

**STANDBY BOND PURCHASE AGREEMENT**

dated as of [June 1], 2017

between

**CITY OF GAINESVILLE, FLORIDA**

and

**CITIBANK, N.A.**

Relating to  
City of Gainesville, Florida  
Variable Rate Utilities System  
Revenue Bonds,  
2012 Series B

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## STANDBY BOND PURCHASE AGREEMENT

THIS STANDBY BOND PURCHASE AGREEMENT, dated as of [June 1], 2017, between the CITY OF GAINESVILLE, FLORIDA (including its successors and assigns, the “City”) and CITIBANK, N.A. (including its successors and assigns, the “Bank”).

WHEREAS, the City is a municipal corporation duly organized and existing under the laws of the State of Florida and established under its Charter, Chapter 90-394, Laws of Florida, as amended (the “Act”);

WHEREAS, the City is authorized pursuant to the Act to own, manage and operate the System (as defined in the Bond Resolution referred to in Section 1.1(b) hereof);

WHEREAS, the City has previously issued its Variable Rate Utilities System Revenue Bonds, 2012 Series B in an aggregate principal amount of \$100,470,000 (the “Bonds”) in order to provide funds to pay a portion of the Cost of Acquisition and Construction (as defined in the Bond Resolution) of the System;

WHEREAS, it is desirable to provide for the purchase by the Bank of Bonds tendered (or deemed to be tendered) for purchase or subject to mandatory tender pursuant to the provisions of the Supplemental Resolution (as hereinafter defined), on the terms and conditions provided herein; and

WHEREAS, the Standby Letter of Credit, dated January 15, 2015, issued by Sumitomo Mitsui Banking Corporation, acting through its New York Branch (the “*Prior Liquidity Provider*”), which currently provides liquidity support for the Bonds is scheduled to terminate on January 12, 2018 (the “*Prior Liquidity Facility*”); and

WHEREAS, the City has determined that it is in the best interests of the holders of the Bonds to substitute the Prior Liquidity Facility with this Agreement and to provide for the purchase by the Bank on the terms and conditions specified herein of tendered or deemed tendered Bonds which cannot be remarketed; and

WHEREAS, in reliance upon the provisions hereof, the Bank is willing to enter into this Agreement with the City;

NOW, THEREFORE, in consideration of the respective agreements contained herein, the parties hereto agree as follows:

### ARTICLE I

#### DEFINITIONS

Section 1.1. *Definitions.* (a) Capitalized terms used herein but not otherwise defined in subsection (b) below or elsewhere herein shall have the meanings given to them in the Bond Resolution (as defined below).

(b) The following terms, as used herein, shall have the following meanings:

“Act” shall have the meaning assigned thereto in the Bond Resolution.

“Affiliate” shall mean, as to any Person, any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. A Person shall be deemed to control another Person if the controlling Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the other Person, whether through the ownership of voting securities, by contract or otherwise. Without limitation, any director, executive officer or beneficial owner of 5% or more of the equity of a Person shall for the purposes of this Agreement, be deemed to control the other Person.

“Agreement” shall mean this Standby Bond Purchase Agreement, as the same may be amended or supplemented from time to time.

“Authorized Denomination” shall have the meaning assigned thereto in the Supplemental Resolution.

“Authorized Officers” shall mean, with respect to the City, any of the following: (a) the Mayor, the General Manager for Utilities and the Utility Chief Financial Officer of the System (including any person serving in any of the foregoing offices on an “interim” or “acting” basis) and (b) any other officer, employee or agent of the City authorized to perform specific acts or duties by resolution duly adopted by the City.

“Available Commitment” as of any day shall mean the sum of the Available Principal Commitment and the Available Interest Commitment on such day.

“Available Interest Commitment” initially shall mean [\$\_\_\_\_\_], which initial amount equals 36 days’ interest on the initial amount of the Available Principal Commitment based upon an assumed rate of interest of twelve percent (12.00%) per annum and a three hundred sixty five (365) day year and, thereafter, shall mean such initial amount adjusted from time to time as follows: (a) downward by an amount that bears the same proportion to such initial amount as the amount of any reduction in the Available Principal Commitment in accordance with clause (a) or (b) of the definition herein of “Available Principal Commitment” bears to the initial Available Principal Commitment and (b) upward by an amount that bears the same proportion to such initial amount as the amount of any increase in the Available Principal Commitment in accordance with clause (c) or (d) of the definition herein of “Available Principal Commitment” bears to the initial Available Principal Commitment.

“Available Principal Commitment” shall mean the aggregate principal amount of the Bonds Outstanding, initially \$[ ] and, thereafter, shall mean such initial amount adjusted from time to time as follows: (a) downward by the principal amount of Bonds that (i) are converted to bear interest in a Non-Covered Interest Mode, (ii) have matured, (iii) have been redeemed or (iv) have been defeased; (b) downward by the principal amount of any Eligible Bonds purchased by the Bank pursuant to Section 2.2(c) hereof; (c) upward by the principal amount of any Eligible Bonds theretofore purchased by the Bank pursuant to Section 2.2(c) hereof which are remarketed by the Remarketing Agent and for which the Bank has received immediately available funds; and (d) upward by the principal amount of any Bank Bonds (i) released by the Bank or its nominee (as the case may be) to the Tender Agent for sale or transfer

to a Person other than the City or the Bank or any nominee thereof pursuant to Section 2.3 hereof or (ii) that the Bank elects not to sell as provided in Section 2.3 hereof, in each case, upon receipt by the City, the Tender Agent and the Remarketing Agent of the written notice of the Bank required by said Section 2.3; provided, however, that the sum of the Available Principal Commitment, plus the aggregate principal amount of Bank Bonds Outstanding, shall never exceed \$[            ]. Any adjustments to the Available Principal Commitment pursuant to clause (a), (b), (c) or (d) hereof shall occur simultaneously with the occurrence of the events described in such clauses.

“*Bank Bond CUSIP Number*” shall mean [362848 \_\_\_\_].

“*Bank Bonds*” shall mean Bonds purchased by the Bank pursuant to Section 2.2(c) hereof.

“*Bank Rate*” shall mean, for each date of determination with respect to a Bank Bond, a rate per annum equal to: (a) the Base Rate and (b) during the occurrence and continuance of an Event of Default or a Suspension Event, if and to the extent permitted by applicable law, all amounts owed hereunder shall bear interest at the Default Rate; provided, however, that at no time shall the Bank Rate exceed the Maximum Rate, nor shall the Bank Rate be less than the per annum interest rate applicable to the Bonds outstanding which are not Bank Bonds. Each determination of the Bank Rate by the Bank will be conclusive and binding on the City, absent manifest error.

“*Base Rate*” means a fluctuating rate of interest per annum equal to the LIBOR Index Rate plus seven and one-half percent (7.50%)

“*Bondholders*” shall have the meaning assigned thereto in the Bond Resolution.

“*Bond Rate*” shall have the meaning assigned to the term “2012 Series B Bond Rate” in the Supplemental Resolution.

“*Bond Resolution*” shall mean the resolution entitled “Utilities System Revenue Bond Resolution”, adopted by the City on June 6, 1983, as amended, restated and supplemented through the date hereof by, inter alia, the Supplemental Resolution and as further amended and supplemented from time to time in accordance with the terms thereof and hereof.

“*Business Day*” shall have the meaning assigned thereto in the Supplemental Resolution.

“*Contractual Obligation*” shall mean, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or undertaking to which such Person is a party or by which it or any of its property is bound.

“*Conversion Date*” shall mean the first date on which all of the Bonds have been converted to a Non Covered Interest Mode.

“*Daily Mode*” shall have the meaning assigned thereto in the Supplemental Resolution.

“*Default*” shall mean the occurrence of any event which, with the giving of notice or the passage of time, or both, would (unless waived by the Bank or cured to the reasonable satisfaction of the Bank) constitute an Event of Default.

“*Default Rate*” shall mean the Base Rate from time to time in effect plus three percent (3.00%) per annum. The Default Rate shall change as and when the Base Rate changes.

“*Designated Maturity*” means one month.

“*Differential Interest Amount*” shall mean, for any period and with respect to any Bank Bond, the difference (if positive) between (a) the amount of interest accrued on such Bank Bond during such period at the Bank Rate or Rates in effect during such period and (b) to the extent received by the Bank, the amount of interest that would have accrued on such Bank Bond during such period had such Bank Bond borne interest during such period at the Bond Rate or Rates in effect during such period.

“*Dodd Frank Act*” shall mean the Dodd Frank Wall Street Reform and Consumer Protection Act and all regulations, guidelines and directions in connection therewith, as the same may be amended from time to time.

“*Effective Date*” shall mean the date on which the conditions precedent to the effectiveness of this Agreement set forth in Section 3.1 hereof shall be satisfied or waived by the Bank.

“*Eligible Bond*” shall mean any Tendered Bond bearing interest in an Interest Mode other than a Non Covered Interest Mode, and shall exclude (a) any Tendered Bond owned by, for the account of, or on behalf of, the City or an Affiliate thereof, (b) Bank Bonds (other than 2012 Series B Bank Bonds owned by the Prior Liquidity Provider on the Substitution Date), and (c) Bonds that have been removed from coverage under this Agreement by reason of maturity, redemption, defeasance, conversion to a Non-Covered Interest Mode or the delivery of a Substitute Liquidity Facility in replacement of this Agreement.

“*EMMA*” means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System or any successor thereto.

“*Environmental Laws*” shall mean any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, or rules, and all judgments, orders, decrees, permits, concessions, grants, franchises, licenses, permits, agreements or governmental restrictions relating to air, water or land pollution, wetlands, or the protection of the environment or the release of any materials into the environment, including air, water or land, and those related to Hazardous Materials, air emissions and discharges to waste or public systems.

“*Environmental Liability*” shall mean any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the System directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other



consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“*ERISA*” shall mean the Employee Retirement Income Security Act of 1974, as amended, or any successor statute.

“*Event of Default*” shall mean any of the events specified as such in Article VII hereof.

“*Excess Bond Interest*” shall have the meaning set forth in Section 8.15 hereof.

“*Executive Order*” shall have the meaning set forth in Section 8.21(b) hereof.

“*Fee Letter*” shall mean that certain Fee Letter, dated the Effective Date, between the City and the Bank, as the same may be amended and supplemented from time to time.

“*Final Reoffering Memorandum*” shall mean the final Reoffering Memorandum of the City, dated on or about [June \_\_,] 2017, relating to the Bonds.

“*Financing Documents*” shall mean the Resolutions, the Tender Agency Agreement, the Remarketing Agreement and the Bonds.

“*Fiscal Year*” shall have the meaning assigned thereto in the Bond Resolution.

“*Fitch*” shall mean Fitch, Inc. d/b/a Fitch Ratings and its successors and assigns, and if such corporation (a) shall be dissolved or liquidated, (b) shall no longer perform the functions of a securities rating agency or (c) with respect to any rating specified herein which may be provided by Fitch for the Bank, shall no longer rate (other than as a result of a temporary suspension of such rating) any outstanding senior unsecured short-term debt of the Bank, “*Fitch*” shall be deemed to refer to any other nationally recognized statistical rating organization (other than Moody’s or S&P) designated by the Bank and not disapproved by the City if such an organization shall exist.

“*Flexible Mode*” shall have the meaning assigned thereto in the Supplemental Resolution.

“*GAAP*” shall have the meaning set forth in Section 1.2 hereof.

“*Governmental Authority*” shall mean any nation or government, any state or other political subdivision thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

“*Hazardous Materials*” shall mean all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

“*Immediate Termination Event*” shall have the meaning set forth in Section 7.2(a) hereof.

“*Indebtedness*” shall mean, as to any Person, at a particular time, (a) indebtedness for borrowed money or for the deferred purchase price of property or services in respect of which such Person is liable, contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which such Person otherwise assures a creditor against loss, (b) obligations under leases which shall have been or should be, in accordance with GAAP, recorded as capital leases in respect of which obligations such Person is liable, contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which obligations such Person assures a creditor against loss, (c) all guarantees, endorsements (other than for collection or deposit in the ordinary course of business) and other contingent obligations to purchase, to provide funds for payment, to supply funds to invest in any Person or otherwise to assure a creditor against loss, (d) obligations secured by any Lien on property, whether or not the obligations have been assumed, and (e) all other items or obligations which would be included in determining total liabilities on the balance sheet of a Person in accordance with GAAP; provided, however, that “*Indebtedness*” shall not include trade payables and similar obligations incurred in the ordinary course of business.

“*Interest Accrual Period*” shall have the meaning assigned thereto in the Supplemental Resolution.

“*Interest Component*” shall have the meaning set forth in Section 2.1(a) hereof.

“*Interest Mode*” shall have the meaning assigned thereto in the Supplemental Resolution.

“*Interest Payment Date*” shall have the meaning assigned thereto in the Supplemental Resolution and, for purposes of Bank Bonds, shall also include those dates set forth in Section 2.6(b) hereof.

“*Internal Revenue Code*” shall mean the Internal Revenue Code of 1986, as amended, or any successor statute.

“*Investment Grade*” shall mean, with respect to a rating by Moody’s, a rating of “Baa3” (or its equivalent) or better, with respect to a rating by S&P, a rating of “BBB-” (or its equivalent) or better, and, with respect to a rating by Fitch, a rating of “BBB-” (or its equivalent) or better.

“*LIBOR Index Rate*” means:

(a) as of any date of determination, (i) the interest rate per annum determined on the basis of the rate on deposits in Dollars, offered for a period of the Designated Maturity, which rate appears on the display designated as Reuters Screen LIBOR01Page (or such other page as may replace LIBOR01 Page) at or about 11:00 a.m. (London time) on the applicable date of determination; or (ii) if the interest rate determined under clause (i) is not available, the interest rate per annum equal to the arithmetic mean (rounded upward to the nearest one-sixteenth of one percent (0.0625%)) of the interest rates quoted by the “London Reference Banks” to leading banks in the London interbank market at or about 11:00 a.m. (London time) on the applicable date of determination for a period of the Designated Maturity (commencing on the first day of the relevant interest period) in Dollars;

(b) provided, however that, if the Bank determines that for any reason and with respect to any date of determination (i) Dollar deposits are not being offered to banks in the London interbank market for the applicable amount and Designated Maturity, or (ii) adequate and reasonable means do not exist for determining the LIBOR Index Rate for any Designated Maturity, the Bank will promptly so notify the City and the LIBOR Index Rate for such Designated Maturity and such date of determination shall be that of the preceding interest period for the Designated Maturity until such time as the Bank shall either notify the City (x) of an alternative index to be used to calculate the LIBOR Index Rate or (y) that the LIBOR Index Rate will again be calculated as set forth under (a) of this definition.

“*Lien*” shall mean, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset. For the purposes of this Agreement, the City shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

“*Maximum Interest Rate*” shall be the lesser of i) 25% or ii) the maximum rate permitted by applicable law.

“*Moody’s*” shall mean Moody’s Investors Service, Inc. and its successors and assigns, and if such corporation (a) shall be dissolved or liquidated, (b) shall no longer perform the functions of a securities rating agency or (c) with respect to any rating specified herein which may be provided by Moody’s for the Bank, shall no longer rate (other than as a result of a temporary suspension of such rating) any outstanding senior unsecured short-term debt of the Bank, “*Moody’s*” shall be deemed to refer to any other nationally recognized statistical rating organization (other than S&P or Fitch) designated by the Bank and not disapproved by the City if such an organization shall exist.

“*Net Revenues*” shall have the meaning assigned thereto in the Bond Resolution.

“*Non-Covered Interest Mode*” shall mean any Interest Mode other than the Flexible Mode, the Weekly Mode and the Daily Mode.

“*Notice of Bank Purchase*” shall have the meaning set forth in Section 2.2(a) hereof.

“*Notice of Termination*” shall have the meaning set forth in Section 7.1(b)(ii) hereof.

“*Notice Termination Event*” shall have the meaning set forth in Section 7.1(a) hereof.

“*Other Taxes*” shall have the meaning set forth in Section 2.8(a) hereof.

“*Parity Bonds*” shall mean “*Bonds*” as defined in the Bond Resolution.

“*Parity Commercial Paper Notes*” shall have the meaning assigned thereto in the Bond Resolution.

“*Parity Debt*” shall mean (i) all indebtedness of the City evidenced by bonds (excluding the Bonds), debentures, notes, securities or other similar instruments now or hereafter

outstanding, provided that such indebtedness is secured by a Lien on the Trust Estate that is on a parity with the Bonds as to security and source of payment, including, without limitation, Parity Bonds, Parity Commercial Paper Notes and Parity Medium-Term Notes; (ii) Parity Hedging Contract Obligations, but only with respect to Parity Hedging Contract Obligations that provide interest rate support and constitute regularly scheduled payments that relate to Parity Debt as described in clause (i) or clause (iii) of this definition of “Parity Debt”; and (iii) Parity Reimbursement Obligations.

“*Parity Hedging Contract Obligations*” shall have the meaning assigned thereto in the Bond Resolution.

“*Parity Medium Term Notes*” shall have the meaning assigned thereto in the Bond Resolution.

“*Parity Reimbursement Obligations*” shall have the meaning assigned thereto in the Bond Resolution.

“*Participant*” shall mean each bank or other financial institution purchasing a participation from the Bank pursuant to Section 8.5 hereof.

“*Participation Agreement*” shall mean any agreement entered into among the Bank and one or more other banks or financial institutions purchasing participations and named therein, pursuant to which such other banks or financial institutions shall purchase from the Bank a participation or participations in this Agreement and the Bank Bonds.

