for conducting Auctions for 2007 Series A Bonds during the Auction Mode to be set forth in Exhibit A.

“**Authorized Denominations**” shall mean (i) for the 2007 Series A Bonds bearing interest at a Daily Rate, a Weekly Rate or a Flexible Rate, \$100,000 or any integral multiple of \$5,000 in excess thereof; (ii) for the 2007 Series A Bonds bearing interest at an Auction Mode Rate, \$25,000 or any integral multiple thereof; and (iii) for the 2007 Series A Bonds bearing interest at a Term Rate or a Fixed Rate, \$5,000 or any integral multiple thereof.

“**Bank**” or “**Banks**” shall mean, as the context may require, the Person(s) that is (or are) the issuer(s) or provider(s) of a particular Liquidity Facility.

“**Bank Purchase Date**” shall mean, with respect to each 2007 Series A Bond purchased by the Bank(s) (or any nominee or nominees thereof) pursuant to clause (b) of paragraph 1 of Section 3.11, the date of such purchase.

“**Bank Rate**” shall have the meaning ascribed to such term in the Initial Liquidity Facility as originally executed; *provided, however*, that if the City shall receive an Opinion of Counsel of an attorney or firm of attorneys of nationally recognized standing in matters pertaining to the federal income tax treatment of interest on bonds issued by states and their political subdivisions to the effect that an amendment of such definition (including, for this purpose, any replacement thereof with another definition) will not cause the interest on the 2007 Series A Bonds to become includable in gross income for federal income tax purposes, then “Bank Rate” shall be deemed to refer to such definition as so amended (or replaced); and *provided, further*, that if any such amendment to such definition shall be scheduled to take effect other than in connection with the substitution of a Substitute Liquidity Facility for the Liquidity Facility then in effect, then such amendment shall not become effective unless consented to in writing by the Bank(s) that is (or are) a party to the Liquidity Facility then in effect (or the Agent Bank on behalf of such Bank(s)).

“**Book-Entry Only 2007 Series A Bond**” shall mean any 2007 Series A Bond that is restricted to being registered in the registration books kept by the Bond Registrar in the name of the Securities Depository therefor.

“**Broker-Dealer**” means any entity that is permitted by law to perform the functions required of a Broker-Dealer to be described in Exhibit A, that is a member of, or a direct participant in, the Securities Depository, that has been selected by the City, that is a party to a Broker-Dealer Agreement with the City and the Auction Agent and

that is designated by an Authorized Officer of the City as constituting a “Broker-Dealer” hereunder at the time of such selection.

“**Broker-Dealer Agreement**” means an agreement among the Auction Agent, the City and a Broker-Dealer pursuant to which such Broker-Dealer agrees to follow the procedures to be described in Exhibit A, as such agreement may from time to time be amended or supplemented, and that is designated by an Authorized Officer of the City as constituting an “Auction Agreement” hereunder at the time of the execution and delivery thereof.

“**Business Day**” shall mean any day, other than a Saturday or Sunday, on which (a) the principal office of the City is open for business during its normal business hours, (b) if the 2007 Series A Bonds are in an Interest Mode other than the Auction Mode or the Fixed Mode, the principal corporate trust office of the Tender Agent, the principal office of the Remarketing Agent and the lending office of the Agent Bank under the Liquidity Facility are open for business during their respective normal business hours and (c) if the 2007 Series A Bonds are in the Auction Mode, the principal corporate trust office of the Auction Agent and the principal office of each Broker-Dealer are open for business during their respective normal business hours.

“**Cede**” shall have the meaning given to such term in Section 2.05(3) hereof.

“**Daily Mode**” shall mean the Interest Mode during which the 2007 Series A Bonds bear interest at Daily Rates.

“**Daily Rate**” shall mean the interest rate applicable to the 2007 Series A Bonds during the Daily Mode, determined as provided in clause (b) of Section 3.03.

“**Delivery Date**” shall mean the date of the initial issuance and delivery of the 2007 Series A Bonds.

“**Differential Interest Amount**” shall have the meaning assigned thereto in Section 5.01(3).

“**DTC**” shall have the meaning given to such term in Section 2.05(2) hereof.

“**Eighteenth Supplemental Resolution**” shall mean this Eighteenth Supplemental Utilities System Revenue Bond Resolution, supplemental to the Resolution, as from time to time amended or supplemented in accordance with the terms of the Resolution.

“**Exhibit A**” shall mean such Exhibit A as shall be added hereto as a result of the adoption of a Supplemental Resolution in accordance with the provisions of clause (iv) of the first sentence of Section 8.05(1) in connection with the conversion of the 2007 Series A Bonds to the Auction Mode, as the same may be amended from time to time in accordance with the provisions thereof. Such Exhibit A shall contain such provisions relating to the Auction Mode as the City shall determine, including, without limitation, procedures relating to the determination of Auction Dates and Auction Periods, the conduct of Auctions and the determination of the Auction Mode Rate. In such event,

Exhibit A shall constitute a part of this Eighteenth Supplemental Resolution for all purposes hereof and of the Resolution.

“**Fixed Mode**” shall mean the Interest Mode during which the 2007 Series A Bonds bear interest at the Fixed Rate.

“**Fixed Rate**” shall mean the interest rate applicable to the 2007 Series A Bonds during the Fixed Mode, determined as provided in clause (e) of Section 3.03.

“**Flexible Mode**” shall mean the Interest Mode during which the 2007 Series A Bonds bear interest at Flexible Rates.

“**Flexible Rate**” shall mean the interest rate applicable to the 2007 Series A Bonds during the Flexible Mode, determined as provided in clause (d) of Section 3.03.

“**Initial Liquidity Facility**” shall mean the Standby Bond Purchase Agreement Relating to Variable Rate Utilities System Revenue Bonds, 2007 Series A, dated as of March 1, 2007, between the City and State Street Bank and Trust Company, as amended from time to time.

“**Interest Accrual Period**” shall mean the period from and including each Interest Payment Date to but excluding the next Interest Payment Date. The initial Interest Accrual Period for the 2007 Series A Bonds shall begin on (and include) the Delivery Date. The final Interest Accrual Period for any 2007 Series A Bond shall end on the day next preceding the maturity or redemption date of such 2007 Series A Bond.

“**Interest Mode**” shall mean a period of time relating to the frequency with which the interest rate on the 2007 Series A Bonds is determined pursuant to Section 3.03. An Interest Mode may be the Auction Mode, the Daily Mode, the Weekly Mode, the Flexible Mode, the Term Mode or the Fixed Mode.

“**Interest Payment Date**” shall mean, with respect to each 2007 Series A Bond, (a) each date on which the 2007 Series A Bonds shall be subject to mandatory tender for purchase pursuant to clause (c) of Section 3.06; (b) except as to any 2007 Series A Bank Bond, (i) as to 2007 Series A Bonds in the Auction Mode, the various dates on which interest shall be payable on the 2007 Series A Bonds, which dates shall be set forth in Exhibit A hereto; (ii) as to 2007 Series A Bonds in the Daily Mode or the Weekly Mode, the first Business Day of each calendar month; (iii) as to 2007 Series A Bonds in the Flexible Mode, the first Business Day following the end of each Interest Period with respect thereto; and (iv) as to 2007 Series A Bonds in the Term Mode or the Fixed Mode, semi-annually on each April 1 and October 1 commencing on the first April 1 or October 1 occurring after the conversion to such Interest Mode; *provided, however*, that if such first date occurs less than three (3) months after such conversion, said first Interest Payment Date shall be on the second such date following such conversion; (c) as to any 2007 Series A Bank Bond, unless otherwise provided in the Liquidity Facility, each date determined pursuant to paragraph 2 of Section 5.02; and (d) the maturity or redemption date thereof.

“Interest Period” shall mean the period from and including a Rate Adjustment Date to but excluding the next succeeding Rate Adjustment Date (if any); *provided, however,* that (a) the first Interest Period for the 2007 Series A Bonds shall be the period from and including the Delivery Date to but excluding the first Rate Adjustment Date and (b) the final Interest Period for any 2007 Series A Bond shall be the period from and including the last Rate Adjustment Date preceding the maturity or redemption date of such 2007 Series A Bond to but excluding such maturity or redemption date.

“Liquidity Facility” shall mean the Initial Liquidity Facility and, upon the effectiveness thereof as provided in paragraph 2 of Section 4.02, each Substitute Liquidity Facility.

“Liquidity Facility Expiration Date” shall mean the date upon which the Liquidity Facility is stated to expire or terminate, as such date may be extended from time to time, either by extension or renewal of the then existing Liquidity Facility or the issuance or entry into of a Substitute Liquidity Facility.

“Liquidity Facility Requirement” shall mean, at such times (if any) as the 2007 Series A Bonds are in an Interest Mode other than the Auction Mode or the Fixed Mode, an amount equal to the principal amount of the Outstanding 2007 Series A Bonds (other than 2007 Series A Bank Bonds) plus, if the 2007 Series A Bonds shall be in the Daily Mode or the Weekly Mode, 36 days’ interest thereon computed at a rate per annum equal to the Maximum Rate and on the basis of a 365-day year.

“Market Rate” shall mean any interest rate determined in accordance with the procedures set forth in clause (f) of Section 3.03.

“Maximum Rate” shall mean twelve percent (12%) per annum, or such higher rate as shall be approved by the City if (a) an Opinion of Counsel of an attorney or firm of attorneys of nationally recognized standing in matters pertaining to the federal income tax treatment of interest on bonds issued by states and their political subdivisions shall have been delivered to the Notice Parties to the effect that any such change in the Maximum Rate (i) is authorized or permitted by the Resolution and the Act and (ii) will not cause the interest on the 2007 Series A Bonds to become includable in gross income for federal income tax purposes and (b) if the 2007 Series A Bonds shall be in the Daily Mode or the Weekly Mode, the Liquidity Facility is modified (if necessary) so that its stated amount or the aggregate commitment of the Bank(s) thereunder, as the case may be, is increased to give effect to the increased Maximum Rate.

“Mode Adjustment Date” shall mean any date on which the Interest Mode or Interest Period to which the 2007 Series A Bonds are subject is to be changed to another Interest Mode or Interest Period, as the case may be, determined as provided in clause (a)(i) of Section 3.01.

“Moody’s” shall mean Moody’s Investors Service and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the City.

“**Notice Parties**” shall mean (a) the City, (b) the Trustee, (c) the Paying Agent for the 2007 Series A Bonds, (d) the Bond Registrar, (e) if the 2007 Series A Bonds are in an Interest Mode other than the Auction Mode or the Fixed Mode, the Remarketing Agent, the Tender Agent and the Agent Bank and (f) if the 2007 Series A Bonds are in the Auction Mode, the Auction Agent and each Broker-Dealer.

“**Officer’s Certificate**” shall mean a certificate of an Authorized Officer of the City.

“**Person**” shall mean an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“**Purchase Date**” shall mean a Business Day on which 2007 Series A Bonds (or portions thereof or beneficial ownership interests therein) are to be purchased upon optional or mandatory tender or deemed tender thereof pursuant to the terms hereof.

“**Purchase Price**” shall mean an amount equal to 100% of the principal amount of any 2007 Series A Bonds (or portions thereof or beneficial ownership interests therein) tendered or deemed tendered or remarketed pursuant to this Eighteenth Supplemental Resolution plus accrued and unpaid interest, if any, at the 2007 Series A Bond Rate or Rates in effect for the period from and including the first day of the then current Interest Accrual Period through and including the day immediately preceding the Purchase Date or the date of remarketing, as the case may be, unless, in the case of 2007 Series A Bonds in the Term Mode, the date of remarketing is on or after the Record Date for the next succeeding Interest Payment Date for the 2007 Series A Bonds (other than 2007 Series A Bank Bonds) and on or prior to such Interest Payment Date, in which case the accrued and unpaid interest on such 2007 Series A Bonds being remarketed on such date shall not be paid as part of the Purchase Price.

“**Quarterly Payment Date**” shall mean the last Business Day of each March, June, September and December.

“**Rate Adjustment Date**” shall mean the day on which each Auction Mode Rate, Daily Rate, Weekly Rate, Flexible Rate, Term Rate or Fixed Rate on a 2007 Series A Bond shall become effective as provided in Section 3.03.

“**Rate Determination Date**” shall mean the time and date as of which an interest rate for the 2007 Series A Bonds shall be determined, which Date shall be determined (a) in the case of any Interest Mode other than the Auction Mode, as provided in Section 3.03 and (b) in the case of the Auction Mode, as shall be provided in Exhibit A.

“**Rating Agency**” shall mean Moody’s if the 2007 Series A Bonds are then rated by Moody’s, and S&P if the 2007 Series A Bonds are then rated by S&P, in each case, at the request of the City.

“**Record Date**” shall mean (a) except as provided in clause (b) below, (i) with respect to an Interest Payment Date for 2007 Series A Bonds in the Term Mode or the Fixed Mode, the close of business on the fifteenth day (whether or not a Business Day) of

the next preceding calendar month; and (ii) with respect to an Interest Payment Date for 2007 Series A Bonds in the Auction Mode, the Daily Mode, the Weekly Mode or the Flexible Mode and 2007 Series A Bank Bonds, the close of business on the Business Day immediately preceding such Interest Payment Date; and (b) in the case of any Interest Payment Date described in clause (a) of the definition thereof, the close of business on the Business Day immediately preceding such Interest Payment Date.

“**Refunded Bonds**” shall mean the 2003 Series A Refunded Bonds and the 2005 Series A Refunded Bonds, collectively.

“**Remarketing Agent**” shall mean each firm appointed by the City from time to time as the Remarketing Agent for the 2007 Series A Bonds and that is party to a Remarketing Agreement.

“**Remarketing Agreement**” shall mean the Remarketing Agreement, dated as of March 1, 2007, between the City and Bear, Stearns & Co. Inc., as amended from time to time, or such other remarketing agreement(s) as may be entered into by the City from time to time in replacement thereof and that is (or are) designated by an Authorized Officer of the City as constituting a “Remarketing Agreement” hereunder at the time of the execution and delivery thereof.

“**S&P**” shall mean Standard & Poor’s, a division of The McGraw-Hill Companies, Inc., and its successors and assigns, and, if such division shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the City.

“**SIFMA Index**” shall mean an index based upon the weekly interest rate resets of tax-exempt variable rate issues included in a database maintained by Municipal Market Data which meet specific criteria established by the Securities Industry and Financial Markets Association (formerly known as The Bond Market Association) and effective for a particular Rate Determination Date.

“**Substitute Liquidity Facility**” shall mean any standby bond purchase agreement (other than the Initial Liquidity Facility), revolving credit agreement, letter of credit, surety bond or other agreement or instrument under which any Person undertakes to make loans or provide funds to purchase 2007 Series A Bonds upon the tender (or deemed tender) thereof for purchase and as to which the conditions set forth in paragraph 2 of Section 4.02 shall be satisfied, in each case, that shall contain administrative provisions reasonably satisfactory to the Tender Agent.

“**Substitution Date**” shall mean the Business Day on which the City (a) causes or permits a new bank or banks to be substituted for one or more of the Banks that is (or are) a party to the Liquidity Facility then in effect or (b) substitutes the Liquidity Facility then in effect with a Substitute Liquidity Facility, which Business Day shall be specified in an Officer’s Certificate delivered to the Notice Parties on or before the day on which the City shall notify the Tender Agent as to the substitution of the new bank or banks or shall deliver such Substitute Liquidity Facility to the Tender Agent, as the case may be (such

day being hereinafter referred to in this paragraph as the “notice date”), and shall be (i) not later than the fifth Business Day immediately preceding the Liquidity Facility Expiration Date for the Liquidity Facility then in effect, (ii) if the 2007 Series A Bonds shall be in the Flexible Mode, not earlier than the day that is the latest Interest Payment Date in effect with respect to any 2007 Series A Bond, determined as of such notice date and (iii) if the 2007 Series A Bonds shall be in the Term Mode, a Rate Adjustment Date; any date specified as a Substitution Date in a notice of mandatory tender mailed to Holders of 2007 Series A Bonds pursuant to paragraph 2 of Section 3.08 shall be treated as a Substitution Date for purposes of this Eighteenth Supplemental Resolution even if the substitution of the new bank(s) or the Substitute Liquidity Facility, as the case may be, fails to occur.

