

INTERLOCAL AGREEMENT

Borrower: Gainesville Community Redevelopment Agency, a public body corporate and politic
Lender: City of Gainesville, Florida, a municipal corporation of the State of Florida
Principal Amount: \$300,000
Date: May 23, 2005

For value received, the Gainesville Community Redevelopment Agency, by and through its undersigned agent, Barbara Lipscomb, Interim Executive Director, promises to pay to the City of Gainesville the principal sum of Three Hundred Thousand dollars and no cents, with interest thereon as described in the attached amortization schedule (Exhibit 1).

PAYMENTS

Borrower agrees to execute the promissory note in the form attached hereto as Exhibit 2. The initial principal payment is due July 1, 2006. Subsequent principal payments will be due each July 1 through July 1, 2025.

The initial interest payment will be due July 1, 2005. Subsequent interest payments will be due semi-annually each January and July 1 through July 1, 2025.

REVENUE PLEDGE

The source of the repayment of this loan is all Eastside District Redevelopment Trust Fund revenues.

UNDERLYING BORROWING

Borrower understands that the proceeds derived from this borrowing have in turn been borrowed by the Lender as a participant in a First Florida Governmental Financing Commission (FFGFC) bond issue. Borrower understands the tax-exempt nature of the FFGFC's bond issue and the federal and contractual requirements imposed on tax-exempt funds. Borrower represents that no use will be made of the proceeds received hereunder that would endanger the tax-exempt nature of the FFGFC bond issue or the Lender's participation in said bond issue. Borrower further represents that Borrower reasonably expects and will make diligent effort to expend all borrowed funds within three years of receipt. If Borrower is unable to expend all funds within this time period, Borrower will reimburse Lender for Borrower's share of any and all arbitrage rebate to the federal government that may become due in the course of investment activity involving the proceeds of the FFGFC bond issue or the Lender's share thereof. The Lender shall determine the amount of the arbitrage rebate and notify Borrower at least 30 days prior to the due date.

GENERAL TERMS

The note is not payable on demand. The borrower may repay the note in full at any time without penalty, by paying all accrued interest to date and the outstanding principal balance. Borrower may also make additional payments at any time without penalty. Such additional payment shall first be applied to any outstanding interest and then to reduce principal. Future payments shall be adjusted appropriately to address any such additional payment(s). The City shall have a lien on all funds deposited in Borrower's Eastside District Redevelopment Trust Fund until all payments required to be paid hereunder have been paid in full.

for the Gainesville Community Redevelopment Agency

Barbara Lipscomb, Interim Executive Director Date

for the City of Gainesville

Pegeen Hanrahan, Mayor Date

First Florida Governmental Financing Commission Series 2005: Eastside Tax Increment District

	Interest	Principal	Total	General	SMUF	Eastside TIF	FY05	General	SMUF	Eastside TIF	Total
7/1/2005	63,688.95		63,688.95	48,621.50	11,560.35	3,477.10	FY05	48,621.50	11,560.35	3,477.10	63,688.95
1/1/2006	103,279.38		103,279.38	78,845.88	18,795.18	5,638.55	FY06	314,192.72	74,896.95	22,469.09	411,558.76
1/1/2007	100,716.88		100,716.88	76,869.41	18,328.82	5,498.65	FY07	314,097.29	74,874.21	22,462.26	411,433.76
1/1/2008	98,091.88		98,091.88	74,865.43	17,851.12	5,355.33	FY08	313,908.44	74,828.71	22,448.61	411,183.76
1/1/2009	95,135.63		95,135.63	72,828.57	17,204.86	5,103.28	FY09	313,209.82	74,862.65	22,386.79	410,271.26
1/1/2010	91,835.63		91,835.63	70,109.28	16,712.56	5,013.77	FY10	311,988.34	74,371.48	22,311.44	408,671.26
1/1/2011	88,480.63		88,480.63	67,532.73	16,098.39	4,828.52	FY11	310,852.95	74,053.00	22,215.90	406,921.26
1/1/2012	84,866.88		84,866.88	64,789.18	15,444.38	4,633.31	FY12	312,799.48	74,564.83	22,369.45	409,733.76
1/1/2013	80,966.88		80,966.88	61,811.84	14,734.65	4,420.39	FY13	314,479.00	74,965.20	22,469.56	411,933.76
1/1/2014	75,966.88		75,966.88	57,984.73	13,824.73	4,147.42	FY14	314,479.00	74,965.20	22,469.56	411,933.76
1/1/2015	70,766.88		70,766.88	54,024.94	12,878.41	3,963.52	FY15	314,173.63	74,892.40	22,467.72	411,533.76
1/1/2016	65,873.13		65,873.13	50,288.95	11,987.83	3,596.35	FY16	314,335.86	74,931.08	22,479.32	411,748.26
1/1/2017	60,973.13		60,973.13	46,548.19	11,098.11	3,328.83	FY17	310,671.44	74,057.55	22,217.27	406,948.26
1/1/2018	55,629.38		55,629.38	42,468.65	10,123.64	3,037.09	FY18	313,963.69	74,842.36	22,452.71	411,258.76
1/1/2019	49,629.38		49,629.38	37,988.13	9,031.73	2,709.52	FY19	312,436.85	74,478.39	22,343.52	409,258.76
1/1/2020	43,429.38		43,429.38	33,154.81	7,903.44	2,371.03	FY20	310,604.64	74,041.63	22,212.49	406,858.76
1/1/2021	37,029.38		37,029.38	28,269.02	6,738.74	2,021.62	FY21	312,284.17	74,441.98	22,332.60	409,058.76
1/1/2022	30,329.38		30,329.38	23,154.09	5,519.45	1,666.84	FY22	313,505.64	74,733.17	22,419.95	410,658.76
1/1/2023	23,329.38		23,329.38	17,810.15	4,245.57	1,273.67	FY23	314,269.06	74,915.15	22,474.55	411,658.76
1/1/2024	16,029.38		16,029.38	12,237.17	2,917.08	875.13	FY24	310,757.32	74,078.03	22,223.41	407,058.76
1/1/2025	8,295.00		8,295.00	6,332.58	1,509.55	462.87	FY25	314,216.57	74,902.64	22,470.79	411,590.00
	2,624,957.89	5,840,000.00	8,264,957.89	6,308,644.83	1,504,086.87	451,226.09		6,308,644.83	1,504,086.87	451,226.09	8,264,957.89

Facility Improvements	1,245,000
GPD headquarters	2,700,000
Downtown plaza	250,000
Stormwater	1,000,000
Eastside TIF	300,000
Total	5,495,000

General Fund	0.763421292
SMUF	0.181983621
Eastside Tax Increment Fund	0.054595086
Total	1.0000

EXHIBIT 2

PROMISSORY NOTE

At Gainesville, Florida

(date)

On _____, 2005, for value received, the undersigned officer of the Gainesville Community Redevelopment Agency, promises to pay in lawful money of the United States, to the order of the City of Gainesville, Florida, the principal sum of \$300,000, to be repaid in accordance with the schedule established for the Underlying Borrowing referenced in the Interlocal Agreement between the Gainesville Community Redevelopment Agency and The City of Gainesville, Florida dated _____.

If default is made in payment when due of any part or installment of interest, then the whole sum of principal and interest shall become immediately due and payable at the option of the holder of this note, without notice.

In the event of commencement of suit to enforce payment of this note, the Gainesville Community Redevelopment Agency agrees to pay such additional sum as attorneys' fees as the court may adjudge reasonable.

For the GAINESVILLE COMMUNITY REDEVELOPMENT AGENCY

Barbara Lipscomb, Interim Executive Director