“*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.

“*Prime Rate*” means, for any day the same is to be determined, the rate of interest announced by the Bank from time to time as its prime commercial rate, or equivalent, as in effect on such day for United States dollar loans, with any change in the Prime Rate resulting from a change in said prime commercial rate to be effective as of the date of the relevant change in said prime commercial rate, it being understood that such rate may not be the Bank’s best or lowest rate.

“*Prior Liquidity Facility*” shall mean the Standby Bond Purchase Agreement dated as of December 1, 2012 between the City and the Prior Liquidity Provider, related to the Bonds and being replaced by this Agreement.

“*Purchase Date*” shall have the meaning assigned thereto in the Supplemental Resolution.

“*Purchase Period*” shall mean the period commencing on [                      ], 2017, and ending on the earliest of (a) the Stated Termination Date, (b) the close of business on the Business Day immediately succeeding the Conversion Date or the Substitution Date, (c) the date that no Bonds remain Outstanding under the Bond Resolution, and (d) the date on which the Available Commitment has been reduced to zero or terminated in its entirety pursuant to Article VII hereof.

“*Purchase Price*” shall mean, with respect to the Bonds (or portions thereof) to be purchased on any Purchase Date, the aggregate principal amount thereof plus accrued and unpaid interest thereon at the Bond Rate or Rates in effect since the beginning of the then current Interest Accrual Period applicable to such Bonds.

“*Rating*” shall mean the long-term credit rating assigned by one or more Rating Agencies to the Bonds or any unenhanced Parity Debt or any of such ratings individually.

“*Rating Agency*” means Moody’s, S&P or Fitch, as applicable.

“*Regulation U*” shall mean Regulation U of the Board of Governors of the Federal Reserve System, as in effect from time to time.

“*Remarketing Account*” shall have the meaning assigned to the term “2012 Series B Bond Remarketing Proceeds Account” in the Supplemental Resolution.

“*Remarketing Agent*” shall have the meaning assigned thereto in the Supplemental Resolution.

“*Remarketing Agreement*” shall have the meaning assigned thereto in the Supplemental Resolution.

“*Requirements of Law*” shall mean as to any Person, the certificate of incorporation and by-laws of or other organizational or governing documents of such Person, and any law (including, in the case of the City, the Act), treaty, rule or regulation, or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“*Resolutions*” shall mean the Bond Resolution and the Supplemental Resolution.

“*S&P*” shall mean Standard & Poor’s Ratings Services, a Standard and Poor’s Financial Services LLC business, and its successors and assigns, and if such business (a) shall be dissolved or liquidated, (b) shall no longer perform the functions of a securities rating agency or (c) with respect to any rating specified herein which may be provided by S&P for the Bank, shall no longer rate (other than as a result of a temporary suspension of such rating) any outstanding senior unsecured short-term debt of the Bank, “S&P” shall be deemed to refer to any other nationally recognized statistical rating organization (other than Moody’s or Fitch) designated by the Bank and not disapproved by the City if such an organization shall exist.

“*Securities Depository*” shall have the meaning assigned thereto in the Bond Resolution.

“*Standby Bank Account*” shall have the meaning assigned to the term “2012 Series B Bond Liquidity Proceeds Account” in the Supplemental Resolution.

“*Stated Termination Date*” shall mean the later of (a) 5:00 P.M. (New York City time) on [\_\_\_\_\_,] 2020, or, if such day is not a Business Day, the Business Day next preceding such day and (b) if such date has been extended pursuant to Section 2.4 hereof, 5:00 P.M. (New York

City time) on the date established by such extension or, if such date is not a Business Day, the Business Day next preceding such date.

“*Substitute Liquidity Facility*” shall have the meaning assigned thereto in the Supplemental Resolution.

“*Substitution Date*” shall have the meaning assigned thereto in the Supplemental Resolution.

“*Supplemental Resolution*” shall mean collectively, the resolution entitled “Twenty-Fifth Supplemental Utilities System Revenue Bond Resolution”, adopted by the City on June 21, 2012, as amended by the Amendment to the Twenty-Fifth Supplemental Bond Resolution adopted on September 10, 2012, authorizing the issuance of the Bonds, as amended and supplemented from time to time in accordance with the terms thereof and hereof, which Supplemental Resolution supplements the Bond Resolution.

“*Suspension Event*” shall have the meaning set forth in Section 7.3(a) hereof.

“*Taxes*” shall have the meaning set forth in Section 2.8 hereof.

“*Tender Agency Agreement*” shall have the meaning assigned thereto in the Supplemental Resolution.

“*Tender Agent*” shall have the meaning assigned thereto in the Supplemental Resolution.

“*Tendered Bonds*” shall mean Bonds (or portions thereof or beneficial ownership interests therein) which have been tendered for purchase or are deemed to have been tendered for purchase pursuant to and in accordance with the provisions of Section 3.06 of the Supplemental Resolution.

“*Trust Estate*” shall have the meaning assigned thereto in the Bond Resolution.

“*Trustee*” shall have the meaning assigned thereto in the Bond Resolution.

“*Weekly Mode*” shall have the meaning assigned thereto in the Supplemental Resolution.

“*2012 Series B Bank Bonds*” shall have the meaning assigned thereto in the Supplemental Resolution.

Section 1.2. *Accounting Terms and Determinations.* Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared in accordance with generally accepted accounting principles as in effect from time to time (“GAAP”).

## ARTICLE II

### PURCHASE OF BONDS

#### Section 2.1. *Commitment to Purchase Bonds.*

(a) *Commitment to Purchase Eligible Bonds on Purchase Date.* The Bank agrees with the City, on the terms and subject to the conditions contained in this Agreement, to purchase, on each Purchase Date during the Purchase Period, at the Purchase Price, all Eligible Bonds. The aggregate amount of the Purchase Price comprising interest on Eligible Bonds purchased on any Purchase Date (the “Interest Component”) shall not exceed the lesser of (i) the Available Interest Commitment on such date and (ii) if the Purchase Date is not an Interest Payment Date, the aggregate amount of interest accrued on such Bonds from and including the next preceding Interest Payment Date to but excluding such Purchase Date and, if the Purchase Date is an Interest Payment Date, zero. The aggregate principal amount (or portion thereof) of any Eligible Bond purchased on any Purchase Date shall be in an Authorized Denomination and, in any case, the Bank shall not be obligated hereunder to purchase Eligible Bonds on any Purchase Date to the extent the aggregate Purchase Price of such Eligible Bonds exceeds the Available Commitment as of 10:00 A.M. (New York City time) on such Purchase Date. Without limiting the foregoing, the Bank agrees to purchase any 2012 Series B Bank Bonds owned by the Prior Liquidity Provider on the Substitution Date (such purchase to occur on the Substitution Date).

(b) *Bonds Purchased Constitute Bank Bonds.* The City and the Bank agree (i) that any Bonds purchased as described in Section 2.1(a) shall be and constitute (A) Bank Bonds for all purposes of this Agreement, and shall be subject to all of the provisions hereof applicable thereto and (B) “2012 Series B Bank Bonds” for all purposes of the Supplemental Resolution, and shall be subject to all of the provisions of the Supplemental Resolution applicable thereto and (ii) that the purchase of such Bonds by the Bank shall constitute a utilization of the Available Principal Commitment and shall result in a corresponding reduction in the Available Commitment. If the Bonds are maintained as Book Entry Bonds with a Securities Depository, said Bank Bonds shall be held by the Tender Agent in its participant account with said Securities Depository for the benefit of the Bank. The Tender Agent shall mark its records to indicate that such Bank Bonds are so held for the benefit of the Bank.

#### Section 2.2. *Purchase of Bonds.*

(a) *Notice to the Bank Regarding Purchase Price of Tendered Bonds.* The Tender Agent shall give written notice to the Bank in the form of Exhibit A hereto (a “Notice of Bank Purchase”) by facsimile or other telecommunications device (receipt of which shall be confirmed by the Tender Agent by telephone), by not later than 12:30 P.M. (New York City time) on each Purchase Date, as to the Purchase Price applicable to the Bonds which are subject to purchase on such Purchase Date and with respect to which the Tender Agent has not received proceeds of remarketing from the Remarketing Agent, and as to the amount of such Purchase Price comprising principal and the amount of such Purchase Price comprising interest.

(b) *Funding Standby Bank Account.* Subject to the satisfaction of the conditions precedent specified in Section 6.1 hereof, the Bank shall, by not later than 2:45 P.M. (New York City time) on such Purchase Date, make available to the Tender Agent as provided in Section 2.2(f) hereof, for deposit in the Standby Bank Account, an amount equal to the Purchase Price applicable to such Eligible Bonds, as set forth in the Notice of Bank Purchase given the Bank as described in Section 2.2(a) hereof, in immediately available funds.

If the Bank receives a Notice of Bank Purchase after 12:30 P.M. (New York City time) on a Purchase Date, the Bank, subject to satisfaction of the conditions precedent specified in Section 6.1 hereof, will make available to the Tender Agent as provided in Section 2.2(f) hereof, for deposit in the Standby Bank Account, an amount equal to the Purchase Price applicable to such Eligible Bonds at or before 2:45 P.M. (New York City time) on the Business Day immediately following the Purchase Date specified in such notice, in immediately available funds.

All funds made available by the Bank hereunder for the purchase of Eligible Bonds under this Agreement shall be derived from the Bank's own funds. The Bank shall have no responsibility for, or incur any liability in respect of, any act, or any failure to act, by the Tender Agent which results in the failure by the Tender Agent (i) to credit the Standby Bank Account with funds made available to the Tender Agent by the Bank pursuant to this Section 2.2(b) or (ii) to purchase Eligible Bonds with such funds pursuant to Section 2.2(a) and the Supplemental Resolution.

(c) *Purchase of Bonds.* Promptly after 2:45 P.M. (New York City time) on each Purchase Date (or the next succeeding Business Day, if applicable), the Tender Agent shall apply funds previously made available by the Bank for deposit in the Standby Bank Account to the purchase, for the account of the Bank or a nominee designated in writing by the Bank to the Tender Agent, of that portion of the aggregate principal amount of Eligible Bonds for the purchase of which funds are not then available in the Remarketing Account maintained by the Tender Agent. As provided in the Supplemental Resolution, Eligible Bonds purchased for the account of the Bank (or such nominee) as aforesaid shall be (i) transferred on the registration books of the City kept at the office of the Tender Agent and registered on such books in the name of the Bank (or such nominee) or any custodian of the Bank (designated by the Bank in written instructions delivered by the Bank to the Tender Agent) appointed by the Bank for the purpose of holding such Bonds in the Bank's name or in the name of the Bank's custodian (or its nominee) or (ii) if the Bonds are then Book Entry Bonds maintained with a Securities Depository, delivered by transfer of such Bonds to an account specified from time to time by the Bank that it (or its nominee) or the custodian of the Bank (or its nominee) maintains with said Securities Depository. With respect to any transfer referred to in clause (i) of the preceding sentence, the Tender Agent shall deliver, after such transfer, a principal amount of Bonds registered in the name of the Bank (or such nominee) or such custodian (or its nominee) equal to the principal amount of Eligible Bonds purchased by the Bank (or such nominee) as aforesaid, to the Bank (or such nominee) or such custodian of the Bank (or its nominee). With respect to any transfer referred to in clause (ii) of the second preceding sentence, the Tender Agent shall cause the Securities Depository to make an appropriate entry (within the meaning of Section 9-313 of the Uniform Commercial Code as in effect in the State of New York) on its books reducing the account(s) of the Securities Depository participant(s) acting for the previous beneficial owner(s)



with respect to such Eligible Bonds and increasing the account maintained by the Bank (or its nominee) or the custodian of the Bank (or its nominee) at the Securities Depository by the principal amount of such Eligible Bonds.

(d) *Return of Excess Funds to Bank.* In the event and to the extent funds made available by the Bank to the Tender Agent for deposit into the Standby Bank Account will not be required to be applied, on or after a given Purchase Date, to the purchase of Eligible Bonds tendered (or deemed tendered) for purchase on such Purchase Date, the Tender Agent shall return such funds to the extent available by wire transfer to the Bank at or prior to 3:00 P.M. (New York City time) on such Purchase Date (or such later time (but not later than 4:00 P.M. (New York City time)) as will result in immediately available funds being credited to the Bank's account on such Purchase Date). In the event the Tender Agent fails to return such funds by 4:00 P.M. (New York City time) on such date, the City shall pay the Bank interest for the first day immediately following the Purchase Date at a rate equal to the Bank Rate. For purposes of computing such interest, if such funds are returned after 4:00 P.M. (New York City time) on a Business Day, such funds shall be considered to have been returned on the following Business Day.

(e) *Fees.* The City hereby agrees to pay, or cause to be paid, to the Bank a non-refundable facility fee at the times and in the amounts set forth in the Fee Letter. The City shall also pay to the Bank all other amounts set forth in the Fee Letter at the times and in the amounts set forth therein. The terms of the Fee Letter are hereby incorporated herein by reference as if fully set forth herein.

(f) *Payments by the Bank to Standby Bank Account Only.* All payments to be made by the Bank to or for the account of the Tender Agent hereunder shall be made only by the sending of a transfer item or transfer request for credit to U.S. Bank National Association, ABA#: 091000022, DDA #180121167365, for credit to A/C: 121005001, accompanied by instructions directing the deposit of such funds into the account designated "2012 Series B Bond Liquidity Proceeds Account"; provided, however, that (i) payment may also be made to such other account or in accordance with such other payment directions furnished in writing from time to time to the Bank by the Tender Agent and (ii) the Bank shall have first consented in writing to such other payment procedure, which consent shall not be unreasonably withheld or delayed by the Bank. The Bank shall be deemed to have complied with any applicable time limit for payment hereunder if the transfer item or transfer request is duly sent by or on behalf of the Bank, in accordance with the preceding sentence, and a wire transfer number is communicated by telephone or otherwise to the Tender Agent prior to the expiration of such time limit.

(g) *Payment of Interest Component.* The City shall pay the Bank interest at the Bank Rate on the amount of the Interest Component, if any, included in the Purchase Price from the Purchase Date until paid in full, and the Interest Component (together with interest thereon) shall be due and payable on the earliest of (i) the second Business Day immediately succeeding the Purchase Date, (ii) the date on which such Bank Bonds are remarketed, paid at maturity or redeemed or (iii) the last day of the Purchase Period.

Section 2.3. *Sale of Bonds Owned by the Bank.* (a) In the event the Bank shall purchase Bonds hereunder, the City agrees to cause the Remarketing Agent, pursuant to the

Remarketing Agreement and Section 5.01(1) of the Supplemental Resolution, to use its best efforts to sell, in the secondary market, the Bank Bonds held by the Bank (or its nominee) or the custodian of the Bank (or its nominee) as the result of such purchase, at a sale price equal to the principal amount thereof, plus accrued interest, if any, thereon, calculated at the Bond Rate or Rates in effect since the beginning of the then current Interest Accrual Period applicable to Bonds other than Bank Bonds. Upon the Bank's receiving notice from the Tender Agent that the Remarketing Agent has located a purchaser for a Bank Bond and receiving on behalf of the City an amount equal to the Differential Interest Amount and, to the extent permitted by applicable law, Excess Bond Interest with respect to such Bank Bond for the period beginning on the most recent Interest Payment Date with respect to such Bank Bond to which interest has been paid in full (or the date of purchase by the Bank pursuant to Section 2.2(c) hereof, if later) and ending on the day prior to the date of such delivery, the Bank (or its nominee) may, at its option, deliver (or cause to be delivered), in the manner described in the following sentence, an appropriate principal amount of Bank Bonds to the Tender Agent for sale, against payment by the Tender Agent (from amounts deposited in the Remarketing Account) of an amount equal to the principal amount of Bank Bonds so delivered by the Bank, plus accrued interest, if any, thereon, calculated at the Bond Rate or Rates in effect since the beginning of the then current Interest Accrual Period applicable to Bonds other than Bank Bonds. In the event of any such sale (i) if the Bonds are not then Book Entry Bonds maintained with a Securities Depository, the Bank shall deliver (or cause to be delivered) such Bonds duly endorsed in blank for transfer, or (ii) if the Bonds are then Book Entry Bonds maintained with a Securities Depository, the Bank shall deliver (or cause to be delivered) such Bonds through the facilities of such Securities Depository.

(b) In the event that the Remarketing Agent locates a purchaser for any Bank Bond purchased by the Bank (or a nominee of the Bank) hereunder and the Bank elects not to sell such Bond, then from and after the date of such election, such Bond shall, for all purposes hereof, thereof and of the Bond Resolution, cease to be a Bank Bond, and shall be subject to the particular Interest Mode to which the Bonds (other than Bank Bonds) are subject, and the principal of and interest on such Bond shall be payable at the times and in the manner provided in the Supplemental Resolution. Notwithstanding anything to the contrary contained herein, in the Bond Resolution or in any Bond, the Bank hereby agrees that following the Bank's election not to sell any Bank Bond purchased hereunder for which the Remarketing Agent has located a purchaser, such Bond, or any Bond authenticated and delivered in replacement thereof or substitution therefor, shall not thereafter be a Bank Bond unless (i) such Bond is sold by the Bank to another Person and (ii) the Bank thereafter purchases such Bond hereunder. The Bank shall notify the City, the Tender Agent and the Remarketing Agent in writing of any such election not to sell a Bank Bond (X) if the Tender Agent shall have notified the Bank that the Remarketing Agent has located a purchaser by 12:45 P.M. (New York City time) on a Business Day, by 1:45 P.M. (New York City time) on such Business Day or (Y) if the Tender Agent shall have so notified the Bank after 12:45 P.M. (New York City time) on a Business Day, by 1:45 P.M. (New York City time) on the next succeeding Business Day. In the event such notice is not received by such time, the Bank shall be deemed to have determined, and hereby agrees, to sell such Bond to the purchaser located by the Remarketing Agent.