“**Tender Agency Agreement**” shall mean the Tender Agency Agreement Relating to Variable Rate Utilities System Revenue Bonds, 2007 Series A, dated as of March 1, 2007, between the City and U.S. Bank Trust National Association, as amended from time to time, or such other tender agency agreement(s) as may be entered into by the City from time to time in replacement thereof and that is (or are) designated by an Authorized Officer of the City as constituting a “Tender Agency Agreement” hereunder at the time of the execution and delivery thereof.

“**Tender Agent**” shall mean each firm appointed by the City from time to time as the Tender Agent for the 2007 Series A Bonds and that is party to a Tender Agency Agreement.

“**Term Mode**” shall mean the Interest Mode during which the 2007 Series A Bonds bear interest at Term Rates.

“**Term Rate**” shall mean the interest rate applicable to the 2007 Series A Bonds during the Term Mode, determined as provided in clause (e) of Section 3.03.

“**2003 Series A Refunded Bonds**” shall mean the City’s Utilities System Revenue Bonds, 2003 Series A maturing on the dates and in the respective principal amounts shown in the following table:

<u>October 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2020	\$ 1,375,000	5.250%
2021	1,450,000	5.250
2022	1,525,000	5.250
2024	1,680,000	5.000
2033	19,445,000	5.000

“**2005 Series A Refunded Bonds**” shall mean the City’s Utilities System Revenue Bonds, 2005 Series A maturing on the dates and in the respective principal amounts shown in the following table:

<u>October 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2030	\$12,675,000	4.750%
2035	75,390,000	5.000
2036	17,065,000	4.750

“**2007 Series A Bank Bond**” shall mean any 2007 Series A Bond (or portion thereof or beneficial ownership interest therein) purchased by the Bank(s) (or a nominee or nominees thereof) pursuant to clause (b) of paragraph 1 of Section 3.11; *provided, however,* that any such 2007 Series A Bond shall cease to be a 2007 Series A Bank Bond on the date on which such 2007 Series A Bond shall be delivered to a purchaser identified by the Remarketing Agent (or, to the extent permitted by the Liquidity Facility, the date on which the Bank(s) elect not to sell such 2007 Series A Bond to a purchaser identified by the Remarketing Agent).

“**2007 Series A Bond Liquidity Proceeds Account**” shall mean the account by that name created and established in the 2007 Series A Bond Purchase Fund in Section 6.01.

“**2007 Series A Bond Purchase Fund**” shall mean the fund by that name created and established pursuant to Section 6.01 and held by the Tender Agent separate and apart from any funds, accounts or subaccounts under the Resolution and which shall not constitute a fund or an account for purposes of the Resolution.

“**2007 Series A Bond Rate**” shall mean the interest rate on 2007 Series A Bonds, determined pursuant to Section 3.03, but shall not include the interest rate on any 2007 Series A Bank Bonds.

“**2007 Series A Bond Remarketing Proceeds Account**” shall mean the account by that name created and established in the 2007 Series A Bond Purchase Fund in Section 6.01.

“**2007 Series A Bonds**” shall mean the Series of Refunding Bonds created and issued pursuant to Section 2.01 hereof and designated therein as the “Variable Rate Utilities System Revenue Bonds, 2007 Series A.”

“**Untendered 2007 Series A Bonds**” shall have the meaning assigned to such term in Section 3.12.

“**Weekly Mode**” shall mean the Interest Mode during which the 2007 Series A Bonds bear interest at Weekly Rates.

“**Weekly Rate**” shall mean the interest rate applicable to the 2007 Series A Bonds during the Weekly Mode, determined as provided in clause (c) of Section 3.03.

3. Unless the context shall clearly indicate some other meaning, all terms used in this Eighteenth Supplemental Resolution, including Exhibit A, that shall be defined in Exhibit A

shall for all purposes of this Eighteenth Supplemental Resolution, including Exhibit A, have the same respective meanings as such terms are given in Exhibit A.

SECTION 1.03. Authority for this Eighteenth Supplemental Resolution. This Eighteenth Supplemental Resolution is adopted (i) pursuant to the provisions of the Act and (ii) in accordance with Article II and Article X of the Resolution.

ARTICLE II

AUTHORIZATION OF 2007 SERIES A BONDS

SECTION 2.01. Principal Amount, Designation, and Series. Pursuant to the provisions of the Resolution, a Series of Refunding Bonds is hereby authorized in the aggregate principal amount of \$139,505,000. Such Refunding Bonds shall be designated as, and shall be distinguished from the Bonds of all other Series by the title, “Variable Rate Utilities System Revenue Bonds, 2007 Series A”. The 2007 Series A Bonds shall be and constitute “Variable Rate Bonds”, as such term is defined in Section 101 of the Resolution. For so long as any 2007 Series A Bond (or portion thereof or beneficial ownership interest therein) shall be a 2007 Series A Bank Bond, such 2007 Series A Bond (or portion thereof or beneficial ownership interest therein) shall be and constitute an “Option Bond”, as such term is defined in Section 101 of the Resolution.

SECTION 2.02. Purpose. The 2007 Series A Bonds are being issued for the purposes of (1) providing funds for the refunding of the Refunded Bonds and (2) paying costs of issuance related to the 2007 Series A Bonds.

SECTION 2.03. Maturity and Interest. The 2007 Series A Bonds shall mature on October 1, 2036 and shall bear interest from the Delivery Date at the interest rate determined for each Interest Period pursuant to Section 3.03; *provided, however*, that each 2007 Series A Bank Bond shall bear interest as provided in Section 5.02.

Interest on each 2007 Series A Bond accruing during each Interest Accrual Period shall be payable on the Interest Payment Date immediately following such Interest Accrual Period, to the Person in whose name such 2007 Series A Bond is registered at the Record Date therefor; *provided, however*, that the Holder of a 2007 Series A Bond other than the Bank(s) (or the nominee(s) thereof) shall be paid interest thereon for an Interest Accrual Period only in the amount that would have accrued thereon at the 2007 Series A Bond Rate or Rates in effect during such Interest Accrual Period, regardless of whether or not such 2007 Series A Bond was a 2007 Series A Bank Bond during any portion of such Interest Accrual Period.

Interest accrued at the Auction Mode Rate for an Auction Period of 180 days or less shall (unless otherwise provided in Exhibit A) be computed on the basis of a 360-day year and actual days elapsed, interest accrued at the Daily Rate, the Weekly Rate, the Flexible Rate or (unless otherwise provided in the Liquidity Facility) the Bank Rate shall be computed on the basis of a 365- or 366-day year, as applicable, for actual days elapsed, and interest accrued at the Auction Mode Rate for an Auction Period of more than 180 days, the Term Rate or the Fixed

Rate shall (unless otherwise provided in Exhibit A) be computed on the basis of a 360-day year comprised of twelve 30-day months.

Notwithstanding anything to the contrary contained herein, in no event shall any Auction Mode Rate, Daily Rate, Weekly Rate, Flexible Rate, Term Rate or Fixed Rate exceed the Maximum Rate.

The 2007 Series A Bonds initially shall be in the Weekly Mode.

SECTION 2.04. Denominations, Dates, Numbers and Letters. The 2007 Series A Bonds shall be issued in fully registered form in the Authorized Denominations. Each 2007 Series A Bond shall be dated the date of its authentication except that all 2007 Series A Bonds issued prior to the first Interest Payment Date shall be dated the Delivery Date.

Unless an Authorized Officer of the City shall otherwise direct, the 2007 Series A Bonds will be numbered from 1001 upward preceded by the letter “R” prefixed to the number.

SECTION 2.05. Designation of the 2007 Series A Bonds as Book Entry Bonds; Appointment of Securities Depository for the 2007 Series A Bonds. 1. Except as provided in paragraph 3 below, the 2007 Series A Bonds are hereby authorized to be and shall be issued as Book Entry Bonds within the meaning of and subject to Section 309 of the Resolution.

2. The Depository Trust Company, New York, New York (“DTC”) is hereby appointed as the initial Securities Depository for the 2007 Series A Bonds.

3. The 2007 Series A Bonds shall be issued initially in the form of a single, fully registered Bond in the amount of the 2007 Series A Bonds, registered in the name of Cede & Co. (“Cede”), as nominee of DTC. So long thereafter as DTC serves as Securities Depository for the 2007 Series A Bonds, the registered holder of all 2007 Series A Bonds shall be, and each of the 2007 Series A Bonds shall be registered in the name of, Cede, as nominee of DTC. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions of the Resolution, the word “Cede” in this Eighteenth Supplemental Resolution shall refer to such new nominee of DTC. So long as any of the 2007 Series A Bonds is registered in the name of Cede, as nominee of DTC in its capacity as Securities Depository for the 2007 Series A Bonds, all payments with respect to the principal or Redemption Price of, and interest on, such 2007 Series A Bond and all notices with respect to such 2007 Series A Bond shall be made or given to DTC as provided in the procedures of DTC as in effect from time to time.

4. (a) DTC may determine to discontinue providing its services as Securities Depository for the 2007 Series A Bonds at any time by giving reasonable notice thereof to the City or the Trustee. Upon the discontinuance of the services of DTC as Securities Depository for the 2007 Series A Bonds pursuant to the preceding sentence, the City may within 90 days thereafter appoint a substitute securities depository which, in the opinion of the City, is willing and able to undertake the functions of Securities Depository under the Resolution upon reasonable and customary terms. If no such successor can be found within such period, the 2007 Series A Bonds no longer shall be restricted to being registered in the registration books kept by the Bond Registrar in the name of a Securities Depository.

(b) In the event that the 2007 Series A Bonds no longer shall be restricted to being registered in the registration books kept by the Bond Registrar in the name of a Securities Depository as provided in subparagraph (a) of this paragraph 4, (i) the City shall execute and the Bond Registrar shall authenticate and deliver, upon presentation and surrender of the 2007 Series A Bonds, Bond certificates as requested by the Securities Depository therefor of like Series, aggregate principal amount, maturity and interest rate, in Authorized Denominations, to the identifiable beneficial owners in replacement of such beneficial owners' beneficial ownership interests in such 2007 Series A Bonds and (ii) the Bond Registrar shall notify the Paying Agents that the 2007 Series A Bonds no longer are restricted to being registered in the registration books kept by the Bond Registrar in the name of a Securities Depository.

5. Notwithstanding any provision herein to the contrary, so long as the book-entry-only system of transfers provided for in this Section shall remain in effect with respect to the 2007 Series A Bonds, (a) every transfer of such 2007 Series A Bonds made in accordance with the Auction Procedures, (b) every remarketing of such 2007 Series A Bonds (or portions thereof) by the Remarketing Agent and (c) all purchases and transfers of such 2007 Series A Bonds (or portions thereof) by the Tender Agent shall be conducted in accordance with such system.

SECTION 2.06. Redemption Prices and Terms. 1. The 2007 Series A Bonds shall be subject to redemption prior to maturity as provided in Article IV of the Resolution by operation of the Debt Service Fund from mandatory Sinking Fund Installments, on October 1 in the years and principal amounts shown in Section 2.07 hereof, at a Redemption Price of 100% of the principal amount thereof, together with accrued interest, if any, to the redemption date.

2. In addition, the 2007 Series A Bonds shall be subject to redemption at the election of the City as follows, in whole or in part, at a Redemption Price of 100% of the principal amount thereof together with accrued interest, if any, to the redemption date:

(a) if the 2007 Series A Bonds are in the Auction Mode, unless otherwise provided in Exhibit A, on any Interest Payment Date immediately following the end of an Auction Period;

(b) if the 2007 Series A Bonds are in the Daily or Weekly Mode, on any Business Day;

(c) if the 2007 Series A Bonds are in the Flexible or Term Mode, on any Rate Adjustment Date for the 2007 Series A Bonds to be redeemed; and

(d) if the 2007 Series A Bonds are in the Fixed Mode, on the first day of the Fixed Mode for the 2007 Series A Bonds to be redeemed.

3. In addition, if the 2007 Series A Bonds are in the Term Mode or the Fixed Mode, the 2007 Series A Bonds shall be subject to redemption at the option of the City on any date prior to their stated maturity, in whole or in part:

(a) unless clause (b) below applies, during any Interest Period therefor, on any day, but only after the fifth (5th) anniversary of the first day of such Interest Period, at a Redemption Price equal to 100% of the principal amount thereof; or

(b) during any Interest Period therefor, on any alternate dates and at any alternate prices stated in an Officer's Certificate delivered to the Notice Parties prior to the Rate Determination Date for such Interest Period and accompanied by an Opinion of Counsel of an attorney or firm of attorneys of nationally recognized standing in matters pertaining to the federal income tax treatment of interest on bonds issued by states and their political subdivisions to the effect that such substitution of such alternate dates and prices will not adversely affect the exclusion of interest on any 2007 Series A Bond from the gross income of the owner thereof for federal income tax purposes;

together, in each case, with accrued interest, if any, to the redemption date.

4. In accordance with the provisions of the final sentence of Section 405 of the Resolution, in the event that any 2007 Series A Bond in the Auction, Daily, Weekly or Flexible Mode shall become subject to redemption, notice of such redemption shall be given, in the manner provided in Section 405 of the Resolution, not less than 15 days before the redemption date.

5. Notwithstanding anything to the contrary contained herein or in the Resolution, in the event that any 2007 Series A Bond is to be redeemed in part, the portion of such 2007 Series A Bond not so redeemed shall be in an Authorized Denomination.

6. Notwithstanding anything to the contrary contained herein or in the Resolution, in the event of any redemption of less than all of the 2007 Series A Bonds, 2007 Series A Bank Bonds shall be redeemed first, prior to the selection of any other 2007 Series A Bonds for redemption.

7. Notwithstanding anything to the contrary contained in this Eighteenth Supplemental Resolution, 2007 Series A Bank Bonds shall be subject to redemption, at the election of the City, in whole or in part at any time at a Redemption Price equal to the principal amount thereof, plus accrued interest thereon to the date of redemption (computed at the Bank Rate or Rates in effect from time to time). Any such redemption shall take place five (5) Business Days after the City shall have given the Agent Bank, the Trustee, the Bond Registrar, the Paying Agent, the Tender Agent and the Remarketing Agent notice thereof, specifying the 2007 Series A Bank Bonds or portions thereof to be so redeemed on such date, unless the Agent Bank shall consent to an earlier redemption date.