(c) In the event that the date of the Bank's election not to sell any Bank Bond as provided in Section 2.3(b) hereof is not an Interest Payment Date for such Bank Bond, the City

shall pay to the Bank, on or prior to 2:30 P.M. (New York City time) on the date of such election, an amount equal to the Differential Interest Amount and, to the extent permitted by applicable law, Excess Bond Interest with respect to such Bank Bond for the period beginning on the most recent Interest Payment Date with respect to such Bank Bond to which interest has been paid in full (or the date of purchase by the Bank pursuant to Section 2.2(c) hereof, if later) and ending on the day prior to the date of such election.

(d) Notwithstanding anything to the contrary contained in the Supplemental Resolution, the Bank expressly reserves the right, and shall have the right, to sell, at any time, Bank Bonds subject, however, to the express terms of this Agreement. The Bank agrees that such sales will be made only to institutional investors or other entities or individuals which customarily purchase commercial paper or tax exempt securities in large denominations. The Bank agrees to notify the City, the Remarketing Agent and the Tender Agent promptly of any such sale and, if such Bank Bond is held in book entry form, specifying the account at the Securities Depository to which such Bank Bond is to be credited; and to notify the transferee in writing (i) that such Bank Bond shall remain subject to the provisions of Sections 2.3(b) and (c) hereof, (ii) that such Bank Bond is subject to remarketing under the Supplemental Resolution, (iii) that such Bank Bond may not be tendered for purchase and purchased with amounts advanced hereunder and (iv) that there will not be a short-term investment rating assigned to such Bond so long as it remains a Bank Bond. Any purchaser of a Bank Bond from the Bank shall be deemed to have agreed (1) not to sell such Bank Bond to any Person except to the Bank or institutional investors or other entities or individuals which customarily purchase commercial paper or tax exempt securities in large denominations and (2) in the event of any sale of such Bank Bond to any such institutional investor or other entity or individual, to notify the transferee in writing as to the matters set forth in clauses (i), (ii), (iii) and (iv) of the preceding sentence.

(e) Any sale of a Bank Bond pursuant to this Section 2.3 shall be without recourse to the seller and without representation or warranty of any kind by the Bank or any other owner of a Bank Bond.

Section 2.4. *Term of Agreement; Extension of Stated Termination Date.* (a) This Agreement (other than the provisions hereof relating to payments due or to become due on Bank Bonds or other amounts owed to the Bank hereunder) and the Available Commitment shall terminate at the close of business on the final day of the Purchase Period.

(b) Notwithstanding the provisions of Section 2.4(a) hereof, the Stated Termination Date shall be subject to extension from time to time, upon the written request of the City substantially in the form of Exhibit C hereto and the written consent of the Bank in its sole and absolute discretion. Not more than one hundred eighty (180) days or less than sixty (60) days prior to the Stated Termination Date then in effect, the City may make any such written request to the Bank for such an extension, and, if the Bank desires to extend the Stated Termination Date as requested, the Bank shall notify the City and the Tender Agent of its consent in writing (substantially in the form of Exhibit D hereto) within thirty (30) days of the Bank's receipt of such written request; provided, however, that if the Bank shall not so notify the City and the Tender Agent, the Bank shall be deemed to have rejected such request; and provided, further, however, that the provisions of this sentence are intended for the convenience of the parties only and shall in no respect prohibit the parties from agreeing to extend the Stated Termination Date

under other circumstances or at other times. In the event the Stated Termination Date is extended under any other circumstances, the Bank shall give prompt written notice thereof to the Tender Agent.

(c) In the event that the Stated Termination Date shall be scheduled to occur on a date which is not a Business Day, this Agreement shall terminate at the close of business on the Business Day next preceding the Stated Termination Date.

(d) Notwithstanding the foregoing, so long as the Bank shall be the holder of any Bank Bonds or any amounts payable hereunder shall remain unpaid, this Agreement shall remain in full force and effect.

Section 2.5. *Bank Records.* All transactions relating to the Bank Bonds (including, without limitation, redemptions, repayments and interest charges) and other amounts due hereunder shall be reflected in the books and records of the Bank, which books and records shall be conclusive and binding upon the City absent manifest error.

Section 2.6. *Payments on Bank Bonds.* (a) Principal of and interest on Bank Bonds shall be payable in the manner provided in the Bond Resolution, including the Supplemental Resolution, and as provided herein below.

(b) In addition to the provisions of the Supplemental Resolution regarding the payment of interest on Bank Bonds, the City will pay, or cause to be paid, interest on Bank Bonds (i) monthly, in arrears, on the first Business Day of each month, (ii) upon redemption (to the extent of the interest accrued on the amount being redeemed), (iii) on the date on which such Bank Bond matures in accordance with its terms or is (A) canceled (other than in connection with (i) a transfer of such Bank Bond or (ii) a surrender of such Bank Bond in exchange for one or more replacement Bank Bonds), (B) tendered or deemed tendered pursuant to Section 5.04 of the Supplemental Resolution or (C) otherwise paid in accordance with its terms, (iv) the date of the remarketing of such Bank Bond, and (v) subject to Section 2.07 of the Supplemental Resolution, the last day of the Purchase Period.

Any Differential Interest Amount and Excess Bond Interest that is due in connection with a Bank Bond will, to the extent permitted by applicable law, be payable on the date that said Bank Bond is released by the Bank or its nominee (as the case may be) to the Tender Agent for sale or transfer to a Person identified by the Remarketing Agent as a purchaser therefor or the date that the Bank elects not to permit the release of said Bank Bond to the Tender Agent for sale or transfer to a Person identified by the Remarketing Agent as a purchaser therefor, in either case, as provided in Section 2.3 hereof. If not paid by the City on such date, such Differential Interest Amount or, to the extent permitted by applicable law, Excess Bond Interest shall remain an outstanding obligation under this Agreement and shall, to the extent permitted by law, bear interest at the Default Rate, payable on demand. The Bank and each other owner of a Bank Bond will provide the City with notice of the amount of any Differential Interest Amount or Excess Bond Interest that is due on any given date of sale or retention with respect to said Bank Bond; provided, however, that the failure of the Bank or any owner of a Bank Bond to provide such notice will not diminish or relieve the City of its obligations to pay said Differential Interest

Amount or, to the extent permitted by applicable law, Excess Bond Interest and any interest due thereon.

(c) In addition to the repayment of principal due on Bank Bonds as provided in Sections 2.03, 2.06 and 2.07 of the Supplemental Resolution, the City will pay, or cause to be paid, the principal due on Bank Bonds upon the occurrence of the circumstances described in Section 7.1(b)(i) hereof and Section 5.04 of the Supplemental Resolution and, on the Conversion Date or Substitution Date, as applicable, the City will cause all Bank Bonds to be purchased but solely from the proceeds of the remarketing of the Bank Bonds or from funds made available by the provider of a Substitute Liquidity Facility. The City hereby agrees that it shall deliver to the Bank prior notice of the commencement of the amortization of any Bank Bonds as provided in Section 2.07 of the Supplemental Resolution. In addition, the City may prepay any Bank Bond, in Authorized Denominations, at any time without penalty upon five (5) Business Days' notice to the Bank of such prepayment (or such shorter number of days' notice as the Bank, in its sole discretion, shall approve).

*Section 2.7. Increased Costs.* (a) If, after the Effective Date, the Bank shall have determined that the adoption or implementation of, or any change in, any law, rule, treaty or regulation, or any policy, guideline or directive of, or any change in the interpretation or administration thereof by, any Governmental Authority (in each case, whether or not having the force of law), or compliance by the Bank with any request or directive of any such Governmental Authority (whether or not having the force of law), shall (i) change the basis of taxation of payments to the Bank of any amounts payable hereunder (except for taxes on the overall net income of the Bank), (ii) impose, modify or deem applicable any reserve, special deposit or similar requirement against making or maintaining its obligations under this Agreement or assets held by, or deposited with or for the account of, the Bank or (iii) impose on the Bank any other condition regarding this Agreement, and the result of any event referred to in clause (i), (ii) or (iii) above shall be to increase the cost to the Bank of making or maintaining its obligations hereunder, or to reduce the amount of any sum received or receivable by the Bank hereunder, then, the City shall pay to the Bank, at such time and in such amount as is set forth in paragraph (d) of this Section 2.7, such additional amount or amounts as will compensate the Bank for such increased costs or reductions in amount.

(b) If, after the Effective Date, the Bank shall have determined that the adoption or implementation of, or any change in, any law, rule or regulation, or any policy, guideline or directive of, or any change in the interpretation or administration thereof by, any Governmental Authority, or compliance by the Bank with any directive of or guidance from any other Governmental Authority (in each case, whether or not having the force of law), shall impose, modify or deem applicable any capital adequacy or similar requirement (including, without limitation, a request or requirement that affects the manner in which the Bank allocates capital resources to its commitments, including its obligations under lines of credit) that either (i) affects or would affect the amount of capital to be maintained by the Bank or (ii) reduces or would reduce the rate of return on the Bank's capital to a level below that which the Bank could have achieved but for such circumstances (taking into consideration the Bank's policies with respect to capital adequacy) then, the City shall pay to the Bank, at such time and in such amount as is set forth in paragraph (d) of this Section 2.7, such additional amount or amounts as will

compensate the Bank for such cost of maintaining such increased capital or such reduction in the rate of return on the Bank's capital.

(c) Notwithstanding the foregoing, for purposes of this Section 2.7, (i) all requests, rules, guidelines or directives in connection with the Dodd-Frank Act, occurring after the Effective Date, and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority) or any Governmental Authority, occurring after the Effective Date, shall be deemed and treated as an occurrence described in clauses (a) and (b) of this Section 2.7.

(d) All payments of amounts referred to in paragraphs (a) and (b) of this Section 2.7 shall be due and payable, in full, thirty (30) days following the City's receipt of notice thereof. Interest on the sums due as described in paragraphs (a) and (b) of this Section, and in the preceding sentence, shall begin to accrue from the date when the payments were first due and shall otherwise be payable in accordance with Section 2.9 hereof; provided, that from and after the required date of payment, interest shall begin to accrue on such obligations at a rate per annum equal to the Default Rate until such delinquent payments have been paid in full. A certificate as to such increased cost, increased capital or reduction in return incurred by the Bank as a result of any event mentioned in paragraphs (a) or (b) of this Section setting forth, in reasonable detail, the basis for calculation and the amount of such calculation shall be submitted by the Bank to the City and shall be conclusive (absent manifest error) as to the amount thereof. In making the determinations contemplated by the above referenced certificate, the Bank may make such reasonable estimates, assumptions, allocations and the like that the Bank in good faith determines to be appropriate. In no event shall any compensation be paid under this Section 2.7 for the same event that results in the City owing under both clauses (a) and (b) hereunder.

Section 2.8. *Net of Taxes, etc.* (a) Any and all payments to the Bank (or the Bank on behalf of a Participant) by the City hereunder shall be made free and clear of and without deduction for any and all taxes, levies, imposts, deductions, charges, withholdings or liabilities imposed thereon, excluding, however, taxes imposed on or measured by the net income or capital of the Bank by any jurisdiction or any political subdivision or taxing authority thereof or therein solely as a result of a connection between the Bank and such jurisdiction or political subdivision (all such non excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). If the City shall be required by law to withhold or deduct any Taxes imposed by the United States or any political subdivision thereof from or in respect of any sum payable hereunder to the Bank (or, if applicable, the Bank on behalf of such Participant) (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.8), the Bank (or, if applicable, the Bank on behalf of such Participant) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the City shall make such deductions and (iii) the City shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. If the City shall make any payment under this Section 2.8 to or for the benefit of the Bank (or, if applicable, the Bank on behalf of such Participant) with respect to Taxes and if the Bank shall claim any credit or deduction for such Taxes against any other taxes payable by the Bank to any taxing

jurisdiction in the United States, then the Bank (or, if applicable, the Bank on behalf of such Participant) shall pay to the City an amount equal to the amount by which such other taxes are actually reduced; provided that the aggregate amount payable by the Bank (or, if applicable, the Bank on behalf of such Participant) pursuant to this sentence shall not exceed the aggregate amount previously paid by the City with respect to such Taxes. In addition, the City agrees to pay any present or future stamp, recording or documentary taxes and any other excise or property taxes, charges or similar levies that arise under the laws of the United States of America or the State of Florida from any payment made hereunder or from the execution or delivery or otherwise with respect to this Agreement (hereinafter referred to as "Other Taxes"). The Bank (or the Bank on behalf of such Participant) shall provide to the City within a reasonable time a copy of any written notification it receives with respect to Other Taxes owing by the City to the Bank hereunder; provided that the Bank's failure to send such notice shall not relieve the City of its obligation to pay such amounts hereunder.

(b) The City shall, to the fullest extent permitted by law, indemnify the Bank for the full amount of Taxes and Other Taxes including any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 2.8 paid by the Bank (or, if applicable, the Bank on behalf of such Participant) or any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted; provided, that the City shall not be obligated to indemnify the Bank for any penalties, interest or expenses relating to Taxes or Other Taxes arising from the Bank's gross negligence or willful misconduct (as determined by a court of competent jurisdiction by final and nonappealable judgment). The Bank (or, if applicable, the Bank on behalf of each Participant) agrees to give notice to the City of the assertion of any claim against the Bank relating to such Taxes or Other Taxes as promptly as is practicable after being notified of such assertion; provided, that the Bank's failure (or, if applicable, the Bank's failure on behalf of such Participant) to notify the City promptly of such assertion shall not relieve the City of its obligation under this Section 2.8. Payments by the City pursuant to this indemnification shall be made within thirty (30) days from the date the Bank makes written demand therefor, which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof. The Bank (or, if applicable, the Bank on behalf of each Participant) agrees to repay to the City any refund (including that portion of any interest that was included as part of such refund) with respect to Taxes or Other Taxes paid by the City pursuant to this Section 2.8 received by the Bank for Taxes or Other Taxes that were paid by the City pursuant to this Section 2.8 and to contest, with the cooperation and at the expense of the City, any such Taxes or Other Taxes which the Bank or the City reasonably believes not to have been properly assessed.

(c) Within thirty (30) days after the date of any payment of Taxes by the City, the City shall furnish to the Bank, the original or a certified copy of a receipt evidencing payment thereof. The City shall compensate the Bank for all reasonable losses and expenses sustained by the Bank as a result of any failure by the City to so furnish such copy of such receipt.

(d) If requested, the Bank (or, if applicable, the Bank on behalf of a Participant) shall from time to time provide the City, the Trustee, the Tender Agent and the United States Internal Revenue Service (to the extent such information and forms may be lawfully provided by the Bank (or, if applicable, the Bank on behalf of a Participant)) with such information and forms as may be required by Treasury Regulations Section 1.1411 or any other such information and

forms as may be necessary to establish that the City is not subject to any withholding obligation under Section 1442 or other comparable provisions of the Internal Revenue Code.

Section 2.9. *Place and Manner of Payment; Calculations of Interest, etc.* (a) All payments to be made by the City under this Agreement and under the Fee Letter shall be made to the Bank by means of (i) wire transfer of funds through the Federal Reserve Wire System to: Citibank, N.A., ABA: 021-000-089, Account Number: 4058-0089, Reference: City of Gainesville-2012 Series B, (ii) **[ACH payment information to be supplied]** or (iii) to such other account as the Bank may designate from time to time, not later than 4:00 P.M. (New York City time) on the date when due and shall be made in U.S. Dollars and in freely transferable and immediately available funds.

(b) Except as otherwise provided in the Fee Letter, all computations of interest, fees and other amounts payable by the City under this Agreement and under the Fee Letter shall be computed on the basis of the actual number of days elapsed during a year consisting of 365/366 days. Except as otherwise provided with respect to Bank Bonds, interest shall accrue during each period during which interest is computed from and including the first day thereof to and including the last day thereof.

(c) Except as may be otherwise provided herein, whenever any payment or action to be made or taken hereunder or under the Fee Letter shall be stated to be due on a day which is not a Business Day, such payment or action shall be made or taken on the next following Business Day, and such extension of time shall be included in computing interest or fees, if any, in connection with such payment or action.

(d) If the principal amount of any obligation owed to the Bank hereunder or under the Fee Letter is not paid when due (subject to any applicable grace period), such obligation shall bear interest until paid in full at a rate per annum equal to the Default Rate, payable on demand.

### **ARTICLE III**

#### **CONDITIONS TO COMMITMENT AND PURCHASES**

Section 3.1. *Conditions to Bank's Commitment.* All of the commitments made by and obligations of the Bank hereunder in respect of the purchase of Bonds generally shall be subject to the conditions precedent that, on or prior to the Effective Date, the Bank shall receive the following items, all in form and substance reasonably satisfactory to the Bank:

(a) (i) an executed original of this Agreement and the Fee Letter and (ii) a specimen of the Bonds;

(b) an executed original of the Overlap Agreement among the City, the Bank and the Prior Liquidity Provider;

(c) a certificate of an Authorized Officer certifying that on and as of the Effective Date (i) each of the City's representations and warranties contained herein (or incorporated herein) is true and correct, (ii) no Default or Event of Default has occurred and is continuing, (iii)



except as otherwise provided in Section 4.2 hereof, since [\_\_\_\_\_, 2016] there has been no material adverse change in the financial condition, operations, business, properties or prospects of the City and its Affiliates, taken as a whole, that are payable from the Trust Estate, and (iv) no transactions or obligations shall have been entered into by the City subsequent to the date of the City's most recent audited financial statements relating to the System that could reasonably be expected to have a material adverse effect on the financial condition, operations, business, properties or prospects of the System, taken as a whole, or which could reasonably be expected to have a material adverse effect on the security for any of the Bonds or the City's ability to repay when due its obligations under this Agreement, the Fee Letter, any of the Bonds and the Financing Documents;

(d) a certificate of the Clerk of the Commission of the City certifying the names, the titles and the signatures of each of the "Authorized Officers" as of the Effective Date;

(e) an opinion of the Office of the City Attorney of the City, substantially as set forth in Exhibit E hereto;

(f) an opinion of Holland & Knight LLP, bond counsel to the City, substantially as set forth in Exhibit F hereto;

(g) a copy of the opinion of Orrick, Herrington & Sutcliffe LLP, as Bond Counsel to the City upon the issuance and delivery of the Bonds, dated August 2, 2012, related to, among other things, the excludability of interest on the Bonds.

(h) (i) a copy of each Resolution (each as in effect on the Effective Date), and (ii) a copy of the resolution of the City approving this Agreement, the Fee Letter and the other matters contemplated hereby, together with a certificate of the Clerk of the Commission of the City, dated the Effective Date, certifying that each of the foregoing documents is in full force and effect on the Effective Date and that there has been no other amendment or supplement of, or modification to, any provision thereof, except as set forth therein;

(i) a copy of the Remarketing Agreement, together with a certificate of the Clerk of the Commission of the City, dated the Effective Date, to the effect that the Remarketing Agreement is in full force and effect and has not been amended, modified or changed;

(j) a copy of the Tender Agency Agreement, together with a certificate of the Clerk of the Commission of the City, dated the Effective Date, to the effect that the Tender Agency Agreement is in full force and effect and has not been amended, modified or changed;

(k) written evidence from Moody's, S&P and Fitch that the Bonds are rated "Aa2" (or its equivalent), "AA-" (or its equivalent) and "AA-" (or its equivalent), respectively;

(l) written evidence that (i) the Bank Bond CUSIP Number has been obtained and received from Standard & Poor's CUSIP Service Bureau and (ii) that a long-term rating of at least Investment Grade has been assigned to the Bank Bonds (and its related CUSIP number) from any Rating Agency;

(m) an incumbency certificate, dated the Effective Date, describing the titles of the officers or agents of the Tender Agent authorized to execute and to submit Notices of Bank Purchase pursuant to this Agreement;

(n) all amounts payable to the Bank and the Bank's counsel on the Effective Date shall have been received or alternative arrangements satisfactory to the Bank shall have been made;

(o) legal opinions of counsel to the Bank, in form and substance satisfactory to the Bank and the City and, including, without limitation as to the enforceability of this Agreement and that no registration of this Agreement is required under the Securities Act of 1933, as amended;

(p) a copy of the Final Reoffering Memorandum, together with any supplements or amendments thereto prepared on or prior to the Effective Date; and

(q) such further documentation, certifications or opinions as the Bank may reasonably request in connection with matters arising under this Agreement and the Fee Letter.

#### **ARTICLE IV**

##### **REPRESENTATIONS AND WARRANTIES OF THE CITY**

The City hereby represents and warrants as follows, as of the date of execution and delivery of this Agreement, as of the Effective Date and, except with respect to the representations and warranties contained in Sections 4.1, 4.2, 4.6, 4.13(a) and 4.15, as of each Purchase Date:

Section 4.1. *Financial Condition.* The balance sheet of Gainesville Regional Utilities at September 30, 2016, and the related statements of revenues, expenses and changes in net assets and cash flows for the year then ended, reported on by the auditor of the City, heretofore delivered to the Bank, are complete and correct and present fairly the financial condition of Gainesville Regional Utilities as of such date, and the results of its operations and changes in financial position for the year then ended. All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by such accountants and as disclosed therein).

Section 4.2. *No Change.* Since [\_\_\_\_\_, 2017], except as disclosed in the Final Reoffering Memorandum and as otherwise disclosed in writing to the Bank, there has been no material change in the business, operations, properties or financial or other condition of the System which would adversely affect the ability of the City to perform its obligations under the Resolutions, this Agreement or the Bonds.

Section 4.3. *Organization; Compliance with Law.* The City (a) is a municipal corporation duly organized and validly existing under the laws of the State of Florida, (b) has all requisite power and authority and the legal right to own and operate its property and to conduct its business, including without limitation, the System, and (c) is in compliance with

all Requirements of Law, except to the extent that the failure to comply therewith would not, in the aggregate, have a material adverse effect on the business, operations, properties or financial or other condition of the System, and would not materially adversely affect the ability of the City to perform its obligations under the Resolutions, this Agreement, the Bonds or the other Financing Documents.

Section 4.4. *Power; Authorization; Enforceable Obligations.* The City has all requisite power and authority and the legal right to adopt the Resolutions and to make, deliver and perform this Agreement, the Bonds and the other Financing Documents, and has taken all necessary action to authorize the execution, delivery and performance of this Agreement, the Bonds and the other Financing Documents. No consent or authorization of, filing with, or other act by or in respect of any Governmental Authority is required in connection with the execution, delivery, performance, validity or enforceability of this Agreement, the Bonds or the other Financing Documents, except such consents, authorizations, filings or other acts as have been obtained, made or given. This Agreement, the Bonds and the other Financing Documents (other than the Resolutions) have been duly authorized, executed and delivered on behalf of the City. The Resolutions have been duly adopted by the City and are in full force and effect. This Agreement, the Bonds and the other Financing Documents constitute legal, valid and binding obligations of the City enforceable against the City in accordance with their respective terms, subject to the effect of, and restrictions and limitations imposed by or resulting from, bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights and judicial discretion and the valid exercise of the sovereign police powers of the State of Florida and of the constitutional power of the United States of America.

Section 4.5. *No Legal Bar.* The execution, delivery and performance of this Agreement, the Bonds and the other Financing Documents will not violate any Requirements of Law or any Contractual Obligation of the City.

Section 4.6. *No Material Litigation.* Except as disclosed in the Final Reoffering Memorandum or as otherwise disclosed in writing to the Bank, no litigation or proceeding or, to the knowledge of the City, investigation of or before any arbitrator or Governmental Authority is pending (a) with respect to this Agreement, the Bonds or any other Financing Document or any of the transactions contemplated thereby or hereby, or (b) which would have a material adverse effect on the business, operations, properties or financial or other condition of the System or the ability of the City to perform its obligations under this Agreement, the Bonds or any other Financing Document or in respect of any other Indebtedness incurred to finance or otherwise in respect of the System or secured by Revenues or other assets of the System.

Section 4.7. *No Default.* The City is not in default under or with respect to this Agreement, the Bonds or the other Financing Documents, or with respect to any Contractual Obligation in any respect which would be materially adverse to the business, operations, properties or financial or other condition of the System or which would materially and adversely affect the ability of the City to perform its obligations under this Agreement, the Bonds or the other Financing Documents or in respect of any other Indebtedness incurred to

finance or otherwise in respect of the System or secured by any Revenues or other assets of the System. No Event of Default has occurred and is continuing.

Section 4.8. *Security.* The Bonds are secured ratably with all other Utilities System Revenue Bonds heretofore or hereafter issued by a Lien on and pledge of the Trust Estate.

Section 4.9. *Tax Exempt Status.* No part of the proceeds of the Bonds or other funds of the City shall at any time be used in a manner that would cause the Bonds or any of them to be treated as “arbitrage bonds” within the meaning of Section 148 (or any successor Section thereto) of the Internal Revenue Code.

Section 4.10. *Federal Reserve Regulations.* No part of the proceeds of any Bonds has been, or will be, used for the purpose, whether immediate, incidental or ultimate, to purchase or carry any margin stock (within the meaning of Regulation U) or for any other purpose which would violate any of the regulations of the Board of Governors of the Federal Reserve System.

Section 4.11. *ERISA Matters; Pension Plans.* The City does not maintain any employee benefit plan that is subject to Title I or Title IV of ERISA.

Section 4.12. *No Sovereign Immunity.* The defense of sovereign immunity is not available to the City in any proceedings by the Bank to enforce any of the obligations of the City under this Agreement, the Fee Letter or the Bonds, except to the extent that any such proceeding seeks enforcement based on tort or similar claim and in such case such defense is available only to the extent set forth under Florida Statutes Section 768.28 or other similarly applicable provision of law, and, to the extent permitted by applicable law, the City consents to the initiation of any such proceedings in any court of competent jurisdiction and agrees not to assert the defense of sovereign immunity in any such proceedings.

Section 4.13. *Full Disclosure.* (a) The Final Reoffering Memorandum, as of its date, does not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading. The City makes no representation as to information in the Final Reoffering Memorandum (a) describing the Bank or this Agreement under the headings [“THE BANK”] and [“THE 2017 ALTERNATE LIQUIDITY FACILITY”] which has been provided by or behalf of the Bank for inclusion therein, (b) relating to The Depository Trust Company and its book-entry system applicable to the Bonds, and (c) entitled “THE 2012 VARIABLE RATE BONDS – Disclosure Concerning Sales of Variable Rate Demand Obligations by Remarketing Agents.”

To the best of the City’s knowledge, all information heretofore furnished (including pursuant to any representation or warranty) by the City to the Bank for purposes of or in connection with this Agreement true and accurate in all material respects on the date as of which such information is stated or certified.

Section 4.14. *Incorporation by Reference.* The representations and warranties made by the City in any Financing Document are hereby incorporated by reference and made for the benefit of the Bank.

Section 4.15. *No Proposed Legal Changes.* Except as described in the Final Reoffering Memorandum and as otherwise provided for by Section 716 of the Bond Resolution and as otherwise disclosed in writing to the Bank, there is no amendment or proposed amendment certified for placement on a ballot or referendum or, to the knowledge of the City, to the Constitution of the State of Florida or to any law, ordinance, or regulation of the State of Florida applicable to the System, or any legislation that has passed either house of the legislature of the State of Florida, or any published judicial decision interpreting any of the foregoing, the effect of which could reasonably be expected to have a material adverse effect upon (a) the ability of the City to perform its obligations under this Agreement, the Fee Letter or any Financing Document in any material respect or any other material contract related to the System to which any one or more of them is a party; (b) the legality, validity or enforceability of this Agreement, the Fee Letter or any Financing Document; or (c) the priority of the Liens granted under the Resolutions or the rights and remedies of the Bank under this Agreement, the Fee Letter, the Bonds or any other Financing Document.

Section 4.16. *Environmental Laws.* The System and any of the property of the City that constitutes a part of the System is in material compliance with all applicable Environmental Laws and has not become subject to any Environmental Liability, nor does the City know of any basis for such Environmental Liability.

Section 4.17. *Solvency.* The City is generally paying its debts as they come due and, after giving effect to the obligations contemplated by this Agreement and the Fee Letter, the Net Revenues of the System for the current and each future Fiscal Year are expected to exceed the amount required to satisfy the debts of the City related to the System (including contingent, subordinated, unmatured and unliquidated liabilities) as they become due in each such Fiscal Year.

Section 4.18. *Rate Increases.* Except as described in the Final Reoffering Memorandum and as otherwise provided for by Section 716 of the Bond Resolution, an increase by the City of rates, fees, rentals or other charges for the use of the product, services and facilities of the System requires no action or approval by or in respect of any Governmental Authority (other than the City and the Florida Public Service Commission to the extent described in the Final Reoffering Memorandum).

Section 4.19. *Not an Investment Company.* The City is not an “investment company” within the meaning of the Investment Company Act of 1940, as amended.

## **ARTICLE V**

### **COVENANTS OF THE CITY**

Until the termination of this Agreement and the payment in full of all amounts payable to the Bank hereunder and under any Bank Bonds, the City hereby covenants and agrees that:

Section 5.1. *Performance of Covenants in Bond Resolution.* The City shall perform each of its covenants set forth in Article V and in Article VII of the Bond Resolution (as the

same may be amended from time to time after the date of this Agreement) at the time such performance is required thereby (and giving effect to any applicable grace periods set forth therein).

Section 5.2. *Financial and Other Information.* The City shall furnish to the Bank:

(a) within one hundred eighty (180) days after the close of each Fiscal Year of the City, a balance sheet of Gainesville Regional Utilities as at the end of such year, and the related statements of revenues, expenses and changes in net assets and cash flows for the year then ended, accompanied by an unmodified audit report of an independent certified public accounting firm of recognized standing stating that they have been prepared in accordance with GAAP consistently applied;

(b) within sixty (60) days after the close of the first three quarters of each Fiscal Year of the City, a balance sheet of Gainesville Regional Utilities as at the end of such quarter, and the related statement of revenues, expenses and changes in net assets, in each case, for the three months then ended and setting forth in each case in comparative form the figures for the corresponding quarter of the prior Fiscal Year of the City;

(c) concurrently with the delivery of the financial statements referred to in the foregoing clauses (a) and (b), (x) a mark to market valuation of the City's interest rate swap portfolio with respect to the System and (y) a certificate of an Authorized Officer stating whether any Default exists on the date of such certificate and, if any Default then exists, setting forth the details thereof and the actions which the City is taking or proposes to take with respect thereto;

(d) promptly following its approval by the City Commission of the City, each annual budget for the System and, promptly following the adoption thereof, each amendment to the annual budget that could reasonably be determined to have a material adverse effect on the ability of the City or any Affiliate of the City to perform its obligations under this Agreement, the Fee Letter or any Financing Document in any material respect; and

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

Section 5.3. *Inspection of Property; Discussions.* The City shall permit representatives of the Bank to visit and inspect any of the properties of the System and examine and make abstracts from any of its books and records (except to the extent such books and records are subject to legal privilege) at any reasonable time and as often as may reasonably be desired, and to discuss the business, operations, properties and financial and other condition of the System with officers and employees of the System and with its independent certified public accountants.

Section 5.4. *Notices.* The City shall promptly give notice to the Bank upon knowledge of an officer thereof:

(a) of the occurrence of any Default or Event of Default and, if such Default or Event of Default is then continuing, a certificate of an Authorized Officer setting forth the details thereof and the actions which the City is taking or proposes to take with respect thereto;

(b) of any litigation or proceeding affecting the System in which the amount involved is \$20,000,000 or more and not covered by insurance or in which injunctive or similar relief is sought (for purposes of this clause (c), an obligation shall be considered “covered by insurance” to the extent the City has self-insured against such obligation or risk and has maintained adequate reserves therefor under appropriate insurance industry standards);

(c) of any change in the Ratings assigned by Moody’s, S&P or Fitch to the Bonds (without taking into consideration any credit enhancements, liquidity or credit support) or any unenhanced Parity Debt;

(d) of the execution and delivery or adoption, as applicable, thereof, of any amendments of or supplements to any of the Financing Documents (other than the Resolutions) or the Final Reoffering Memorandum, together with copies thereof (but exclusive of those amendments or supplements for which the Bank’s consent is otherwise required pursuant to the terms of this Agreement);

(e) of all legislation enacted by the legislature of the State of Florida of which an Authorized Officer of the City has knowledge, signed into law by the Governor and which, in the judgment of such Authorized Officer, could reasonably be expected to have a material adverse effect on the business, operations, properties or financial or other condition of the System or on the ability of the City or any Affiliate of the City to perform its obligations under this Agreement, the Fee Letter or any Financing Document;

(f) of the notice of any optional redemption, defeasance or refunding of the Bonds (other than Sinking Fund Installments);

(g) of any final official statement, offering circular, placement memorandum or similar or corresponding document, and any supplements thereto and updates and amendments thereof, that the City makes available in connection with the offering for sale or remarketing of any Parity Debt, to the extent not filed with the Municipal Securities Rulemaking Board (or any successor agency) through EMMA; and

(h) of such financial and other information as the Bank may from time to time reasonably request.

Each notice pursuant to Section 5.4(b) shall be accompanied by a statement of an Authorized Officer of the City setting forth details of the occurrence referred to therein and stating what actions, if any, the City proposes to take with respect thereto.

As and to the extent the information required by this Section 5.4 has been properly and timely filed with the Municipal Securities Rulemaking Board (or any successor agency) through EMMA, the City will be deemed to have complied with the provisions of this Section.

*Section 5.5. Amendment of Financing Documents.* The City shall not modify, amend or supplement either Resolution without the prior written consent of the Bank or modify, amend or supplement or agree to modify, amend or supplement, any other Financing Document in any respect which is adverse to the interests of the Bank or is inconsistent with this Agreement without the prior written consent of the Bank; provided, however, that no

such consent shall be required in connection with any amendment to either Resolution permitted under the provisions of Section 1001 or 1002 of the Bond Resolution. The City shall promptly furnish to the Bank copies, certified by the Clerk of the Commission of the City as being in full force and effect, of any modification of, amendment of or supplement to either of the Resolutions as in effect on the date of the delivery of the certified Resolutions referred to in Section 3.1(g); provided, however, that the City shall not be required to furnish any such modification, amendment or supplement permitted under the provisions of Section 1001 or 1002 of the Bond Resolution.