SECTION 2.07. Sinking Fund Installments. Sinking Fund Installments are hereby established for the 2007 Series A Bonds. Such Installments shall be due on October 1 in each of the years set forth in the following table, in the respective principal amounts set forth opposite such years in said table:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2008	\$ 245,000	2023	\$ 400,000
2009	255,000	2024	2,095,000
2010	265,000	2025	2,185,000
2011	275,000	2026	2,270,000
2012	290,000	2027	2,365,000
2013	300,000	2028	2,460,000
2014	310,000	2029	2,565,000
2015	325,000	2030	15,695,000
2016	340,000	2031	16,345,000
2017	355,000	2032	17,015,000
2018	365,000	2033	17,720,000
2019	385,000	2034	15,720,000
2020	1,775,000	2035	16,370,000
2021	1,850,000	2036*	17,040,000*
2022	1,925,000		

* final maturity

SECTION 2.08. Additional Redemption Provisions for 2007 Series A Bank

Bonds. Any 2007 Series A Bond that is a 2007 Series A Bank Bond shall be subject to mandatory redemption through Sinking Fund Installments as follows: Each 2007 Series A Bank Bond Outstanding shall be redeemed during the period commencing with a date (the “Term-Out Date”) which is 180 days after the Bank Purchase Date (or, if the purchase was made in the circumstances referred to in clause (c)(vii) of Section 3.06, the earlier of (1) 180 days after the Bank Purchase Date or (2) the Liquidity Facility Expiration Date) and extending to the earlier of (a) the date that is the fifth anniversary of the relevant Bank Purchase Date or (b) the maturity date of the 2007 Series A Bonds, in equal semi-annual installments, payable on the Term-Out Date and at the end of each six-month period thereafter. In order to provide for such retirement, there are hereby established Sinking Fund Installments with respect to each such 2007 Series A Bank Bond, which Sinking Fund Installments shall be due in semi-annual installments, on the Term-Out Date and at the end of each six-month period thereafter with respect to each such 2007 Series A Bank Bond. For purposes of the two preceding sentences, each semi-annual payment date or due date, as the case may be, hereunder shall be the date that numerically corresponds with the Term-Out Date or, if there is no such numerically corresponding date in the applicable month, on the last day of such month (or, if such day is not a Business Day, the next succeeding Business Day). The Redemption Price shall be the principal amount of the 2007 Series A Bank Bonds to be redeemed plus accrued interest thereon to the date of redemption. In the event that the principal amount of 2007 Series A Bank Bonds to be redeemed on any such redemption date is not equal to an Authorized Denomination, the principal amount of 2007 Series A Bank Bonds to be redeemed shall be rounded to the next higher Authorized Denomination. Notwithstanding the provisions of Section 511 of the Resolution, no credits shall be applied against any Sinking Fund Installment due pursuant to this Section 2.08.

Notwithstanding anything to contrary contained herein or in the Resolution, in connection with the delivery of any Substitute Liquidity Facility permitted pursuant to paragraph 2 of Section 4.02, the foregoing redemption provisions may be amended by the City in any

respect so long as the City shall receive an Opinion of Counsel of an attorney or firm of attorneys of nationally recognized standing in matters pertaining to the federal income tax treatment of interest on bonds issued by states and their political subdivisions to the effect that such amendment (a) is authorized or permitted by the Resolution and the Act and (b) will not cause the interest on the 2007 Series A Bonds to become includable in gross income for federal income tax purposes.

SECTION 2.09. Place of Payment and Paying Agents. Except as provided in subsection 5 of Section 309 of the Resolution and paragraph 3 of Section 2.05 hereof, the principal and Redemption Price of the 2007 Series A Bonds will be payable at the principal corporate trust office of U.S. Bank Trust National Association in the City of New York, New York, and such institution is hereby appointed Paying Agent for the 2007 Series A Bonds. Except as provided in subsection 5 of Section 309 of the Resolution and paragraph 3 of Section 2.05 hereof, the principal and Redemption Price of the 2007 Series A Bonds 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 Resolution. Except as provided in paragraph 3 of Section 2.05 hereof, interest on the 2007 Series A Bonds shall be paid (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, (ii) in the case of all 2007 Series A Bank Bonds, by wire transfer of immediately available funds at such wire address as the Agent Bank shall specify or (iii) in the case of 2007 Series A Bonds subject to the Auction Mode, the Flexible Mode, the Daily Mode or the Weekly Mode, by wire transfer in immediately available funds to any owner of 2007 Series A Bonds in the denomination of \$1,000,000 or any Authorized Denomination in excess of such amount 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 Record Date relating to such Interest Payment Date in which request for wire transfer payment is made and the wire transfer address is specified.

SECTION 2.10. Application of Proceeds of 2007 Series A Bonds. In accordance with subsection (7) of paragraph 1 of Section 202 and paragraph 3 of Section 204 of the Resolution, the proceeds of the 2007 Series A Bonds shall be applied simultaneously with the delivery of the 2007 Series A Bonds, as follows:

(1) There shall be delivered to the Trustee, for deposit in the Escrow Account (the "Escrow Account") to be created under the Escrow Deposit Agreement Relating to 2007 Series A Bonds, to be dated as of March 1, 2007, between the Trustee and the City, an amount equal to the amount necessary to purchase Defeasance Securities as provided in paragraph 3 of Section 1201 of the Resolution the principal of and interest on which when due, when combined with the moneys transferred to the Escrow Account as provided in Section 2.11 or the principal of and interest on such Defeasance Securities purchased with such moneys and with any uninvested moneys on deposit in the Escrow Account, will provide moneys which will be sufficient to pay when due the Redemption Price of the Refunded Bonds on the respective dates such Bonds are to be called for redemption, and the interest to become due on such Bonds on and prior to such respective redemption dates; and

(2) The remaining balance of proceeds of the 2007 Series A Bonds will be deposited in the Construction Fund.

SECTION 2.11. Transfer of Certain Amounts. In accordance with paragraph 4 of Section 507 of the Resolution, simultaneously with the delivery of the 2007 Series A Bonds, it is hereby directed that there shall be transferred from the Debt Service Account in the Debt Service Fund to the Escrow Account cash in an amount determined by an Authorized Officer of the City as being not greater than the amount on deposit therein with respect to interest accrued on the Refunded Bonds.

SECTION 2.12. Election for Redemption of the Refunded Bonds. 1. The City hereby irrevocably elects and directs the Trustee to redeem, from moneys and the proceeds of Defeasance Securities on deposit in the Escrow Account, (a) on October 1, 2013, the 2003 Series A Refunded Bonds and (b) on October 1, 2015, the 2005 Series A Refunded Bonds.

In order to effectuate this election, the City hereby covenants that, upon the authentication and delivery of the 2007 Series A Bonds, the City shall give the Trustee irrevocable instructions required by Section 204 and Section 1201 of the Resolution, in the form of a written request of the City, as follows:

(a) To send by first-class mail, postage prepaid, not less than 30 nor more than 60 days prior to October 1, 2013, to all registered owners of the 2003 Series A Refunded Bonds at their last addresses as they last appear on the registration books kept by the Trustee, as Bond Registrar, a notice of redemption in substantially the following form:

CITY OF GAINESVILLE, FLORIDA

**NOTICE OF REDEMPTION OF
UTILITIES SYSTEM REVENUE BONDS, 2003 SERIES A
DESCRIBED BELOW**

Notice is hereby given to the holders of the outstanding City of Gainesville, Florida Utilities System Revenue Bonds, 2003 Series A (the “2003 Series A Bonds”) maturing on the dates listed in the table below that such 2003 Series A Bonds have been called for redemption prior to maturity in accordance with their terms at a redemption price of 100% of the principal amount thereof, together with accrued interest thereon to October 1, 2013.

<u>October 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u>
2020	\$ 1,375,000	5.250%	
2021	1,450,000	5.250	
2022	1,525,000	5.250	
2024	1,680,000	5.000	
2033	19,445,000	5.000	

The source of the funds to be used for such redemption is the principal of and interest on Defeasance Securities heretofore deposited with the Trustee, together with moneys, if any, heretofore deposited with the Trustee.

The redemption price of such 2003 Series A Bonds shall become due and payable on October 1, 2013 and from and after October 1, 2013 interest on such 2003 Series A Bonds shall cease to accrue and be payable. Interest accrued on such 2003 Series A Bonds will be paid in the usual manner.

Holders of such 2003 Series A Bonds will receive payment of the redemption price to which they are entitled upon presentation and surrender thereof at the principal corporate trust office of U.S. Bank Trust National Association, New York, New York.

[Disclaimers re: reliance on CUSIP Nos. and back-up withholding to be added]

Dated this _____ day of _____, 2013.

City of Gainesville, Florida
By U.S. Bank Trust National Association,
as Trustee

(b) To send by first-class mail, postage prepaid, not less than 30 nor more than 60 days prior to October 1, 2015, to all registered owners of the 2005 Series A Refunded Bonds at their last addresses as they last appear on the registration books kept by the Trustee, as Bond Registrar, a notice of redemption in substantially the following form:

CITY OF GAINESVILLE, FLORIDA

**NOTICE OF REDEMPTION OF
UTILITIES SYSTEM REVENUE BONDS, 2005 SERIES A
DESCRIBED BELOW**

Notice is hereby given to the holders of the outstanding City of Gainesville, Florida Utilities System Revenue Bonds, 2005 Series A (the “2005 Series A Bonds”) maturing on the dates listed in the table below that such 2005 Series A Bonds have been called for redemption prior to maturity in accordance with their terms at a redemption price of 100% of the principal amount thereof, together with accrued interest thereon to October 1, 2015.

<u>October 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u>
2030	\$12,675,000	4.750%	
2035	75,390,000	5.000	
2036	17,065,000	4.750	

The source of the funds to be used for such redemption is the principal of and interest on Defeasance Securities heretofore deposited with the Trustee, together with moneys, if any, heretofore deposited with the Trustee.

The redemption price of such 2005 Series A Bonds shall become due and payable on October 1, 2015 and from and after October 1, 2015 interest on such 2005 Series A Bonds shall cease to accrue and be payable. Interest accrued on such 2005 Series A Bonds will be paid in the usual manner.

Holders of such 2005 Series A Bonds will receive payment of the redemption price to which they are entitled upon presentation and surrender thereof at the principal corporate trust office of U.S. Bank Trust National Association, New York, New York.

[Disclaimers re: reliance on CUSIP Nos. and back-up withholding to be added]

Dated this _____ day of _____, 2015.

City of Gainesville, Florida
By U.S. Bank Trust National Association,
as Trustee

2. In order to comply with Sections 204 and 1201 of the Resolution, the City covenants that, upon the authentication and delivery of the 2007 Series A Bonds, the City shall give the Trustee irrevocable instructions, in the form of a written request of the City, as follows:

To send by first-class mail, postage prepaid, in the name of the City, as soon as practicable, a notice to the holders of the Refunded Bonds in substantially the following form:

CITY OF GAINESVILLE, FLORIDA

**NOTICE OF DEFEASANCE OF
UTILITIES SYSTEM REVENUE BONDS,
2003 SERIES A AND 2005 SERIES A
DESCRIBED BELOW**

Notice is hereby given to the holders of the outstanding City of Gainesville, Florida Utilities System Revenue Bonds, 2003 Series A and 2005 Series A maturing on the dates listed in the table below (the "Refunded Bonds") that there has been deposited with U.S. Bank Trust National Association, as Trustee, moneys and Defeasance Securities, the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient and available to pay a redemption

price of 100% of the principal amount thereof (a) in the case of such 2003 Series A Bonds, on October 1, 2013 and (b) in the case of such 2005 Series A Bonds, on October 1, 2015, and to pay the interest to become due on such Refunded Bonds on and prior to said respective redemption dates.

<u>Series</u>	<u>October 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u>
2003 Series A	2020	\$ 1,375,000	5.250%	
2003 Series A	2021	1,450,000	5.250	
2003 Series A	2022	1,525,000	5.250	
2003 Series A	2024	1,680,000	5.000	
2003 Series A	2033	19,445,000	5.000	
2005 Series A	2030	\$12,675,000	4.750%	
2005 Series A	2035	75,390,000	5.000	
2005 Series A	2036	17,065,000	4.750	

The Refunded Bonds are deemed to be paid in accordance with Section 1201 of the Utilities System Revenue Bond Resolution of the City of Gainesville, Florida adopted on June 6, 1983, as amended, restated and supplemented.

[Disclaimer re: reliance on CUSIP Nos. to be added]

Dated this _____ day of _____, 2007.

City of Gainesville, Florida
 By U.S. Bank Trust National Association,
 as Trustee

SECTION 2.13. Tax Covenants. 1. The City covenants that it shall not take any action or inaction, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the 2007 Series A Bonds under Section 103 of the Internal Revenue Code of 1986 and the applicable Treasury Regulations promulgated thereunder. Without limiting the generality of the foregoing, the City covenants that it will comply with the instructions and requirements of the Tax Certificate to be executed and delivered on the date of issuance of the 2007 Series A Bonds concerning certain matters pertaining to the use of proceeds of the 2007 Series A Bonds, including any and all exhibits attached thereto (the "Tax Certificate"). This covenant shall survive payment in full or defeasance of the 2007 Series A Bonds.

2. In the event that at any time the City is of the opinion that for purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the Trustee under the Resolution, the City shall so instruct the Trustee in writing as to the specific actions to be taken, and the Trustee shall take such actions as specified in such instructions.

3. Notwithstanding any provisions of this Section, if the City shall provide to the Trustee an Opinion of Counsel of an attorney or firm of attorneys of nationally recognized

standing in matters pertaining to the federal income tax treatment of interest on bonds issued by states and their political subdivisions to the effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from gross income for federal income tax purposes of interest on the 2007 Series A Bonds, the City and the Trustee may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

4. Notwithstanding any other provision of the Resolution to the contrary, (a) upon the City's failure to observe or refusal to comply with the above covenants, the Holders of the 2007 Series A Bonds, or the Trustee acting on their behalf, shall be entitled to the rights and remedies provided to Bondholders under the 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 2007 Series A Bonds then outstanding, and the interest accrued thereon, to be due and payable and (b) neither the Holders of the Bonds of any Series other than the 2007 Series A Bonds, nor the Trustee acting on their behalf, shall be entitled to exercise any right or remedy provided to Bondholders under the Resolution based upon the City's failure to observe, or refusal to comply with, the above covenants.

SECTION 2.14. Issuance of 2007 Series A Bonds in Lieu of Those Deemed Purchased. At such time as any 2007 Series A Bond shall be deemed purchased as provided in this Eighteenth Supplemental Resolution, the City may issue a new Bond or Bonds in lieu thereof pursuant to Section 305 of the Resolution and the 2007 Series A Bond that is deemed purchased shall no longer be Outstanding.

ARTICLE III

INTEREST MODES; DETERMINATION OF INTEREST RATES FOR 2007 SERIES A BONDS; TENDER AND PURCHASE OF 2007 SERIES A BONDS

SECTION 3.01. Determination of Interest Modes. Interest Modes may be determined as follows:

(a) **By the City.** If the 2007 Series A Bonds shall be in any Interest Mode other than the Fixed Mode, the City may, subject to clause (b) of this Section, designate a different Interest Mode or the Term Mode with an Interest Period of different duration (and, if such new Interest Mode is the Term Mode, designate the duration of the initial Interest Period thereof) for the 2007 Series A Bonds by an Officer's Certificate delivered to the other Notice Parties not less than 45 days, if the 2007 Series A Bonds are then in the Flexible Mode or Term Mode, and not less than seven (7) Business Days if the 2007 Series A Bonds are then in the Auction Mode and otherwise not less than 30 days, prior to the first day of such new Interest Mode or changed Interest Period, as the case may be (unless such shorter period of time prior thereto shall be acceptable to (1) if the 2007 Series A Bonds are then in the Auction Mode, the Auction Agent and each Broker-Dealer or (2) if the 2007 Series A Bonds are then in an Interest Mode other than the Auction Mode, the Tender Agent), stating:

(i) **Effective Date**: the first day of the newly designated Interest Mode or Interest Period for the 2007 Series A Bonds (referred to herein as the “Mode Adjustment Date”), which shall be (A) if the Interest Mode then in effect for the 2007 Series A Bonds is the Auction Mode with an Auction Period other than a daily Auction Period, the second Interest Payment Date following the final Auction Date, (B) if the Interest Mode then in effect for the 2007 Series A Bonds is the Auction Mode with a daily Auction Period, the Daily Mode or the Weekly Mode, an Interest Payment Date, (C) if the Interest Mode then in effect for the 2007 Series A Bonds is the Term Mode, any day on which the 2007 Series A Bonds may be redeemed at the option of the City pursuant to paragraph 2 or 3 of Section 2.06 at a Redemption Price of 100% of the principal amount thereof, plus accrued interest, if any, thereon, and (D) if the Interest Mode then in effect for the 2007 Series A Bonds is the Flexible Mode, the latest Interest Payment Date for all Interest Periods thereon then in effect or any Business Day thereafter,

(ii) **Designation**: that the City has determined that, effective on such Mode Adjustment Date, the Auction Mode, the Daily Mode, the Weekly Mode, the Flexible Mode, the Term Mode, a successive Term Mode with an Interest Period of different duration, or the Fixed Mode, as the case may be, shall take effect for the 2007 Series A Bonds, and

(iii) **Auction Period or Interest Period**: if (A) the designated Interest Mode is the Auction Mode, the duration of the Auction Period to be in effect upon the effectiveness of such Auction Mode, which Auction Period shall be any of the Auction Periods referred to in, or permitted by, Exhibit A, or (B) the designated Interest Mode is the Term Mode, the duration of the initial Interest Period thereof, which Interest Period shall end on the last calendar day of any March or September specified in such Officer’s Certificate.