Section 5.6. *Power to Fix and Collect Rates, Fees and Charges.* The City has, and except due to a change in law, will have as long as any Bonds (including Bank Bonds) are outstanding or other amounts are owing to the Bank hereunder, the City, subject in all respects to Section 716 of the Bond Resolution, shall have good right and lawful power to establish and collect rates, fees and charges with respect to the use and the sale of the capacity, output or service of the System subject to the terms of contracts relating thereto and subject to the jurisdiction of any applicable regulatory authority.

Section 5.7. *Sovereign Immunity.* To the extent authorized by applicable law, the City agrees to waive sovereign immunity from suit and liability for the purposes of adjudicating a claim to enforce its duties and obligations under this Agreement, the Fee Letter and any Bank Bonds or for damages for a breach of any of the foregoing, except to the extent that any such proceeding seeks enforcement based on tort or similar claim and in such case such defense is available only to the extent set forth under Florida Statutes, Section 768.28 or other similarly applicable provision of law.

Section 5.8. *Most Favored Covenant.* (a) In the event that the City shall, directly or indirectly, enter into or otherwise consent to any contract, or any amendment, supplement or modification thereto, under which, directly or indirectly, any Person or Persons undertakes to make or provide credit or loans to the City or under which the City issues or incurs or could issue or incur Indebtedness, in either such case, which is on a parity with the Bonds, which contract (or amendment, supplement or modification) provides such Person or Persons with additional or more restrictive financial covenants than are provided to the Bank in this Agreement (any such contract, or amendment, supplement or modification thereto, a “Favored Covenant Agreement”), the City shall provide the Bank with a copy of each such Favored Covenant Agreement within five (5) Business Days of the effective date of any such Favored Covenant Agreement. Subject to the provisions of Section 5.08(b) below, upon the request of the Bank, the City shall promptly enter into an amendment to this Agreement to incorporate herein and make a part hereof such additional or more restrictive financial covenants, additional or different events of default and/or greater remedies for so long as such provisions remain in effect in the related Favored Covenant Agreement.

(b) In the event that the City and the Bank enter into an amendment to this Agreement to include the terms of any Favored Covenant Agreement herein (an “EMMA Amendment”), the City hereby covenants to post an execution copy of such EMMA Amendment on EMMA not less than fifteen (15) calendar days prior to the effective date of such EMMA Amendment (such effective date to be a date as determined by the City and the Bank). Notwithstanding anything set forth in this Section 5.8(b) to the contrary, (i) any EMMA



Amendment shall only be incorporated into this Agreement (A) upon receipt of written confirmation from each Rating Agency then rating the Bonds that the short-term rating on the Bonds will not be withdrawn or reduced as a result of the incorporation of such EMMA Amendment and (B) on the date which is fifteen (15) calendar days after such EMMA Amendment is posted on EMMA and (ii) any amendment to this Agreement or the Fee Letter (other than an EMMA Amendment or an amendment described in Section 5.8(c) below) that is incorporated pursuant to other provisions of this Agreement shall become effective upon the parties hereto in accordance with such other provisions.

(c) Notwithstanding anything to the contrary set forth in this Agreement, no amendments, supplements, modifications or changes to the terms “Immediate Termination Event” or “Suspension Event”, the terms of the Events of Default or Defaults referred to in Article VII hereof, or Section 6.1 hereof (each such amendment, supplement, modification or change being referred to herein as a “Section 5.8(c) Amendment”) will become effective hereunder unless (i) the City posts an execution copy of such Section 5.8(c) Amendment on EMMA thirty (30) calendar days prior to the effective date of such Section 5.8(c) Amendment (such effective date to be a date as determined by the City and the Bank), (ii) each Rating Agency then rating the Bonds confirms in writing that the short-term rating assigned thereby will not be withdrawn or reduced as a result of the incorporation of such Section 5.8(c) Amendment and (iii) prior to the effectiveness of any Section 5.8(c) Amendment, the Final Reoffering Memorandum shall, to the extent determined necessary by Disclosure Counsel to the City and the Remarketing Agent, be updated or supplemented with respect to the changes being effected by said Section 5.8(c) Amendment.

Section 5.9. *Compliance with Laws.* The City will comply in all material respects, within the time period, if any, given for such compliance by the relevant Governmental Authority, with all applicable laws, ordinances, rules, regulations, and requirements of Governmental Authorities (including, without limitation, Environmental Laws) except where the necessity of compliance therewith is contested in good faith by appropriate proceedings.

Section 5.10. *Other Liquidity Facilities.* (a) No standby bond purchase agreement, revolving credit agreement, letter of credit, surety bond or other agreement or instrument under which any Person undertakes to make or provide funds on the same basis as this Agreement with respect to the Bonds shall be effective without the prior consent of the Bank. Without limiting the generality of the foregoing, the Bank agrees to cooperate with the City in connection with the structuring of any transaction which is intended to result in the replacement of this Agreement with any standby bond purchase agreement, revolving credit agreement, letter of credit, surety bond or other agreement or instrument of the type described in the preceding sentence.

(b) The City shall not provide, or permit to be provided, a Substitute Liquidity Facility for less than all of the Bonds then Outstanding without the prior written consent of the Bank.

(c) The City agrees that any termination of this Agreement as a result of the provision of any Substitute Liquidity Facility or otherwise will require, as a condition thereto, that the City or the provider of the Substitute Liquidity Facility (if any) will provide funds on the Substitution

Date in an amount that will be sufficient to insure the payment of all amounts due to the Bank hereunder and under the Fee Letter including, without limitation, the repurchase of all Bank Bonds and the repayment of all unreimbursed drawings together with accrued but unpaid interest thereon, any Differential Interest Amount and, to the extent permitted by applicable law, any Excess Bond Interest that is then due and payable.

(d) The City agrees that, in connection with (i) any standby bond purchase agreement, revolving credit agreement, letter of credit or other liquidity or credit facility supporting Parity Debt (“Other Facility”) executed by or on behalf of the City on or after the Effective Date and (ii) each material amendment, extension, renewal, supplement or other modification executed by or on behalf of the City on or after the Effective Date with respect to any Other Facility that had been executed previously by or on behalf of the City on or before the Effective Date, it will require that said Other Facility, or said amendment, extension, renewal, supplement or other modification to any Other Facility, include a provision substantially identical to Section 7.2(b)(ii) hereof; it being understood that the word “material” used in the context of this subsection means any amendment, extension, renewal, supplement or other modification requiring the signature, acceptance or other acknowledgment by all parties to any said Other Facility.

Section 5.11. *Maintenance of Ratings.* The City shall at all times maintain (a) long-term credit ratings assigned to the Bonds and (b) ratings on Parity Debt from no less than two Rating Agencies.

Section 5.12. *Optional Redemption of Bonds.* The City shall not permit an optional redemption of any Bonds except as provided in Section 2.06 of the Supplemental Resolution. In addition, in the event of any partial redemption of Bonds pursuant to the Supplemental Resolution, the City will cause the Bank Bonds to be redeemed prior to any other Bonds that do not constitute Bank Bonds.

Section 5.13. *Take out Financing.* The City covenants that as of (a) the Conversion Date or (b) the Stated Termination Date, (i) it shall use its best efforts to have procured (A) a Substitute Liquidity Facility for the Bonds or (B) a written commitment of an underwriter to purchase the Bonds, and such Substitute Liquidity Facility or written commitment, as the case may be, shall provide for the purchase from the Bank of all Bank Bonds and (ii) it shall pay or cause to be paid all other obligations owed by it upon and with the (A) conversion of the interest borne by all of the Bonds to a Non Covered Interest Mode or (B) occurrence of the Stated Termination Date, as the case may be.

Section 5.14. *Conversions; Defeasance.* The City shall not permit a conversion of the Bonds to bear interest in a Non-Covered Interest Mode without the prior written consent of the Bank if, after giving effect to such conversion, any Bonds remain as Bank Bonds. In addition, the City will not defease, nor allow the defeasance of, all of the Bonds without having concurrently satisfied all of its obligations hereunder and under the Fee Letter and the Bank Bonds.

Section 5.15. *Restrictions on Use of Proceeds.* The proceeds of drawings hereunder will be applied by or on behalf of the City only to pay the Purchase Price of Bonds that have been tendered, but not remarketed. If the proceeds of any drawing are not applied to pay the

Purchase Price of Bonds on the day the drawing has been made in connection with such Bonds, the City covenants and agrees that, notwithstanding any provisions of the Resolutions to the contrary, said proceeds will be returned to the Bank promptly.

Section 5.16. *Bank Bond Rating and CUSIP Number.* For so long as any Bank Bonds are Outstanding, the City shall, at its expense, (a) maintain, or cause to be maintained, ratings applicable to the Bank Bonds from at least two Rating Agencies (or one Rating Agency, if at the time, only one Rating Agency is providing Bank Bond ratings), which Bank Bond ratings shall be at least equal to the ratings on then outstanding Parity Debt and (b) ensure that the Bank Bond CUSIP Number and the ratings (described in sub-clause (a) of this Section 5.16) be available on the Bloomberg Municipal Bond Description Screen (or a similar electronic registry acceptable to the Bank).

Section 5.17. *Remarketing Agent.* The City shall at all times maintain a Remarketing Agent with respect to the Bonds performing the duties thereof contemplated by the Supplemental Resolution and the Remarketing Agreement acceptable to the Bank. For the avoidance of doubt, the Bank hereby confirms that the Remarketing Agent serving as such as of the date of this Agreement is acceptable to the Bank. The City agrees to cause the Remarketing Agent to use its best efforts to sell Tendered Bonds up to the maximum rate applicable to Tendered Bonds in order to sell such Tendered Bonds. If the Remarketing Agent fails to sell Tendered Bonds up to the maximum rate or to perform any other of its other duties under the Remarketing Agreement for a period of thirty (30) consecutive days, at the written direction of the Bank, the City shall cause the Remarketing Agent to be replaced with a Remarketing Agent reasonably satisfactory to the Bank (which consent shall not be unreasonably withheld) within thirty (30) calendar days of the receipt of such written direction. Any Remarketing Agreement with a successor Remarketing Agent shall provide that such remarketing agent may resign upon at least sixty (60) days' prior written notice to the City, the Tender Agent and the Bank.

Section 5.18. *Delivery Requirements upon Effective Date of Substitution.* On the date on which the Bonds are tendered in connection with the termination of the Prior Liquidity Facility, the City will deliver to the Bank a copy of the Final Reoffering Memorandum used in connection with the replacement of the Prior Liquidity Facility.

## **ARTICLE VI**

### **CONDITIONS TO PURCHASE OF BONDS**

Section 6.1. *Conditions to Purchase of Bonds.* The obligation of the Bank to purchase any Eligible Bond hereunder shall be subject, in the case of each purchase, to the satisfaction of the following conditions:

(a) No Immediate Termination Event or Suspension Event shall have occurred and be continuing; provided, however, that in the case of a Suspension Event, the Bank's obligation to purchase Eligible Bonds is subject to reinstatement as provided in Section 7.3(b) hereof; and

(b) The Bank shall have timely received the duly completed Notice of Bank Purchase(s) as provided in Section 2.2(a); provided that if the Notice of Bank Purchase(s) is not received in a timely manner, the Bank will be obligated to purchase Eligible Bonds on the Business Day following receipt thereof.

Unless the City or the Tender Agent shall have otherwise previously advised the Bank in writing, delivery to the Bank of a Notice of Bank Purchase(s) shall be deemed to constitute a representation and warranty by the City that, on such Purchase Date, to the City's knowledge, no Immediate Termination Event or Suspension Event shall have occurred.

## ARTICLE VII

### DEFAULTS AND REMEDIES

Except as otherwise specified herein, the occurrence of any of the following events set forth in Sections 7.1, 7.2 and 7.3 shall constitute an event of default (each, an "Event of Default"):

*Section 7.1. Events of Default Not Permitting Immediate Termination or Suspension.*

(a) *Notice Termination Events.* Each of the following Events of Default shall constitute a "Notice Termination Event":

(i) *Payments.* The City shall not pay when due any amount owed to the Bank pursuant to the Fee Letter or Sections 2.7, 2.8 or 8.3 of this Agreement; or

(ii) *Other Payments.* The City shall fail to pay within ten (10) days after the same shall become due any fee or other amount payable by it under this Agreement or the Fee Letter (not otherwise referred to in Section 7.1(a)); or

(iii) *Representations.* Any representation, warranty, certification or statement made by the City (or incorporated by reference) in this Agreement, the Fee Letter or any Financing Document or in any certificate, financial statement or other document delivered pursuant to this Agreement or any Financing Document shall prove to have been incorrect in any material respect when made (or deemed made); or

(iv) *Certain Covenants.* The City shall default in the due performance or observance of any covenant set forth in Section 5.5, 5.6, 5.7, 5.11, 5.13, 5.14 or 5.15 of this Agreement and such default shall remain unremedied for a period of ten (10) days after the Bank shall have given written notice thereof to the City; or

(v) *Other Covenants.* The City shall default in the due performance or observance of any other term, covenant or agreement contained or incorporated by reference in this Agreement (other than those referred to in Sections 7.1(a)(i) through (iv) hereof) and such default shall remain unremedied for a period of forty five (45) days after the Bank shall have given written notice thereof to the City; or

(vi) *Long-Term Credit Rating.* The long-term credit rating assigned by a Rating Agency to the Bonds, Bank Bonds or any Parity Debt (without taking into account third party credit enhancement) is withdrawn or suspended, in either case, for credit related reasons by any one of the Rating Agencies or reduced below “A2” (or its equivalent) by Moody’s, below “A” (or its equivalent) by S&P or below “A” (or its equivalent) by Fitch; or

(vii) *Other Obligations.* (A) An “event of default” as defined in Section 801 of the Bond Resolution shall occur and is not cured within the applicable grace period, (B) any “event of default” on the part of the City under any of the Financing Documents (excluding the Bond Resolution and the Supplemental Resolution) shall occur and is not cured within any applicable cure period, (C) the City shall fail to pay any Indebtedness of the City for borrowed money related to the System, or any interest or premium thereon, when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), of at least \$20,000,000 in principal amount then outstanding and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Indebtedness, or (D) the City shall fail to perform or observe any term, covenant or condition on its part to be performed or observed under any Contractual Obligation related to the System when required to be performed or observed, and such failure shall not be waived and shall continue after the applicable grace period, if any, specified in such Contractual Obligation, if the effect of such failure to perform or observe is to accelerate, or permit the acceleration of, with the giving of notice if required, the maturity of the related Indebtedness; or any such Indebtedness shall be declared to be due and payable or be required to be prepaid (other than by a regularly scheduled required prepayment), prior to the stated maturity thereof.

(b) *Remedies.* Upon the occurrence of any Event of Default, including an Immediate Termination Event or Suspension Event, the Bank shall have all other remedies provided at law or in equity including, without limitation, specific performance; and, in addition, the Bank, in its sole discretion, may do one or more of the following: (i) by notice to the City, tender any or all Bank Bonds for payment to the City and the City shall thereupon be obligated to pay immediately the outstanding principal amount of each Bank Bond (together with accrued interest thereon) so tendered, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the City; provided, however, that in the case of any of the Events of Default specified in Section 801(v) or (vi) of the Bond Resolution or Section 7.2(a)(iii) or 7.3(a)(i) hereof, without any notice to the City or any other act by the Bank, all Bank Bonds shall immediately be deemed to be tendered for payment to the City and the City shall be obligated to pay immediately the outstanding principal amount of such Bank Bonds (together with accrued interest thereon) without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by the City; (ii) deliver to the City, the Tender Agent and the Remarketing Agent written notice substantially in the form of Exhibit B hereto (a “Notice of Termination”) that an Event of Default has been declared under this Agreement and is continuing that entitles the Bank to terminate the Available Commitment hereunder following the honoring by the Bank, on or prior to the date of such termination, of a final drawing hereunder to purchase all of the Bonds upon the resultant mandatory tender for purchase thereof, whereupon (A) the Bonds shall be called for mandatory tender for purchase pursuant to Section 3.06(c)(vii) of the Supplemental Resolution on the fifteenth (15th) day (or, if such day is not a Business Day, on the

next preceding Business Day) following the date such Notice of Termination is received by the Tender Agent and (B) at the close of business on the sixteenth (16th) day (or, if such day is not a Business Day, on the next succeeding Business Day) following the date such Notice of Termination is received by the Tender Agent, the Available Commitment shall be reduced to zero and the obligations of the Bank under this Agreement shall terminate; provided, however, that prior to such termination, the Bank shall remain obligated to purchase Eligible Bonds in accordance with the terms hereof so long as no Immediate Termination Event or Suspension Event has occurred; (iii) exercise any right or remedy available to it under any other provision of this Agreement or the Fee Letter; and (iv) exercise any other rights or remedies available under any Financing Document; provided, however, that the Bank shall not have the right to terminate or suspend its obligation to purchase Bonds except as expressly provided in Section 7.2 or 7.3. Notwithstanding any other provision of this Section 7.1, all obligations hereunder and under the Fee Letter shall bear interest at the Default Rate upon the occurrence and during the continuation of any Event of Default.