Upon (X) receipt by the other Notice Parties of such Officer’s Certificate, (Y) receipt by the Tender Agent of the items referred to in paragraph 2 of Section 4.02, if applicable and (Z) the giving of the notice provided in clause (b) of Section 3.04, the Interest Mode or Interest Period, as the case may be, for the 2007 Series A Bonds shall, subject to clause (b) of this Section and Section 3.02, automatically be converted on the Mode Adjustment Date specified in such Officer’s Certificate to the specified Interest Mode or Interest Period, as the case may be, without further act, unless (1) if the designated Interest Mode is any Interest Mode other than the Auction Mode, the Tender Agent or (2) if the designated Interest Mode is the Auction Mode, the Auction Agent and each Broker-Dealer shall have received, prior to the mailing of notice thereof pursuant to clause (b) of Section 3.04, an Officer’s Certificate electing not to effect such conversion. The Tender Agent (if the new Interest Mode is any Interest Mode other than the Auction Mode) or the Auction Agent (if the new Interest Mode is the Auction Mode) shall promptly notify the other Notice Parties in writing of the conversion of the 2007 Series A Bonds to a new Interest Mode or Interest Period.

(b) **Limitations on Determinations**. No change to any Interest Mode or in the Interest Period for any Term Mode shall be made for the 2007 Series A Bonds by an Officer’s Certificate pursuant to clause (a) of this Section, unless:

(i) **Opinion of Counsel:** such Officer's Certificate is accompanied by, and in addition there is delivered to the Tender Agent (if any) and the Remarketing Agent (if any) on the first day of such Interest Mode or Interest Period, as the case may be, an Opinion of Counsel of an attorney or firm of attorneys of nationally recognized standing in matters pertaining to the federal income tax treatment of interest on bonds issued by states and their political subdivisions to the effect that such change in the Interest Mode or Interest Period, as the case may be, will not adversely affect the exclusion of interest on any 2007 Series A Bond from gross income for federal income tax purposes and is authorized by applicable law,

(ii) **Liquidity Facility Requirement:** except in the case of a change to the Auction Mode or the Fixed Mode, the Liquidity Facility shall be in an amount at least equal to the Liquidity Facility Requirement applicable to the Interest Mode to become effective,

(iii) **Qualified Interest Period:** if the Interest Mode to become effective for the 2007 Series A Bonds is the Term Mode, the duration of the first Interest Period thereof designated by such Officer's Certificate is in accordance with the provisions of Section 3.02, and

(iv) **Book-Entry System:** if the Interest Mode to become effective for the 2007 Series A Bonds is the Auction Mode, the 2007 Series A Bonds shall, on the Mode Adjustment Date, be a Book-Entry Only 2007 Series A Bond.

(c) **Restoration of Positions.** If, after notice to any Person of any change in the Interest Mode or Interest Period for the 2007 Series A Bonds, such change may not be effected on the Mode Adjustment Date specified therefor in the Officer's Certificate designating such change because of any failure to satisfy the conditions of clause (b) of this Section, then the 2007 Series A Bonds shall remain in the Interest Mode which they are then in or remain subject to the same Interest Period as then is applicable, as the case may be; *provided, however*, that if the proposed change was from the Term Mode to any other Interest Mode and the City causes to be delivered to the Tender Agent and the Remarketing Agent an Opinion of Counsel of an attorney or firm of attorneys of nationally recognized standing in matters pertaining to the federal income tax treatment of interest on bonds issued by states and their political subdivisions to the effect that such change in Interest Mode will not adversely affect the exclusion of interest on any 2007 Series A Bond from gross income for federal income tax purposes and is authorized by applicable law, then, so long as the Liquidity Facility then in effect (taking into account any amendments being made thereto in connection therewith) shall provide that the amount available to be drawn or advanced thereunder shall be at least equal to the principal amount of the Outstanding 2007 Series A Bonds (other than 2007 Series A Bank Bonds) plus 36 days' interest thereon computed at a rate per annum equal to the Maximum Rate and on the basis of a 365-day year, the 2007 Series A Bonds shall be changed to the Weekly Mode. In any such event, the 2007 Series A Bonds shall be subject to mandatory tender as and to the extent provided in clause (c)(iii) of Section 3.06.

SECTION 3.02. Duration of Interest Modes and Interest Periods. The duration of Interest Modes and Interest Periods will be as follows:

(a) **Interest Modes.** Each Interest Mode for the 2007 Series A Bonds other than the Fixed Mode shall extend through the day prior to the effective date of any other Interest Mode for the 2007 Series A Bonds established in accordance with Section 3.01. Any Fixed Mode for the 2007 Series A Bonds shall extend to the stated maturity date of the 2007 Series A Bonds.

(b) **Interest Periods Generally.** No Interest Period for any 2007 Series A Bond (or portion thereof) during the Flexible Mode or the Term Mode shall extend beyond (1) the fifth (5th) Business Day preceding the Liquidity Facility Expiration Date or (2) the day prior to the effective date of any other Interest Mode for the 2007 Series A Bonds to become effective pursuant to the prior Officer's Certificate given in accordance with clause (a) of Section 3.01.

(c) **Interest Periods During Auction Mode.** Each Interest Period for each 2007 Series A Bond (or beneficial ownership interest therein) while in the Auction Mode shall be the same as each Auction Period with respect thereto, which Auction Periods shall be determined in the manner to be provided in Exhibit A.

(d) **Interest Periods During Flexible Mode.** The Interest Period for each 2007 Series A Bond (or beneficial ownership interest therein) while in the Flexible Mode shall be the period determined by the Remarketing Agent, on or before the Rate Adjustment Date therefor, to be the Interest Period which, in its judgment, will produce the greatest likelihood of the lowest overall debt service costs on the 2007 Series A Bonds prior to the maturity thereof, given prevailing market conditions. The Remarketing Agent may determine different Interest Periods for different 2007 Series A Bonds (or beneficial ownership interests therein) on or before the same Rate Adjustment Date. Each Interest Period for any 2007 Series A Bond (or beneficial ownership interest therein) while in the Flexible Mode shall commence on the first day of such Flexible Mode for such 2007 Series A Bond (or beneficial ownership interest therein) or on the day immediately succeeding the immediately preceding Interest Period for such 2007 Series A Bond (or beneficial ownership interest therein) during such Flexible Mode, shall end on a day preceding a Business Day, and shall be not less than one nor more than 270 days in length. No Interest Period for any 2007 Series A Bond (or beneficial ownership interest therein) while in the Flexible Mode shall end later than the day preceding any redemption date described in paragraph 1 of Section 2.06, unless the principal amount of 2007 Series A Bonds (or beneficial ownership interests therein) with an Interest Period which ends on or prior to such preceding day is at least equal to the principal amount of 2007 Series A Bonds to be redeemed on such redemption date pursuant to said paragraph 1 of Section 2.06.

(e) **Interest Period During Term Mode.** Each Interest Period for any 2007 Series A Bond (or beneficial ownership interest therein) while in the Term Mode shall commence on the Mode Adjustment Date with respect thereto or on the day immediately succeeding the immediately preceding Interest Period for such 2007 Series A Bond during such Term Mode. The initial Interest Period of each Term Mode for the 2007

Series A Bonds shall end on the last calendar day of any March or September specified in the Officer's Certificate designating such Interest Mode pursuant to clause (a) of Section 3.01 which occurs at least one year after the effective date of such Interest Mode. Each successive Interest Period during such Term Mode shall end on the day immediately preceding the anniversary of the last Interest Payment Date for interest accrued in the immediately preceding Interest Period which occurs the same number of 12-month periods after the first day of such successive Interest Period as the number of 12-month periods or portions thereof during the initial Interest Period in such Term Mode, unless changed by Officer's Certificate pursuant to Section 3.01.

SECTION 3.03. Determination of Interest Rates; Effectiveness Thereof. The various interest rates for the 2007 Series A Bonds will be determined as follows, and shall be effective for the periods described below:

(a) **Auction Mode Rate.** During each Auction Mode for 2007 Series A Bonds, the Auction Mode Rates to be in effect from time to time shall be determined by the Auction Agent and notice thereof shall be given in the manner to be provided in Exhibit A, and each such Auction Mode Rate shall be effective for the Auction Period to which such Auction Mode Rate relates; *provided, however*, that in the event of a change to the Auction Mode from another Interest Mode, the Auction Mode Rate for the Auction Period commencing on the Mode Adjustment Date applicable thereto shall be determined by such Broker-Dealer as shall be specified by the City as the lowest rate which, in the judgment of such Broker-Dealer, is necessary to enable the 2007 Series A Bonds (or beneficial ownership interests therein) to be remarketed on such Mode Adjustment Date at a price (without regard to accrued interest) equal to 100% of the principal amount thereof.

(b) **Daily Rate.** During each Daily Mode for 2007 Series A Bonds, by 12:30 p.m., New York City time, on each Business Day, the Remarketing Agent shall determine the Daily Rate for the 2007 Series A Bonds by determining, in the manner described in clause (f) of this Section, the Market Rate therefor on such day, which Daily Rate shall be effective for the Interest Period beginning on such Business Day and ending on the day preceding the next succeeding Business Day.

(c) **Weekly Rate.** During each Weekly Mode for the 2007 Series A Bonds, by 5:00 p.m., New York City time, on the last Business Day before the commencement of such Weekly Mode and before each succeeding Wednesday (or such other day as may be specified by the Remarketing Agent after notice to the Tender Agent and the Holders of the 2007 Series A Bonds) thereafter during such Weekly Mode, the Remarketing Agent shall determine the Weekly Rate for the 2007 Series A Bonds by determining, in the manner described in clause (f) of this Section, the Market Rate therefor on such day, which Weekly Rate shall be effective for the Interest Period beginning on Wednesday of such week and ending on the next succeeding Tuesday.

(d) **Flexible Rate.** By not later than 12:30 p.m., New York City time, on or before the first Business Day in each Interest Period for each 2007 Series A Bond (or beneficial ownership interest therein) which is in the Flexible Mode, the Remarketing Agent shall determine the Flexible Rate for such 2007 Series A Bond (or beneficial

ownership interest therein), in each case by determining, in the manner described in clause (f) of this Section, the Market Rate therefor on such day, which Flexible Rate shall be effective for such Interest Period.

(e) **Term Rate; Fixed Rate.** On any date designated by the Remarketing Agent which is not more than 35 days preceding nor later than the last Business Day preceding each Interest Period for 2007 Series A Bonds during which such 2007 Series A Bonds are in the Term Mode or the Fixed Mode, the Remarketing Agent shall determine the Term Rate or the Fixed Rate, as the case may be, for the 2007 Series A Bonds by determining, in the manner described in clause (f) of this Section, the Market Rate therefor on such day, which Term Rate or Fixed Rate, as the case may be, shall be effective for such Interest Period.

(f) **Procedure for Market Rate Determination.** The Remarketing Agent shall make each determination of the Market Rate for any 2007 Series A Bond (or beneficial ownership interest therein) pursuant to this Section by determining in its judgment the minimum interest rate necessary to be borne by such 2007 Series A Bond (or beneficial ownership interest therein) for the relevant Interest Period to enable the Remarketing Agent to remarket such 2007 Series A Bond (or beneficial ownership interest therein) on the Rate Adjustment Date therefor at a price (without regard to accrued interest) equal to 100% of the principal amount thereof; *provided, however*, that in no event shall any rate so determined exceed the Maximum Rate. If for any reason the Remarketing Agent fails to determine the Market Rate for any 2007 Series A Bond (or beneficial ownership interest therein) on a Rate Determination Date, or any Market Rate for any 2007 Series A Bond (or beneficial ownership interest therein) determined by the Remarketing Agent on a Rate Determination Date is determined by a court of competent jurisdiction to be invalid or unenforceable, then, commencing on such Rate Determination Date or the date with respect to which such court's determination shall be effective, as the case may be, such 2007 Series A Bond (or beneficial ownership interest therein) shall bear interest at a rate equal to one hundred percent (100%) of the SIFMA Index most recently announced on or prior to each Rate Determination Date; *provided, however*, that if such index ceases to be published, it shall be replaced for the foregoing purposes by the most comparable published index designated by the Remarketing Agent or, in the absence of such designation, any other dealer bank or broker-dealer competent in such matters and chosen by the City; and *provided, further*, that in no event shall any such rate exceed the Maximum Rate.

SECTION 3.04. Notice of Interest Rates and Interest Modes. Notice of interest rates and Interest Modes will be given as follows:

(a) **Notice to the Broker-Dealers, the Tender Agent, the Trustee and the City.** If the 2007 Series A Bonds shall be in the Auction Mode, the Auction Agent shall give notice to the City and the Trustee of each Auction Mode Rate determined pursuant to Exhibit A at the time and in the manner to be provided in Exhibit A. If the 2007 Series A Bonds shall be in any Interest Mode other than the Auction Mode, the Remarketing Agent shall give notice to the Tender Agent, the Trustee and the City, at the times determined pursuant to the next sentence, of each interest rate determination made by it pursuant to Section 3.03 and of each determination of the duration of an Interest Period

for any 2007 Series A Bond in the Flexible Mode made by it pursuant to clause (d) of Section 3.02, which notice shall be in writing (including by facsimile or other electronic means) or may be by telephone, promptly confirmed in writing (including by facsimile or other electronic means). Such notice shall be given (i) if the 2007 Series A Bonds shall be in the Daily Mode, at the option of the Remarketing Agent therefor, either (A) on each Business Day, as to the rate determined on such Business Day or (B) on (1) each Friday, as to each rate determined during the week ending on such Friday and (2) the last day of such Interest Period, as to each rate determined during the week in which such last day occurs and (ii) if the 2007 Series A Bonds shall be in the Weekly Mode, the Flexible Mode, the Term Mode or the Fixed Mode, on each day on which such rate is determined, as to the interest rate and, in the case of the Flexible Mode, the Interest Period so determined. In lieu of any notice in writing as aforesaid, the Remarketing Agent may make such information available to the Tender Agent, the Trustee and/or the City by any readily available electronic means (e.g., by posting such information on the Internet); *provided, however*, that the Remarketing Agent shall have given the Tender Agent, the Trustee and/or the City, as the case may be, at least five days' prior written notice of its intention to make such information available in such manner.

(b) **Notice to Holders of 2007 Series A Bonds of Interest Modes or Interest Periods.** Not less than 15 days, if the 2007 Series A Bonds are in the Daily Mode or Weekly Mode, not less than 20 days if the 2007 Series A Bonds are in the Auction Mode, and not less than 30 days, if the 2007 Series A Bonds are in any other Interest Mode, and, in any such case, not more than 60 days, prior to (1) the effective date of a change in the Rate Determination Date for 2007 Series A Bonds in the Weekly Mode, as provided in clause (c) of Section 3.03, (2) any Mode Adjustment Date or (3) the first day of any new Interest Period for 2007 Series A Bonds in the Term Mode, the Tender Agent shall give notice to the Auction Agent (if any), the Broker-Dealers (if any), the Remarketing Agent (if any), the Agent Bank (if any) and the Holders of the 2007 Series A Bonds, stating:

(i) that the interest rate on the 2007 Series A Bonds will be converted to the Auction Mode, the Daily Mode, the Weekly Mode, the Flexible Mode, the Term Mode or the Fixed Mode, or that the duration of the Interest Period or the Rate Determination Date for such 2007 Series A Bond then in effect will be altered, as the case may be, and

(ii) the other information required by paragraph 2 of Section 3.08.