*Section 7.2. Events of Default Permitting Immediate Termination.*

(a) *Immediate Termination Events.* Each of the following Events of Default shall also constitute an “Immediate Termination Event”:

(i) *Payment Default.* The City shall have failed to pay when due any principal or interest, or both, payable under, or in respect of the Bonds (including any Bank Bonds) (other than a failure to pay any amounts described in this clause (a)(i) as a result of the tender or deemed tender for payment of Bank Bonds pursuant to Section 7.1(b)(i) of this Agreement); or

(ii) *Judgments.* A final, unappealable judgment or judgments against the City for the payment of money in excess of \$20,000,000 in the aggregate shall be payable from the funds and other property comprising the Trust Estate securing the Bonds (including any Bank Bonds) and not be covered by insurance, the operation or result of which judgment or judgments shall remain unpaid, unstayed, undischarged, unbonded or undismissed for a period of sixty (60) days; an obligation shall be considered “covered by insurance” to the extent the City has self-insured against such obligation or risk and has maintained adequate reserves therefor under appropriate insurance industry standards); or

(iii) *Insolvency.* (A) The City shall (1) commence any case, proceeding or other action (x) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition, declaration of a payment moratorium or other relief with respect to it or its debts or (y) seeking the appointment of a receiver, trustee, custodian or similar official for it or for all or any substantial part of its assets, or (2) make a general assignment for the benefit of its creditors; (B) there shall be commenced against the City any case, proceeding or other action of a nature referred to in clause (A) above which (x) results in an order for such relief or in the appointment of a receiver or similar official or (y) remains undismissed, undischarged or unbonded for a period of sixty (60) days; (C)

there shall be commenced against the City any case, proceeding or other action seeking the issuance of a warrant of attachment, execution, restraint or similar process against all or any substantial part of the assets of the System or the Net Revenues of the System, which results in the entry of a final and non-appealable order or ruling for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within sixty (60) days from the entry thereof; (D) the City shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (A), (B) or (C) above; or (E) the City shall (1) admit in writing its inability to pay its debts as such debts become due or (2) become insolvent within the meaning of the United States Bankruptcy Code; or

(iv) *Validity.* Any provision of the Act, this Agreement, the Resolutions or the Bonds relating to (A) the ability or the obligation of the City to pay, when due, the principal of or interest on the Bonds (including any Bank Bonds) or any Parity Debt or (B) the Trust Estate securing the Bonds (including any Bank Bonds) and Parity Debt shall at any time, be declared to be null and void, invalid or unenforceable as the result of a final nonappealable judgment by any federal or state court or as a result of any legislative or administrative action by any Governmental Authority having jurisdiction over the City; or

(v) *Ratings.* (A) Each Rating Agency then rating the Bonds shall have (1) withdrawn or suspended its Rating assigned to the Bonds, in either case, for credit related reasons or (2) reduced its Rating assigned to the Bonds below Investment Grade or (B) each Rating Agency then rating Parity Debt shall have (1) withdrawn or suspended its Rating assigned to any Parity Debt, in either case, for credit related reasons or (2) reduced its Rating assigned to any Parity Debt below Investment Grade; or

(vi) *Parity Debt Payment Default.* The City shall fail to make any payment in respect of principal or interest on any Parity Debt when due (i.e., whether upon said Parity Debt's scheduled maturity, required prepayment, upon demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Parity Debt, or pursuant to the provisions of any resolution, indenture or instrument pursuant to which Parity Debt has been issued, the maturity of such Parity Debt shall as a result of the occurrence of a default in payment under such resolution, indenture or instrument, be accelerated or required to be prepaid prior to the stated maturity thereof; or

(vii) *Debt Moratorium or Restructuring.* (A) The City shall impose a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of the principal of or interest on the Bonds, Bank Bonds or any Parity Debt, or (B) any Governmental Authority having appropriate jurisdiction over the City shall enact or adopt legislation which results in a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of the principal of or interest on the Bonds, Bank Bonds or all Parity Debt.

(b) *Remedies.* In addition to the remedies set forth in Section 7.1(b), upon the occurrence of an Immediate Termination Event, the Available Commitment shall immediately be reduced to zero, in which case, the obligations of the Bank under Article II of this Agreement shall immediately terminate and expire without requirement of notice by the Bank; provided, that (i) the Event of Default described in Section 7.2(a)(i) will not qualify as an “Immediate Termination Event” hereunder if the failure to pay the principal of, or interest on, a Bank Bond is due solely to a tender or deemed tender for payment of all of the Bank Bonds by the Bank for any reason other than nonpayment as described in Section 7.2(a)(i) hereof, (ii) as and to the extent that the provider of a liquidity or credit facility in support of Parity Debt owns all or a portion of such Parity Debt pursuant to the provisions of such facility (“Bank Owned Parity Debt”), the Event of Default described in Section 7.2(a)(vi) above will not qualify as an “Immediate Termination Event” if the failure to pay the principal of, or interest on, said Bank Owned Parity Debt described in Section 7.2(a)(vi) is due solely to a tender or deemed tender for payment of said Bank Owned Parity Debt for any reason other than nonpayment as described in Section 7.2(a)(vi) hereof and (iii) the Suspension Events described in Section 7.3(a) hereof will not qualify as “Immediate Termination Events” unless and until the applicable conditions described in Section 7.3(b) for such qualification have been satisfied. After such termination or expiration, the Bank shall deliver promptly to the City, the Tender Agent and the Remarketing Agent written notice of such termination or expiration; provided, however, that failure to provide such written notice shall have no effect on the validity or enforceability of such termination or expiration.

*Section 7.3. Events of Default Permitting Immediate Suspension.*

(a) *Suspension Events.* Each of the following Defaults and Events of Default shall also constitute a “Suspension Event”:

(i) *Involuntary Bankruptcy.* The occurrence of a Default under Section 7.2(a)(iii)(B) or Section 7.2(a)(iii)(C) hereof; or

(ii) *Invalidity.* (A) Any Governmental Authority with jurisdiction to rule on the validity or enforceability of this Agreement, the Bonds, the Act or the Resolutions shall find or rule, in a judicial or administrative proceeding, that any provision of this Agreement, the Bonds, the Act, the Resolutions or any Parity Debt, as the case may be, relating to (1) the ability or the obligation of the City to pay, when due, the principal of or interest on the Bonds (including any Bank Bonds) or any Parity Debt or (2) the Trust Estate securing the Bonds (including any Bank Bonds) and Parity Debt is not valid or not binding on, or enforceable against, the City; or (B) an authorized representative for the City (1) makes a claim in a judicial or administrative proceeding that the City has no further liability or obligation hereunder, under the Bonds, the Act, the Resolutions or any Parity Debt to pay, when due, the principal of or interest on the Bonds (including any Bank Bonds) or any Parity Debt or (2) contests in a judicial or administrative proceeding the validity or enforceability of any provision of this Agreement, the Bonds, the Act, the Resolutions or any Parity Debt relating to or otherwise affecting (y) the City’s ability or obligation to pay, when due, the principal of or interest on the Bonds (including any Bank Bonds) or any Parity Debt or (z) the Trust Estate securing the Bonds (including any Bank Bonds) and Parity Debt.



(b) *Remedies; Restoration of Rights.* (i) In addition to the remedies set forth in Section 7.1(b) hereof, but subject to Sections 7.3(b)(ii) (iii) below (as applicable), in the case of an Event of Default described in Section 7.3(a)(i), Section 7.3(a)(ii)(A) or Section 7.3(a)(ii)(B), the obligation of the Bank to purchase Eligible Bonds under this Agreement shall be immediately suspended without notice or demand and, thereafter, the Bank shall be under no obligation to purchase Eligible Bonds until the Available Commitment is reinstated as described below. Promptly upon the occurrence of any such Suspension Event, the Bank shall notify the City, the Tender Agent and the Remarketing Agent of such suspension and the effective date of such suspension in writing by facsimile, promptly confirmed by regular mail; provided, that the Bank shall incur no liability of any kind by reason of its failure to give such notice and such failure shall in no way affect the suspension of the Available Commitment or its obligation to purchase Eligible Bonds pursuant to this Agreement.

(ii) Upon the occurrence of a Default described in Section 7.3(a)(i), the Bank's obligations to purchase Eligible Bonds shall be suspended immediately and automatically and remain suspended until said case, proceeding or other action referred to therein is terminated prior to the court entering an order granting the relief sought in such case, proceeding or other action. In the event such case, proceeding or other action is terminated prior to the Bank's obligations under this Agreement having expired or been terminated in accordance with its terms, then the Available Commitment and the obligation of the Bank to purchase Eligible Bonds shall be reinstated and the terms of this Agreement shall continue in full force and effect as if there had been no such suspension. In the event that such case, proceeding or other action shall not have been terminated prior to the Bank's obligations under this Agreement having expired or been terminated in accordance with its terms, then the Available Commitment and the obligation of the Bank to purchase Eligible Bonds shall terminate without notice or demand and, thereafter, the Bank shall be under no obligation to purchase Eligible Bonds.

(iii) Upon the occurrence of an Event of Default described in Section 7.3(a)(ii)(A) or Section 7.3(a)(ii)(B), the Bank's obligations to purchase Eligible Bonds shall be immediately and automatically suspended and remain suspended unless and until a court with jurisdiction to rule on such an Event of Default shall enter a final and nonappealable judgment that any of the material provisions of the Act or any other document described in Section 7.3(a)(ii)(A) are not valid or not binding on, or enforceable against, the City or that a claim or contest described in Section 7.3(a)(ii)(B) shall have been upheld in favor of the City in accordance with a final and nonappealable judgment, then, in each such case, the Available Commitment and the obligation of the Bank to purchase Eligible Bonds shall immediately terminate without notice or demand and, thereafter, the Bank shall be under no obligation to purchase Eligible Bonds. If a court with jurisdiction to rule on such an Event of Default shall find or rule by entry of a final and nonappealable judgment that the material provision of the Act or any other document described in Section 7.3(a)(ii)(A) is valid and binding on, or enforceable against, the City or the claim or contest described in Section 7.3(a)(ii)(B) shall have been dismissed pursuant to a final and nonappealable judgment, then the Available Commitment and the obligations of the Bank under this Agreement shall, in each such case, thereupon be reinstated (unless the Bank's obligations under this Agreement shall have previously expired or been terminated in accordance with its terms). Notwithstanding the foregoing, if the suspension of the obligations of the Bank pursuant to any Event of Default described in Section 7.3(a)(ii)(A) or 7.3(a)(ii)(B) remains in effect and litigation is still pending and a determination regarding the same shall not have been dismissed

or otherwise made pursuant to a final and nonappealable judgment, as the case may be, on or prior to the first anniversary of the occurrence of such Event of Default, then the Available Commitment and the obligation of the Bank to purchase Eligible Bonds shall at such time terminate without notice or demand and, thereafter, the Bank shall be under no obligation to purchase Eligible Bonds.

In the case of the occurrence of any Suspension Event described in this Section 7.3, the Tender Agent shall immediately notify all Bondholders of the suspension and/or termination of both the Available Commitment and the obligation of the Bank to purchase Eligible Bonds.

Section 7.4. *Rights Not Exclusive.* The rights and remedies provided for herein are cumulative and are not exclusive of any other rights, powers, privileges or remedies provided by law or in equity.

## ARTICLE VIII

### MISCELLANEOUS

Section 8.1. *Amendments and Non Waiver.* This Agreement and the Fee Letter may be amended only upon the written agreement of the City and the Bank, and the City may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if the City shall first obtain the written consent of the Bank. An Event of Default or Default may be waived only in writing by the Bank and any such Event of Default or Default which has been waived in writing by the Bank shall not be deemed to be continuing during the period (including any retroactive period) for which the waiver is effective, but such waiver shall not operate as a waiver of, or estoppel with respect to, any other or subsequent failure to perform or observe any obligation hereunder. No failure or delay on the part of the Bank in exercising any right, remedy, power or privilege under this Agreement or under the Fee Letter or any of the Financing Documents, and no course of dealing between the City or any other Person and the Bank, shall operate as a waiver hereof or thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges provided herein and in the Fee Letter and the Financing Documents are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law or in equity or otherwise. No notice to or demand on the City in any case shall entitle the City to any other or further notice or demand in similar or other circumstances or constitute a waiver of the right of the Bank to any other or further action in any circumstances without notice or demand.

Section 8.2. *Survival of Representations and Warranties.* All agreements, covenants, representations and warranties contained in this Agreement and in any certificates delivered pursuant hereto shall survive the execution and delivery of this Agreement, and the agreements contained in Sections 2.7, 2.8 and 8.3 hereof and in the Fee Letter shall survive payment of any amounts payable hereunder and thereunder and with respect to any Bank Bonds and the termination of this Agreement; provided, however, any request for payments under Sections 2.7, 2.8 and 8.3 must be requested from the City in writing within 90 days from the later of the termination of this Agreement or the payment in full of the Bank Bonds.

Section 8.3. *Expenses; Indemnification.* (a) The City shall pay all out of pocket expenses of the Bank, including fees and disbursements of counsel for the Bank, in connection with the preparation of this Agreement, the Fee Letter and the Financing Documents, any waiver or consent hereunder or any amendment hereof or any Default or Event of Default or alleged Default or Event of Default hereunder, subject to the limitations set forth in the Fee Letter.

(b) To the fullest extent permitted by applicable law, the City agrees to indemnify the Bank and hold the Bank harmless from and against any and all liabilities, losses, damages, costs and expenses of any kind including, without limitation, the reasonable fees and disbursements of counsel, which may be incurred by the Bank in connection with any investigative, administrative or judicial proceeding (whether or not the Bank shall be designated a party thereto) relating to or arising out of this Agreement, the Fee Letter or any Financing Document or any advance made by the Bank hereunder for the actual or proposed purchase of Bank Bonds; provided, however, that the Bank shall not have the right to be indemnified hereunder for its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment.

(c) To the fullest extent permitted by applicable law, the City agrees to indemnify the Bank and to hold the Bank harmless from and against any and all claims, damages, losses, liabilities, cost or expenses which the Bank may incur (or which may be claimed against the Bank by any Person whatsoever) by reason of (i) the offering, sale, remarketing or resale of the Bonds (including, without limitation, by reason of any untrue statement or alleged untrue statement of any material fact contained or incorporated by reference in the Final Reoffering Memorandum (other than in connection with the information provided by the Bank and its counsel for use therein and information related to DTC and its book-entry only system of registration), or in any supplement or amendment thereof, or the omission or alleged omission to state therein a material fact necessary to make such statements, in light of the circumstances in which they are or were made, not misleading; and (ii) the validity, sufficiency or genuineness of the Final Reoffering Memorandum (other than in connection with the information provided by the Bank or its agents and counsel for inclusion therein) or in any supplement or amendment thereof, except insofar as such claims, damages, losses, liabilities, costs or expenses are caused by any such untrue statement or alleged untrue statement or omission based upon information relating to the Bank furnished by the Bank expressly for use therein.

(d) The Bank shall not in any way be responsible for performance by the Tender Agent or the Remarketing Agent of their obligations to the City, nor for the form, correctness, genuineness, authority of any Person signing, falsification or legal effect of any documents called for under this Agreement if such documents on their face appear to be in order.

(e) Notwithstanding any other provision of this Agreement to the contrary, all obligations of the City to the Bank hereunder are special, limited obligations of the City payable solely from funds available for such purposes under the Bond Resolution.

(f) Notwithstanding anything to the contrary in this Agreement, no amount or amounts payable to any Participant as a result of the provisions set forth herein may exceed an

amount or amounts that would have been payable to the Bank pursuant to such provisions had the Bank retained for its own account that portion of the Commitment held by such Participant.

Section 8.4. *Notices.* Except as otherwise provided in Section 2.2(a) hereof, all notices, requests and other communications hereunder shall be in electronic, telephonic or written form (including facsimile) and shall be given to the party to whom addressed, at its address or telephone or facsimile number or e mail address set forth below, or such other address or telephone or facsimile number or e mail address as such party may hereafter specify for the purpose by notice to the other parties listed below. Each such notice, request or communication shall be effective (i) if given by telephone, when given to the number indicated below to a Person which the transmitting party reasonably believes to be an authorized representative of the party to whom the notice is directed, (ii) if given by facsimile, when such communication is transmitted to the address specified below and the appropriate answerback is received, (iii) if given by mail, three (3) days after such communication is deposited in the United States mail with first class postage prepaid, addressed as aforesaid or (iv) if given by any other means, when delivered at the address specified below:

If to the City, to:

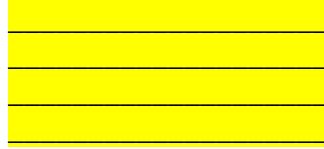
City of Gainesville, Florida  
301 S.E. Fourth Avenue  
Gainesville, Florida 32601  
Attention: General Manager for Utilities  
Telephone: (352) 393-1007  
Facsimile: (352) 334-2277

If to the Bank, to:

For purposes of Notices of Bank Purchase, billing and payment:

Citigroup Global Markets Inc.  
388 Greenwich Street, Eighth Floor  
New York, NY 10013  
Attention: Rebekah McGuire  
Telephone: (212) 723-5577  
Facsimile: (866) 914-8193  
Email: Rebekah.mcguire@citi.com

For all other purposes:



Attention:  
Telephone: ( )  
Facsimile: ( )  
Email:

If to the Tender Agent, to:

U.S. Bank National Association  
100 Wall Street, 16th floor  
New York, New York 10005  
Attention: Jean Clarke  
Telephone: (212) 361-6173  
Facsimile: (212) 361-6153

If to the Remarketing Agent, to:

J.P Morgan Securities LLC

Attention:  
Telephone:  
Email:

If to Moody's, to:

Moody's Investors Service  
7 World Trade Center at 250 Greenwich Street  
Public Finance Group Attn: MSPG 23rd Floor  
New York, New York 10007  
Facsimile: (212) 553-1066  
Email: MSPGSurveillance@Moody's.com

If to S&P, to:

Standard & Poor's  
55 Water Street, 38th Floor  
New York, New York 10041  
Attention: Municipal Structured Surveillance  
Telephone: (212) 438-2021  
Facsimile: (212) 438-2151  
E mail: pubfin\_structured@sandp.com

All notices given by telephone, facsimile or other electronic means (other than e mail) shall be confirmed in writing as promptly as practicable. All notices given to the Bank shall be given to the attention stated above or to any other attention or person(s) from time to time designated by the Bank in a written certificate of the Bank furnished to the City and the Tender Agent, signed on behalf of the Bank.