The Tender Agent shall provide a copy of each notice from the Tender Agent given pursuant to this clause (b) to each transferee, if any, of a 2007 Series A Bond to be converted to a new Interest Mode or to an Interest Period of different duration in the Term Mode that is authenticated by it on or after the date of such notice and prior to the effective date of the Interest Mode or Interest Period described therein.

(c) **Notice to Owners of 2007 Series A Bonds of Interest Rates.** The Remarketing Agent shall provide the rate of interest constituting the Daily Rate, the Weekly Rate or the Flexible Rate for the 2007 Series A Bonds, and the Tender Agent shall provide the rate of interest constituting the Term Rate or the Fixed Rate for the 2007

Series A Bonds, from time to time to each owner thereof who requests such information, by telephone or in writing (including by facsimile or other electronic means).

While in the Daily Mode or Weekly Mode, the Tender Agent shall provide to the City and the Trustee and, upon written request, to any Holder of a 2007 Series A Bond to whom such interest is due the interest rates in effect since the preceding Interest Accrual Period therefor.

SECTION 3.05. Effect of Determinations. Each designation of an Interest Mode made pursuant to Section 3.01, each determination of the duration of an Interest Period made pursuant to Section 3.02, and each determination of an Auction Mode Rate, a Daily Rate, a Weekly Rate, a Flexible Rate, a Term Rate or a Fixed Rate made pursuant to Section 3.03 shall be conclusive and binding upon (a) the City, (b) the Trustee, (c) the Auction Agent and the Broker-Dealers (if the 2007 Series A Bonds shall be in the Auction Mode), (d) the Tender Agent, the Remarketing Agent and the Bank(s) (if the 2007 Series A Bonds shall be in an Interest Mode other than the Auction Mode) and (e) the Holders of the 2007 Series A Bonds, and neither the City nor the Trustee nor the Auction Agent nor the Broker-Dealers nor the Tender Agent nor the Remarketing Agent shall have any liability to any such Person for any such determination, whether due to any error in judgment, failure to consider any information, opinion or other resource, or otherwise.

SECTION 3.06. Purchase of 2007 Series A Bonds. The Tender Agent shall effect the purchase of 2007 Series A Bonds (or portions thereof or beneficial ownership interests therein in a principal amount equal to, and leaving untendered, an Authorized Denomination) from any Person at the Purchase Price therefor, payable in immediately available funds by the close of business on the applicable Purchase Date, but solely from and to the extent of the funds described in Section 3.10, for the account of the Persons described in paragraph 1 of Section 3.11:

(a) **Daily Mode Tender Option:** while the 2007 Series A Bonds are in the Daily Mode, upon delivery (or deemed tender pursuant to Section 3.12) for purchase of such 2007 Series A Bonds at the option of the Holder thereof (or, if the 2007 Series A Bonds shall be a Book-Entry Only 2007 Series A Bond, at the option of the beneficial owner thereof) on any Business Day, endorsed in blank (or accompanied by a bond power executed in blank) to the extent of the portion to be purchased, at the office of the Tender Agent by 12:00 p.m., New York City time, on such Business Day, if notice of such tender shall have been given to the Tender Agent in strict compliance with the provisions of Section 3.07, and

(b) **Weekly Mode Tender Option:** while the 2007 Series A Bonds are in the Weekly Mode, upon delivery (or deemed tender pursuant to Section 3.12) for purchase of such 2007 Series A Bonds at the option of the Holder thereof (or, if the 2007 Series A Bonds shall be a Book-Entry Only 2007 Series A Bond, at the option of the beneficial owner thereof) on any Business Day, endorsed in blank (or accompanied by a bond power executed in blank) to the extent of the portion to be purchased, at the office of the Tender Agent by 12:00 p.m., New York City time, on such Business Day, if notice of such tender shall have been given to the Tender Agent in strict compliance with the provisions of Section 3.07, and

(c) **Mandatory Tender:** upon tender (or deemed tender pursuant to Section 3.12) for purchase of such 2007 Series A Bonds as required by paragraph 1 of Section 3.08:

(i) **Expiration of Liquidity Facility:** on the fifth (5th) Business Day prior to the Liquidity Facility Expiration Date,

(ii) **Substitution of Liquidity Facility or Bank:** on the Substitution Date; *provided, however,* that if the City shall have delivered to the Notice Parties, by not later than the Business Day prior to the date on which the Tender Agent is required to give notice of such mandatory tender pursuant to paragraph 2 of Section 3.08, written evidence from each Rating Agency then rating the 2007 Series A Bonds to the effect that such Rating Agency has reviewed the proposed Substitute Liquidity Facility or the substitution of one or more banks for one or more of the Banks that are party to the Liquidity Facility then in effect, as the case may be, and that such substitution will not result in a withdrawal, suspension or reduction in such Rating Agency's ratings on the 2007 Series A Bonds, then the 2007 Series A Bonds shall not be subject to mandatory tender for purchase on the Substitution Date,

(iii) **Interest Mode or Interest Period Changes:** on any Mode Adjustment Date designated by an Officer's Certificate pursuant to clause (a) of Section 3.01, whether or not such change to a new Interest Mode or Interest Period, as applicable, is effected,

(iv) **Rate Adjustment Dates:** on each Rate Adjustment Date while the 2007 Series A Bonds are in (A) the Flexible Mode or (B) the Term Mode,

(v) **City Option in Term Mode:** on any day while the 2007 Series A Bonds are in the Term Mode, upon delivery of an Officer's Certificate, if such 2007 Series A Bonds may then be redeemed at the option of the City pursuant to paragraph 2 or 3 of Section 2.06 at a Redemption Price of 100% of the principal amount thereof, plus accrued interest, if any, thereon,

(vi) **Amendment to this Eighteenth Supplemental Resolution or the Resolution:** on (A) any Business Day while the 2007 Series A Bonds are in the Daily Mode or Weekly Mode, (B) any Rate Adjustment Date while the 2007 Series A Bonds are in the Flexible Mode, or (C) any Business Day on which the 2007 Series A Bonds may then be redeemed at the option of the City pursuant to paragraph 2 or 3 of Section 2.06 at a Redemption Price of 100% of the principal amount thereof, plus accrued interest, if any, thereon while the 2007 Series A Bonds are in the Term Mode, in any such case, that is at least fifteen (15) days following delivery to the Notice Parties of an Officer's Certificate to the effect that the City is causing the 2007 Series A Bonds to become subject to mandatory tender in order to enable any Supplemental Resolution amending this Eighteenth Supplemental Resolution or the Resolution to take effect pursuant to paragraph 2 of Section 8.05; *provided, however,* that such Officer's Certificate shall be accompanied by an Opinion of Counsel of an attorney or firm of attorneys of nationally recognized standing in matters pertaining to the federal income tax

treatment of interest on bonds issued by states and their political subdivisions to the effect that such amendments are authorized or permitted by the Resolution and will not cause the interest on the 2007 Series A Bonds to become includable in gross income for federal income tax purposes and

(vii) **Liquidity Facility Default**: on the fifteenth (15th) day (or if such day shall not be a Business Day, on the next preceding Business Day) after receipt by the Tender Agent of notice from the Agent Bank to the effect that an “event of default” (or similar event) on the part of the City has occurred and is continuing under the Liquidity Facility that entitles the Bank(s) party thereto to terminate the Liquidity Facility (or the commitment thereunder of the Bank(s) to purchase 2007 Series A Bonds) following the honoring by the Bank(s) of a final demand for payment thereunder to purchase all of the 2007 Series A Bonds upon the resultant mandatory tender for purchase thereof.

SECTION 3.07. Optional Tender of 2007 Series A Bonds for Purchase. Notice (which notice shall be irrevocable and effective upon receipt) of the tender of any 2007 Series A Bond (or portion thereof) for purchase pursuant to clause (a) or (b) of Section 3.06 shall specify the principal amount (or portion thereof) of such 2007 Series A Bond so to be purchased, the Purchase Date therefor, and the name of the Holder thereof (or, if such 2007 Series A Bond is a Book-Entry Only 2007 Series A Bond, the name and number of the account to which such beneficial ownership interest in the 2007 Series A Bonds is credited by the Securities Depository) and shall be given by the Holder thereof or such Holder’s attorney duly authorized in writing or, if such 2007 Series A Bond is a Book-Entry Only 2007 Series A Bond, by the beneficial owner thereof or such owner’s attorney duly authorized in writing, to:

(a) **Daily Mode**: the Tender Agent by 11:00 a.m., New York City time, on such Purchase Date, if such 2007 Series A Bond is in the Daily Mode, by telephone, facsimile or other electronic means, and

(b) **Weekly Mode**: the Tender Agent by 5:00 p.m., New York City time, on a Business Day which is at least seven calendar days prior to such Purchase Date, if such 2007 Series A Bond is in the Weekly Mode, in writing (including by facsimile or other electronic means).

Holders (or, if applicable, beneficial owners) of 2007 Series A Bonds (or portions thereof or beneficial ownership interests therein) that have elected to require purchase as provided above will be deemed, by such election, to have agreed irrevocably to sell the 2007 Series A Bonds (or portions thereof or beneficial ownership interests therein) to any purchaser determined in accordance with the provisions of Section 3.10 and paragraph 1 of Section 3.11, on the date fixed for purchase at the Purchase Price therefor, and will be required to deliver (or cause to be delivered) such tendered 2007 Series A Bonds (or portions thereof) to the office of the Tender Agent by 12:00 p.m., New York City time, on the Purchase Date, endorsed in blank (or accompanied by a bond power executed in blank).

Promptly upon receipt of such notice in respect of 2007 Series A Bonds (or portions thereof or beneficial ownership interests therein), the Tender Agent shall give notice by telephone, promptly confirmed in writing (including by facsimile or other electronic means) to

the City, the Remarketing Agent and the Agent Bank, specifying the principal amount of the 2007 Series A Bonds (or portions thereof or beneficial ownership interests therein) so tendered for purchase and the Purchase Date for such 2007 Series A Bonds (or portions thereof or beneficial ownership interests therein).

SECTION 3.08. Mandatory Tender of 2007 Series A Bonds for Purchase. 1. **Mandatory Tender.** Each owner of a 2007 Series A Bond (or portion thereof or beneficial ownership interest therein) upon notice given by the Tender Agent pursuant to paragraph 2 of this Section 3.08 and, if in the Flexible Mode or the Term Mode, on each Rate Adjustment Date therefor, shall tender, and in any event shall be deemed to have tendered, to the Tender Agent as agent for the Persons which purchase the same pursuant to Section 3.10 and paragraph 1 of Section 3.11, such 2007 Series A Bond (or portion thereof or beneficial ownership interest therein) as shall become subject to mandatory tender for purchase pursuant to clause (c) of Section 3.06.

Holders (or, if applicable, beneficial owners) of 2007 Series A Bonds (or beneficial ownership interests therein) will be deemed to have agreed irrevocably to sell 2007 Series A Bonds (or portions thereof or beneficial ownership interests therein) subject to mandatory tender for purchase to any purchaser determined in accordance with the provisions of Section 3.10 and paragraph 1 of Section 3.11, on the date fixed for purchase at the Purchase Price therefor, and will be required to deliver (or cause to be delivered) such tendered 2007 Series A Bonds (or portions thereof) to the office of the Tender Agent by 12:00 p.m., New York City time, on the Purchase Date, endorsed in blank (or accompanied by a bond power executed in blank).

2. **Notice.** The Tender Agent shall give notice of each Purchase Date for 2007 Series A Bonds described in clause (c) of Section 3.06 (except clauses (c)(iv)(A) and (c)(vii) thereof) to the City, the Agent Bank, the Remarketing Agent and each Holder of 2007 Series A Bonds by mail, first-class postage prepaid, not less than 15 days, if such 2007 Series A Bonds are in the Daily or Weekly Mode, not less than 30 days, if such 2007 Series A Bonds are in the Term or Flexible Mode, and in either case not more than 60 days preceding such Purchase Date. The Tender Agent shall give notice of any Purchase Date for 2007 Series A Bonds described in clause (c)(vii) of Section 3.06 to the City, the Agent Bank, the Remarketing Agent and each Holder of 2007 Series A Bonds by mail, first-class postage prepaid, as promptly as practicable following receipt by it of the notice from the Agent Bank referred to in said clause (c)(vii). Each such notice shall state:

(a) the date of such Purchase Date,

(b) that each 2007 Series A Bond (or portion thereof) not tendered for purchase pursuant to clause (c) of Section 3.06 by 12:00 p.m., New York City time, on such Purchase Date shall be deemed to have been tendered for purchase on such Purchase Date at the Purchase Price therefor, and that, if due provision is made for the payment of such Purchase Price on such Purchase Date, such Holder shall not be entitled to any payment (including any interest accrued subsequent thereto) in respect of such 2007 Series A Bond (or portion thereof) other than the Purchase Price for such 2007 Series A Bond (or portion thereof) and, unless such Purchase Price shall include accrued interest thereon to such Purchase Date, such accrued interest,

(c) the time and place for the tender of such 2007 Series A Bond (or portion thereof) and the then current name and address of the Tender Agent, and

(d) if applicable, the matters described in clause (b) of Section 3.04.

SECTION 3.09. Remarketing of 2007 Series A Bonds. 1. Except in the case of 2007 Series A Bonds subject to mandatory tender pursuant to clause (c)(i) or (c)(vii) of Section 3.06, the Remarketing Agent shall offer for sale for the account of the respective owners thereof and use its best efforts to sell an aggregate principal amount of 2007 Series A Bonds equal to the aggregate principal amount of 2007 Series A Bonds which are required to be tendered for purchase pursuant to Section 3.06 hereof, at a price equal to the Purchase Price thereof, on the Purchase Date of such 2007 Series A Bonds or as soon thereafter as possible, without selling any such 2007 Series A Bonds at a discount or a premium; except that no 2007 Series A Bonds shall be remarketed to the City.

2. By not later than 12:00 p.m., New York City time, on each Purchase Date for 2007 Series A Bonds, the Remarketing Agent shall give the Tender Agent notice by telephone, facsimile or other electronic means of the principal amount of such 2007 Series A Bonds tendered for purchase or deemed tendered on such Purchase Date that the Remarketing Agent has been able to remarket by such time.

3. If the Remarketing Agent is able to sell all or any portion of the 2007 Series A Bonds described in paragraph 1 of this Section at the price described in such paragraph, the Remarketing Agent shall cause the proceeds of the sale of such 2007 Series A Bonds to be transferred to the Tender Agent, by 12:15 p.m., New York City time, on such Purchase Date, in immediately available funds, for deposit in the 2007 Series A Bond Remarketing Proceeds Account in the 2007 Series A Bond Purchase Fund.

SECTION 3.10. Purchase of Tendered 2007 Series A Bonds. The Tender Agent shall apply the money in the 2007 Series A Bond Purchase Fund on and after each Purchase Date to pay the Purchase Price of 2007 Series A Bonds (or portions thereof or beneficial ownership interests therein) tendered pursuant to Section 3.06 from the following sources in the following order of priority:

(a) first, from proceeds of the remarketing of such 2007 Series A Bonds (or portions thereof or beneficial ownership interests therein) deposited to the 2007 Series A Bond Remarketing Proceeds Account in the 2007 Series A Bond Purchase Fund on such Purchase Date, and

(b) second, from amounts drawn under or derived from the Liquidity Facility pursuant to Section 4.01 and deposited to the 2007 Series A Bond Liquidity Proceeds Account in the 2007 Series A Bond Purchase Fund on such Purchase Date.

Upon tender for purchase of any 2007 Series A Bond (or portion thereof) on the Purchase Date therefor or of any Untendered 2007 Series A Bond on or after the Purchase Date therefor in accordance with Section 3.06, endorsed in blank (or accompanied by a bond power executed in blank) to the extent of the portion to be purchased, the Tender Agent shall pay to the Holder of such 2007 Series A Bond (or portion thereof) or such Untendered 2007 Series A Bond the Purchase Price therefor on behalf of the purchaser thereof specified in paragraph 1 of Section

3.11 from funds available for such purchase held in the applicable account in the 2007 Series A Bond Purchase Fund.

Upon tender for purchase or deemed tender for purchase of any beneficial ownership interest in a Book-Entry Only 2007 Series A Bond to be purchased in accordance with Section 3.06, the Tender Agent shall pay to the Securities Depository, for credit to the account to which such beneficial ownership interest is credited, the Purchase Price therefor on behalf of the purchaser thereof specified in paragraph 1 of Section 3.11 from funds available for such purchase held in the applicable account in the 2007 Series A Bond Purchase Fund.

The Tender Agent shall hold all money delivered to it hereunder and deposited (or required to be deposited) to the applicable account in the 2007 Series A Bond Purchase Fund for the purchase of 2007 Series A Bonds (or portions thereof) in trust solely for the benefit of the respective Persons which shall have so delivered such money until the 2007 Series A Bonds (or portions thereof) purchased with such money are delivered pursuant to paragraph 2 of Section 3.11 and, thereafter, for the benefit of the Persons to whom such money is to be paid hereunder.

SECTION 3.11. Disposition of Tendered 2007 Series A Bonds. 1. **Purchasers of Tendered 2007 Series A Bonds.** 2007 Series A Bonds (or portions thereof or beneficial ownership interests therein) tendered or deemed tendered pursuant to Section 3.06, the Purchase Price for which has been paid pursuant to Section 3.10, shall be purchased:

(a) by the Persons to whom such 2007 Series A Bonds (or portions thereof or beneficial ownership interests therein) have been remarketed, to the extent the Purchase Price for such 2007 Series A Bonds has been paid pursuant to clause (a) of the first paragraph of Section 3.10; and

(b) by the Bank(s) (or a nominee or nominees thereof), to the extent the Purchase Price therefor is paid from amounts drawn under or derived from the Liquidity Facility pursuant to clause (b) of the first paragraph of Section 3.10.

2. **Delivery of Purchased 2007 Series A Bonds.** Whenever any 2007 Series A Bond (or portion thereof), other than a beneficial ownership interest in a Book-Entry Only 2007 Series A Bond, tendered or deemed tendered pursuant to Section 3.06 is purchased pursuant to Section 3.10 and paragraph 1 of this Section 3.11, the City shall execute, and the Tender Agent shall authenticate and deliver, in the name of the Person deemed to have purchased the same or its designee, one or more new 2007 Series A Bonds of any Authorized Denomination and of a like aggregate principal amount. Whenever any beneficial ownership interest in a Book-Entry Only 2007 Series A Bond tendered or deemed tendered pursuant to Section 3.06 is purchased pursuant to Section 3.10 and paragraph 1 of this Section 3.11, the Tender Agent shall cause such beneficial ownership interest to be credited to the account at the Securities Depository of (a) the Bank(s) or any nominee or nominees thereof, as pledgee, in the case of beneficial ownership interests purchased by the Tender Agent with amounts drawn under or derived from the Liquidity Facility, and (b) otherwise, the Person deemed to have purchased the same or any nominee thereof specified by such Person. Notwithstanding anything in this paragraph 2 to the contrary, no 2007 Series A Bond (or portion thereof) shall be released by the Tender Agent (and the Tender Agent shall not cause the transfer of the beneficial ownership of any Book-Entry

Only 2007 Series A Bond to any Person) if (x) such 2007 Series A Bond (or portion thereof or beneficial ownership interest therein) was purchased with funds drawn under or derived from the Liquidity Facility, and (y) the limit of the obligations of the Bank(s) thereunder was thereby reduced, until the limit of the obligations of the Bank(s) under the Liquidity Facility has been reinstated to an amount equal to the Liquidity Facility Requirement.

3. **Tendered 2007 Series A Bonds to be Held in Trust.** The Tender Agent shall hold all 2007 Series A Bonds or portions thereof (or beneficial interests therein) delivered to it hereunder in trust solely for the benefit of the respective Persons who have so delivered such 2007 Series A Bonds (or portions thereof or beneficial ownership interests therein) until money representing the Purchase Price of such 2007 Series A Bonds (or portions thereof or beneficial ownership interests therein) shall have been delivered to or for the account of or to the order of such Persons.

4. **Agency; No Extinguishment.** In carrying out its responsibilities with respect to the purchase of 2007 Series A Bonds under Sections 3.06 through 3.12, the Tender Agent shall be acting solely as the agent of the Holders or owners from time to time of the 2007 Series A Bonds tendered or deemed tendered pursuant to Section 3.06 and of the Persons purchasing the same pursuant to Section 3.10 and paragraph 1 of Section 3.11, respectively. No delivery of 2007 Series A Bonds to the Tender Agent or purchase of 2007 Series A Bonds by the Tender Agent pursuant to Sections 3.06 through 3.12 shall constitute a redemption of 2007 Series A Bonds or other extinguishment of the debt evidenced thereby.

SECTION 3.12. Untendered 2007 Series A Bonds; Book-Entry Only 2007 Series A Bonds. Any 2007 Series A Bond (or portion thereof):

(a) for which notice of tender thereof on any Purchase Date is given in accordance with Section 3.07, but which is not tendered for purchase by 12:00 p.m., New York City time, on such Purchase Date, or

(b) which is required to be but which is not tendered for purchase by 12:00 p.m., New York City time, on any Purchase Date determined pursuant to clause (c) of Section 3.06

(such 2007 Series A Bonds (or portions thereof) being referred to herein as “Untendered 2007 Series A Bonds”) shall, upon deposit in the applicable account in the 2007 Series A Bond Purchase Fund of an amount sufficient to pay the Purchase Price of such 2007 Series A Bond (or portion thereof) on such Purchase Date, be deemed to have been tendered and sold on such Purchase Date to the Person specified in paragraph 1 of Section 3.11, and thereafter (1) the Person who has failed to deliver such 2007 Series A Bond (or portion thereof) shall not be entitled to any payment (including any interest accrued subsequent to such Purchase Date) in respect thereof other than the Purchase Price for such 2007 Series A Bond (or portion thereof) and, unless such Purchase Price shall include accrued interest thereon to such Purchase Date, such accrued interest, and such Untendered 2007 Series A Bond shall no longer be entitled to the benefit of the Resolution, except for the purpose of payment of the Purchase Price therefor and such accrued interest, if any, and (2) the City shall execute, and the Tender Agent shall authenticate and deliver, in the name of the Person specified in paragraph 1 of Section 3.11, one

or more new 2007 Series A Bonds of any Authorized Denomination and of a like aggregate principal amount.

To the extent permitted pursuant to the procedures of the Securities Depository, any beneficial ownership interest in a Book-Entry Only 2007 Series A Bond for which notice of tender thereof on any Purchase Date is given in accordance with Section 3.07 or which is required to be tendered for purchase pursuant to paragraph 1 of Section 3.08 shall be deemed tendered to the Tender Agent endorsed in blank when the Securities Depository or any direct or indirect participant in its depository system which owns such beneficial ownership interest as nominee for the beneficial owner thereof shall have received sufficient instructions from the Person to whose account at the Securities Depository or participant such beneficial ownership interest is credited to transfer such beneficial ownership interest to the account of the Tender Agent and such transfer is effected, and payment of the Purchase Price of such beneficial ownership interest shall be deemed to be made when the Tender Agent gives sufficient instructions to (while maintaining sufficient funds at or delivering such funds to) the Securities Depository or such participant to credit such Purchase Price to the account of such Person at the Securities Depository or such participant.

ARTICLE IV

LIQUIDITY FACILITY; DRAWINGS THEREUNDER; SUBSTITUTE LIQUIDITY FACILITIES

SECTION 4.01. Drawings to Make Payments of Purchase Price. 1. The Tender Agent shall present all drafts, demands and other documents and give such notices and do all such other acts as may be required by the Liquidity Facility (in the manner and to the extent therein permitted and by the time required thereby) to cause a draw on or request for funding under, as applicable, the Liquidity Facility in an amount sufficient to purchase at the Purchase Price, on each Purchase Date all 2007 Series A Bonds (or portions thereof or beneficial ownership interests therein) (i) that are required to be purchased pursuant to Sections 3.06 through 3.12 on such Purchase Date and (ii) for which the Purchase Price thereof has not been paid (as provided by Section 3.12 or otherwise) or deposited in immediately available funds to the 2007 Series A Bond Remarketing Proceeds Account in the 2007 Series A Bond Purchase Fund from the proceeds of the remarketing of such 2007 Series A Bonds by 12:15 p.m., New York City time, on such Purchase Date.

2. On each Purchase Date the Tender Agent shall give notice to the City by telephone, promptly confirmed in writing (including by facsimile or other electronic means) specifying the Purchase Price of the 2007 Series A Bonds to be purchased pursuant to or with funds drawn or claimed under the Liquidity Facility on such date. All funds drawn or claimed under the Liquidity Facility by the Tender Agent to pay the Purchase Price of 2007 Series A Bonds shall be credited to the 2007 Series A Bond Liquidity Proceeds Account in the 2007 Series A Bond Purchase Fund and applied in accordance with this Eighteenth Supplemental Resolution.

SECTION 4.02. Extension of Term of Liquidity Facility; Substitution of Liquidity Facilities; Surrender of Liquidity Facility. 1. If, at any time, the City shall obtain a renewal or extension of the Liquidity Facility then in effect (or a written commitment which

evidences such renewal or extension) on substantially the same terms, unless the Agent Bank already shall have given notice thereof, the City shall promptly give notice to the other Notice Parties of such renewal or extension, and the Tender Agent shall promptly give notice thereof to the Holders of the 2007 Series A Bonds. Any such renewal or extension shall not constitute substitution of a Liquidity Facility.

2. At any time prior to the giving by the Tender Agent, pursuant to paragraph 2 of Section 3.08, of notice of the mandatory tender of the 2007 Series A Bonds as a result of the expiration of the Liquidity Facility then in effect, the City may deliver to the Tender Agent a Substitute Liquidity Facility supporting the 2007 Series A Bonds in an amount at least equal to the Liquidity Facility Requirement, which Substitute Liquidity Facility shall be accompanied by (i) an Opinion of Counsel of an attorney or firm of attorneys of nationally recognized standing in matters pertaining to the federal income tax treatment of interest on bonds issued by states and their political subdivisions to the effect that the substitution of such Substitute Liquidity Facility for the Liquidity Facility then in effect is authorized or permitted by the Resolution and will not cause the interest on the 2007 Series A Bonds to become includable in gross income for federal income tax purposes, (ii) either (A) written evidence from each Rating Agency then rating the 2007 Series A Bonds to the effect that such Rating Agency has reviewed the proposed Substitute Liquidity Facility and stating the ratings of the 2007 Series A Bonds after substitution of such Substitute Liquidity Facility or (B) a statement of an Authorized Officer of the City that no ratings have been obtained, (iii) if such Substitute Liquidity Facility is other than a letter of credit issued by a domestic commercial bank, an opinion of counsel to the effect that no registration of the 2007 Series A Bonds or such Substitute Liquidity Facility is required under the Securities Act of 1933, as amended, (iv) an opinion of counsel satisfactory to an Authorized Officer of the City to the effect that such Substitute Liquidity Facility is a valid and enforceable obligation of the issuer or provider thereof and (v) all information required to give (X) notice of mandatory tender for purchase of the 2007 Series A Bonds if required by paragraph 2 of Section 3.08 or (Y) the notice required by paragraph 4 of this Section 4.02, if applicable. In such event, the Tender Agent shall accept such Substitute Liquidity Facility, which shall become effective with respect to the 2007 Series A Bonds on the Substitution Date therefor. Promptly following such Substitution Date, the Tender Agent shall surrender the Liquidity Facility so substituted to the Agent Bank with respect to such Liquidity Facility, for cancellation in accordance with its terms, or shall deliver any document necessary to terminate such Liquidity Facility.

Notwithstanding anything to the contrary contained herein, if, on any Substitution Date, (a) a Substitute Liquidity Facility is being substituted for the Liquidity Facility then in effect, (b) any 2007 Series A Bonds (or portions thereof or beneficial interests therein) shall be subject to tender for purchase and (c) the Tender Agent shall not have received remarketing proceeds in an amount sufficient to pay the Purchase Price of all 2007 Series A Bonds (or portions thereof or beneficial interests therein) so subject to tender for purchase, then the Tender Agent shall make a draw on or request for funding under, as applicable, such Liquidity Facility then in effect in order to obtain funds for the purchase of such 2007 Series A Bonds (or portions thereof or beneficial interests therein) so subject to tender for purchase as to which it shall not have received proceeds of the remarketing thereof.

3. Notwithstanding any other provision of the Resolution or this Eighteenth Supplemental Resolution, the City may determine to deliver more than one Liquidity Facility pursuant to paragraph 2 of this Section 4.02. In such event, (a) the City shall take such actions

(including, without limitation, obtaining such additional CUSIP number(s) for the 2007 Series A Bonds) as shall be necessary to identify separately the 2007 Series A Bonds (or beneficial ownership interests therein) to be supported by each such Liquidity Facility and (b) each such Liquidity Facility shall be in a stated amount, or the aggregate commitment of the Bank(s) thereunder shall be, at least equal to the Liquidity Facility Requirement calculated with respect to the particular portion of the 2007 Series A Bonds supported thereby. In the event more than one Liquidity Facility shall be delivered as aforesaid (a) each such Liquidity Facility shall be applicable only to the particular 2007 Series A Bonds to which such Liquidity Facility relates, determined as aforesaid, (b) any reference herein to “the Agent Bank” or the “the Bank(s)” shall be deemed to refer to the appropriate Agent Bank or the appropriate Bank(s) or all such Agent Banks or Banks, as the case may be, as the context may require and (c) any reference herein to “the Liquidity Facility” shall be deemed to refer to the Liquidity Facility to which the appropriate Agent Bank and/or the appropriate Bank(s) is (or are) a party, or all such Liquidity Facilities, as the context may require.

4. In the event that the 2007 Series A Bonds shall be in the Daily Mode or the Weekly Mode, if, in connection with the substitution of one or more banks for one or more of the Banks that are party to the Liquidity Facility then in effect or the substitution of a Substitute Liquidity Facility for the Liquidity Facility then in effect, as the case may be, the 2007 Series A Bonds shall not be subject to mandatory tender for purchase on a Substitution Date, as provided in the proviso contained in clause (c)(ii) of Section 3.06, the Tender Agent shall give notice as hereinafter provided to the Holders of the 2007 Series A Bonds by mail, first-class, postage prepaid, not less than 15 and not more than 60 days preceding the Substitution Date of such substitution. Such notice shall (a) state the Substitution Date on which such substitution is expected to become effective; (b) contain a description of (i) the new bank(s) or (ii) such Substitute Liquidity Facility and the Bank(s) that is (or are) the issuer or provider thereof, as the case may be; and (c) state that if any Holder of a 2007 Series A Bond (or, if such 2007 Series A Bond is a Book-Entry Only 2007 Series A Bond, any beneficial owner thereof) does not desire to continue to hold such 2007 Series A Bond (or beneficial ownership interest therein) following such substitution, such Holder (or beneficial owner) must give notice of the tender of such 2007 Series A Bond (or beneficial ownership interest therein) by the time and in the manner provided in Section 3.07. In addition, the Tender Agent shall provide a copy of such notice to each transferee, if any, of a 2007 Series A Bond that is authenticated by it on or after the date of the giving of such notice and prior to such Substitution Date.