Section 8.5. *Participation.* (a) The Bank shall have the right at any time to sell, grant or transfer participations in all or part of this Agreement, the Bank Bonds and the obligations of the City hereunder to any other bank or financial institution (each a "Participant") without the consent of or notice to the City; provided that no such action by the Bank shall relieve the Bank of its obligations under this Agreement. Subject to Section 8.17 hereof, the Bank may disclose to any Participants or prospective Participants any information or other data or material in the Bank's possession relating to this Agreement, the Fee Letter, any Financing Document and the City, without the consent of or notice to the City. Notwithstanding the foregoing provisions, (a) no such participation shall affect the obligations of the Bank to purchase Bonds as herein provided; (b) no Participant shall be entitled to receive payment hereunder or under the Fee Letter of any amount greater than the amount which would have been payable had the Bank not granted a participation to such Participant; and (c) the City and the Tender Agent shall be required to deal only with the Bank with respect to any matters under this Agreement and the Fee Letter and no such Participant shall be entitled to enforce directly against the City any provision hereunder or thereunder.

(b) This Agreement is made and entered into solely for the protection and benefit of the Bank, on its own behalf and on behalf of the Participants, and the City and both of their respective successors and assigns and no other Person (excluding the Tender Agent's rights with respect to the presentation of Notices of Bank Purchase and collection and transmission of funds as herein contemplated) shall have any right of action under this Agreement. Any and all claims asserted hereunder or under any Bank Bonds may be asserted and only asserted by the City, the Tender Agent, the Bank, on its own behalf or on behalf of the Participants, and their respective successors and permitted assigns.

(c) No Participation Agreement is intended to be for the benefit of the City, and the City shall not be a third party beneficiary thereof.

Section 8.6. *Satisfaction Requirement.* If any agreement, certificate or other writing, or any action taken or to be taken, is by the terms of this Agreement required to be satisfactory to the Bank, the determination of such satisfaction shall be made by the Bank in its sole and exclusive judgment exercised in good faith.

Section 8.7. *Governing Law; Venue; Waiver of Jury Trial.* (a) This Agreement shall be governed by, and construed in accordance with, the laws of the state of New York without regard to choice of laws rules other than New York general obligations law Section 5-1401 (or any successor statute thereto), except that the capacity, power or authority of the City to enter into and perform this Agreement and any issue relating to the interpretation of either of the Resolutions or the Bonds shall be governed by, and construed in accordance with, the laws of the state of Florida.

(b) WITH RESPECT TO ANY SUIT, ACTION OR PROCEEDING RELATING TO, OR ARISING FROM, THIS AGREEMENT, EACH PARTY HERETO IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE FEDERAL COURTS LOCATED IN THE BOROUGH OF MANHATTAN, THE CITY OF NEW YORK AND AGREES THAT ANY SUCH SUIT, ACTION OR PROCEEDING SHALL BE HAD AND MAINTAINED IN SUCH FEDERAL COURTS.

(c) THE CITY AND THE BANK EACH HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 8.8. *No Right of Set off.* The Bank hereby waives any rights of set-off for any amounts owed hereunder or under the Fee Letter with respect to any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by the Bank to or for the credit or the account of the City.

Section 8.9. *Counterparts.* This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 8.10. *Severability.* Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 8.11. *Headings.* Article and Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 8.12. *Integration.* This Agreement and the Fee Letter constitute the entire agreement and understanding between the parties hereto and thereto and, except with respect to the other documents and agreements referred to herein and therein, supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

Section 8.13. *References to Bank in Offering Documents.* The City agrees that it will not, without the prior approval of the Bank (which approval shall not be unreasonably withheld), include in the Final Reoffering Memorandum, any supplement to the Final Reoffering Memorandum, any reoffering memorandum, reoffering circular or any other disclosure document for the Bonds or other Indebtedness offered by the City on a public or private basis any information describing the Bank; provided, that the City may include references to the existence of this Agreement, the Bank and its role with respect to the Bonds, without the Bank's consent thereto, in connection with (i) the preparation of an offering document for such Indebtedness (other than the Bonds), (ii) the City's satisfaction of its continuing disclosure requirements, (iii) the preparation of its annual financial statements, and (iv) compliance with any other legal or regulatory requirement applicable to the City.

Section 8.14. *Conflict with Resolutions.* Upon purchasing Bank Bonds, the Bank and each other owner of Bank Bonds will be entitled to all rights and privileges accorded to Bondholders under the Resolutions, as well as any additional rights and privileges as to payment of interest and principal that are provided by this Agreement with respect to such Bank Bonds. Notwithstanding the foregoing, with respect to the rights and privileges accorded to Bonds and Bondholders pursuant to the Resolutions, in the event of an express conflict between the words of this Agreement and the words of the Resolutions, the words of the Resolutions shall be controlling.

Section 8.15. *Usury.* The Bank shall not be entitled to receive payment of interest hereunder or under any Bank Bond in excess of the Maximum Interest Rate. If the Bank receives less interest during any period than it would be entitled to receive hereunder and under any Bank Bond but for the applicability of the Maximum Interest Rate, during any subsequent period in which the rate of interest to which the Bank is otherwise entitled hereunder and under any Bank Bond is less than such Maximum Interest Rate, the Bank shall instead receive interest at a rate equal to the Maximum Interest Rate until the Bank has received, in the aggregate, the amount of interest due the Bank hereunder and under any Bank Bond. In addition, to the extent permitted by applicable law, if the principal amount of any Bank Bond comes due or is prepaid or such Bank Bond is remarketed and the Bank has not received, in the aggregate, the amount of interest due the Bank hereunder and under any Bank Bond, the City shall pay the Bank, upon the coming due or prepayment of such principal amount, the amount of interest due the Bank hereunder and under any Bank Bond and not otherwise paid hereunder or thereunder. The amount of interest, if any, that would accrue hereunder or under any Bank Bonds on any date but which does not so accrue due to the limitation imposed by the Maximum Interest Rate shall constitute "Excess Bond Interest."

Section 8.16. *Successors and Assigns; Benefit of Agreement.* (a) This Agreement shall be binding upon each party hereto, its successors and permitted assigns without further action by any party hereto; provided, however, that (i) the City may not transfer or assign any or all of its rights or obligations hereunder or under the Fee Letter without the prior written consent of the Bank and (ii) the Bank shall not transfer or assign any or all of its obligations hereunder (A) unless there shall have been delivered to the City and the Tender Agent written evidence from Moody's, if the Bonds then shall be rated by Moody's, and S&P, if the Bonds then shall be rated by S&P and Fitch if the Bonds then shall be rated by Fitch, in each case, to the effect that such transfer or assignment will not, by itself, result in a reduction or withdrawal of the ratings of the Bonds from those which then prevail, (B) without the prior written consent of the City (which consent shall not be unreasonably withheld), and (C) the Bank shall agree to pay all legal expenses and costs of the City related to such transfer or assignment.

For purposes of clause (ii)(B) of the proviso in the preceding paragraph, the City and the Bank agree that it shall not be unreasonable for the City to withhold its consent to a proposed assignment or transfer by the Bank hereunder if the City determines that such assignment or transfer would not be in the "best interests of the City or of the holders of the Bonds." For purposes of this Agreement and without limiting the generality of the foregoing, any such assignment or transfer shall be presumed conclusively to not be in the "best interests of the City



or the holders of the Bonds” if the City provides the Bank with a certificate (the “City Certificate”) to the effect that:

(i) for a period of forty five (45) consecutive days immediately preceding the date of said City Certificate, tax exempt bonds supported by the proposed assignee’s or transferee’s liquidity or credit facilities having a term, credit and ratings comparable to those available under the terms of this Agreement and the Financing Documents have resulted in interest payments by borrowers utilizing the liquidity or credit facilities of the proposed assignee or transferee of a material premium in excess of the yield achieved on the Bonds during the same 90 day period as referenced in the City Certificate,

(ii) pursuant to an official vote of the City Commission completed no less than thirty (30) days prior to the date of the City Certificate, the assignment or transfer by the Bank to the proposed assignee or transferee would violate official written policy of the City, a copy of which policy shall accompany the City Certificate,

(iii) the proposed assignee or transferee, as the case may be, and the City are involved in a dispute or a potential dispute which would make such assignment or transfer undesirable to the City as described in a summary of the dispute or potential dispute included in said City Certificate or

(iv) the proposed assignee or transferee, as the case may be, has failed to perform satisfactorily in any prior business arrangement with the City as described in a summary of said business arrangement and failure included in said City Certificate.

The Bank will give the City written notice of any proposed assignment or transfer (“Notice of Assignment”) of any or all of its obligations hereunder no less than thirty (30) days prior to the effective date thereof. The City must deliver the City Certificate described in the immediately preceding paragraph within ten (10) Business Days of receipt of the Notice of Assignment and a failure of the City to deliver the City Certificate within such ten (10) Business Day period shall be deemed and treated as the City’s consent to the assignment or transfer, as applicable, described in said Notice of Assignment. In addition to the foregoing, if a Default or Event of Default has occurred and is continuing hereunder, then the Bank will be under no obligation to deliver a Notice of Assignment and may proceed with the assignment or transfer on the proposed effective date therefor without obtaining the consent of the City thereto.

(b) Notwithstanding the foregoing provisions, the Bank may assign and pledge all or any portion of the obligations owing to it hereunder to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank, provided that any payment in respect of such assigned obligations made by the City to the Bank in accordance with the terms of this Agreement shall satisfy the City’s obligations hereunder in respect of such assigned obligation to the extent of such payment. No such assignment shall release the Bank from its obligations hereunder.

Section 8.17. *Confidential Information.* The Bank agrees to maintain the confidentiality of the Information (as defined below), except that Information may be

disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the City and its obligations hereunder, (g) with the consent of the City or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Bank on a non-confidential basis from a source other than the City. For the purposes of this Section, "Information" means all information received from the City relating to the City or the System, other than any such information that is available to the Bank on a non-confidential basis prior to disclosure by the City; provided that, in the case of information received from the City after the Effective Date, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Section 8.18. *Actions.* In the event the Bank shall commence, appear in or defend any action or proceeding which reasonably might be expected to directly affect its rights, duties or liabilities under any Bank Bonds, this Agreement or any Financing Document, the City will pay the Bank, upon demand by the Bank (a) all of the Bank's reasonable out of pocket costs and expenses and (b) the reasonable legal fees and disbursements incurred by the Bank in those actions and proceedings (including, without limitation, the allocated costs and expenses of in house counsel). In no event and under no circumstances shall the City be required (x) to reimburse the Bank for any costs, expenses, fees or disbursements incurred by any Participant in connection with any such proceeding or action or (y) to reimburse any Participant for any costs, expenses, fees or disbursements incurred by any person in connection with any such proceeding or action.

Section 8.19. *Continuing Obligations.* This Agreement is a continuing obligation of the City and shall, until the later of the final day of the Purchase Period and the date on which all amounts due and owing to the Bank hereunder and under the Bank Bonds shall have been paid in full, (a) be binding upon the City, its successors and assigns and (b) inure to the benefit of and be enforceable by the Bank and its successors, transferees and assigns.

Section 8.20. *Nature of Bank's Duties.* (a) Except to the extent otherwise provided in Section 2.2(f) hereof and this Section 8.20, any action taken or omitted by the Bank under or in connection with this Agreement or any related certificates or other documents, if taken or omitted in good faith and without gross negligence, shall be binding upon the City and shall not put the Bank under any resulting liability to the City.

(b) Except to the extent otherwise provided in Section 2.2(f) hereof and this Section 8.20, the Bank may, under this Agreement, receive, accept and pay any drafts, demands or other documents and instruments (otherwise in order) signed by, or issued to, the receiver, trustee in bankruptcy, custodian, executor, administrator, guardian or conservator of anyone named in this Agreement or the Supplemental Resolution as the person by whom drafts, demands and other documents and instruments are to be made or issued. The City hereby waives any right to object to any payment made under this Agreement against a draft and accompanying documents as provided in this Agreement varying in punctuation, capitalization, spelling or similar matters of form.

(c) Except to the extent otherwise provided in Section 2.2(f) hereof and this Section 8.20, neither the Bank nor any of its officers or directors shall be liable or responsible for (i) the use which may be made of this Agreement or for any acts or omissions of the Tender Agent, (ii) the general and particular conditions stipulated in this Agreement, (iii) the validity or genuineness of any documents presented under this Agreement (or any endorsement thereon), even if such documents should in fact prove to be in any or all respects forged, fraudulent, invalid, unenforceable or insufficient or any statement therein being inaccurate in any respect whatsoever, (iv) payment by the Bank under this Agreement against presentation of documents which do not comply with the terms of this Agreement, including failure of any documents to bear any reference or adequate reference to this Agreement, (v) the existence, form, sufficiency and breach of contracts of any nature whatsoever, including the Financing Documents and this Agreement, (vi) the solvency, standing and responsibility of any Person whomsoever, (vii) any delay by any Person other than the Bank in giving or failure to give any notice, demand or protest, (viii) failure of any Person (other than the Bank) to comply with the terms of this Agreement, (ix) errors, omissions, delays in or non-delivery of any message, however sent, or (x) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, in making or failing to make payment under this Agreement. Notwithstanding the foregoing, the Bank shall be liable to the City for the City's direct damages which result from or arise out of the events described in the next sentence, including any liability of the City as a result of claims by third parties, but the liability of the Bank shall not include consequential damages. The events giving rise to liability of the Bank pursuant to the preceding sentence shall be limited to (A) the Bank's gross negligence or willful misconduct in determining whether documents presented under this Agreement comply with the terms hereof or (B) the Bank's gross negligence or willful misconduct in failing to pay under this Agreement after the presentation to it by the Tender Agent of documents strictly complying with the terms and conditions of this Agreement or (C) information provided by the Bank or its agents and counsel thereof for inclusion in the Final Reoffering Memorandum. Without in any way limiting the Bank's liability as provided by the foregoing, the Bank may accept documents under this Agreement that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

Section 8.21. *Arm's-Length Transaction.* The City acknowledges and agrees that (a) the transactions contemplated by this Agreement and the Fee Letter are an arm's-length commercial transaction between the City and the Bank, (b) in connection with such transactions, the Bank is acting solely as a principal and not as an agent or a fiduciary of the City, (c) with respect to making advances hereunder or the process leading thereto (whether or not the Bank, or any Affiliate of the Bank, has advised or is currently advising the City on

other matters), the Bank has not assumed (individually or collectively) a fiduciary responsibility in favor of the City or any other obligation of the City except the obligations expressly set forth in this Agreement and the Fee Letter and (d) the City has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the transactions contemplated by this Agreement and the Fee Letter.

Section 8.22. *USA Patriot Act Notification; Government Regulation.* (a) The Bank hereby notifies the City that, pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107 56 (signed into law October 26, 2001)) (as amended from time to time, the “Patriot Act”), the Bank may be required to obtain, verify and record information that identifies the City, which information may include the name and address of the City and other information that will allow the Bank to identify the City in accordance with the Patriot Act, and the City, Gainesville Regional Utilities, hereby agrees to take any action necessary to enable the Bank to comply with the requirements of the Patriot Act.

(b) The City shall (i) ensure that no Person who owns a controlling interest in or otherwise controls the City is or shall be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by the Office of Foreign Assets Control (“OFAC”), the Department of the Treasury or included in any Executive Orders, that prohibits or limits the Bank from making any advance or extension of credit to the City or from otherwise conducting business with the City and (ii) ensure that the Bond proceeds have not been, and shall not be, used to violate any of the regulations administered and enforced by OFAC or any enabling statute or Executive Order relating thereto. Further, the City shall comply, and cause any of its Affiliates to comply, with all applicable Bank Secrecy Act (“BSA”) laws and regulations, as amended. The City agrees to provide documentary and other evidence of the City’s identity as may be reasonably requested by the Bank at any time to enable the Bank to verify the City’s identity or to comply with any applicable law or regulation including, without limitation, Section 326 of the Patriot Act.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective duly authorized officers as of the day and year first above written.

CITY OF GAINESVILLE, FLORIDA

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

Approved as to form and legality:

By: \_\_\_\_\_  
Utilities Attorney

**CITIBANK, N.A.**

By: \_\_\_\_\_  
Rebekah McGuire  
Authorized Signatory

**EXHIBIT A**

**NOTICE OF BANK PURCHASE**

[Date]

Citigroup Global Markets Inc.  
388 Greenwich Street, Eighth Floor  
New York, NY 10013

Attention: \_\_\_\_\_

Re: Standby Bond Purchase Agreement, dated as of [\_\_\_\_\_ 1], 2017, between the City of Gainesville, Florida and [\_\_\_\_\_]

The undersigned, a duly authorized officer or agent of U.S. Bank National Association (the “*Tender Agent*”), hereby certifies to Citibank, N.A. (the “*Bank*”), with reference to the above referenced Standby Bond Purchase Agreement (as amended and supplemented from time to time, the “*Standby Bond Purchase Agreement*”, with all capitalized terms used herein and not defined herein having the respective meanings assigned to such terms in the Standby Bond Purchase Agreement), as follows:

1. Eligible Bonds have been tendered or deemed tendered for purchase pursuant to Section \*[3.06(a)] [3.06(b)] [3.06(c)(i)] [3.06(c)(ii)] [3.06(c)(iii)] [3.06(c)(vi)] [3.06(c)(vii)][\* Tender Agent to select appropriate section] of the Supplemental Resolution. To the best knowledge of the Tender Agent, no Immediate Termination Event or Suspension Event has occurred and is continuing as of the date of this certificate.