5. In the event that the 2007 Series A Bonds shall be in the Daily Mode, the Weekly Mode or the Flexible Mode, if, in connection with the substitution of one or more banks for one or more of the Banks that are party to the Liquidity Facility then in effect or the substitution of a Substitute Liquidity Facility for the Liquidity Facility then in effect, as the case may be, the Remarketing Agent shall remarket any 2007 Series A Bond (or portion thereof or beneficial interest therein) prior to such Substitution Date, the Remarketing Agent shall advise the purchaser of such Bond (or portion thereof or beneficial interest therein) that the new bank or banks (and not such Bank(s) that are party to such Liquidity Facility then in effect) or the issuer or provider of such Substitute Liquidity Facility (and not such issuer or provider of such Liquidity Facility then in effect), as the case may be, shall be responsible for providing liquidity support for 2007 Series A Bonds tendered or deemed tendered for purchase from and after such Substitution Date.

6. In connection with the delivery of any Substitute Liquidity Facility permitted pursuant to paragraph 2 of this Section, the City shall be authorized to amend the provisions of this Eighteenth Supplemental Resolution if and to the extent necessary to give effect to such Substitute Liquidity Facility (including, without limitation, any amendments that are necessary or desirable in connection with the provision by the City of more than one such Substitute Liquidity Facility, as permitted by paragraph 3 of this Section 4.02). Notwithstanding the foregoing, no such amendment shall be or become effective unless the City shall have received an Opinion of Counsel of an attorney or firm of attorneys of nationally recognized standing in matters pertaining to the federal income tax treatment of interest on bonds issued by states and their political subdivisions to the effect that such amendment (a) is authorized or permitted by the Resolution, (b) will not cause the interest on the 2007 Series A Bonds to become includable in gross income for federal income tax purposes and (c) will not adversely affect the rights of the Holders of the 2007 Series A Bonds.

7. Promptly following the conversion of the 2007 Series A Bonds to the Auction Mode or the Fixed Mode, the Tender Agent shall surrender the Liquidity Facility to the Agent Bank for cancellation in accordance with its terms, or shall deliver any document necessary to terminate the Liquidity Facility.

ARTICLE V

2007 SERIES A BANK BONDS

SECTION 5.01. Remarketing of 2007 Series A Bank Bonds. 1. With respect to each particular 2007 Series A Bank Bond, unless such 2007 Series A Bank Bond shall have been purchased by the Bank(s) (or any nominee or nominees thereof) pursuant to a mandatory tender described in clause (c)(i) or (c)(vii) of Section 3.06, the Remarketing Agent shall use its best efforts to remarket such 2007 Series A Bank Bond at a price equal to the principal amount thereof plus, in the event the 2007 Series A Bonds (other than 2007 Series A Bank Bonds) are subject to an Interest Mode other than the Flexible Mode, accrued interest, if any, to the date of such remarketing (computed in accordance with the provisions of paragraph 3 of this Section 5.01). Notwithstanding anything to the contrary contained in this Eighteenth Supplemental Resolution, if upon the termination of the Liquidity Facility the Bank(s) (or any nominee or nominees thereof) shall be the Holder of any 2007 Series A Bank Bond, unless otherwise agreed by the Remarketing Agent, the Remarketing Agent shall be obligated to use its best efforts to remarket such 2007 Series A Bank Bond in accordance with the provisions of this Section only until the 60th day following the date of purchase by the Bank(s) (or any nominee or nominees thereof) of such 2007 Series A Bank Bond.

2. In attempting to remarket any 2007 Series A Bank Bond, the Remarketing Agent shall treat such 2007 Series A Bank Bond for all purposes as if it were governed by the Interest Mode which governs the 2007 Series A Bonds (other than 2007 Series A Bank Bonds).

3. Unless otherwise provided in a Liquidity Facility, by becoming a Holder or beneficial owner of a 2007 Series A Bank Bond, the Bank(s) agree to transfer (or cause any nominee(s) or transferee(s) thereof to transfer) such Bond to any Person to which such Bond is remarketed by or through the Remarketing Agent, but only, however, against receipt of a purchase price therefor equal to the principal amount thereof plus, in the event the 2007 Series A

Bonds (other than 2007 Series A Bank Bonds) are subject to an Interest Mode other than the Flexible Mode, accrued interest, if any, to the date of such remarketing, with such accrued interest being computed at the 2007 Series A Bond Rate or Rates in effect for the period beginning on the later of (i) the Bank Purchase Date with respect to such 2007 Series A Bank Bond and (ii) the most recent Interest Payment Date relating to such 2007 Series A Bank Bond on which interest accrued on such Bond has been paid in full and ending on the day preceding the day of such remarketing. If more than one 2007 Series A Bank Bond shall be owned by the Bank(s) (or any nominee(s) or transferee(s) thereof), the Tender Agent, in its sole discretion, shall select the particular 2007 Series A Bank Bond(s) that are so remarketed. If a 2007 Series A Bank Bond is transferred by the Bank(s) (or any nominee(s) or transferee(s) thereof) in accordance with the second preceding sentence, the City agrees to pay to the Agent Bank, for the account of the Bank(s), or to such transferee(s), as the case may be, on the date of such remarketing, the amount of interest, if any, resulting from the Bank Rate or Rates in effect from time to time during the period referred to in the second preceding sentence being in excess of such 2007 Series A Bond Rate or Rates in effect during such period (said amount being referred to herein as the "Differential Interest Amount"). In the event that the Bank(s) is (or are) entitled (pursuant to its (or their) Liquidity Facility) to elect not to so transfer any such 2007 Series A Bond, and the Bank(s) so elect, the Tender Agent shall, upon notice thereof from the Agent Bank, promptly notify the City and the Remarketing Agent of such fact by telephone, promptly confirmed in writing (including by facsimile or other electronic means), and such 2007 Series A Bond thereupon shall cease to be a 2007 Series A Bank Bond.

4. In the event that the Remarketing Agent shall identify a purchaser for any 2007 Series A Bank Bond pursuant to the provisions of paragraph 1 of this Section, the Remarketing Agent shall give notice thereof to the Tender Agent, which notice shall specify the principal amount of the 2007 Series A Bank Bond(s) for which the Remarketing Agent has identified a purchaser and the purchase price thereof (which shall be the principal amount thereof plus, in the event the 2007 Series A Bonds (other than 2007 Series A Bank Bonds) are subject to an Interest Mode other than the Flexible Mode, accrued interest, if any, to the date of the proposed remarketing thereof (computed in accordance with the provisions of paragraph 3 of this Section 5.01)). If such notice shall be given by 12:30 p.m., New York City time, on a Business Day, then the date of the giving of such notice shall be the date of such remarketing. If such notice shall be given after 12:30 p.m., New York City time, on a Business Day, then the next succeeding Business Day shall be the date of such remarketing. Promptly following the receipt of any such notice, the Tender Agent shall notify the City and the Agent Bank thereof by telephone, promptly confirmed in writing (including by facsimile or other electronic means), which notice shall specify the principal amount of the 2007 Series A Bank Bond(s) for which the Remarketing Agent has identified a purchaser, and the purchase price thereof.

5. Except in a case where the Bank(s) shall have elected not to sell any 2007 Series A Bank Bond as permitted by paragraph 3 of this Section 5.01, by not later than 2:30 p.m., New York City time, on the remarketing date for any 2007 Series A Bank Bond(s) for which the Remarketing Agent has identified a purchaser, in exchange for possession of such 2007 Series A Bond(s), the Remarketing Agent shall deliver or cause to be paid, in immediately available funds, to the Tender Agent for deposit in the 2007 Series A Bond Remarketing Proceeds Account, the purchase price for such 2007 Series A Bank Bond(s).

6. Notwithstanding anything to the contrary contained herein, in the event that any 2007 Series A Bank Bonds shall be Outstanding following the conversion of the 2007 Series A Bonds to the Auction Mode, all references in this Section 5.01 to the “Remarketing Agent” shall be deemed to refer to the Broker-Dealers, and all references in this Section 5.01 to the “remarketing” of any such 2007 Series A Bank Bonds shall be deemed to refer to the transfer of 2007 Series A Bonds in accordance with the Auction Procedures.

SECTION 5.02. Interest on 2007 Series A Bank Bonds. 1. Unless otherwise provided in the Liquidity Facility, each 2007 Series A Bank Bond shall bear interest from and including the Bank Purchase Date with respect thereto to but not including the earliest of (a) the date (if any) on which such 2007 Series A Bank Bond is remarketed as provided in Section 5.01, (b) the date (if any) on which such 2007 Series A Bank Bond ceases to be a 2007 Series A Bank Bond, as provided in paragraph 3 of Section 5.01 and (c) the maturity or redemption date thereof, at an annual rate equal to the Bank Rate or Rates in effect from time to time during such period computed on the basis of a 365 or 366-day year, as applicable, for the actual number of days elapsed.

2. Unless otherwise provided in the Liquidity Facility, interest on a 2007 Series A Bank Bond shall be paid (i) if the 2007 Series A Bonds (other than 2007 Series A Bank Bonds) shall be subject to the Auction Mode, the Daily Mode or the Weekly Mode, on each Interest Payment Date applicable to such Interest Mode and (ii) if the 2007 Series A Bonds (other than 2007 Series A Bank Bonds) shall be subject to the Term Mode, the Fixed Mode or the Flexible Mode, on each Quarterly Payment Date, commencing with the first (1st) Quarterly Payment Date to occur after the Bank Purchase Date with respect to such 2007 Series A Bank Bond; *provided, however,* that if all of the 2007 Series A Bonds shall be 2007 Series A Bank Bonds, then interest on the 2007 Series A Bank Bonds shall be paid on the first Business Day of each calendar month.

3. Notwithstanding anything to the contrary contained herein, on the Bank Purchase Date with respect any 2007 Series A Bank Bond, the amount of accrued interest, if any, included in the purchase price of such 2007 Series A Bank Bond shall be paid to the Agent Bank, for the account of the Bank(s).

SECTION 5.03. Principal Repayment of 2007 Series A Bank Bonds. A particular 2007 Series A Bank Bond shall, as to the repayment of principal thereof, be governed solely by the provisions of Sections 2.03, 2.06 and 2.08.

SECTION 5.04. Optional Tender of 2007 Series A Bank Bonds for Payment. If and to the extent provided in the applicable Liquidity Facility, and subject to the conditions and limitations set forth therein, any 2007 Series A Bank Bond may be tendered (or deemed tendered) for payment by the City prior to the due date(s) of the Outstanding principal amount thereof, whereupon the City shall be obligated to pay the Outstanding principal amount of each such 2007 Series A Bank Bond (together with accrued interest thereon) so tendered (or deemed tendered) without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the City. Any 2007 Series A Bank Bond immediately shall be due and payable upon its becoming subject to payment by the City pursuant to this Section.

ARTICLE VI

ESTABLISHMENT OF 2007 SERIES A BOND PURCHASE FUND

SECTION 6.01. 2007 Series A Bond Purchase Fund. There is hereby created a fund to be held by the Tender Agent and known as the “2007 Series A Bond Purchase Fund”, consisting of a 2007 Series A Bond Liquidity Proceeds Account and a 2007 Series A Bond Remarketing Proceeds Account. The 2007 Series A Bond Purchase Fund and the Accounts therein shall not constitute funds or accounts for purposes of the Resolution. Amounts on deposit in the 2007 Series A Bond Purchase Fund shall not be commingled with the amounts held in any fund or account under the Resolution. All amounts received by the Tender Agent from the Remarketing Agent representing the Purchase Price of 2007 Series A Bonds remarketed by the Remarketing Agent shall be deposited in the 2007 Series A Bond Remarketing Proceeds Account in the 2007 Series A Bond Purchase Fund. All amounts received by the Tender Agent from the Agent Bank representing the proceeds of a drawing or request for funding, as the case may be, under the Liquidity Facility to pay the Purchase Price of 2007 Series A Bonds tendered or deemed tendered for purchase shall be deposited in the 2007 Series A Bond Liquidity Proceeds Account in the 2007 Series A Bond Purchase Fund. All amounts on deposit in such Accounts in the 2007 Series A Bond Purchase Fund shall be used only to pay the Purchase Price of the 2007 Series A Bonds so remarketed (i) as provided in Section 3.10 in the case of 2007 Series A Bonds tendered for purchase and (ii) as provided in paragraph 5 of Section 5.01 in the case of 2007 Series A Bank Bonds being remarketed; *provided, however*, that in the event that there shall not be sufficient funds on deposit in the 2007 Series A Bond Purchase Fund to purchase all 2007 Series A Bonds subject to purchase on a particular date as a result of any Bank failing to honor its commitment to advance funds under the Liquidity Facility, the Tender Agent shall select the particular 2007 Series A Bonds (or portions thereof or beneficial interests therein) to be so purchased at random in such manner as the Tender Agent in its discretion may deem fair and appropriate; and *provided, further*, that any funds on deposit in the 2007 Series A Bond Liquidity Proceeds Account in the 2007 Series A Bond Purchase Fund that will not be required to be applied to the purchase of 2007 Series A Bonds tendered or deemed tendered for purchase shall be returned to the Agent Bank, in immediately available funds, by 3:00 p.m., New York City time, on the date on which such funds shall have been received by the Tender Agent (or such later time as may be specified in the Liquidity Facility).

SECTION 6.02. Moneys Held in Trust. All moneys deposited in the 2007 Series A Bond Purchase Fund shall be held in trust by the Tender Agent and applied only for the purposes set forth in, and in accordance with the provisions of, this Eighteenth Supplemental Resolution. The 2007 Series A Bond Purchase Fund shall be a trust fund for such purposes. Amounts on deposit in the 2007 Series A Bond Purchase Fund shall not be commingled with any other funds held by the Tender Agent, and all amounts on deposit in such Fund are hereby pledged and assigned to the purchase of the 2007 Series A Bonds in accordance with the terms hereof. Such amounts on deposit in the 2007 Series A Bond Purchase Fund hereby pledged and assigned shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the City, irrespective of whether such parties have notice thereof.

SECTION 6.03. No Investment. Amounts on deposit in the 2007 Series A Bond Purchase Fund shall be held in cash, uninvested.

SECTION 6.04. No Lien for Tender Agent. Notwithstanding anything in the Resolution or this Eighteenth Supplemental Resolution to the contrary, the Tender Agent shall not have any right to, or lien whatsoever upon, any of the amounts on deposit in the 2007 Series A Bond Purchase Fund for the payment of fees, expenses or other compensation due and owing by the City to the Tender Agent for any services rendered under the Resolution or this Eighteenth Supplemental Resolution.

ARTICLE VII

FORM OF 2007 SERIES A BONDS

The 2007 Series A Bonds shall be issued in such form as shall be approved by the officers of the City executing and delivering the same, such approval to be evidenced by the execution and delivery thereof. Each 2007 Series A Bond shall bear thereon a certificate of authentication in substantially the following form:

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds described in the within-mentioned Resolution.

U.S. BANK TRUST NATIONAL ASSOCIATION,
Trustee

By _____
Authorized Signature

ARTICLE VIII

MISCELLANEOUS

SECTION 8.01. The Tender Agent. 1. U.S. Bank Trust National Association is hereby appointed as the initial Tender Agent for the 2007 Series A Bonds. The Tender Agent shall accept the duties and obligations thereof by execution and delivery of a written instrument of acceptance delivered to the other Notice Parties.