2. The Tender Agent has not received from the Remarketing Agent pursuant to the Supplemental Resolution proceeds of the remarketing of all Bonds to be tendered for purchase or deemed tendered on \_\_\_\_\_, 20\_\_ (the “Purchase Date”).

3. The portion of the Purchase Price requested hereby relating to the principal of the Eligible Bonds for which there is not sufficient moneys referred to above is \$\_\_\_\_\_, which amount does not exceed the Available Principal Commitment, and the portion of the Purchase Price requested hereby relating to accrued interest on the Eligible Bonds for which there is not sufficient moneys referred to above is \$\_\_\_\_\_, which amount does not exceed the Available Interest Commitment.

4. You are hereby requested to deliver or cause to be paid, in immediately available funds, to the Tender Agent, for deposit in the Standby Bank Account, the Purchase Price of all such unremarketed Bonds by not later than 2:45 P.M. (New York City time) on the Purchase Date. The Purchase Date is \_\_\_\_\_.

5. Upon completion of purchase, the Tender Agent will [register such Bonds or, if a Bond for which notice of tender for purchase has been given is not delivered, a

new Bond issued in replacement of the undelivered Bond, in the name of the Bank or, if directed in writing by the Bank, its nominee or designee on the books maintained by the Tender Agent] OR [cause the beneficial ownership of such Bonds to be credited to the account of the Bank or, if directed in writing by the Bank, its nominee or designee with the Securities Depository and register such Bonds in the name of the Bank or its nominee or designee on the books maintained by the Tender Agent], and will promptly deliver such Bonds as the Bank may otherwise direct in writing, and prior to such delivery will hold such Bonds in trust for the benefit of the Bank.

6. The funds requested hereunder shall be transferred to the Tender Agent as follows:

Bank \_\_\_\_\_  
Address: \_\_\_\_\_  
ABA#: \_\_\_\_\_  
Account name or reference: \_\_\_\_\_

IN WITNESS WHEREOF, the Tender Agent has executed and delivered this Certificate as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

U.S. BANK NATIONAL ASSOCIATION, as  
Tender Agent

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



**EXHIBIT B**

**FORM OF NOTICE OF TERMINATION**

[Date]

U.S. Bank National Association  
100 Wall Street, 16th Floor  
New York, New York 10005  
Attention: Global Corporate Trust Services

Re: Notice of Termination

Ladies and Gentlemen:

The undersigned, a duly authorized officer of Citibank, N.A. (the “*Bank*”), pursuant to Section 7.1(b) of the Standby Bond Purchase Agreement, dated as of June 1, 2017 (as amended and supplemented from time to time, the “*Agreement*”), between the City of Gainesville, Florida and the Bank, hereby notifies you that this notice constitutes a “*Notice of Termination*” in accordance with Section 7.1(b) of the Agreement as a result of the occurrence of an Event of Default under Section 7.1(\_\_\_\_) of the Agreement. The Available Commitment and Purchase Period shall terminate on [insert date], which date is not earlier than fifteen (15) days from the date of receipt of this notice by the Tender Agent. The Bank hereby requests that you cause a mandatory tender of all Eligible Bonds pursuant to Section 3.06(c)(vii) of the Supplemental Resolution as described in Section 7.1(b) of the Agreement. Terms not otherwise defined herein have the meanings assigned thereto in the Agreement.

Sincerely,

Citibank, N.A.

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

cc: J.P. Morgan Securities LLC  
City of Gainesville, Florida

**EXHIBIT C**

**FORM OF REQUEST FOR EXTENSION OF STATED TERMINATION DATE**

[Date]

Citibank, N.A.  
388 Greenwich Street, Eighth Floor  
New York, NY 10013

Attention: \_\_\_\_\_

Re: Request for Extension of Stated Termination Date

Ladies/Gentlemen:

Reference is hereby made to that certain Standby Bond Purchase Agreement, dated as of [ ], 2017 (as amended and supplemented from time to time, the "Agreement"), between the City of Gainesville, Florida (the "City") and Citibank, N.A. (the "Bank"). All capitalized terms contained herein which are not specifically defined shall be deemed to have the definitions set forth in the Agreement. The City hereby requests, pursuant to Section 2.4 of the Agreement, that the Stated Termination Date be extended to [indicate new date]. Pursuant to Section 2.4 of the Agreement, we have enclosed along with this request the following information:

1. The outstanding principal amount of the Bonds;
2. The nature of any and all Events of Default and all conditions, events and acts which with notice or lapse of time or both would (unless waived by the Bank or cured to the reasonable satisfaction of the Bank) become an Event of Default; and
3. Any other pertinent information previously requested by the Bank.

The Bank is required to notify the City and the Tender Agent of its decision with respect to this request for extension within sixty (60) days of the date of receipt hereof. If the Bank fails to notify the City and the Tender Agent of its decision within such 30 day period, the Bank shall be deemed to have rejected such request.

Very truly yours,

CITY OF GAINESVILLE, FLORIDA

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

cc: U.S. Bank National  
Association, as Tender Agent

**EXHIBIT D**

**FORM OF NOTICE REGARDING EXTENSION**

[Date]

U.S. Bank National Association  
100 Wall Street, 16th Floor  
New York, New York 10005  
Attention: Global Corporate Trust Services

City of Gainesville, Florida  
301 S.E. Fourth Avenue  
Gainesville, Florida 32601  
Attention: General Manager for Utilities

Re: Extension of Stated Termination Date

Ladies and Gentlemen:

The undersigned, a duly authorized officer of Citibank, N.A. the “*Bank*”), hereby advises you, with reference to that certain Standby Bond Purchase Agreement, dated as of [ ], 2017 (as amended and supplemented from time to time, the “*Agreement*”), between the City of Gainesville, Florida (the “*City*”) and the Bank (any capitalized term used herein and not defined shall have its respective meaning as set forth in the Agreement), that: [**\*Complete as Appropriate**]:

1. At the request and for the account of the City, we hereby extend the Stated Termination Date to [indicate new date].
2. Except as specifically provided in paragraph (1) above and herein below, all of the terms and conditions of the Agreement remain unchanged and in full force and effect.
3. This Notice Regarding Extension is an integral part of the Agreement.
4. Additional terms regarding this extension are as follows: [**add text, as appropriate**].

or

5. The Stated Termination Date will not be extended at this time.

IN WITNESS WHEREOF, the undersigned, on behalf of the Bank, has executed and delivered this Notice Regarding Extension as of the [\_\_\_\_\_] day of [\_\_\_\_\_].

CITIBANK, N.A.

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

cc: J.P. Morgan Securities LLC

**EXHIBIT E**

**[FORM OF OPINION OF THE OFFICE OF THE CITY ATTORNEY OF THE CITY]**

[Effective Date]

Holland & Knight LLP  
2115 Harden Blvd  
Lakeland, FL 33803

Citibank, N.A.  
388 Greenwich Street, Eighth Floor  
New York, NY 10013

Ladies and Gentlemen:

We have acted as issuer's counsel to the City of Gainesville, Florida, a municipal corporation duly created, organized and existing under the laws of the State of Florida (the "City"), in connection with the execution and delivery of the Standby Bond Purchase Agreement (the "Agreement"), dated as of [ ], 2017, between the City and Citibank, N.A. (the "Bank"). This opinion is being rendered to you at the request of the City pursuant to Section 3.1(d) of the Agreement.

As such counsel we have examined, among other things, (a) the Constitution and laws of the State of Florida, including Chapter 90-394, Laws of Florida, 1990, as amended and supplemented to the date hereof, Chapter 166, Part II, Florida Statutes, as amended and supplemented to the date hereof, and other applicable provisions of law, (b) the proceedings of the City authorizing the execution and delivery of the Agreement, (c) the Utilities System Revenue Bond Resolution of the City, adopted June 6, 1983, as amended, restated and supplemented to the date hereof, including as supplemented by the Twenty-Fifth Supplemental Utilities System Revenue Bond Resolution of the City adopted on June 21, 2012, as amended by the Amendment to the Twenty-Fifth Supplemental Bond Resolution adopted on September 10, 2012, (d) the Agreement, (e) the Fee Letter, dated of even date herewith, between the City and the Bank (the "Fee Letter"), (f) the Remarketing Agreement, dated as of August 1, 2012, as amended, between the City and J.P. Morgan Securities LLC and (g) the Tender Agency Agreement Relating to Variable Rate Utilities System Revenue Bonds, 2012 Series B, dated as of August 1, 2012, between the City and U.S. Bank Trust National Association, and have made such other investigations of law and fact as we have deemed necessary to render the following opinion. We have assumed that all signatures (other than those of officials of the City) and all documents we reviewed are genuine, and that all copies submitted to us are genuine and accurate copies of the originals of such documents.

Capitalized terms not otherwise defined herein shall have the same meanings given to such terms in the Agreement.

Based upon the foregoing, it is our opinion that:

(1) The City (a) is a municipal corporation duly organized and validly existing under the laws of the State of Florida, (b) has all requisite power and authority and the legal right to own and operate the System, and (c) to my knowledge (without independent investigation), is in compliance with all material Requirements of Law, except to the extent that the failure to comply therewith would not, in the aggregate, have a material adverse effect on the business, operations, properties or financial or other condition of the System, and would not materially adversely affect the ability of the City to perform its obligations under the Resolutions, the Agreement, the Bonds or the other Financing Documents.

(2) The City has all requisite power and authority and the legal right to adopt the Resolutions and to make, deliver and perform the Agreement, the Fee Letter, the Bonds and the other Financing Documents, and has taken all necessary action to authorize the execution, delivery and performance of the Agreement, the Fee Letter, the Bonds and the other Financing Documents. No consent or authorization of, filing with, or other act by or in respect of any Governmental Authority is required in connection with the execution, delivery, performance, validity or enforceability of the Agreement, the Fee Letter, the Bonds or the other Financing Documents. The Agreement, the Fee Letter, the Bonds and the other Financing Documents (other than the Resolutions) have been duly authorized, executed and delivered on behalf of the City. The Resolutions have been duly adopted by the City and are in full force and effect. The Agreement, the Fee Letter, the Bonds and the other Financing Documents constitute legal, valid and binding obligations of the City enforceable against the City in accordance with their respective terms.

(3) The execution, delivery and performance of the Agreement, the Fee Letter, the Bonds and the other Financing Documents will not violate any constitutional provision or applicable material law of the State of Florida or, to our knowledge, any judgment or decree of any arbitrator, court or other Governmental Authority, or, to our knowledge, any other material Requirements of Law or, to our knowledge, any material Contractual Obligation of the City.

(4) Except as described in the Final Reoffering Memorandum, no litigation or proceeding or, to our knowledge, investigation of or before any arbitrator or Governmental Authority is pending or, to our knowledge, threatened by or against the City or against any of its properties or revenues (i) with respect to the Agreement, the Fee Letter, the Bonds or any other Financing Document or any of the transactions contemplated thereby, or (ii) which would have a material adverse effect on the business, operations, properties or financial or other condition of the System or the ability of the City to perform its obligations under the Agreement, the Fee Letter, the Bonds or any other Financing Document or in respect of any other Indebtedness incurred to finance or otherwise in respect of the System or secured by Revenues or other assets of the System; provided, that no opinion is rendered with respect to any litigation or proceeding which has been commenced but of which the City has not been notified and of which we have no knowledge.

The foregoing opinions are subject to the effect of, and restrictions and limitations imposed by or resulting from, bankruptcy, insolvency, debt adjustment, moratorium, reorganization, receivership or other similar laws affecting creditors' rights and judicial discretion and the valid exercise of the sovereign police powers of the State of Florida and of the constitutional power of the United States of America.

By use of the word "enforceable" in this opinion, we are not rendering any opinion as to the availability of the remedy of specific performance or other equitable relief.

All opinions expressed are limited solely to Florida law. No opinion is expressed as to the laws of any other state, nor is any opinion expressed as to the exclusion of interest on the Bonds from gross income for Federal income tax purposes or the exemption of interest on the Bonds from state taxes. In addition, opinion is expressed herein as to compliance with federal or state securities registration laws.

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

This letter is furnished solely to you in connection with the transaction described herein, and may not be quoted, furnished to or relied upon by any other person or entity in any manner or for any purpose.

Yours truly,

OFFICE OF THE CITY ATTORNEY

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

**EXHIBIT F**

**[FORM OF OPINION OF HOLLAND & KNIGHT LLP,  
BOND COUNSEL TO THE CITY]**

[Effective Date]

City of Gainesville, Florida  
301 S.E. Fourth Avenue  
Gainesville, Florida 32601  
Attention: General Manager for Utilities

Re: Variable Rate Utilities System Revenue Bonds, 2012 Series B (the “Bonds”)

Ladies and Gentlemen:

We are acting as Bond Counsel to the City of Gainesville, Florida (the “City”) in connection with the execution of a Standby Bond Purchase Agreement (the “Substitute SBPA”), dated as of [ ], 2017, between the City and Citibank, N.A. (the “Replacement Liquidity Provider”) as a replacement for an existing Standby Letter of Credit dated January 15, 2015 from Sumitomo Mitsui Banking Corporation, acting through its New York Branch, to provide liquidity support for the above-referenced Bonds (the “Substitution”).

On August 2, 2012, Orrick, Herrington & Sutcliffe LLP, New York, New York, as Bond Counsel for the original issuance of the Bonds, delivered their opinion that, assuming compliance with certain covenants, under existing law, interest on the Bonds was excluded from gross income for purposes of federal income taxation and would not be treated as an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations.

This opinion is delivered in accordance with the requirements of Section 4.02(2) of the “Twenty-Fifth Supplemental Utilities System Revenue Bond Resolution”, adopted by the City on June 21, 2012, as amended by the Amendment to the Twenty-Fifth Supplemental Bond Resolution adopted on September 10, 2012 (collectively, the “Series Resolution”) supplementing the “Amended and Restated Utilities System Revenue Bond Resolution”, adopted by the City on January 30, 2003, as amended, restated and supplemented through the date hereof (the “General Bond Resolution” and together with the Series Resolution, the “Resolution”). All terms used herein in capitalized form and not otherwise defined herein shall have the same meaning as ascribed to them in the Resolution.

In rendering the opinion set forth below, we have examined and relied upon copies of the Substitute SBPA and the Resolution. We have also examined and relied upon (i) such other agreements, certificates, documents and opinions of various parties relating to the Bonds as we have deemed relevant and necessary in connection with the opinions expressed below, and (ii) such other agreements, certificates, documents and opinions, including certificates and representations of public officials and other officers and representatives of the various parties participating in the substitution as we have deemed relevant and necessary in connection with the opinions expressed below. We have not undertaken an independent audit, examination, investigation or inspection of the matters described or contained in any of the documents



referenced above, and have relied solely on the facts, estimates and circumstances described and set forth therein.

In our examination of the foregoing, we have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals, the conformity to originals of documents submitted as copies, the requisite individual or corporate power and authority of the respective parties thereto under the laws of their respective jurisdictions of organization, the due authorization, execution and delivery of the Substitute SBPA by the respective duly authorized parties thereto and the enforceability of the Substitute SBPA against each party thereto or person to be bound thereby.

With respect to any factual matters upon which the legal conclusions herein are based, we have not undertaken an independent audit, examination, investigation or inspection of the matters described or contained in the certificates, documents and representations upon which we have relied and we have relied solely upon the facts, estimates and circumstances described therein.

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

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

1. The Substitution is permitted under the Resolution.
2. The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended. No opinion is expressed with respect to the Substitute SBPA.
3. The Substitution, will not, in and of itself, adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation.
4. The Substitution and replacement, effective after \_\_\_\_\_, 2017, of the definition of "Bank Rate" contained in subsection 2 of Section 1.02 of the Series Resolution with the definition of "Bank Rate" contained in subsection (b) of Section 1.01 of the Substitute SBPA will not, in and of itself adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation.

The only opinions rendered hereby are those expressly stated as such herein, and no other opinion shall be implied or inferred as a result of anything contained herein or omitted to be stated herein. No opinion is hereby expressed as to the validity or enforceability of the Substitute SBPA or any other documents. In addition, we have not conducted any investigation or analysis of the tax-exempt status of the Bonds as of the date of issuance thereof or for any period thereafter, and render no opinion with respect thereto. Accordingly, the foregoing opinion relates only to the Substitution and is not and should not be construed as an opinion as to the past, current or continuing exclusion from gross income for federal income tax purposes of interest payable on the Bonds.

The opinion set forth herein is predicated upon present law and interpretations thereof. We assume no affirmative obligations with respect to any change of circumstances, laws or

interpretations thereof after the date hereof that may adversely affect the opinions expressed herein.

The scope of our engagement in relation to the Substitution has been limited solely to the examination of facts and law incident to rendering the opinion expressed herein. We have not been engaged to confirm or verify and therefore express no opinion as to the accuracy, completeness, fairness or sufficiency of any offering material relating to the Bonds or the Substitution.

This opinion is rendered only for the benefit of the parties addressed above and may not be relied upon by any other party without our prior written consent.

Sincerely yours,

HOLLAND & KNIGHT LLP