2. The Tender Agent agrees to:

(a) hold all 2007 Series A Bonds (or beneficial ownership interests therein) properly tendered to it for purchase hereunder as agent and bailee of, and in escrow for the benefit of, the respective Persons which shall have so tendered such 2007 Series A Bonds (or beneficial ownership interests therein) until moneys representing the Purchase Price of such 2007 Series A Bonds (or beneficial ownership interests therein) shall have been delivered to or for the account of or to the order of such Persons;

(b) hold all moneys delivered to it hereunder for the purchase of 2007 Series A Bonds (or beneficial ownership interests therein) as agent and bailee of, and in escrow for the benefit of, the respective Persons which shall have so delivered such moneys, until the 2007 Series A Bonds (or beneficial ownership interests therein) purchased with such moneys shall have been delivered to or for the account of such Persons;

(c) keep such books and records as shall be consistent with prudent industry practice and make such books and records available for inspection by the other Notice Parties at all reasonable times;

(d) provide to the Trustee as soon as practicable after each Record Date prior to the 2007 Series A Bonds being in the Fixed Mode, but in no case later than 10:00 a.m., New York City time, on the applicable Interest Payment Date, a list of the names and addresses of the Holders of the 2007 Series A Bonds as of such Record Date;

(e) provide to the Trustee as soon as practicable after the Mode Adjustment Date in connection with a conversion of the 2007 Series A Bonds to the Fixed Mode, the books of registry of the City containing the names and addresses of the Holders of 2007 Series A Bonds as of such Mode Adjustment Date; and

(f) give notices as required hereunder at the times and in the manner specified herein.

3. Upon receipt by the Tender Agent of any notice of optional tender of 2007 Series A Bonds (or portions thereof or beneficial ownership interests therein) and the 2007 Series A Bonds (or beneficial ownership interests therein) delivered pursuant to such notice for purchase in accordance with this Eighteenth Supplemental Resolution, the Tender Agent shall deliver to the Person delivering such notice and such 2007 Series A Bonds (or beneficial ownership interests therein) written evidence of the Tender Agent's receipt of such materials. The Tender Agent shall promptly return any such notice (together with the 2007 Series A Bonds (or beneficial ownership interests therein) submitted in connection therewith) that is incomplete or improperly completed or not delivered by the date and time required hereunder to the Person submitting such notice upon surrender of the receipt, if any, issued therefor. The Tender Agent's determination of whether any such notice is properly completed or delivered on a timely basis shall be binding on the City, the Remarketing Agent and the Person that submitted such notice.

4. Each Tender Agent (other than the initial Tender Agent appointed hereunder) shall be a bank having corporate trust powers or a trust company organized under the laws of any state of the United States or a national banking association having corporate trust powers, having capital and surplus aggregating at least \$25,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Eighteenth Supplemental Resolution. In the event that the 2007 Series A Bonds no longer shall be a Book-Entry Only 2007 Series A Bond, the Tender Agent shall maintain an office or agency in New York, New York at which its duties hereunder are to be performed. The Tender Agent may at any time resign and be discharged of the duties and obligations created by this Eighteenth Supplemental Resolution by giving at least thirty (30) days' notice to the other Notice Parties. The Tender Agent may be removed at any time by the City upon at least seven (7) days' notice to the other Notice Parties and the Holders of the 2007 Series A Bonds, other

than 2007 Series A Bonds then in the Fixed Mode. Prior to the 2007 Series A Bonds being converted to the Auction Mode or the Fixed Mode, no such resignation or removal shall take effect until the appointment of, and the acceptance of such appointment by, a successor Tender Agent. Successor Tender Agents may be appointed from time to time by the City with the written approval of the Agent Bank. Upon the resignation or removal of the Tender Agent, the Tender Agent shall deliver any 2007 Series A Bonds (or beneficial ownership interests therein) and moneys held by it in such capacity to its successor.

5. The Tender Agent, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of this Eighteenth Supplemental Resolution, shall examine such instrument to determine whether it conforms to the requirements of this Eighteenth Supplemental Resolution and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. The Tender Agent may consult with counsel, who may or may not be counsel to the City, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Eighteenth Supplemental Resolution in good faith and in accordance therewith.

6. Whenever the Tender Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Eighteenth Supplemental Resolution, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by an Officer's Certificate, and such Certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Eighteenth Supplemental Resolution upon the faith thereof; but in its discretion the Tender Agent may in lieu thereof accept other evidence of such fact or may require such further or additional evidence as to it may seem reasonable.

7. Except as otherwise expressly provided in this Eighteenth Supplemental Resolution, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision of this Eighteenth Supplemental Resolution by the City to the Tender Agent shall be sufficiently executed when the same is executed in the name of the City by an Authorized Officer of the City.

8. In the event that the Tender Agent is required to act pursuant to the terms of this Eighteenth Supplemental Resolution upon the receipt of telephonic notice, such notice shall be promptly confirmed in writing. If such notice shall not be so confirmed, the Tender Agent shall be entitled to rely upon such telephonic notice for all purposes whatsoever.

9. In purchasing 2007 Series A Bonds (or beneficial ownership interests therein) hereunder, the Tender Agent shall be acting as a conduit and shall not be purchasing such 2007 Series A Bonds (or beneficial ownership interests therein) for its own account.

10. Upon any change in the Tender Agent, the City shall furnish to each Rating Agency the notice provided for in Section 8.04 hereof, but the failure to provide such notice shall not affect the validity of any change in the Tender Agent.

SECTION 8.02. The Remarketing Agent. 1. Bear, Stearns & Co. Inc. is hereby appointed as the initial Remarketing Agent for the 2007 Series A Bonds.

2. Notwithstanding any other provision of the Resolution or this Eighteenth Supplemental Resolution, the City may determine to appoint multiple Remarketing Agents for the 2007 Series A Bonds. In such event, the City shall take such actions (including, without limitation, obtaining such additional CUSIP number(s) for the 2007 Series A Bonds) as shall be necessary to identify separately the 2007 Series A Bonds (or beneficial ownership interests therein) to be remarketed by each such Remarketing Agent, and for which each such Remarketing Agent shall be responsible for determining the 2007 Series A Bond Rate. In the event multiple Remarketing Agents shall be appointed as aforesaid (a) any reference herein to “the Remarketing Agent” shall be deemed to refer to the appropriate Remarketing Agent, or all such Remarketing Agents, as the context may require and (b) any reference herein to “the Remarketing Agreement” shall be deemed to refer to the Remarketing Agreement to which the appropriate Remarketing Agent is a party, or all such Remarketing Agreements, as the context may require.

3. Each Remarketing Agent shall accept the duties and obligations thereof under this Eighteenth Supplemental Resolution by execution and delivery of an agreement with the City under which such Remarketing Agent will agree, among other things, to keep such books and records regarding the remarketing of 2007 Series A Bonds (or beneficial ownership interests therein) and determining the interest rates on the 2007 Series A Bonds as provided herein as shall be consistent with prudent industry practice and to make such books and records available for inspection by the other Notice Parties at all reasonable times.

4. Each Remarketing Agent shall be a member of the National Association of Securities Dealers, Inc., having a capitalization of at least \$50,000,000 and be authorized by law to perform all the duties imposed upon it by this Eighteenth Supplemental Resolution. Any Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Eighteenth Supplemental Resolution by giving such number of days’ written notice to the other Notice Parties as shall be provided in the Remarketing Agreement relating to it and complying with such other conditions to such resignation as may be provided in such Remarketing Agreement. Any Remarketing Agent may be removed at any time by the City upon such number of days’ written notice to the other Notice Parties as shall be provided in the applicable Remarketing Agreement. Prior to the 2007 Series A Bonds being converted to the Auction Mode or the Fixed Mode, no such removal shall be effective until a successor Remarketing Agent shall have been appointed and shall have accepted such appointment. A successor Remarketing Agent may be appointed from time to time by the City with the written approval of the Agent Bank.

5. If a Remarketing Agent resigns or is removed, such Remarketing Agent shall pay over, assign and deliver any moneys and 2007 Series A Bonds (or beneficial ownership interests therein) held by it in such capacity, other than 2007 Series A Bonds (or beneficial ownership interests therein) held for its own account, to its successor. Upon any change in a Remarketing Agent, the City shall furnish to each Rating Agency the notice provided for in Section 8.04 hereof, but the failure to provide such notice shall not affect the validity of any change in a Remarketing Agent.

SECTION 8.03. Dealings in 2007 Series A Bonds. The Trustee, the Auction Agent, each Broker-Dealer, the Tender Agent, any Bank and the Remarketing Agent, and their officers, directors, employees and agents, may in good faith buy, sell, own, hold and deal in any

of the 2007 Series A Bonds (or beneficial ownership interests therein) and may join in any action which any Holder of the 2007 Series A Bonds may be entitled to take, with like effect as if it did not act in any capacity hereunder. The Trustee, the Auction Agent, each Broker-Dealer, the Tender Agent, any Bank and the Remarketing Agent may in good faith hold any other form of indebtedness of the City, own, accept or negotiate any drafts, bills of exchange, acceptances or obligations of the City, and make disbursements for the City and enter into any commercial or business arrangement therewith.

SECTION 8.04. Notices. Written notice of (i) a change in the Trustee, Auction Agent, Paying Agent, Remarketing Agent or Tender Agent for the 2007 Series A Bonds, (ii) any amendment to this Eighteenth Supplemental Resolution or the Liquidity Facility, (iii) an extension, expiration or termination of the Liquidity Facility, (iv) any change in the Interest Mode applicable to the 2007 Series A Bonds, (v) any mandatory tender of the 2007 Series A Bonds, other than any mandatory tender provided for in clause (c)(iv)(A) of Section 3.06, (vi) any declaration that the principal of all the Bonds then Outstanding, and the interest due thereon, shall be due and payable immediately, as provided in Section 801 of the Resolution, (vii) any substitution of a new bank for any Bank party to the Liquidity Facility then in effect or substitution of a Substitute Liquidity Facility for the Liquidity Facility then in effect or (viii) a redemption or defeasance of all of the 2007 Series A Bonds, shall be given by the Trustee to each Rating Agency, at the following addresses (or such other address as any such Rating Agency shall advise the Trustee or the City in writing from time to time):

If to Moody's, to:

Moody's Investors Service
99 Church Street
New York, New York 10007
Attention: Public Finance Group – Municipal
Structured Products Group
Telecopier: (212) 553-4090

If to S&P, to:

E-mail: pubfin_structured@standardandpoors.com

In addition, the City shall provide to each Rating Agency any other information reasonably requested by such Rating Agency in order to maintain its rating on the 2007 Series A Bonds.

SECTION 8.05. Amendments to this Eighteenth Supplemental Resolution or the Resolution. 1. This Eighteenth Supplemental Resolution may be amended, at any time or from time to time, without the consent of the Holders of the Outstanding 2007 Series A Bonds or the Holders of Bonds Outstanding under the Resolution, (i) for the purpose of making changes in the provisions hereof relating to the characteristics and operational provisions of the Interest Modes, (ii) to amend the provisions hereof relating to the mandatory redemption of 2007 Series A Bank Bonds, as provided in Section 2.08, (iii) in order to provide for and accommodate Substitute Liquidity Facilities as permitted by paragraph 6 of Section 4.02 and (iv) in order to add Exhibit A hereto in connection with the conversion of the 2007 Series A Bonds to the

Auction Mode. Each such amendment shall become effective on the Rate Adjustment Date next following the filing of a copy thereof with the Trustee, the Auction Agent (if any), the Broker-Dealers (if any), the Tender Agent (if any), the Remarketing Agent (if any) and the Agent Bank (if any), together with an Opinion of Counsel of an attorney or firm of attorneys of nationally recognized standing in matters pertaining to the federal income tax treatment of interest on bonds issued by states and their political subdivisions to the effect that such amendments are authorized or permitted by the Resolution and will not cause the interest on the 2007 Series A Bonds to become includable in gross income for federal income tax purposes. In addition, in the case of amendments pursuant to clauses (ii) and (iii) of the first sentence of this paragraph, no such amendment shall be effective until the date on which such Substitute Liquidity Facility becomes effective with respect to the 2007 Series A Bonds.

2. In the event that the City shall adopt any Supplemental Resolution making any amendment to this Eighteenth Supplemental Resolution or to the Resolution for which the consent of the Holders of the 2007 Series A Bonds shall be required, an Authorized Officer of the City may deliver to the Tender Agent an Officer's Certificate in accordance with the provisions of clause (c)(vi) of Section 3.06, requiring that the 2007 Series A Bonds be subject to mandatory tender for purchase at the time and in the manner provided in said clause (c)(vi). Following the date on which such mandatory tender shall occur, all subsequent Holders of the 2007 Series A Bonds shall be deemed to have consented to such Supplemental Resolution, notwithstanding anything to the contrary contained in the Resolution or this Eighteenth Supplemental Resolution.

3. In addition, the provisions of this Eighteenth Supplemental Resolution, including Exhibit A, may be amended at any time or from time to time without the consent of the Holders of the Outstanding 2007 Series A Bonds or the Holders of Bonds Outstanding under the Resolution, if and to the extent provided in Exhibit A.

4. No amendment permitted by the terms of this Section 8.05 which is reasonably believed by the Auction Agent (if the 2007 Series A Bonds shall be in the Auction Mode) or the Tender Agent (if the 2007 Series A Bonds shall be in an Interest Mode other than the Auction Mode) to adversely affect its rights, immunities and duties hereunder shall be effective without the written consent thereto of the Auction Agent or the Tender Agent, as applicable.

SECTION 8.06. Defeasance. Prior to the time (if any) that the 2007 Series A Bonds are converted to the Fixed Mode, the City agrees not to take any action or allow any action to be taken so that any 2007 Series A Bonds (or portions thereof) shall be deemed to have been paid (herein called "defeasance") within the meaning of and with the effect expressed in Section 1201 of the Resolution unless, in addition to compliance with the applicable provisions of said Section 1201, such 2007 Series A Bonds to be defeased are required to be redeemed on the Rate Adjustment Date next following the date of such defeasance and the City shall have given the Trustee irrevocable instructions to that effect; *provided, however*, that the City shall not defease any 2007 Series A Bond (or beneficial ownership interest therein) for which the Holder (or beneficial owner) thereof has given notice as provided in Section 3.07 of the tender of such 2007 Series A Bond (or beneficial ownership interest therein). Notwithstanding anything to the contrary contained in this Eighteenth Supplemental Resolution or in the Resolution, any defeasance of 2007 Series A Bonds in the Daily Mode or the Weekly Mode shall only be

accomplished by the deposit with the Trustee of moneys in accordance with Section 1201 of the Resolution.

ARTICLE IX

EFFECTIVE DATE

SECTION 9.01. Effective Date. This Eighteenth Supplemental Resolution shall take effect immediately after its adoption by the City Commission of the City and the filing of a copy thereof certified by an Authorized Officer of the City with the Trustee.

Eighteenth Supplemental Utilities System Revenue Bond Resolution approved and adopted February 26, 2007.

ACCEPTANCE OF OFFICE OF PAYING AGENT

_____, 2007

City of Gainesville, Florida
200 East University Avenue
Gainesville, Florida 32601

Dear Sirs:

The undersigned hereby accepts the duties and obligations of Paying Agent for the Variable Rate Utilities System Revenue Bonds, 2007 Series A of the City of Gainesville, Florida (the "City") imposed upon the undersigned by the Utilities System Revenue Bond Resolution of the City adopted on June 6, 1983, as heretofore amended, restated and supplemented.

**U.S. BANK TRUST
NATIONAL ASSOCIATION**

By: _____
Title:

[SEAL]

Attest:

Title:

CLERK OF THE COMMISSION'S CERTIFICATE

STATE OF FLORIDA:

COUNTY OF ALACHUA:

I, Kurt M. Lannon, the duly appointed, qualified and acting Clerk of the Commission of the City of Gainesville, Florida, a municipal corporation, do hereby certify that the foregoing is a true and correct copy of the Eighteenth Supplemental Utilities System Revenue Bond Resolution, which was duly and regularly adopted by the City Commission of the City of Gainesville, Florida at a regular meeting on February 26, 2007.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Gainesville, Florida, this 26th day of February, A.D., 2007.

[SEAL]

Clerk of the Commission

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SECTION 9.01. Effective Date 47

ATTACHMENT A – Acceptance of Office of Paying Agent

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